

THE HOLBURNE MUSEUM

England & Wales · Charity number 310288

Details

Other names	THE HOLBURNE MUSEUM OF ART
Status	Registered
Legal form	Other
Registered	1966-12-22
Register	View on the Charity Commission register

Contact

Address The Holburne Museum
Great Pulteney Street
Bath
BA2 4DB

Phone 01225388569

Email enquiries@holburne.org

Website www.holburne.org

Activities

Objects: A) THE PROVISION AND MAINTENANCE OF A MUSEUM IN THE CITY OF BATH FOR THE EXHIBITION TO THE PUBLIC OF A COLLECTION, (THE "ART COLLECTION") OF SPECIMENS OF THE FINE AND APPLIED ARTS AND CRAFTS. B) THE EXTENSION, ENHANCEMENT, CONSERVATION, STORAGE AND MAINTENANCE OF THE ART COLLECTION; AND C) THE PROMOTION OF EDUCATION IN ART AND ALLIED SUBJECTS AND OF THE APPRECIATION OF ART.

Activities: Provision and operation of museum of fine and decorative arts with at its heart the collection of Sir William Holburne. The Holburne Museum stages international exhibitions and other projects involving fine and decorative arts of all periods and is admired for its dynamic displays, vibrant learning and community engagement programme and innovative interpretation.

Classification

- **How:** Provides Buildings/facilities/open Space, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Bath And North East Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,569,152	£2,250,861	£13,929,432	23
2023-12-31	£2,242,185	£2,447,016	£13,242,283	20
2022-12-31	£1,886,454	£1,832,531	£13,159,863	20
2021-12-31	£1,671,909	£1,759,595	£12,527,190	15
2020-12-31	£1,998,665	£1,486,458	£12,075,344	15

Trustees

Name	Role	Appointed
THE HOLBURNE MUSEUM TRUST COMPANY		

THE HOLBURNE MUSEUM

England & Wales - Charity number 310288

Accounts

Charity number: 310288

THE HOLBURNE MUSEUM

TRUSTEE REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

THE HOLBURNE MUSEUM

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THE HOLBURNE MUSEUM

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2024

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by a Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is The Holburne Museum Trust Company ("The Company"), a company limited by guarantee.

The directors of The Company are detailed below:

Directors	Edward Bayntun-Coward, Chair ^{1,2,4} Francesca Beauman, Vice Chair ^{2,4} Martin Clarke (resigned 22 July 2024) ¹ Sandra Forbes ^{1,4} Jeremy Garfield-Davies ² Angela Gillibrand ¹ Sukie Hemming ² Caroline Howell ³ Sharanjit Leyl Charlotte Murphy (resigned 25 March 2024) Lynda Nead Andrew Salmon Christopher Stephens ^{1,2,3,4} Rohan Surana ¹ Mark Astaire (appointed 1 July 2024) Lesley Exley (appointed 26 April 2024) Stephen Hyde (appointed 1 January 2024) Lydia Lee (appointed 23 July 2024) Mervyn Metcalf (appointed 1 July 2024)
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¹ Finance, Audit & Investment Committee

² Fundraising Committee

³ Learning & Engagement Advisory Committee

⁴ Nominations Committee

Charity registered number	310288
Principal office	Great Pulteney Street Bathwick Bath BA2 4DB
Independent auditors	Bishop Fleming LLP Chartered Accountants 10 Temple Back Bristol BS1 6FL
Bankers	CAF Bank PO Box 289 West Malling Kent ME19 4TA

THE HOLBURNE MUSEUM

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Solicitors

Stone King
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

THE HOLBURNE MUSEUM

TRUSTEE REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

STRUCTURE AND GOVERNANCE

The Trustee submits its annual report and accounts for the year ended 31 December 2024. The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and UK Generally Accepted Practice as it applies from 1 January 2019.

Reference and administration information

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is The Holburne Museum Trust Company ("the Company"), a company limited by guarantee.

The directors are detailed on page 1 together with the names of directors of the Company who acted during the course of the year but are no longer directors at the date of this report. Relevant registration information is shown below:

The Holburne Museum Trust Company	Company Registration Number: 4104120
The Holburne Museum	Charity Registration Number: 310288
Holburne Trading Company Ltd	Company Registration Number: 6954139
Museums and Galleries Commission	Registered Museum Number: 930

The address of The Museum, and its registered office, is Great Pulteney Street, Bath BA2 4DB. The names and addresses of The Museum's professional advisers and bankers are shown on page 1.

Structure, governance and management

- **Organisational structure**

The Museum is an independent registered charitable trust of which the Company is the sole trustee. The Museum has one subsidiary, the Holburne Trading Company, which operates the commercial activities of the Museum, being the café, shop, car park, commercial events.

- **Governance**

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

New Directors are required to sign a "Declaration of Eligibility to Act" and a "Declaration of Interests" in order to comply with the Board's Conflicts of Interest policy.

- **Management**

The Directors, who meet formally at least four times each year, are responsible for setting strategies and policies for the Museum and for ensuring that these are implemented. They are also responsible for:

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

The primary functions of the Directors are to:

- Oversee the key decisions affecting the operation of the Museum.
- Assist the Museum Director in formulating policy and with significant operational decisions.
- Review management accounts and key financial performance indicators against budget.
- Oversee the identification and management of risks.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Full list of committees of the Board during 2024

- | | |
|--|---|
| • Finance, Audit & Investment Committee | Chair - Angela Gillibrand |
| • Fundraising Committee | Chair – Sukie Hemming |
| • Nominations Committee | Chair - Sandra Forbes |
| • Learning & Engagement Advisory Committee | Chair – Caro Howell – Resigned 16/01/2024.
Professor Lynda Nead Appointed 16/01/2024 |

The Directors maintain a Risk Register which identifies the major risks to which the Museum, Directors, staff and volunteers are exposed. This Register is maintained by the Treasurer and reviewed by the Directors, most recently by the Finance, Audit and Investment Committee in September 2024, thus bringing risks to the attention of the Directors and enabling them to establish strategies for dealing with them. The key risks identified are:

- | | |
|-----------------------------|--|
| • Operational – commercial | Visitor numbers fail to reach targets, commercial income targets not met |
| • Operational – fundraising | Failure to meet fundraising targets |
| • Operational – premises | Unexpected capital costs arising from failure of parts of the building or items of plant and equipment |
| • Operational – premises | Increased prices of services make the building unaffordable |
| • Financial | Lack of financial resources to continue as a going concern |

In 2024, the Management Team included the Director, Chief Operating Officer, Head of Finance, Head of Learning & Engagement, Curator, Exhibitions Manager, Head of Visitor Services, Head of Marketing & Communications, and the Museum Administrator. The aims of the monthly Management Team meetings are:

- To monitor day-to-day performance (financial and operational) of the Museum in order to report to the Directors.
- To provide a forum for management support in particular by identifying staff professional development opportunities and addressing HR issues.
- To provide a platform for joined up thinking across departments in implementing the Museum's strategy.
- To generate new ideas for the furtherance of the Museum's mission and its sustainability.

OBJECTIVES AND ACTIVITIES

The Holburne Museum was founded in 1882 as Bath's first art museum with, at its heart, the collection of Sir William Holburne (1793-1874). In 1916 the collection moved to its present location at the end of Great Pulteney Street and in May 2011 an award-winning extension by architect Eric Parry provided space for additional galleries and a garden café.

The Holburne is a treasure house of Old Master paintings, portrait miniatures, porcelain, Renaissance bronzes and ceramics, silver, and embroidery. It is particularly renowned for its eighteenth-century British portraits, most notably by Ramsay, Stubbs, Zoffany, Gainsborough and Lawrence. The collection continues to develop, and a Collections Policy was agreed in 2018. The Holburne stages international exhibitions and other projects involving fine and decorative arts of all periods and is admired for its dynamic displays, vibrant learning and community engagement programme and innovative interpretation.

Statement of Purpose

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

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

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

Vision

Our vision is to make the Holburne an open, welcoming, inspiring and empowering space for everyone.

- At the heart of this vision is the powerful relationship of art, creativity and social and personal wellbeing.
- Our vision is encapsulated by our slogan ***Changing Lives Through Art***.
- We seek to deliver our Mission with ***Ambition*** and ***Innovation***, ensuring that we always do so in ways that are ***Inclusive***, of the highest ***Quality, Relevant*** and ***Sustainable***.

Achievement and performance

Exhibitions

That 2024 saw the Holburne's highest ever number of ticketed visits is, undoubtedly, down to the strength of the Exhibition Programme. We were concerned that running the Gwen John exhibition for 6 months, as opposed to the usual 3.5, could result in a tailing off of visitors but this proved not to be the case. It sustained a strong audience until it closed in April. Similarly, the autumn show of Paula Rego and Francisco Goya saw a consistent, strong attendance. It was, however, the summer season that led the year to out-perform all others. As a single ticket gives access to all galleries, exhibitions and collection, we cannot be certain how many visits were driven by one show or another. We would expect Henry Moore in Miniature, the exhibition in the Roper Gallery from May to October, to draw a significant audience but it was Mr Doodle: Museum Mayhem that clearly drew a larger and demographically more varied audience. The latter was centred on a display of sketchbooks by the artist Sam Cox (aka Mr Doodle) around which he had drawn on the walls, floors and ceiling of the gallery, the landing outside, the stairs, lift, entrance hall and the windows of the café. In addition, partnerships with Bath & North East Somerset Council's Regeneration team and Southgate Shopping Centre enabled us to spread the work throughout the city centre.

Typically, we run eight exhibitions a year, all small, one-room displays. Though 2024 was an exception, with the continuation of Gwen John from the previous year, our usual seasons run January to May, May to September, September to January. In the spring and autumn we have three shows, in the Roper Gallery, Wirth Gallery and the Davidson Ballroom; in the summer we leave the Ballroom free for events. Though a heavy drain on resources, we remain committed to this busy programme as it allows us to show a range of types and periods of art and artists and to balance the popular shows we are obliged to run to ensure strong visitor income with more unexpected and innovative programming. So, alongside the second part of Gwen John we showed the ceramic artist Gillian Lowndes in the Wirth Gallery and, in the Ballroom, Picture Gallery and on the facade, we showed a textile piece by Lubaina Himid. In the autumn, Rego/Goya spread from the Roper Gallery to the Wirth and on to the Picture Gallery. In the Ballroom and on the facade we showed neon works by Chila Singh Burman. While Rego/Goya was undoubtedly the main draw that season, the display of Burman's The Glowing Canopies on the front of the building enabled us to extend the artist's work to the much wider audience of passing pedestrians and drivers and occasioned a festival of light, to coincide with Diwali that drew a significant and evidently different crowd of people to the Holburne.

Learning & Engagement

Our Learning & Engagement activities continued to be focused on offering high quality, inspiring opportunities for creativity. Our offer for children and families was extensive, with Family Drop-Ins and Art Camps during school holidays, while our Space to Make is a permanent presence on the ground-floor with free to access 'hands-on' making for all. ACE funding enabled us to considerably increase activity around Mr Doodle, including the offer of free admission 'golden tickets' for all the children and their parents at our six partner schools.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Through the year, we hosted 52 school visits, and handed out 6,700 Mr Doodle gallery trails, broadening the demographic of those who engage (particularly boys and young men) through our Mr Doodle activities. We have significantly developed our offer for young people (16 – 25). We led on Make It New, a project to broaden volunteering and cultural engagement for young people as part of Reaching In, Reaching Out, an ACE and NLHF-funded initiative and we have presented on our learning to national audiences. In the autumn we launched Creative Minds, working with young men and supported by the Baring Foundation. In conjunction with our local Child & Adolescent Mental Health Service and the Royal United Hospital we developed a creative activities book for children and young people in hospital.

Our well-established Creative Health programme Pathways to Wellbeing, continued to thrive, working with additional people with lived experience of mental health issues and more artists to deliver the programme. It has been supported by local, private philanthropic trusts and the work has been extended into care homes and to support new mums struggling with peri-natal depression.

As part of our commitment to making the Holburne inclusive and welcoming, we engaged in autism training and introduced sensory bags and Calm Sensory Sessions.

Alongside our long-standing partnerships with both University of Bath and Bath Spa University, we partner and collaborate with various organisations and networks in the region, notably Bath and Colonialism Action Group (BACA), Remind (Dementia support), Headway and BEMSCA (Bath Ethnic Minority Senior Citizens Group).

Events

Though we have made a strategic decision to prioritise creative workshops and other activities over concerts and lectures, we hosted numerous such events, working in partnership in some instances or enabling others to deliver events on our site. Highlights for the year included: Dr Rowan Williams on Gwen John; Lubaina Himid in conversation; the opening night of Mr Doodle! Museum Mayhem which included an animated 'doodle' projected on to the façade of the building; a screening of Paula Rego: Secrets and Stories with an introduction from the film's maker, the artist's son Nick Willing; reflections on Rego and Goya by Marina Warner; a busy summer that included Bath Fashion Festival, Bath's first PRIDE events and the return of the Garden Theatre Festival.

We continued to produce UpLates on the last Friday of each month, working with both the University of Bath and Bath Spa University and, for the first time, in 2024 with our cohort of Volunteers to produce themed, free-to-access evenings of music, talks and other activities. The Festival of Light at the October UpLate was especially notable for the numbers who attended and the diversity of the audience.

Collection

The highlight of the year was the beginning of the move of the entire collection to new storage. This process necessarily included the documentation of every single object in the collection and the opportunity to make record photographs of each piece. As a consequence, a large number of historic anomalies in the collection records were resolved. This reconciliation also allowed us to address recommendations raised during our last Accreditation assessment. We submitted our most recent Accreditation Return on 1st March.

The expansion of the Collections Development Policy to broaden our remit began to have a visible impact, with the acquisition of numerous prints thanks to the 2023 Fund, two generous individuals who are donating both modern and contemporary prints for the collection and funds for us to purchase more such work; the first such purchase was of two new prints by Clare Woods. We were delighted to be offered the donation of a work by Edmund de Waal from the artist and were in discussion with the Contemporary Art Society about the acquisition of works of fine art and craft. Following our important collaboration with the National Gallery, ArtFund supported the purchase of nine hand-worked prints by Nalini Malani which derived from the video installation that she developed for the Holburne and National Gallery.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Through the Art in Lieu scheme, we were allocated a portrait of James Medlycott by Godfrey Kneller, extending our growing collection of 17th century British material.

We successfully negotiated the gift of an extensive collection of 18th century British fine and decorative art, including two important paintings by George Romney, a small religious painting by Angelica Kaufmann, a number of landscapes including the work of Thomas Wootton and George Smith of Chichester, and a significant number of pieces of porcelain and silver to expand and complement the existing collection.

Volunteers

Like many regional museums and galleries, the Holburne depends on a large number of volunteers. Beyond that, we see our Volunteer Programme as an important part of the delivery of our Vision, supporting through the programme a range of individuals seeking to develop professional skills and experience, those unable to work through physical disability or neurodivergence and the socially isolated. The Collections Move has massively expanded the number of people working voluntarily with the collection.

In 2024 our Volunteers were involved in so many more projects than ever before. Our Reframed Volunteers produced two very successful Up Lates. In January their Up Late set a new record for being the highest attended event since the re-opening in 2011 with more than 600 people attending. They went on to beat that figure with their hugely successful August Up Late with 730 visitors enjoying the evening.

In March, once again some of our Volunteers acted as Mentors on our Discover Museums project over 6 weeks. Discover Museums – Pathways to Volunteering is a 6-week course to support people who want to develop the confidence, knowledge and skills to become a museum volunteer or simply to get to know museums better. This course is for anyone who has experienced mild/moderate mental health issues or social isolation. It is important that participants can commit to a weekly two-hour meeting with their mentor for the duration of the course.

In April 60 volunteers started on the huge stores and move's project to allow for our capital works to start taking place to build our new galleries on the lower ground floor.

Our Volunteers:

- Photographed over 1600 objects and sorted the photos into folders for upload to our collections management system, CI+
- 1002 object records updated and photos added to CI+
- 3911 books and journals checked and packed into 306 boxes.
- 306 boxes of books transported to a Bristol storage unit (Longwell Green).
- 1338 books from Holburne's personal library condition checked, packed and moved to our Westbury store.
- 220 paintings moved, 162 off to Westbury, and 58 to our new on site store.
- Just over 8000 objects packed and moved.

This project has created quite the legacy for Volunteering at the Holburne and we are seeking to involve this group in future curatorial projects to help support research and administration of the collection

In the summer our Young Volunteers in the Holburne Future Collective produced a 2-day 12 event "Holburne Pride". This was the first time that the Holburne had produced a pride event, and it was so popular it has captured the imagination of cultural institutions and attractions all over the city. In 2025 we will join with our cultural partners to produce a city-wide, month-long celebration called Queer Bath which is a huge step forward for the city. The partners on the project include Bath Arts Collective, The National Trust, Bath Preservation Trust, The Roman Baths, Film Bath, The American Museum and BRLSI. Three founding members of Holburne Future Collective employed at the Holburne. Emma Matthews, Marketing Intern, Nicholas Davidge, Project assistant on stores and moves and Eleanor Acornley, Freelance Duty Manager.

Collectively our volunteers gave 31,500 hours of their time.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Marketing & Communications

The past year has seen a significant increase in the Museum's profile and reach, thanks to the strength of the exhibition programme and developments in our digital marketing strategy. Our exhibitions secured highly rated reviews in national press (5* Daily Telegraph for Henry Moore / 4* Paula Rego in The Times) while a photocall with Mr Doodle resulted in coverage in the Daily Mail, Daily Express, Daily Star and Metro, helping to reach much broader audience segments. The marketing campaign for Mr Doodle spread beyond the museum and into the city in the form of doodled banners, street furniture and a phonebox, which created significant buzz across social media. We saw a 10% increase in visitors to our website, grew our social media following by 5,000 and saw a 120% increase in reactions to our posts. The most popular Instagram post of the year was a painting of a cat by Gwen John, which gained 3000 likes.

Café, Retail & Commercial activity

Following the new contract with a new supplier, Grayson's, in 2023 and their refurbishment of the café space, they continued to find their feet during 2024. A good working relationship was established but I was only towards the end of the year that they were able to pay the full agreed rent. This is based on a percentage of turnover and set as a minimum £75,000 pa, payable in monthly installments.

At the same time, the Shop over-performed against budget with a strong range of exhibition-related and Holburne-specific merchandise.

The income from the car park increased as a result of a new parking app as opposed to the cash machine on which we had been reliant.

Income from venue hire was disappointing, largely because there was no return of Netflix for the filming of Bridgerton which has not used the Holburne since the Hollywood writers' strike caused the cancellation of a shoot in 2023.

FINANCIAL REVIEW

Review of the year

Total income for the year amounted to £2,569,152 (2023: £2,242,185), an increase of £326,967 (15%) over the previous year. Admissions were £556,632, up 31% from 2023. Overall Trading income decreased by £14.6k (9.5%). Whilst the Gift Shop; Café and Car Park revenue increased by 10% venue hire was less than the previous year, primarily due to the Bridgerton filming in 2023. Total expenditure was (£2,250,861 (2023: £2,447.0k). Restricted Funds include the Schroder Gallery Capital Works programme currently under construction with a completion date of July 2025. In addition to these funds the Endowment gains totalled £368.9k resulted in an overall net gain of £687.1k compared to a gain of £82.4k in 2023.

The Museum's net assets at 31 December 2024 amounted to £13.93m, of which Endowment Funds stood at £4.14m, Restricted Funds at £8.68m, while Unrestricted Funds decreased to a total of £1.11m.

Details of Funds

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

1. Endowment Fund – this comprises the DCMS/ National Lottery Heritage Fund Catalyst: Endowments Fund award, together with subsequent donations. This year a further £250k of Endowment donations were received, with an additional £200k currently waiting to be transferred at 31st December to the Endowment fund. Under the Total Asset Return basis of accounting, 3% of the net increase in the value of investments has been added to the Endowment Fund, the remainder being added to Unrestricted Funds.
2. Restricted - Development Fund – this comprises funds donated, and grants raised to finance the Museum' major redevelopment scheme (including the Gardener's Lodge development). The annual depreciation charges on freehold and leasehold property, and on fixtures and fittings financed from this Fund, are charged against the Fund.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3. Restricted – Heritage Assets Fund – this represents the value of Heritage Assets purchased by or donated to the Museum.
4. Restricted- Specific Purposes Fund – these are the unspent balances of grants and donations made to the Museum with a specific purpose or intent.
5. Unrestricted Fund – these are the accumulated revenue surpluses of the Museum, providing finance for the core operating costs relating to the on-going activities of the Museum.

Investment policy and performance

The assets of the Endowment Fund are invested through a professional investment manager, Sarasin & Partners, with a medium to low risk/capital preservation Total Asset Return mandate in accordance with the powers given to the Trustee under the Trustee Investment Act 1961. Funds totalled £4.14m (2022 £3.78m), recording a gain during the year £368.8k (2023: £287.2k) before investment management costs which amounted to £0.7k (2023: £51.8k). The performance of the investments is reported quarterly to the Directors.

Unrestricted Funds operational approach

The Directors are concerned to maintain a level of unrestricted reserves which will provide sufficient working capital and enable the Museum to cope with unexpected shortfalls in income or increases in operating costs. A three-year Implementation Plan had been prepared, the objective of which is to preserve the Endowment Funds and ultimately to increase them to a level at which the total return income generated will cover the annual deficit of the Museum, but this is being re-assessed in light of the changes arising as a result of the Covid19 pandemic and its impact on the Museum. It is the long-term aim of the charity to maintain unrestricted reserves, which are the free reserves of the Museum, at a level that is sufficient to cover the running costs of the Museum for at least six months, being in the region of £700k.

Plans for future periods

Though we keep it under review, we remain committed to the Vision agreed by staff and Directors in 2019 that set the triangular relationship of art, creativity and wellbeing at the heart of our organisation. We intend to deepen the Holburne's commitment to supporting individual wellbeing through art and to playing a significant role in the wellbeing of our communities.

During 2024, we made significant advances in our long-term ambition to open up more of our historic building to public use.

The Schroder Collection

At the end of 2023, we exchanged contracts with Leonie Schroder agreeing the loan of her family's collection of renaissance silver, paintings, sculpture, ceramics and gems, and a Funding Agreement for the creation of a new gallery in the basement of the Holburne and associated improvements to create an appropriate approach. As the new gallery was to be built within existing storage spaces, the storage areas in the southern, historic part of the building were to be upgraded and a new off-site storage unit procured.

With a view to opening the new gallery in summer 2025, the following actions were taken during 2024:

A new warehouse was acquired by Leonie Schroder to be leased to the Holburne on a peppercorn rent for the storage of a large part of the collection and related material.

The former Furniture Store and Strong Room in the basement of the historic building were tanked and lined and had environmental controls introduced so they now provide two secure, climate-controlled spaces for the storage of the smaller, most vulnerable pieces from the collection. Once these spaces were ready, the collection that was stored in the Picture and Archive Stores in the basement of the 2011 extension were transferred and the shelving and other furniture removed.

Historic water ingress was revealed and so the space was also tanked to prevent future problems.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

In September the basement was closed and temporary toilets and kitchen were installed in the garden.

To create an appropriate approach to the new Schroder Gallery, walls have been moved to create a more generous lobby space and the finishes have been upgraded whilst, to the south, a space that was formerly back-of-house has been opened up and will display objects from the Holburne collection which have previously been in store, and some of which have never been on public display before. At the same time, the opportunity has been taken to refurbish the toilets. The latter was supported by a grant of £50,000 from the Foyle Foundation and the new Holburne display has been funded by a small number of generous benefactors. The Schroder Gallery and the directly related works have all been funded by the Bruno Schroder Trust.

Alongside the collections of renaissance material, we also had the opportunity to take on permanent loan the Schroder family's collection of 17th century painting, mostly Netherlandish but including a landscape by Claude Lorraine. The agreement of this was delayed as its display was contingent on our securing offsite office accommodation so that the office on the museum's first floor could be put back to being a gallery as it had been when the building was first converted to be a museum in the 1910s. After numerous false starts and five years of searching, an appropriate building was identified a few minutes walk from the Holburne. By the end of 2024, an agreed offer was being renegotiated in light of revelations from the local authority searches. The purchase of the building was made possible by the decision to invest an unrestricted capital fund in the property so it was imperative to ensure that the acquisition was a sound investment.

Also in delivery of our Vision, we agreed on a new strategy 'Warming the Welcome' which set out ambitions and values that would ensure the more welcoming and accessible approach to our exhibition programme was embedded in the entire building and all of our activities. Though largely funding-dependent, Warming the Welcome will see artists' commissions in the hallway and up the stairs, revised signage and interpretation, new comfortable furniture and a new, informal tone of voice.

Responsibility for the accounts and financial statements

The Charities Act 2011 requires the Trustee to prepare financial statements for each financial year that provide a true and fair view of the state of affairs of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements, the Trustee is required to:

1. Select suitable accounting policies and apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
4. Prepare the financial statements on a going concern basis unless it is inappropriate that the museum will continue operating.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position at any time, and which ensure that the financial statements comply with the applicable rules and regulations. It is also responsible for safeguarding the assets of the charity and for their proper application under charity law, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is satisfied that the responsibilities set out above have been discharged and that these accounts have been prepared in accordance with the applicable accounting standards, save where stated in respect of donated heritage assets

Auditors

Bishop Fleming have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

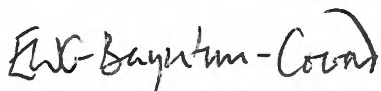
THE HOLBURNE MUSEUM

**TRUSTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

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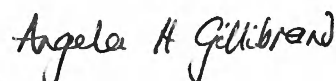
The Directors convey their sincere thanks to all the staff and volunteers who have provided their support to the Museum, without which it could not continue to honour and deliver its response to the charitable objectives laid down for it by its founder in 1882.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, and signed on its behalf by:



Edward Bayntun-Coward
Chairman

Date: 29/07/25



Angela Gillibrand
Treasurer

THE HOLBURNE MUSEUM

STATEMENT OF TRUSTEE RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

THE HOLBURNE MUSEUM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLBURNE MUSEUM

OPINION

We have audited the financial statements of The Holburne Museum (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2009 and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

THE HOLBURNE MUSEUM

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

OTHER INFORMATION

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE HOLBURNE MUSEUM

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

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

THE HOLBURNE MUSEUM

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

USE OF OUR REPORT

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



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

Date: *5 August 2025*

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

THE HOLBURNE MUSEUM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

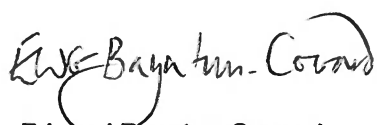
	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Donations and legacies	4	396,331	1,146,913	-	1,543,244	1,274,894
Charitable activities	5	609,462	-	-	609,462	448,301
Other trading activities	6	290,667	-	-	290,667	305,037
Investments	7	8,654	-	-	8,654	6,043
Other income	8	117,125	-	-	117,125	207,910
Total income and endowments		1,422,239	1,146,913	-	2,569,152	2,242,185
Expenditure on:						
Raising funds	9,10	810,302	-	719	811,021	204,013
Charitable activities	11	786,967	652,873	-	1,439,840	2,243,003
Total expenditure		1,597,269	652,873	719	2,250,861	2,447,016
Net (expenditure)/income before net gains on investments		(175,030)	494,040	(719)	318,291	(204,831)
Net gains on investments		-	-	368,858	368,858	287,240
Net movement in funds		(175,030)	494,040	368,139	687,149	82,409
Reconciliation of funds:						
Total funds brought forward		1,284,831	8,181,352	3,776,100	13,242,283	13,159,874
Net movement in funds		(175,030)	494,040	368,139	687,149	82,409
Total funds carried forward		1,109,801	8,675,392	4,144,239	13,929,432	13,242,283

THE HOLBURNE MUSEUM

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	16	8,144,109	7,759,302
Heritage assets	17	867,000	827,000
Investments	18	4,511,857	4,022,999
		<u>13,522,966</u>	<u>12,609,301</u>
Current assets			
Stocks	19	40,647	26,721
Debtors	20	462,674	295,114
Cash at bank and in hand		342,760	587,638
		<u>846,081</u>	<u>909,473</u>
Creditors: amounts falling due within one year	21	(439,615)	(276,491)
		<u>406,466</u>	<u>632,982</u>
Total assets less current liabilities		<u>13,929,432</u>	<u>13,242,283</u>
Total net assets		<u>13,929,432</u>	<u>13,242,283</u>
Charity funds			
Endowment funds	22	4,144,239	3,776,100
Restricted funds:			
Restricted funds	22	614,513	-
Development fund	22	7,006,615	7,182,847
Heritage assets	22	867,000	827,000
Special purposes funds: Revenue	22	187,264	171,505
		<u>8,675,392</u>	<u>8,181,352</u>
Total restricted funds	22	8,675,392	8,181,352
Unrestricted funds	22	1,109,801	1,284,831
		<u>13,929,432</u>	<u>13,242,283</u>
Total funds		<u>13,929,432</u>	<u>13,242,283</u>

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



Edward Bayntun-Coward
Chair of Trustees

Date: 29/07/25



Angela Gillibrand
Treasurer

The notes on pages 21 to 47 form part of these financial statements.

THE HOLBURNE MUSEUM

**CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	16	8,144,109	7,759,302
Heritage assets	17	867,000	827,000
Investments	18	4,511,957	4,023,099
		<u>13,523,066</u>	<u>12,609,401</u>
Current assets			
Debtors	20	535,817	334,377
Cash at bank and in hand		300,250	547,810
		<u>836,067</u>	<u>882,187</u>
Creditors: amounts falling due within one year	21	(429,712)	(249,316)
Net current assets		<u>406,355</u>	<u>632,871</u>
Total assets less current liabilities		<u>13,929,421</u>	<u>13,242,272</u>
Total net assets		<u>13,929,421</u>	<u>13,242,272</u>
Charity funds			
Endowment funds	22	4,144,958	3,776,100
Restricted funds:			
Development fund	22	7,006,615	7,182,847
Heritage assets	22	867,000	827,000
Special purposes funds: Revenue	22	186,845	171,505
Total restricted funds	22	<u>8,060,460</u>	<u>8,181,352</u>
Unrestricted funds	22	1,724,003	1,284,820
Total funds		<u>13,929,421</u>	<u>13,242,272</u>

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



Edward Bayntun-Coward
Chair of Trustees

Date: 29/07/25



Angela Gillibrand
Treasurer

The notes on pages 21 to 47 form part of these financial statements.

THE HOLBURNE MUSEUM

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	£	£
Cash flows from operating activities		
Net cash used in operating activities	512,970	140,067
Cash flows from investing activities		
Dividends and income from investments	8,654	6,043
Purchase of tangible fixed assets	(616,512)	-
Proceeds from sale of investments	4,443,814	450,500
Purchase of investments	(4,593,804)	(200,000)
Net cash (used in)/provided by investing activities	(757,848)	256,543
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(244,878)	396,610
Cash and cash equivalents at the beginning of the year	587,638	191,028
Cash and cash equivalents at the end of the year	342,760	587,638

The notes on pages 21 to 47 form part of these financial statements

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Charity is a registered charity in England and Wales and is unincorporated. The address of the principal office is The Holburne Museum, Great Pulteney Street, Bath, BA2 4DB.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

2.2 Going concern

The activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Trustee's Annual Report. The financial position of the Charity and its cashflow are presented in the financial statements and accompanying notes.

The directors consider that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. ACCOUNTING POLICIES (continued)

2.3 Income

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

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

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

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

2.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. ACCOUNTING POLICIES (continued)

2.6 Taxation

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

In addition, its subsidiary incurs no current tax charge as all its profits, which would otherwise be taxable, are distributed to the Museum by way of Gift Aid and thus no tax liability arises.

The Group receives Museum and Gallery Exhibition Tax Relief, which is surrendered, giving rise to a tax repayment to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in other income in the Consolidated Statement of Financial Activities. Gift Aid recoverable on certain donation, and where applicable, has been included in income.

2.7 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

2.8 Heritage assets

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

2.9 Investments

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

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

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. ACCOUNTING POLICIES (continued)

2.10 Stocks

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

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

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

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

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

2.14 Financial instruments

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

2.15 Pensions

The Group operated a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year in accordance with the rules of the scheme. See Note 29 for further details

Pension costs - defined contribution pension schemes

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. ACCOUNTING POLICIES (continued)

2.16 Fund accounting

Restricted and unrestricted income funds - unrestricted income funds are expendable at the discretion of the Directors in furtherance of the objects of the Museum. Funds designated for a particular purpose are also unrestricted. The Museum receives grants and donations for purposes specified by the donors and funds are expended in accordance with donors' wishes. Such funds are restricted funds and are disclosed in the accounts under one of the headings Specific Purposes Funds or Development Funds.

Endowment funds - the Catalyst Endowment Fund is the Heritage Lottery Fund/Department for Culture Media and Sport Catalyst: Endowment fund created from a grant of £1 million from the Heritage Lottery Fund which, together with 1:1 matched funding, was received and raised over the period to June 2016. The capital must be retained as a permanent endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum and will be transferred annually to the general fund. The Special Acquisitions Fund comprised the proceeds of sale of an item from the collection in 2011 for £1 million, with the balance in the fund amounting to £920,000; the Museum has received legal advice which has led to this Fund being reclassified as part of the Endowment of the Museum.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Donations				
University contributions	-	40,000	-	40,000
Exhibitions donations	-	96,668	-	96,668
Pathways Programme	-	5,187	-	5,187
Schroder donation	-	657,570	-	657,570
Grants				
Grants for exhibitions	-	129,978	-	129,978
Pathways Programme	-	77,504	-	77,504
Other grants	-	140,006	-	140,006
Total donations & grants	-	1,146,913	-	1,146,913
Unrestricted Donations	341,331	-	-	341,331
Legacies	55,000	-	-	55,000
Subtotal	396,331	-	-	396,331
Total 2024	396,331	1,146,913	-	1,543,244
2023				
	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Donations				
University contributions	-	37,617	-	37,617
Exhibitions donations	-	61,000	-	61,000
Pathways Programme	-	35,000	-	35,000
Grants				
Grants for exhibitions	-	91,045	-	91,045
Capital grants	-	60,000	-	60,000
Pathways Programme and other grants	-	88,350	-	88,350
Total donations & grants	-	373,012	-	373,012
Donations	651,882	-	250,000	901,882
Total 2023	651,882	373,012	250,000	1,274,894

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2024 £	Total funds 2024 £
Museum admissions	556,632	556,632
Learning lectures, concerts, workshops etc.	52,830	52,830
	<u>609,462</u>	<u>609,462</u>
	Unrestricted funds 2023 £	Total funds 2023 £
Museum admissions	424,405	424,405
Learning lectures, concerts, workshops etc.	23,896	23,896
	<u>448,301</u>	<u>448,301</u>

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Plant sales	236	236	-
	<u>236</u>	<u>236</u>	<u>-</u>

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

6. INCOME FROM OTHER TRADING ACTIVITIES (continued)

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Museum shop sales	153,674	153,674
Income from car parking	42,728	42,728
Venue hire (including filming fees)	24,003	24,003
Income from cafe	70,026	70,026
	<u>290,431</u>	<u>290,431</u>

	Unrestricted funds 2023 £	Total funds 2023 £
Museum shop sales	33,481	33,481
Income from cafe and car parking	54,349	54,349
Venue hire (including filming fees)	59,505	59,505
Sales	153,924	153,924
Other income	3,778	3,778
	<u>305,037</u>	<u>305,037</u>

7. INVESTMENT INCOME

	Unrestricted funds 2024 £	Total funds 2024 £
Bank interest	8,654	8,654
	<u>8,654</u>	<u>8,654</u>

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	6,043	6,043
	<u>6,043</u>	<u>6,043</u>

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2024 £	Total funds 2024 £
Museum & Gallery Tax relief	117,125	117,125
	<u>117,125</u>	<u>117,125</u>
	Unrestricted funds 2023 £	Total funds 2023 £
Museum & Gallery Tax relief	207,910	207,910
	<u>207,910</u>	<u>207,910</u>

9. EXPENDITURE ON RAISING FUNDS

Fundraising trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £
Salary costs	151,930	151,930
Other costs of generating funds	11,863	11,863
	<u>163,793</u>	<u>163,793</u>
	Unrestricted funds 2023 £	Total funds 2023 £
Salary costs	144,872	144,872
Other costs of generating funds	6,990	6,990
	<u>151,862</u>	<u>151,862</u>

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

9. EXPENDITURE ON RAISING FUNDS (continued)

Other trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £
Cost of sales	940	940
Administration expenses	645,569	645,569
	<u> </u>	<u> </u>
	Unrestricted funds 2023 £	Total funds 2023 £
Cost of sales	303	303
	<u> </u>	<u> </u>

10. INVESTMENT MANAGEMENT COSTS

	Endowment funds 2024 £	Total funds 2024 £
Investment management fees	719	719
	<u> </u>	<u> </u>
	Endowment funds 2023 £	Total funds 2023 £
Investment management fees	51,848	51,848
	<u> </u>	<u> </u>

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Museum activities (inc. cost of shop sales)	438,019	600,922	1,038,941
Learning activities	229,795	51,165	280,960
Exhibition activities	119,153	786	119,939
	<u>786,967</u>	<u>652,873</u>	<u>1,439,840</u>
	<u>786,967</u>	<u>652,873</u>	<u>1,439,840</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Museum activities (inc. cost of shop sales)	734,606	492,169	1,226,775
Learning activities	304,117	44,233	348,350
Exhibition activities	667,878	-	667,878
	<u>1,706,601</u>	<u>536,402</u>	<u>2,243,003</u>
	<u>1,706,601</u>	<u>536,402</u>	<u>2,243,003</u>

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Museum activities (inc. cost of shop sales)	842,961	195,980	1,038,941
Learning activities	130,733	150,227	280,960
Exhibition activities	(150,470)	270,409	119,939
	<u>823,224</u>	<u>616,616</u>	<u>1,439,840</u>
	<u>823,224</u>	<u>616,616</u>	<u>1,439,840</u>

The staging of exhibitions is carried out by Holburne Trading Company. In 2023 the cost relating to the exhibitions had not been correctly recharged to the trading company. Therefore, in 2024, all exhibition costs for 2023 and 2024 are now being recharged to Holburne Trading Company to correct the position and allow the company to claim Museum and Galleries Exhibition Tax Relief (MGETR) on the eligible costs. The Trust will pay Holburne Trading Company a fee to produce the exhibitions.

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Museum activities (inc. cost of shop sales)	917,633	309,142	1,226,775
Learning activities	123,722	224,628	348,350
Exhibition activities	263,551	404,327	667,878
	<u>1,304,906</u>	<u>938,097</u>	<u>2,243,003</u>

ANALYSIS OF SUPPORT COSTS

	Museum Activities 2024 £	Education Activities 2024 £	Exhibition Activities 2024 £	Total funds 2024 £
Staff costs	95,014	24,036	43,265	162,315
Premises	13,752	16,553	29,795	60,100
Other administrative costs	71,764	109,638	197,349	378,751
Governance costs	15,450	-	-	15,450
	<u>195,980</u>	<u>150,227</u>	<u>270,409</u>	<u>616,616</u>

	Museum Activities 2023 £	Education Activities 2023 £	Exhibition Activities 2023 £	Total funds 2023 £
Staff costs	40,402	33,669	60,604	134,675
Premises	110,591	92,160	165,887	368,638
Other administrative costs	135,674	98,799	177,836	412,309
Governance costs	22,475	-	-	22,475
	<u>309,142</u>	<u>224,628</u>	<u>404,327</u>	<u>938,097</u>

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. AUDITORS' REMUNERATION

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	15,450	14,850
Fees payable to the Charity's auditor in respect of: Taxation compliance services	-	1,000
	<u>15,450</u>	<u>15,850</u>

14. STAFF COSTS

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Wages and salaries	604,194	586,458	604,194	586,458
Social security costs	63,274	59,200	63,274	59,200
Contribution to pension schemes	22,086	96,418	22,086	96,418
	<u>689,554</u>	<u>742,076</u>	<u>689,554</u>	<u>742,076</u>

In November 2024, one employee was made redundant and received £3,150 in redundancy pay as well as three months pay in lieu of notice.

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

	Group 2024 No.	Group 2023 No.	Charity 2024 No.	Charity 2023 No.
Full time employees	16	15	14	15
Part time employees	7	5	7	5
	<u>23</u>	<u>20</u>	<u>21</u>	<u>20</u>

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

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	1	-

The total amount of employee benefits received by key management personnel is £159,685 (2023: £148,153).

THE HOLBURN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

15. TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustee received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, no Trustee expenses have been incurred (2023 - £NIL).

16. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation					
At 1 January 2024	9,507,122	90,423	1,180,306	-	10,777,851
Additions	-	-	-	616,512	616,512
At 31 December 2024	9,507,122	90,423	1,180,306	616,512	11,394,363
Depreciation					
At 1 January 2024	2,276,134	86,064	656,351	-	3,018,549
Charge for the year	125,028	4,359	102,318	-	231,705
At 31 December 2024	2,401,162	90,423	758,669	-	3,250,254
Net book value					
At 31 December 2024	7,105,960	-	421,637	616,512	8,144,109
At 31 December 2023	7,230,988	4,359	523,955	-	7,759,302

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

16. TANGIBLE FIXED ASSETS (continued)

Group and Charity (continued)

Freehold property - the freehold of the Museum buildings and grounds is held by the Trustee, in Trust for the charity. The Museum building and grounds were professionally valued at £550,000 in 1994 and this valuation was used as a deemed cost on transition to SORP (FRS 102). During 2011 the Development project was completed and the total cost of £8,711,623 reanalysed as freehold property, and a further £145,499 has subsequently been capitalised.

Since the opening of the Museum in May 2011, depreciation commenced on the freehold property on a straight line basis over a period of 50 years. In August 2017 the building was valued at £16.6m by the Charity's insurers, this being based on the cost of restoring or repairing the building using modern techniques and materials or replacing the properties with a modern equivalent.

Leasehold property - The Gardener's Lodge. The cost included in the accounts represents the cost of the premium paid to Bath and North East Somerset Council for the grant by them of a 20-year lease on these premises in Sydney Gardens, together with the cost of small subsequent improvements. The lease commences on 20 November 2024 and its costs are being amortised by equal annual installments over the life of the lease. The amount of depreciation is charged against the Development Fund.

The assets under construction represent the capitalisation of the costs of construction of a new gallery in the basement funded by the Schroder family. A total of £616,512 has been capitalised in the year.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

17. HERITAGE ASSETS

Group and Charity

Assets recognised at cost

	Heritage assets 2024 £
Carrying value at 1 January 2024	827,000
Additions	40,000
Carrying value at 31 December 2023	867,000

Analysis of heritage asset transactions

Group and Charity

	2024 £	2023 £	2022 £	2021 £	Pre 2020 £
Purchases					
Portraits of the Burges Family	-	-	10,000	-	-
Nalini Malini paintings x9	40,000	-	-	-	-
Donations					
Pablo Bronstein inks x 2	-	-	-	40,000	-
Walter Sickert painting	-	-	-	16,000	-
Total additions	40,000	-	10,000	56,000	-

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

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

18. FIXED ASSET INVESTMENTS

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2024	100	4,022,999	4,023,099
Additions	-	4,593,804	4,593,804
Disposals	-	(4,443,814)	(4,443,814)
Revaluations	-	339,587	339,587
Management fees	-	(719)	(719)
AT 31 DECEMBER 2024	100	4,511,857	4,511,957

During the year the Trust changed investment managers from Handelsbanken to Sarasin. This resulted in sales of all £4,123,804 invested with Handelsbanken and then purchases of £4,123,804 from Sarasin.

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

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

Class of shares	Holding
Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Loss for the year £	Net assets £
Holburne Trading Company Limited	835,469	869,147	(33,678)	111

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

19. STOCKS

	Group 2024 £	Group 2023 £
Goods for resale	40,647	26,721

20. DEBTORS

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Due within one year				
Trade debtors	43,615	39,771	23,465	2,568
Amounts owed by group undertakings	2,253	-	352,056	166,557
Other debtors	114,640	14,260	111,889	10,733
Prepayments and accrued income	55,478	25,777	48,407	24,956
Tax recoverable	246,688	215,306	-	129,563
	462,674	295,114	535,817	334,377

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	305,500	184,004	303,009	176,306
Other taxation and social security	98,337	11,282	98,175	-
Accruals and deferred income	35,778	81,205	28,528	73,010
	439,615	276,491	429,712	249,316

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2024 £
Unrestricted funds					
General funds - charity	1,284,820	1,231,854	(1,406,884)	-	1,109,790
General funds - Holburne Trading Company	11	190,385	(190,385)	-	11
	<u>1,284,831</u>	<u>1,422,239</u>	<u>(1,597,269)</u>	<u>-</u>	<u>1,109,801</u>
Endowment funds					
Endowment Funds - all funds	3,776,100	-	(719)	368,858	4,144,239

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2024 £
Restricted funds					
The Holburne Museum development project	7,182,847	-	(176,232)	-	7,006,615
Heritage assets funds	827,000	40,000	-	-	867,000
Schroder gallery	-	767,718	(123,401)	-	644,317
Pathways 4 (and 3)	77,324	77,000	(76,746)	-	77,578
Baring	-	25,000	(393)	-	24,607
ACE - Mr Doodle Education & Comms Activity	-	26,325	(20,425)	-	5,900
Conservation	-	5,417	(230)	-	5,187
Alberta Whittle	2,587	-	(2,587)	-	-
Impressionist Sculpture	443	-	(443)	-	-
Henry Moore	-	31,500	(31,500)	-	-
Lighting project	12,672	-	(12,672)	-	-
Re-imagine	26,522	-	(13,416)	-	13,106
Reygo & Goya	-	43,000	(43,000)	-	-
Unlimited	6,099	-	(6,099)	-	-
Mr Doodle	-	78,668	(78,668)	-	-
G John	-	6,250	(6,250)	-	-
Lubaina	13,591	16,000	(29,591)	-	-
RIRO	134	12,335	(8,415)	-	4,054
Curatorial	30,783	15,000	(20,205)	-	25,578
Print Fund	1,350	2,700	(2,600)	-	1,450
	8,181,352	1,146,913	(652,873)	-	8,675,392
Total of funds	13,242,283	2,569,152	(2,250,861)	368,858	13,929,432

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

22. STATEMENT OF FUNDS (CONTINUED)

Restricted Funds

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

The Heritage Asset Fund represents amounts received to purchase capitalised Heritage Assets or the value of items donated to the Collection (Note 17).

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

The special purposes funds relate predominantly to exhibition for which the Museum has received funding.

Impressionist Sculpture received support from the Blavatnik Family Foundation, Tavolozza Foundation, Daniel Katz Gallery, Stuart and Bianca Roden and Michael and Yvonne Uva.

Alberta Whittle supported by the Ampersand Foundation, Henry Moore Foundation and Modern Institute, Stuart and Bianca Roden.

Unlimited supported by Linda Bennett; the James Dyson Foundation, Peter Klimt and R Carsen

Mr Doodle (Education and Communications activity project) funded by Arts Council England with further donations sourced by the Pearl Lamb Gallery in support of the Mr Doodle exhibition Museum Mayhem.

Henry Moore in Miniature supported by the Gatsby Charitable Foundation, the Prism Charity, Dreweatts, Samuel Osborne and Don Robert.

Uncanny Visions: Paul Rego and Francisco de Goya received support from the Blavatnik Family Foundation; Tavolozza Foundation, Cristea Roberts and the Victoria Miro Gallery.

Gwen John received support from King Edwards School, Persephone Books, Browse & Derby; Derek Johns; Thomas Gibson Fine Art; Juliet Schubart and the Tara Getty Foundation.

Lubiana Himid: Lost Threads received support from the Garcia Family Foundation; Norie Trust and Jigsaw.

Funding was also received for the following projects:

Curatorial - funding received from the Jerwood Foundation to help support the position of a Contemporary curator.

3 years additional support for the Pathways Funding has been secured from the Medlock Charitable Trust and the Roper Family Charitable Trust.

The Baring Foundation helps support a two-year Men's Mental Health Project.

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

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

THE HOLBURNE MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

22. STATEMENT OF FUNDS (CONTINUED)

RIRO - Reach In Reach Out was a co-produced programme for young people that supported their creativity and wellbeing and offered pathways to community engagement and cultural sector volunteering.

Print Fund - M Golder provides support for the acquisition of Works on Paper.

Conservation funding was received from Redfern Rathbone; Kneller for the conservation of the Lawrence Pastels.

Schroder Gallery funded by the Schoder family in support of a capital redevelopment project, creating a new gallery on the lower ground floor to display Renaissance treasures.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds					
General funds - charity	1,524,413	1,231,474	(1,471,067)	-	1,284,820
General funds - Holburne Trading Company	11	387,699	(387,699)	-	11
	<u>1,524,424</u>	<u>1,619,173</u>	<u>(1,858,766)</u>	<u>-</u>	<u>1,284,831</u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

22. STATEMENT OF FUNDS (CONTINUED)

Endowment funds

Endowment fund	3,290,708	250,000	(51,848)	287,240	3,776,100
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Restricted funds

The Holburne Museum development project	7,359,079	-	(176,232)	-	7,182,847
Heritage assets funds	827,000	-	-	-	827,000
Schroder gallery	3,812	-	(3,812)	-	-
Pathways 4 (and 3)	40,504	80,000	(43,180)	-	77,324
Baring	1,951	-	(1,951)	-	-
ACE - Mr Doodle Education & Comms Activity	78	-	(78)	-	-
Conservation	11,307	-	(11,307)	-	-
Alberta Whittle	31,602	10,000	(39,015)	-	2,587
Impressionist Sculpture	9,497	-	(9,054)	-	443
Henry Moore	1,415	5,750	(7,165)	-	-
Lighting project	20,000	60,000	(67,328)	-	12,672
Re-imagine	38,497	-	(11,975)	-	26,522
Reygo & Goya	-	15,500	(15,500)	-	-
Unlimited	-	66,617	(60,518)	-	6,099
Mr Doodle	-	63,295	(63,295)	-	-
G John	-	13,500	(13,500)	-	-
Lubaina	-	15,000	(1,409)	-	13,591
RIRO	-	7,000	(6,866)	-	134
Curatorial	-	35,000	(4,217)	-	30,783
Print Fund	-	1,350	-	-	1,350
	8,344,742	373,012	(536,402)	-	8,181,352

Total of funds	13,159,874	2,242,185	(2,447,016)	287,240	13,242,283
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THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

23. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2024 £
General funds	1,284,831	1,422,239	(1,597,269)	-	1,109,801
Endowment funds	3,776,100	-	(719)	368,858	4,144,239
Restricted funds	8,181,352	1,146,913	(652,873)	-	8,675,392
	<u>13,242,283</u>	<u>2,569,152</u>	<u>(2,250,861)</u>	<u>368,858</u>	<u>13,929,432</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
General funds	1,524,424	1,619,173	(1,858,766)	-	1,284,831
Endowment funds	3,290,708	250,000	(51,848)	287,240	3,776,100
Restricted funds	8,344,742	373,012	(536,402)	-	8,181,352
	<u>13,159,874</u>	<u>2,242,185</u>	<u>(2,447,016)</u>	<u>287,240</u>	<u>13,242,283</u>

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	335,717	7,808,392	-	8,144,109
Fixed asset investments	367,618	-	4,144,239	4,511,857
Heritage assets	-	867,000	-	867,000
Current assets	846,081	-	-	846,081
Creditors due within one year	(439,615)	-	-	(439,615)
Total	<u>1,109,801</u>	<u>8,675,392</u>	<u>4,144,239</u>	<u>13,929,432</u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	404,950	7,354,352	-	7,759,302
Fixed asset investments	246,899	-	3,776,100	4,022,999
Heritage assets	-	827,000	-	827,000
Current assets	909,473	-	-	909,473
Creditors due within one year	(276,491)	-	-	(276,491)
Total	1,284,831	8,181,352	3,776,100	13,242,283

25. UNAPPLIED TOTAL RETURN

	2024 £	2023 £
At 1 January	3,776,100	3,290,708
Amounts donated/transferred in	-	250,000
Investment management costs	(719)	(51,848)
Gains/(losses) on investment	368,858	287,240
At 31 December	4,144,239	3,776,100

The trustees operate a return fund by making use of the ability to draw down unapplied total return (UTR) monies. In the year ended 31 December 2024, cumulative investment losses exceeded the amount of unapplied total return, therefore there was no draw down of the fund and the loss has been treated as a reduction in the value of the trust for investment component of the permanent endowment.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Group 2024 £	Group 2023 £
Net income for the period (as per Statement of Financial Activities)	687,149	82,409
Adjustments for:		
Depreciation charges	231,705	232,491
Heritage assets donated	(40,000)	-
Losses on investments	(339,587)	(249,744)
Investment management costs	719	51,848
Dividends and income from investments	(8,654)	(6,043)
Increase in stocks	(13,926)	(3,265)
Decrease/(increase) in debtors	(167,560)	90,896
Increase/(decrease) in creditors	163,124	(58,525)
Net cash provided by operating activities	512,970	140,067

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2024 £	Group 2023 £
Cash in hand	342,760	587,638
Total cash and cash equivalents	342,760	587,638

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	587,638	(244,878)	342,760
	587,638	(244,878)	342,760

THE HOLBURN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

29. PENSION COMMITMENTS

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

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

The Museum's participation in the Avon Pension Fund defined benefit scheme for its employees resulted in a reduction of £721,500 in the calculated net actuarial deficit during the year. A decision was made to crystallise the obligation on the pension fund and a payment of £115,000 was made to this effect in April 2023.

30. RELATED PARTY TRANSACTIONS

The nominee of the University of Bath, Rohan Surana, sits on the Board of Directors of the Museum. During the year the University made grants totalling £20,000 (2023: £37,617) to the Museum, and provided 'in kind' support (payroll, IT, security services) with an estimated value of £30,000 (2023: £30,000).

The nominee of Bath Spa University, Dr Andrew Salmon, also sits on the Board of Trustees of the Museum. During the year the University made grants totalling £20,000 (2023: £Nil) to the Museum.

31. POST BALANCE SHEET EVENTS

In March 2025, the Trust purchased a new building, Pulteney Mews, for £760,000, to be used as offices for museum staff.

THE HOLBURNE MUSEUM

England & Wales - Charity number 310288

Accounts

Charity number: 310288

THE HOLBURNE MUSEUM

TRUSTEE REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE HOLBURNE MUSEUM

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THE HOLBURNE MUSEUM

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by a Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is The Holburne Museum Trust Company ("The Company"), a company limited by guarantee.

The directors of The Company are detailed below:

Directors	Edward Bayntun-Coward, Chair ^{1,2,4} Francesca Beauman, Vice Chair ^{2,4} Martin Clarke ¹ Magdalen Fisher (resigned 19 May 2023) ² Sandra Forbes ^{1,4} Jeremy Garfield- Davies ² Angela Gillibrand ¹ Sukie Hemming ² Caroline Howell ³ Sharanjit Leyl (appointed 7 July 2023) Charlotte Murphy Lynda Nead (appointed 19 May 2023) Andrew Salmon Christopher Stephens ^{1,2,3,4} Rohan Surana ¹
	¹ Finance, Audit & Investment Committee ² Fundraising Committee ³ Learning & Engagement Advisory Committee ⁴ Nominations Committee

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

THE HOLBURNE MUSEUM

TRUSTEE REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE AND GOVERNANCE

The Trustee submits its annual report and accounts for the year ended 31 December 2023. The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and UK Generally Accepted Practice as it applies from 1 January 2019.

Reference and administration information

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is The Holburne Museum Trust Company ("the Company"), a company limited by guarantee.

The directors are detailed on page 1 together with the names of directors of the Company who acted during the course of the year but are no longer directors at the date of this report. Relevant registration information is shown below:

The Holburne Museum Trust Company	Company Registration Number: 4104120
The Holburne Museum	Charity Registration Number: 310288
Holburne Trading Company Ltd	Company Registration Number 6954139
Museums and Galleries Commission	Registered Museum Number: 930

The address of The Museum, and its registered office, is Great Pulteney Street, Bath BA2 4DB. The names and addresses of The Museum's professional advisers and bankers are shown on page 1

Structure, governance and management

- **Organisational structure**
The Museum is an independent registered charitable trust of which the Company is the sole trustee. The Museum has one subsidiary, the Holburne Trading Company, which operates the commercial activities of the Museum, being the café, shop, car park, commercial events.
- **Governance**
The Museum charity is governed by a board of directors of the Company, known as "the Directors" who are appointed by the members of The Company. The maximum number of general Directors is eighteen. In addition, the Board may have up to two Representative Directors of whom one is nominated by the University of Bath and one by Bath Spa University.

New Directors are required to sign a "Declaration of Eligibility to Act" and a "Declaration of Interests" in order to comply with the Board's Conflicts of Interest policy.
- **Management**
The Directors, who meet formally at least four times each year, are responsible for setting strategies and policies for the Museum and for ensuring that these are implemented. They are also responsible for:
 - Appointing the Museum Director.
 - Approving the annual budget.
 - Approving the Trustee's report and audited financial statements.

The primary functions of the Directors are to:

- Oversee the key decisions affecting the operation of the Museum.
- Assist the Museum Director in formulating policy and with significant operational decisions.
- Review management accounts and key financial performance indicators against budget.
- Oversee the identification and management of risks.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Full list of committees of the Board during 2023:

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

The Directors maintain a Risk Register which identifies the major risks to which the Museum, Directors, staff and volunteers are exposed. This Register is maintained by the Treasurer and reviewed by the Directors, most recently by the Finance, Audit and Investment Committee in September 2024, thus bringing risks to the attention of the Directors and enabling them to establish strategies for dealing with them. The key risks identified are:

- | | |
|-----------------------------|--|
| • Operational – commercial | Visitor numbers fail to reach targets, commercial income targets not met |
| • Operational – fundraising | Failure to meet fundraising targets |
| • Operational – premises | Unexpected capital costs arising from failure of parts of the building or items of plant and equipment |
| • Operational – premises | Increased prices of services make the building unaffordable |
| • Financial | Lack of financial resources to continue as a going concern |

The Avon Pension Fund liability was extinguished during the year with the payment of the outstanding liability and the departure of the sole remaining employee member.

In 2023, the Management Team included the Director, Chief Operating Officer, Head of Learning & Engagement, Curator, Exhibitions Manager, Head of Visitor Services, Head of Marketing & Communications, and the Museum Administrator. The aims of the monthly Management Team meetings are:

- To monitor day-to-day performance (financial and operational) of the Museum in order to report to the Directors.
- To provide a forum for management support in particular by identifying staff professional development opportunities and addressing HR issues.
- To provide a platform for joined up thinking across departments in implementing the Museum's strategy.
- To generate new ideas for the furtherance of the Museum's mission and its sustainability.

OBJECTIVES AND ACTIVITIES

The Holburne Museum was founded in 1882 as Bath's first art museum with, at its heart, the collection of Sir William Holburne (1793-1874). In 1916 the collection moved to its present location at the end of Great Pulteney Street and in May 2011 an award-winning extension by architect Eric Parry provided space for additional galleries and a garden café.

The Holburne is a treasure house of Old Master paintings, portrait miniatures, porcelain, Renaissance bronzes and ceramics, silver, and embroidery. It is particularly renowned for its eighteenth-century British portraits, most notably by Ramsay, Stubbs, Zoffany, Gainsborough and Lawrence. The collection continues to develop, and a Collections Policy was agreed in 2018. The Holburne stages international exhibitions and other projects involving fine and decorative arts of all periods and is admired for its dynamic displays, vibrant learning and community engagement programme and innovative interpretation.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Vision

Our vision is to make the Holburne an open, welcoming, inspiring and empowering space for everyone.

- At the heart of this vision is the powerful relationship of art, creativity and social and personal wellbeing.
- Our vision is encapsulated by our slogan Changing Lives Through Art.
- We seek to deliver our Mission with Ambition and Innovation, ensuring that we always do so in ways that are Inclusive, of the highest Quality, Relevant and Sustainable.

Statement of Purpose:

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

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

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

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

Achievement and performance

We continued with an exhibition programme based on three seasons a year with two or three small exhibitions each season. The aim is to balance different periods and types of art made up of popular and less familiar subjects. With no core funding, we are heavily reliant on ticket income and so are obliged to programme at least one popular exhibition per season which we seek to balance with more adventurous projects that introduce new artists and art forms to our visitors as well as attracting new audiences. The lead exhibition in the first part of the year was Alberta Whittle's *Dipping below a waxing moon*, the dance claims us for release which combined new work with a selection of Whittle's earlier films. The exhibition was the culmination of four years' working with Alberta which, though badly disrupted by the Covid pandemic, had already seen her contribution to an addition to our permanent collection displays; curated by Artisa Fellow Jill Sutherland, that new display addressed the Holburne family's historic links to sugar plantations in the Caribbean and so to slavery by focusing on a day book from one of the family's plantations. The daybook was also the trigger for the main part of Alberta's exhibition, in our Roper Gallery, which was dominated by a group of life-size mannequins limboing under impossibly low bars.

At the same time as the Alberta Whittle exhibition, we showed Albrecht Dürer's suite of woodcut prints, *The Great Passion*, along with some of the earliest printed books from fifteenth and sixteenth century Germany including the iconic *Nuremberg Chronicle* from 1493. It was a rare opportunity to see one of Dürer's most important suite of prints framed on the wall as opposed to bound in a book and was part of our on-going partnership with the Schroder Collection.

We started the summer season with one of our most ambitious exhibitions ever: *Painted Love: Renaissance Marriage Portraits*. This magnificent show, curated by former Royal Collection curator Lucy Whitaker, included iconic paintings generously lent from the likes of the National Gallery, H.M. the King and such prestigious private collections as those of Lord Rothschild at Waddesdon and the Marquis of Bath at Longleat. We had ambitious income targets against that exhibition and were disappointed to miss them until we opened in July an exhibition of Lucie Rie ceramics (originated by Kettles Yard and previously shown in Middlesborough as well as Cambridge) which created a significant uplift in attendance. That continued in the autumn with the opening of *Gwen John*, an exhibition selected from a larger show at Pallant House, Chichester. Alongside the Renaissance portraits, we presented a room of densely hung drawings by Michael Simpson, a locally based artist with an international profile and an impressive reputation as an influential teacher at Bath Academy of Art. After that, in the Wirth Gallery, we opened a show of the Victorian miniature painter Sarah Biffin, who made highly accomplished miniatures despite having no hands or feet. With Lucie

**TRUSTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Rie and Gwen John, I believe this was the first time that the Holburne hosted three exhibitions all of female artists.

In addition to the seven exhibitions that we opened at the Holburne, we also mounted another at the Assembly Rooms in central Bath. Unlimited: Art for Everyone in the 1960s explored a project initiated by local engineer and entrepreneur Jeremy Fry to make unlimited editions of works of art by such major artists as Lygia Clarke, Liliane Lijn, Kenneth Martin, Mary Martin and Takis. The project had had a long gestation, delayed in part by the Covid pandemic and originally planned for the gallery at the University of Bath that we managed through 2022. Thanks to the cooperative support of the National Trust and with significant financial support from a range of donors we were able to show the exhibition in the large Tea Room of the Assembly Rooms, their Georgian grandeur echoing Jeremy Fry's home at Widcombe Manor where the works were originally fabricated.

Exhibitions

Albert Whittle: Dipping below a waxing moon, the dance claims us for release / Woodcuts in the Age of Dürer
Unlimited: Art for Everyone in the 1960s

Painted Love: Renaissance Marriage Portraits / Michael Simpson: Drawing towards painting / Lucie Rie: The Adventure of Pottery

Gwen John: Art & Life in London and Paris / Lucie Rie / Sarah Biffin

This programme stimulated a rich series of collateral events. Our desire to grow our reputation as a place to see and better understand contemporary art was reflected in a number of talks and conversations with artists including Alberta Whittle, Alison Lapper and Edmund de Waal, whose reflections on Lucie Rie and exile were felt by many present to be one of the most extraordinary presentations of their lives. We were also delighted to welcome Gus Casely-Hayford, Director of V&A East, who told us about plans for the new museum in east London. Our commitment to continue to address the Holburne's connections to the historic Caribbean plantation economy built on enslaved labour stimulated an event with Alberta Whittle and scholars in the UK and Barbados discussing the Plantation Day Book that is a focal point in our collection displays. In a similar vein, in July we co-hosted a three-day workshop looking at Creative Practices to Explore Colonial Legacies in Cultural and Natural Heritage Sites, a partnership between the Holburne, University of Bath, Bath Royal Literary & Scientific Institute, National Trust and colleagues from Barbados. Other events were organised by our Supporters Committee, chaired by the indefatigable Jonno Davis.

Our widely respected Learning and Engagement programme continued going from strength to strength. We were able to continue the important work of our Pathways to Wellbeing groups, supporting 792 individuals with lived experience of poor mental health, thanks to the generosity of three local charitable trusts who pledged funding for three years. We extended this work into care homes and welcomed young men to the groups. At the same time, another local charity funded us to continue our work with our six partner schools which, amongst many things, provides a golden ticket that enables every pupil to bring their families to the museum for free during school holidays. We were a leading partner in 'Reach In and Reach Out' (RIRO), a co-produced programme for young people that supported their creativity and wellbeing and offered pathways to community engagement and cultural sector volunteering in the West of England. Our fledgling Holburne Future Collective, a group of 16-25 year olds interested in working in museums, gathered momentum and began planning the museum's first Pride event for June 2024. A total of 175 young people engaged directly through these projects. They also delivered two of the eleven monthly UpLates, some of which are produced by various student groups from the two Bath universities. Under the rubric 'Creativity for All', our various creative workshops for adults and young people, including several free drop-in days for families and the freely accessible 'Space to Make' next to the Café, attracted over 7,000 participants.

Entry to the museum is free for the UpLates on the last Friday of each month and every Wednesday afternoon.

Our marketing and digital profile were considerably improved with the arrival of a new Head of Marketing & Communications, Sophie Woodward. The quality of and response to our social media presence was especially clearly enhanced.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The year saw some major developments around the collection. The new 2023 Fund is an on-going relationship with a couple who are donating both modern and contemporary prints and drawings and funds for us to buy more. We began negotiations with the owner of a large collection of 18th century fine and decorative arts the gift of which came to fruition in 2024. Most importantly, our negotiations with the Schroder family over the long-term loan of their magnificent collection of Renaissance silver, paintings, ceramics, bronzes and gems and the creation of new galleries in which to house them progressed very well and contracts were signed at the end of the year confirming the loan for a minimum of twenty years and the terms on which the galleries would be built and paid for, along with the transfer of much of our collection to a new facility outside Bath.

Following a competitive procurement process, the hospitality firm Grayson's took over our Café. The space was closed through July whilst they refurbished and refurnished it and the changes greatly improved the environment and, most importantly, the acoustics which had been a persistent problem. The quality and range of the food offer was improved also. We took the opportunity to drop the name 'Garden Café' and replaced it with 'The Holburne Café' which is how people tend to refer to the place anyway. The garden played host to a summer outdoor theatre festival again but the appalling weather seriously impacted attendance and the opportunity it offered the Café for increased custom. Nevertheless, the new caterers were able to offer the museum an increased minimum annual rent.

FINANCIAL REVIEW

Review of the year

Total income for the year amounted to £2,242,185 (2022: £1,886,454), an increase of £355,731 (19%) over the previous year. Admissions were £424,405, up 11% from 2022. Shop sales saw an increase of 3%, however, Café and car parking decreased by 3%. Venue Hire was £59.5k (2022: £100.1k), a decrease of 40.1%. Total expenditure was (£2,447.0k (2022: £1,832.5k). In addition to these funds the Endowment gains totalled £287.2k resulted in an overall net gain of £82.4k compared to a deficit of (£316.3k) in 2022.

The Museum's net assets at 31 December 2023 amounted to £13.24m, of which Endowment Funds stood at £3.78m, Restricted Funds at £8.18m, while Unrestricted Funds decreased to a total of £1.28m.

Details of Funds

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

- Endowment Fund – this comprises the DCMS/ National Lottery Heritage Fund Catalyst: Endowments Fund award, together with subsequent donations. This year a further £250k of Endowment donations were received, with an additional £200k currently waiting to be transferred at 31st December to the Endowment fund. Under the Total Asset Return basis of accounting, 3% of the net increase in the value of investments has been added to the Endowment Fund, the remainder being added to Unrestricted Funds.
- Restricted - Development Fund – this comprises funds donated, and grants raised to finance the Museum' major redevelopment scheme (including the Gardener's Lodge development). The annual depreciation charges on freehold and leasehold property, and on fixtures and fittings financed from this Fund, are charged against the Fund.
- Restricted – Heritage Assets Fund – this represents the value of Heritage Assets purchased by or donated to the Museum.
- Restricted- Specific Purposes Fund – these are the unspent balances of grants and donations made to the Museum with a specific purpose or intent.

**TRUSTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

- Unrestricted Fund – these are the accumulated revenue surpluses of the Museum, providing finance for the core operating costs relating to the on-going activities of the Museum.

Investment policy and performance

The assets of the Endowment Fund are invested through a professional investment manager, Sarasin & Partners, with a medium to low risk/capital preservation Total Asset Return mandate in accordance with the powers given to the Trustee under the Trustee Investment Act 1961. After a further £250,000 was invested in the year, funds totalled £3.78m (2022 £3.29m), recording a gain during the year £287.2k (2022: £370.2K loss) before investment management costs which amounted to £51.8k (2022: £68.5k). The performance of the investments is reported quarterly to the Directors.

Unrestricted Funds operational approach

The Directors are concerned to maintain a level of unrestricted reserves which will provide sufficient working capital and enable the Museum to cope with unexpected shortfalls in income or increases in operating costs. A three-year Implementation Plan had been prepared, the objective of which is to preserve the Endowment Funds and ultimately to increase them to a level at which the total return income generated will cover the annual deficit of the Museum, but this is being re-assessed in light of the changes arising as a result of the Covid19 pandemic and its impact on the Museum. It is the long-term aim of the charity to maintain unrestricted reserves, which are the free reserves of the Museum, at a level that is sufficient to cover the running costs of the Museum for at least six months, being in the region of £700,000.

Avon Pension Fund

The Museum's participation in the Avon Pension Fund defined benefit scheme for its employees resulted in a reduction of £721,500 in the calculated net actuarial deficit during the year. A decision was made to crystallise the obligation on the pension fund and a payment of £115,500 was made to this effect in April 2023.

Plans for future periods

Though we keep it under review, we remain committed to the Vision agreed by staff and Directors in 2019 that set the triangular relationship of art, creativity and wellbeing at the heart of our organisation. We intend to deepen the Holburne's commitment to supporting individual wellbeing through art and to playing a significant role in the wellbeing of our communities. We actively pursuing our long-term ambitions to open up more of our historic building to public use, to reconceive the presentation of the building and the collection, and to reconceive the grounds as a destination garden in line with our commitment to sustainability. During 2023, we actively sought off-site accommodation to which staff might be decanted with a view to creating new gallery and learning spaces and an expanded shop within the museum.

To grow the Endowment Fund remains a key priority for long-term sustainability with the immediate aim of raising the money that will enable us to fully realise the potential of the pledged £1,000,000 match-funding.

At the end of 2023, we finalized plans for the new Schroder galleries on the Lower Ground and First Floors as well as signing the contracts that set out the terms for the long-term loan of the Schroder Collection and for the funding of the project to create new galleries and an appropriate context on the Lower Ground Floor. We were also preparing a further funding application to the Foyle Foundation to refurbish the toilets, enhance the security as required by the contract with the Schroder Collection, and to create a new display on the Lower Ground floor from the Holburne Collection. We recognize the potential for the Schroder Collection loan and new galleries to attract media attention and to raise the profile and status of the Holburne in general terms.

There are longer-term ambitions to bring more of the garden into public use and to better align our landscape with the climate emergency, setting out to create an environment that encourages biodiversity whilst engaging young people and families. We hope to combine these ambitions with that to de-carbonise the current system of gas-powered boilers.

THE HOLBURNE MUSEUM

TRUSTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

It is widely recognized that, in recent years, the Holburne has changed its approach and is now more playful in tone and more approachable for many. In large part, this is driven by the exhibition programme, and we plan to find ways of embedding this new approach in the permanent presentation of the museum, installing artist's interventions in the hallway, for example, rethinking our interpretation, creating environments in which visitors feel able to relax, and introducing changes to the garden.

Responsibility for the accounts and financial statements

The Charities Act 2011 requires the Trustee to prepare financial statements for each financial year that provide a true and fair view of the state of affairs of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate that the museum will continue operating.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position at any time, and which ensure that the financial statements comply with the applicable rules and regulations. It is also responsible for safeguarding the assets of the charity and for their proper application under charity law, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is satisfied that the responsibilities set out above have been discharged and that these accounts have been prepared in accordance with the applicable accounting standards, save where stated in respect of donated heritage assets

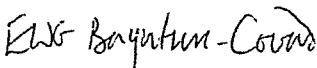
Auditors

Bishop Fleming have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

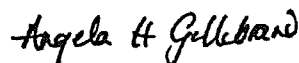
Thanks

The Directors convey their sincere thanks to all the staff and volunteers who have provided their support to the Museum, without which it could not continue to honour and deliver its response to the charitable objectives laid down for it by its founder in 1882.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, and signed on its behalf by:



Edward Bayntun-Coward
Chairman



Angela Gillibrand
Treasurer

Date: 18/12/2024

THE HOLBURNE MUSEUM

STATEMENT OF TRUSTEE RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

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

THE HOLBURNE MUSEUM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLBURNE MUSEUM

OPINION

We have audited the financial statements of The Holburne Museum (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

THE HOLBURNE MUSEUM

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

THE HOLBURNE MUSEUM

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

THE HOLBURNE MUSEUM

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

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

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

USE OF OUR REPORT

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



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

Date: *19 March 2024*

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

THE HOLBURNE MUSEUM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	4	651,882	373,012	250,000	1,274,894	1,111,131
Charitable activities	5	448,301	-	-	448,301	417,129
Other trading activities	6	305,037	-	-	305,037	356,800
Investments	7	6,043	-	-	6,043	1,394
Other income	8	207,910	-	-	207,910	-
Total income and endowments		1,619,173	373,012	250,000	2,242,185	1,886,454
Expenditure on:						
Raising funds	9,10	151,862	-	51,848	203,710	227,819
Charitable activities	11	1,706,904	536,402	-	2,243,306	1,604,712
Total expenditure		1,858,766	536,402	51,848	2,447,016	1,832,531
Net (expenditure)/income before net gains/(losses) on investments						
		(239,593)	(163,390)	198,152	(204,831)	53,923
Net gains/(losses) on investments		-	-	287,240	287,240	(370,239)
Net movement in funds before other recognised gains/(losses)		(239,593)	(163,390)	485,392	82,409	(316,316)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	29	-	-	-	-	949,000
Net movement in funds		(239,593)	(163,390)	485,392	82,409	632,684
Reconciliation of funds:						
Total funds brought forward		1,524,424	8,344,742	3,290,708	13,159,874	12,527,190
Net movement in funds		(239,593)	(163,390)	485,392	82,409	632,684
Total funds carried forward		1,284,831	8,181,352	3,776,100	13,242,283	13,159,874

THE HOLBURNE MUSEUM

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	7,759,302	7,991,793
Heritage assets	17	827,000	827,000
Investments	18	4,022,999	4,075,603
		<u>12,609,301</u>	<u>12,894,396</u>
Current assets			
Stocks	19	26,721	23,456
Debtors	20	295,114	386,010
Cash at bank and in hand		587,638	191,028
		<u>909,473</u>	<u>600,494</u>
Créditors: amounts falling due within one year	21	(276,491)	(335,016)
Net current assets		<u>632,982</u>	<u>265,478</u>
Total assets less current liabilities		<u>13,242,283</u>	<u>13,159,874</u>
Total net assets		<u>13,242,283</u>	<u>13,159,874</u>
Charity funds			
Endowment funds	22	3,776,100	3,290,708
Restricted funds:			
Development fund	22	7,182,847	7,359,079
Heritage assets	22	827,000	827,000
Special purposes funds: Revenue	22	171,505	158,663
Total restricted funds	22	<u>8,181,352</u>	<u>8,344,742</u>
Unrestricted funds	22	1,284,831	1,524,424
Total funds		<u>13,242,283</u>	<u>13,159,874</u>

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



Edward Bayntun-Coward
Chair of Trustees



Angela Gillibrand
Treasurer

Date: 18/12/2024

The notes on pages 19 to 45 form part of these financial statements.

THE HOLBURNE MUSEUM

CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

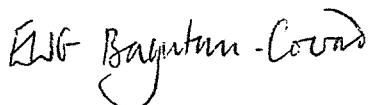
	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	7,759,302	7,991,793
Heritage assets	17	827,000	827,000
Investments	18	4,023,099	4,075,703
		<u>12,609,401</u>	<u>12,894,496</u>
Current assets			
Debtors	20	334,377	504,351
Cash at bank and in hand		547,810	31,905
		<u>882,187</u>	<u>536,256</u>
Creditors: amounts falling due within one year	21	(249,316)	(270,889)
Net current assets		<u>632,871</u>	<u>265,367</u>
Total assets less current liabilities		<u>13,242,272</u>	<u>13,159,863</u>
Total net assets		<u><u>13,242,272</u></u>	<u><u>13,159,863</u></u>

THE HOLBURNE MUSEUM

CHARITY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Charity funds			
Endowment funds	22	3,776,100	3,290,708
Restricted funds:			
Development fund	22	7,182,847	7,359,079
Heritage assets	22	827,000	827,000
Special purposes funds: Revenue	22	171,505	158,663
Total restricted funds	22	8,181,352	8,344,742
Unrestricted funds	22	1,284,820	1,524,413
Total unrestricted funds	22	1,284,820	1,524,413
Total funds		13,242,272	13,159,863

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



Edward Bayntun-Coward
Chair of Trustees



Angela Gillibrand
Treasurer

Date: 18/12/2024

The notes on pages 19 to 45 form part of these financial statements.

THE HOLBURNE MUSEUM

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	140,067	144,022
Cash flows from investing activities		
Dividends and income from investments	6,043	1,394
Purchase of tangible fixed assets	-	(9,035)
Proceeds from sale of investments	450,500	-
Purchase of investments	(200,000)	(420,000)
Net cash provided by/(used in) investing activities	256,543	(427,641)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	396,610	(283,619)
Cash and cash equivalents at the beginning of the year	191,028	474,647
Cash and cash equivalents at the end of the year	587,638	191,028

The notes on pages 19 to 45 form part of these financial statements

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The Charity is a registered charity in England and Wales and is unincorporated. The address of the principal office is The Holburne Museum, Great Pulteney Street, Bath, BA2 4DB.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

2.2 Going concern

The activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Trustee's Annual Report. The financial position of the Charity and its cashflow are presented in the financial statements and accompanying notes.

The directors consider that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (continued)

2.3 Income

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

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

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

2.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (continued)

2.6 Taxation

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

In addition, its subsidiary incurs no current tax charge as all its profits, which would otherwise be taxable, are distributed to the Museum by way of Gift Aid and thus no tax liability arises.

The Group receives Museum and Gallery Exhibition Tax Relief, which is surrendered, giving rise to a tax repayment to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in other income in the Consolidated Statement of Financial Activities. Gift Aid recoverable on certain donation, and where applicable, has been included in income.

2.7 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

2.8 Heritage assets

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

2.9 Investments

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (continued)

2.10 Stocks

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

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

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

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

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

2.14 Financial instruments

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

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (continued)

2.15 Pensions

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

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, Bath and North-East Somerset Council determine the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 20.

Pension costs - defined benefit pension schemes

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the Statement of Financial Activities. Past service costs are recognised over the vesting period or immediately if the benefits have been vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction future entitlement) occurs, the obligation and related plan assets are admeasured using current actuarial assumptions and the resultant gain or loss is recognised in the Statement of Financial Activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the Statement of Financial Activities. Net pension finance income is recognised as an incoming resource in the Statement of Financial Activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unot method and are discounted to their present value using a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the balance sheet.

Pension costs - defined contribution pension schemes

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (continued)

2.16 Fund accounting

Restricted and unrestricted income funds - unrestricted income funds are expendable at the discretion of the Directors in furtherance of the objects of the Museum. Funds designated for a particular purpose are also unrestricted. The Museum receives grants and donations for purposes specified by the donors and funds are expended in accordance with donors' wishes. Such funds are restricted funds and are disclosed in the accounts under one of the headings Specific Purposes Funds or Development Funds.

Endowment funds - the Catalyst Endowment Fund is the Heritage Lottery Fund/Department for Culture Media and Sport Catalyst: Endowment fund created from a grant of £1 million from the Heritage Lottery Fund which, together with 1:1 matched funding, was received and raised over the period to June 2016. The capital must be retained as a permanent endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum and will be transferred annually to the general fund. The Special Acquisitions Fund comprised the proceeds of sale of an item from the collection in 2011 for £1 million, with the balance in the fund amounting to £920,000; the Museum has received legal advice which has led to this Fund being reclassified as part of the Endowment of the Museum.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Donations				
University contributions	-	37,617	-	37,617
Exhibitions donations	-	61,000	-	61,000
Pathways Programme	-	35,000	-	35,000
Grants				
Grants for exhibitions	-	91,045	-	91,045
Capital grants	-	60,000	-	60,000
Pathways Programme	-	45,000	-	45,000
Other grants	-	43,350	-	43,350
Grant 5	-	-	-	-
Total donations & grants	-	373,012	-	373,012

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. INCOME FROM DONATIONS AND LEGACIES (continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Donations	651,882	-	250,000	901,882
Subtotal	651,882	-	250,000	901,882
Total 2023	651,882	373,012	250,000	1,274,894

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

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £
Museum admissions	424,405	424,405
Exhibition costs recharged	-	-
Learning lectures, concerts, workshops etc.	23,896	23,896
	448,301	448,301

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. INCOME FROM CHARITABLE ACTIVITIES (continued)

	Unrestricted funds 2022 £	Total funds 2022 £
Museum admissions	383,608	383,608
Exhibition costs recharged	14,034	14,034
Learning lectures, concerts, workshops etc.	19,487	19,487
	<u>417,129</u>	<u>417,129</u>

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Total funds 2023 £
Plant sales	-

	Unrestricted funds 2022 £	Total funds 2022 £
Plant sales	1,890	1,890

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Museum shop sales	144,266	144,266
Income from cafe and car parking	97,488	97,488
Venue hire (including filming fees)	59,505	59,505
Other income	3,778	3,778
	<u>305,037</u>	<u>305,037</u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. INCOME FROM OTHER TRADING ACTIVITIES (continued)

Income from non charitable trading activities (continued)

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

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	<u>6,043</u>	<u>6,043</u>

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

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Museum & Gallery Tax relief	<u>207,910</u>	<u>207,910</u>	<u>-</u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. EXPENDITURE ON RAISING FUNDS

Fundraising trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £
Salary costs	144,872	144,872
Other costs of generating funds	6,990	6,990
	<u>151,862</u>	<u>151,862</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Salary costs	143,098	143,098
Other costs of generating funds	16,230	16,230
	<u>159,328</u>	<u>159,328</u>

10. INVESTMENT MANAGEMENT COSTS

	Endowment funds 2023 £	Total funds 2023 £
Investment management fees	51,848	51,848
	<u>51,848</u>	<u>51,848</u>

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

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Museum activities (inc. cost of shop sales)	734,909	492,169	1,227,078
Learning activities	304,117	44,233	348,350
Exhibition activities	667,878	-	667,878
	<u>1,706,904</u>	<u>536,402</u>	<u>2,243,306</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Museum activities (inc. cost of shop sales)	390,636	479,049	869,685
Learning activities	222,107	29,296	251,403
Exhibition activities	483,624	-	483,624
	<u>1,096,367</u>	<u>508,345</u>	<u>1,604,712</u>

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Museum activities (inc. cost of shop sales)	917,936	309,142	1,227,078
Learning activities	123,722	224,628	348,350
Exhibition activities	263,551	404,327	667,878
	<u>1,305,209</u>	<u>938,097</u>	<u>2,243,306</u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

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

ANALYSIS OF SUPPORT COSTS

	Museum Activities 2023 £	Education Activities 2023 £	Exhibition Activities 2023 £	Total funds 2023 £
Staff costs	40,402	33,669	60,604	134,675
Premises	110,591	92,160	165,887	368,638
Other administrative costs	135,674	98,799	177,836	412,309
Governance costs	22,475	-	-	22,475
	<u>309,142</u>	<u>224,628</u>	<u>404,327</u>	<u>938,097</u>

	Museum Activities 2022 £	Education Activities 2022 £	Exhibition Activities 2022 £	Total funds 2022 £
Staff costs	37,413	31,177	56,119	124,709
Premises	94,682	67,148	120,865	282,695
Other administrative costs	78,811	65,676	118,216	262,703
Governance costs	14,800	-	-	14,800
	<u>225,706</u>	<u>164,001</u>	<u>295,200</u>	<u>684,907</u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	14,850	11,750
Fees payable to the Charity's auditor in respect of: Taxation compliance services	1,000	700
	<u>1,000</u>	<u>700</u>

14. STAFF COSTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	586,458	534,453	586,458	534,453
Social security costs	59,200	58,620	59,200	58,620
Contribution to pension schemes	96,418	17,822	96,418	17,822
Operating costs of defined benefit pension schemes	-	17,000	-	17,000
	<u>742,076</u>	<u>627,895</u>	<u>742,076</u>	<u>627,895</u>

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

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
Full time employees	15	15	15	15
Part time employees	5	5	5	5
	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1

The total amount of employee benefits received by key management personnel is £148,153 (2022: £146,561).

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustee received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

16. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2023	9,507,122	90,423	1,180,306	10,777,851
At 31 December 2023	9,507,122	90,423	1,180,306	10,777,851
Depreciation				
At 1 January 2023	2,099,902	81,810	604,346	2,786,058
Charge for the year	176,232	4,254	52,005	232,491
At 31 December 2023	2,276,134	86,064	656,351	3,018,549
Net book value				
At 31 December 2023	7,230,988	4,359	523,955	7,759,302
At 31 December 2022	7,407,220	8,613	575,960	7,991,793

Freehold property - the freehold of the Museum buildings and grounds is held by the Trustee, in Trust for the charity. The Museum building and grounds were professionally valued at £550,000 in 1994 and this valuation was used as a deemed cost on transition to SORP (FRS 102). During 2011 the Development project was completed and the total cost of £8,811,623 reanalysed as freehold property, and a further £145,499 has also subsequently been capitalised.

Since the opening of the Museum in May 2011, depreciation commenced on the freehold property on a straight-line basis over a period of 50 years. In August 2017 the building was valued at £16.6m (£2016 £16m) by the Charity's insurers, this being based on the cost of restoring or repairing the building using modern techniques and materials or replacing the property with a modern equivalent.

Leasehold property - The Gardener's Lodge. The cost included in the accounts represents the cost of the premium paid to Bath and North East Somerset Council for the grant by them of a 20-year rent-free lease on these premises in Sydney Gardens, together with the cost of small subsequent improvements. The lease commenced on 20 November 2004 and its costs are being amortised by equal annual instalments over the life of the lease. The amount of the depreciation is charged against the Development Fund.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

17. HERITAGE ASSETS

Group and Charity

Assets recognised at cost

	Heritage assets 2023 £
Carrying value at 1 January 2023	827,000
Carrying value at 31 December 2023	<u>827,000</u>

Analysis of heritage asset transactions

Group and Charity

	2023 £	2022 £	2021 £	2020 £	Pre 2019 £
Purchases					
Various etchings	-	-	-	-	8,000
Portraits of the Burges Family	-	10,000	-	-	-
Donations					
Pablo Bronstein inks x 2	-	-	40,000	-	-
Walter Sickert painting	-	-	16,000	-	-
Total additions	<u>-</u>	<u>10,000</u>	<u>56,000</u>	<u>-</u>	<u>8,000</u>

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

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

18. FIXED ASSET INVESTMENTS

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2023	100	4,075,603	4,075,703
Additions	-	200,000	200,000
Disposals	-	(450,500)	(450,500)
Revaluations	-	249,744	249,744
Management fees	-	(51,848)	(51,848)
AT 31 DECEMBER 2023	<u>100</u>	<u>4,022,999</u>	<u>4,023,099</u>

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Holburne Trading Company Limited	06954139	Great Pulteney Street, Bath, BA2 4DB	Operation of the commercial activities at The Holburne Museum
Class of shares	Holding		
Ordinary	100%		

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Holburne Trading Company Limited	309,352	224,517	84,835	111

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. STOCKS

	Group 2023 £	Group 2022 £
Goods for resale	26,721	23,456

20. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Due within one year				
Trade debtors	39,771	85,813	2,568	55,890
Amounts owed by group undertakings	-	-	166,557	215,279
Other debtors	14,260	108,872	10,733	99,333
Prepayments and accrued income	25,777	164,595	24,956	133,849
Tax recoverable	215,306	26,730	129,563	-
	295,114	386,010	334,377	504,351

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	184,004	167,821	176,306	162,080
Other taxation and social security	11,282	71,996	-	21,880
Other creditors	-	11,170	-	11,170
Accruals and deferred income	81,205	84,029	73,010	75,759
	276,491	335,016	249,316	270,889

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds					
General funds - charity	1,524,413	1,231,474	(1,471,067)	-	1,284,820
General funds - Holburne Trading Company	11	387,699	(387,699)	-	11
	<u>1,524,424</u>	<u>1,619,173</u>	<u>(1,858,766)</u>	<u>-</u>	<u>1,284,831</u>
Endowment funds					
Endowment fund	3,290,708	250,000	(51,848)	287,240	3,776,100

THE HOLBURN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
Restricted funds					
The Holburne Museum development project	7,359,079	-	(176,232)	-	7,182,847
Heritage assets funds	827,000	-	-	-	827,000
National Lottery Comm Fund: Pathways	3,812	-	(3,812)	-	-
Pathways 3	40,504	80,000	(43,180)	-	77,324
Funds for other learning projects	1,951	-	(1,951)	-	-
Clore	78	-	(78)	-	-
Conservation	11,307	-	(11,307)	-	-
Alberta Whittle	31,602	10,000	(39,015)	-	2,587
Impressionist Sculpture	9,497	-	(9,054)	-	443
Funding for other Exhibitions	1,415	5,750	(7,165)	-	-
Lighting project	20,000	60,000	(67,328)	-	12,672
Re-imagine	38,497	-	(11,975)	-	26,522
Lucie Rie	-	15,500	(15,500)	-	-
Unlimited	-	66,617	(60,518)	-	6,099
P Love	-	63,295	(63,295)	-	-
G John	-	13,500	(13,500)	-	-
Lubaina	-	15,000	(1,409)	-	13,591
RIRO	-	7,000	(6,866)	-	134
John Ellerman	-	35,000	(4,217)	-	30,783
Print Fund	-	1,350	-	-	1,350
	8,344,742	373,012	(536,402)	-	8,181,352
Total of funds	13,159,874	2,242,185	(2,447,016)	287,240	13,242,283

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. STATEMENT OF FUNDS (CONTINUED)

Restricted Funds

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

The Heritage Asset Fund represents amounts received to purchase capitalised Heritage Assets or the value of items donated to the Collection (Note 17).

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

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

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

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

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

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

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

THE HOLBURN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

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

23. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2023 £
General funds	1,524,424	1,619,173	(1,858,766)	-	1,284,831
Endowment funds	3,290,708	250,000	(51,848)	287,240	3,776,100
Restricted funds	8,344,742	373,012	(536,402)	-	8,181,352
	<u>13,159,874</u>	<u>2,242,185</u>	<u>(2,447,016)</u>	<u>287,240</u>	<u>13,242,283</u>

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

23. SUMMARY OF FUNDS (CONTINUED)

SUMMARY OF FUNDS - PRIOR YEAR

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

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	404,950	7,354,352	-	7,759,302
Fixed asset investments	246,899	-	3,776,100	4,022,999
Heritage assets	-	827,000	-	827,000
Current assets	909,473	-	-	909,473
Creditors due within one year	(276,491)	-	-	(276,491)
Total	<u>1,284,831</u>	<u>8,181,352</u>	<u>3,776,100</u>	<u>13,242,283</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

25. UNAPPLIED TOTAL RETURN

	2023 £	2022 £
At 1 January	3,290,708	3,309,438
Amounts donated/transferred in	250,000	420,000
Investment management costs	(51,848)	(68,491)
Gains/(losses) on investment	287,240	(370,239)
At 31 December	3,776,100	3,290,708

The trustees operate a return fund by making use of the ability to draw down unapplied total return (UTR) monies. In the year ended 31 December 2023, cumulative investment losses exceeded the amount of unapplied total return, therefore there was no draw down of the fund and the loss has been treated as a reduction in the value of the trust for investment component of the permanent endowment.

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

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	82,409	(316,316)
Adjustments for:		
Depreciation charges	232,491	235,056
Heritage assets donated	-	(10,000)
Gains/(losses) on investments	(249,744)	370,239
Investment management costs	51,848	68,491
Dividends and income from investments	(6,043)	(1,394)
Decrease/(increase) in stocks	(3,265)	13,550
Decrease/(increase) in debtors	90,896	(267,725)
Increase/(decrease) in creditors	(58,525)	76,121
Defined benefit pension scheme cost less contributions payable	-	(43,000)
Defined benefit pension scheme finance cost	-	19,000
Net cash provided by operating activities	140,067	144,022

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash in hand	587,638	191,028
Total cash and cash equivalents	587,638	191,028

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	191,028	396,610	587,638
	191,028	396,610	587,638

29. PENSION COMMITMENTS

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

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

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

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

	At 31 December 2023 %	At 31 December 2022 %
Discount rate	-	4.80
Future salary increases	-	2.65
Future pension increases	-	2.65
Inflation assumption	-	2.65

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

29. PENSION COMMITMENTS (continued)

	At 31 December 2023 Years	At 31 December 2022 Years
MORTALITY RATES (IN YEARS)		
- for a male aged 65 now	-	23.4
- at 65 for a male aged 45 now	-	24.9
- for a female aged 65 now	-	25.5
- at 65 for a female aged 45 now	-	27.5

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

	At 31 December 2023 £	At 31 December 2022 £
Other	-	1,414,000

The actual return on scheme assets was £Nil (2022 - £44,000).

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

	2023 £	2022 £
Current service cost	-	17,000
Net interest on defined benefit liability	-	(26,000)
Interest cost	-	45,000
Total amount recognised in the Consolidated Statement of Financial Activities	-	36,000

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

	2023 £
Opening defined benefit obligation	(931,000)
Current service cost	-
Interest cost	-
Actuarial gains	-
Benefits paid	-
Contributions by scheme participants	-
Closing defined benefit obligation	(931,000)

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

29. PENSION COMMITMENTS (continued)

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

	2023 £
Opening fair value of scheme assets	262,000
Expected return on assets	-
Actuarial gains	-
Contributions by employer	-
Contributions by employer	-
Benefits paid	-
Closing fair value of scheme assets	262,000

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

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

30. RELATED PARTY TRANSACTIONS

The nominee of the University of Bath, Rohan Surana, sits on the Board of Directors of the Museum. During the year the University made grants totalling £37,617 (2022: £80,000) to the Museum, and provided 'in kind' support (payroll, IT, security services) with an estimated value of £30,000 (2022: £30,000).

The nominee of Bath Spa University, Dr Andrew Salmon, also sits on the Board of Trustees of the Museum. During the year the University made grants totalling £Nil (2022: £20,000) to the Museum.

THE HOLBURNE MUSEUM

England & Wales - Charity number 310288

Accounts

THE HOLBURNE MUSEUM

TRUSTEE REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE HOLBURNE MUSEUM

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THE HOLBURNE MUSEUM

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

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by a Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is The Holburne Museum Trust Company ("The Company"), a company limited by guarantee.

The directors of The Company are detailed below:

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

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

THE HOLBURNE MUSEUM

TRUSTEE REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustee submits its annual report and accounts for the year ended 31 December 2022. The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and UK Generally Accepted Practice as it applies from 1 January 2019.

Reference and administration information

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is The Holburne Museum Trust Company ("The Company"), a company limited by guarantee.

The directors and senior management of The Company are detailed on pages 10 and 11, together with the names of directors of The Company who acted during the course of the year but are no longer directors at the date of this report. Relevant registration information is shown below:

The Holburne Museum Trust Company	Company Registration Number: 4104120
The Holburne Museum	Charity Registration Number: 310288
Holburne Trading Company Ltd	Company Registration Number: 6954139
Museums and Galleries Commission	Registered Museum Number: 930

The address of The Museum, and its registered office, is Great Pulteney Street, Bath BA2 4DB. The names and addresses of The Museum's professional advisers and bankers are shown on page 1.

Structure, governance and management

• Organisational structure

The Museum is an independent registered charitable trust of which The Company is the sole trustee. The Museum has one subsidiary, Holburne Trading Company, which operates the commercial activities of the Museum, being the café, shop, car park, and commercial income.

• Governance

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

New Directors are required to sign a "Declaration of Eligibility to Act" and a "Declaration of Interests" in order to comply with the Board's Conflicts of Interest policy.

• Management

The Directors, who meet formally at least four times each year, are responsible for setting strategies and policies for the Museum and for ensuring that these are implemented. They are also responsible for:

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

The primary functions of the Directors are to:

- Oversee the key decisions affecting the operation of the Museum.
- Assist the Museum Director in formulating policy and with significant operational decisions.
- Review management accounts and key financial performance indicators against budget.
- Oversee the identification and management of risks.

Full list of committees of the Board during 2021:

- Finance, Audit & Investment Committee Chair - Angela Gillibrand
- Fundraising Committee Chair – Sukie Hemming
- Nominations Committee Chair - Sandy Forbes
- Learning & Engagement Advisory Committee Chair – Caro Howell

THE HOLBURNE MUSEUM

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

The Directors maintain a Risk Register which identifies the major risks to which the Museum, Directors, staff and volunteers are exposed. This Register is maintained by the Treasurer and reviewed by the Directors, most recently by the Finance, Audit and Investment Committee in April 2023, thus bringing risks to the attention of the Directors and enabling them to establish strategies for dealing with them. The key risks identified are:

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

The Co-ordination Team includes the Director, Head of Business & Development, Head of Learning & Engagement, Curator, Exhibitions Co-ordinator, Head of Visitor Services, Head of Communications, and the Museum Administrator. The aims of the monthly Co-ordination Team meetings are:

- To monitor day-to-day performance (financial and operational) of the Museum in order to report to the Directors.
- To provide a forum for management support in particular by identifying staff professional development opportunities and addressing HR issues.
- To provide a platform for joined up thinking across departments in implementing the Museum's strategy.

OBJECTIVES AND ACTIVITIES

The Holburne Museum was founded in 1882 as Bath's first art museum with, at its heart, the collection of Sir William Holburne (1793-1874). In 1916 the collection moved to its present location at the end of Great Pulteney Street and in May 2011 an award-winning extension by architect Eric Parry provided space for additional galleries and a garden café.

The Holburne is a treasure house of Old Master paintings, portrait miniatures, porcelain, Renaissance bronzes and ceramics, silver, and embroidery. It is particularly renowned for its eighteenth-century British portraits, most notably by Ramsay, Stubbs, Zoffany and Gainsborough. The collection continues to develop, and a Collections Policy was agreed in 2018. The Holburne stages international exhibitions and other projects involving fine and decorative arts of all periods which attract national attention and is also admired for its dynamic displays, vibrant learning and community engagement programme and innovative interpretation.

Vision

Our vision is to make the Holburne an open, welcoming, inspiring and empowering space for everyone.

- At the heart of this vision is the powerful relationship of art, creativity and social and personal wellbeing.
- Our Vision is encapsulated by our slogan ***Changing Lives Through Art***.
- We seek to deliver our Mission with ***Ambition*** and ***Innovation***, ensuring that we always do so in ways that are Inclusive, of the highest ***Quality, Relevant*** and ***Sustainable***.

Statement of Purpose:

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

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

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

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

THE HOLBURNE MUSEUM

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

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

Achievements and Performance

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

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

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

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

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

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

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

THE HOLBURNE MUSEUM

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

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

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

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

Financial Review

Review of the year

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

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

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

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

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

Details of Funds

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

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

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

Restricted – Development Fund – this comprises of funds donated and grants raised to finance the Museum's major redevelopment scheme (including the Gardener's Lodge development). The annual depreciation charges on freehold and leasehold property, and on fixtures and fittings financed from this Fund, are charged against the Fund.

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

THE HOLBURNE MUSEUM

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

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

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

Investment policy and performance

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

Unrestricted Funds reserves approach

The Directors are concerned to maintain a level of unrestricted reserves which will provide sufficient working capital and enable the Museum to cope with unexpected shortfalls in income or increases in operating costs. Our business plan is to preserve the Endowment Funds and ultimately to increase them to a level at which the total return generated will cover any operating deficits. Through a very generous funding agreement with a Trust, donations for the Endowment Fund will be matched funded up to £1 million. To date £410,000 has been drawn down from the Trust.

The Museum aims to maintain unrestricted reserves, which are the free reserves of the Museum, at a level that is sufficient to cover the running costs of the Museum for at least six months, being in the region of £916,000.

Avon Pension Fund

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

Post Balance Sheet Note

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

Plans for future periods

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

We remain committed to the vision agreed by staff and Trust Company Directors in 2019 that set the triangular relationship of art, creativity, and wellbeing at the heart of our organisation. We intend to deepen the Holburne's commitment to supporting individual wellbeing through art and creativity and to play a significant role in the wellbeing of our communities.

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

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

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

THE HOLBURNE MUSEUM

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

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

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

THE HOLBURNE MUSEUM

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

Disclosure of information to auditors

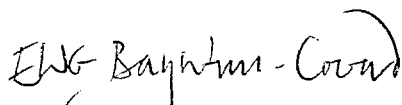
The Trustee at the time when this Trustee Report is approved has confirmed that:

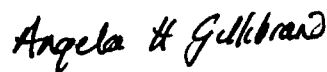
- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable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

Auditors

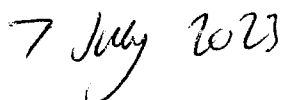
The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustee will propose a motion reappointing the auditors at a meeting of the Trustee.

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


Edward Bayntun-Coward
Chair of Trustees



Angela Gillibrand
Treasurer

Date: 

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

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

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

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

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

THE HOLBURNE MUSEUM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOLBURNE MUSEUM

OPINION

We have audited the financial statements of The Holburne Museum (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

THE HOLBURNE MUSEUM

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

THE HOLBURNE MUSEUM

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

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

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

USE OF OUR REPORT

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



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

Date: *26 September 2023*

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

THE HOLBURNE MUSEUM

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

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

THE HOLBURNE MUSEUM

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

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

THE HOLBURNE MUSEUM

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

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

THE HOLBURNE MUSEUM

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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

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

Edward Bayntun-Coward

Edward Bayntun-Coward
Chair of Trustees

Angela H Gillibrand

Angela Gillibrand
Treasurer

Date: *7 July 2023*

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

THE HOLBURNE MUSEUM

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

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

THE HOLBURNE MUSEUM

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

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

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

Edward Bayntun-Coward

Edward Bayntun-Coward
Chair of Trustees

Angela Gillibrand

Angela Gillibrand
Treasurer

Date: *7 July 2023*

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

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

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

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

THE HOLBURNE MUSEUM

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

1. GENERAL INFORMATION

The Charity is a registered charity in England and Wales and is unincorporated. The address of the principal office is The Holburne Museum, Great Pulteney Street, Bath, BA2 4DB.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

2.2 Going concern

The activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Trustee's Annual Report. The financial position of the Charity and its cashflow are presented in the financial statements and accompanying notes.

The directors consider that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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

2. ACCOUNTING POLICIES (continued)

2.3 Income

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

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

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

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

2.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2. ACCOUNTING POLICIES (continued)

2.6 Taxation

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

In addition, its subsidiary incurs no current tax charge as all its profits, which would otherwise be taxable, are distributed to the Museum by way of Gift Aid and thus no tax liability arises.

The Group receives Museum and Gallery Exhibition Tax Relief, which is surrendered, giving rise to a tax repayment to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in other income in the Consolidated Statement of Financial Activities. Gift Aid recoverable on certain donation, and where applicable, has been included in income.

2.7 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

2.8 Heritage assets

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

2.9 Investments

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

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

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

2. ACCOUNTING POLICIES (continued)

2.10 Stocks

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

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

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

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

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

2.14 Financial instruments

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

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

2. ACCOUNTING POLICIES (continued)

2.15 Pensions

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

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, Bath and North-East Somerset Council determine the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 20.

Pension costs - defined benefit pension schemes

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the Statement of Financial Activities. Past service costs are recognised over the vesting period or immediately if the benefits have been vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the Statement of Financial Activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the Statement of Financial Activities. Net pension finance income is recognised as an incoming resource in the Statement of Financial Activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the balance sheet.

Pension costs - defined contribution pension schemes

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

THE HOLBURNE MUSEUM

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

2. ACCOUNTING POLICIES (continued)

2.16 Fund accounting

Restricted and unrestricted income funds - unrestricted income funds are expendable at the discretion of the Directors in furtherance of the objects of the Museum. Funds designated for a particular purpose are also unrestricted. The Museum receives grants and donations for purposes specified by the donors and funds are expended in accordance with donors' wishes. Such funds are restricted funds and are disclosed in the accounts under one of the headings Specific Purposes Funds or Development Funds.

Endowment funds - the Catalyst Endowment Fund is the Heritage Lottery Fund/Department for Culture Media and Sport Catalyst: Endowment fund created from a grant of £1 million from the Heritage Lottery Fund which, together with 1:1 matched funding, was received and raised over the period to June 2016. The capital must be retained as a permanent endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum and will be transferred annually to the general fund. The Special Acquisitions Fund comprised the proceeds of sale of an item from the collection in 2011 for £1 million, with the balance in the fund amounting to £920,000; the Museum has received legal advice which has led to this Fund being reclassified as part of the Endowment of the Museum.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. INCOME FROM DONATIONS AND LEGACIES

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

THE HOLBURNE MUSEUM

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

4. INCOME FROM DONATIONS AND LEGACIES (continued)

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

5. INCOME FROM CHARITABLE ACTIVITIES

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

THE HOLBURNE MUSEUM

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

5. INCOME FROM CHARITABLE ACTIVITIES (continued)

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

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

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

Income from non charitable trading activities

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

THE HOLBURNE MUSEUM

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

6. INCOME FROM OTHER TRADING ACTIVITIES (continued)

Income from non charitable trading activities (continued)

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

7. INVESTMENT INCOME

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

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

8. OTHER INCOMING RESOURCES

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

THE HOLBURNE MUSEUM

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

8. OTHER INCOMING RESOURCES (continued)

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

9. EXPENDITURE ON RAISING FUNDS

Fundraising trading expenses

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

THE HOLBURNE MUSEUM

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

9. EXPENDITURE ON RAISING FUNDS (continued)

Fundraising trading expenses (continued)

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

10. INVESTMENT MANAGEMENT COSTS

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

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

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

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

THE HOLBURNE MUSEUM

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

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Summary by fund type (continued)

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

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

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

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

THE HOLBURNE MUSEUM

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

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF SUPPORT COSTS

	Museum Activities 2022 £	Education Activities 2022 £	Exhibition Activities 2022 £	Total funds 2022 £
Staff costs	37,413	31,177	56,119	124,709
Premises	94,682	67,148	120,865	282,695
Other administrative costs	78,811	65,676	118,216	262,703
Governance costs	14,800	-	-	14,800
	<u>225,706</u>	<u>164,001</u>	<u>295,200</u>	<u>684,907</u>

	Museum Activities 2021 £	Education Activities 2021 £	Exhibition Activities 2021 £	Total funds 2021 £
Staff costs	38,596	32,163	57,894	128,653
Premises	73,485	67,891	122,204	263,580
Other administrative costs	36,655	23,892	43,005	103,552
Governance costs	13,550	-	-	13,550
	<u>162,286</u>	<u>123,946</u>	<u>223,103</u>	<u>509,335</u>

13. AUDITORS' REMUNERATION

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

THE HOLBURNE MUSEUM

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

14. STAFF COSTS

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

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

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

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

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

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

15. TRUSTEE'S REMUNERATION AND EXPENSES

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

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

THE HOLBURNE MUSEUM

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

16. TANGIBLE FIXED ASSETS

Group and Charity

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

Freehold property - the freehold of the Museum buildings and grounds is held by the Trustee, in Trust for the charity. The Museum building and grounds were professionally valued at £550,000 in 1994 and this valuation was used as a deemed cost on transition to SORP (FRS 102). During 2011 the Development project was completed and the total cost of £8,811,623 reanalysed as freehold property, and a further £145,499 has also subsequently been capitalised.

Since the opening of the Museum in May 2011, depreciation commenced on the freehold property on a straight-line basis over a period of 50 years. In August 2017 the building was valued at £16.6m (£2016 £16m) by the Charity's insurers, this being based on the cost of restoring or repairing the building using modern techniques and materials or replacing the property with a modern equivalent.

Leasehold property - The Gardener's Lodge. The cost included in the accounts represents the cost of the premium paid to Bath and North East Somerset Council for the grant by them of a 20-year rent-free lease on these premises in Sydney Gardens, together with the cost of small subsequent improvements. The lease commenced on 20 November 2004 and its costs are being amortised by equal annual instalments over the life of the lease. The amount of the depreciation is charged against the Development Fund.

THE HOLBURNE MUSEUM

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

17. HERITAGE ASSETS

Group and Charity

Assets recognised at cost

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

Analysis of heritage asset transactions

Group and Charity

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

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

THE HOLBURNE MUSEUM

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

18. FIXED ASSET INVESTMENTS

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

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

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

Class of shares	Holding
Ordinary	100%

The financial results of the subsidiary for the year were:

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

THE HOLBURNE MUSEUM

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

19. STOCKS

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

20. DEBTORS

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

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

THE HOLBURNE MUSEUM

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

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

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

THE HOLBURNE MUSEUM

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

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (continued)

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

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

22. STATEMENT OF FUNDS (CONTINUED)

Restricted Funds

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

The Heritage Asset Fund represents amounts received to purchase capitalised Heritage Assets or the value of items donated to the Collection (Note 17).

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

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

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

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

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

THE HOLBURNE MUSEUM

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

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

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

THE HOLBURNE MUSEUM

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

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

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

23. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

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

THE HOLBURNE MUSEUM

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

23. SUMMARY OF FUNDS (CONTINUED)

SUMMARY OF FUNDS - PRIOR YEAR

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

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

THE HOLBURNE MUSEUM

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

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

25. UNAPPLIED TOTAL RETURN

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

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

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

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

THE HOLBURNE MUSEUM

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

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

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

28. ANALYSIS OF CHANGES IN NET DEBT

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

29. PENSION COMMITMENTS

The Group operates a defined benefit pension scheme.

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

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

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

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

THE HOLBURNE MUSEUM

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

29. PENSION COMMITMENTS (continued)

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

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

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

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

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

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

THE HOLBURNE MUSEUM

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

29. PENSION COMMITMENTS (continued)

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

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

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

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

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

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

30. RELATED PARTY TRANSACTIONS

The nominees of the University of Bath, James Eastman (to 27 April 2021) and Rohan Surana (from 3 February 2022), sit on the Board of Directors of the Museum. During the year the University made grants totalling £80,000 (2021: £20,000) to the Museum, and provided 'in kind' support (payroll, IT, security services) with an estimated value of £30,000 (2021: £30,000).

The nominee of Bath Spa University, Dr Andrew Salmon, also sits on the Board of Trustees of the Museum. During the year the University made grants totalling £20,000 (2021: £20,000) to the Museum.

THE HOLBURNE MUSEUM

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

31. THANK YOU

The Holburne is a registered charity and every year we rely on the support of gifts and donations to deliver all of our activities and care for our collection and building. We are very grateful to everyone who to everyone who has supported the Holburne in 2022-2023, and would like to extend special thanks to:

Major Donors and Supporters

Agnews Gallery	The Modern Institute
Bath Spa University	The National Gallery
Francesca Beauman and James Bobin	Hamish Parker
Beaux Arts London	David Pike
Vanessa Brett	David and Suki Posnett
Bruno Schroder Trust	Stuart and Bianca Roden
Robert Carsen	Rotork
Marianna Clark	Roland and Sophie Rudd
Dr and Mrs Martin Clarke	Sadie Coles HQ
Clore Wyndham	The Sanderson Foundation
Antony and Amanda Constantinidi	Hiroko & Jim Sherwin
Daniel Katz Gallery	Marcelle Speller OBE
The Davidson Family	Sir Hugh and Catherine Stevenson
Van and Eva DuBose	Sir Ian and Mercedes Stoutzker
The Estate of Francis Bacon	Thomas Gibson Fine Art
Andrew Fletcher OBE	Kathryn Uhde
Lydia and Manfred Gorvy	University of Bath
George Bayntun	Michael and Yvonne Uva
Linda and Philip Harley	Mr and Mrs Shi Wei
Hazlitt Holland-Hibbert	The Weiss Gallery
The Holburne Supporters Committee	<i>And all those who wish to remain anonymous</i>
J.P. Marland Charitable Trust	
King Edward's School, Bath	

Director's Circle

Vanessa Brett	Patricia Robertson-Glasgow
Dr and Mrs Martin Clarke	Julian and Lucy Sainsbury
Morny and Ian Hay Davison	Ian and Christa Taylor
Andrew Fletcher OBE	Dr Alyson Warhurst
John and Jill Garcia	<i>And all those who wish to remain anonymous</i>
Tim Matcham	
Trevor Osborne	

THE HOLBURNE MUSEUM

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

Patrons

Mrs Josefa Angelo-Sparling
Avon Antiques
Rodney and Deborah Barber
John and Alison Barneby
Ken and Vera Barnes
Julian and Diana Barran
Edward Bayntun-Coward, DL
Christopher and Nicola Beauman
Simon and Margaret Beresford-Wylie
William and Victoria Bertram
Sidney Blackmore and David Wiltshire
The Brownsword Charitable Trust
Suzanne Campbell-Jones
Suzanne and Graham Chase
Anthony and Louise Clarke
Tabitha L. E. Claydon
Antony and Amanda Constantinidi
Gordon and Libby Cooke
Tamie Cornwall-Jones
William and Letty Darby
The Davidson Family
Ruth Davies
The Dickinson Group
Mrs Joan Donovan
Van and Eva DuBose
David and Karin Embleton
The Fendley Family
Magdalen Fisher
Richard and Mary Fleck
Richard and Carolyn Frewer
Jeremy Garfield-Davies
Professor Barry and Mrs Yvonne Gilbertson
Mr Richard Hall and Dr Yasemin Hall
Stephen and Sheila Hammerton
Nicola Hanscombe
Pamela, The Lady Harlech
Roy Hatch
Hazlitt Holland-Hibbert
Douglas and Pippa Hutchison
Jane Ibbunson
Cath Kidston
Michael and Frances-Anne King
Peter Knight and Holly Trant
Sandra le Marchant
Sir Timothy and Lady Lloyd
Ms Louise Mayo

Deirdre McSharry
The Medlock Charitable Trust
Bel Mooney and Robin Allison-Smith
Richard and Christine Moore
The Paravicini Dyer Charitable Trust
David Pike
The Pitt-Rivers Charitable Trust
David and Suki Posnett
Sue and Rupert Rhymes
John Robinson
Mr Adrian Sassoon
Juliet Schubart
The Andrew and Belinda Scott Charitable Trust
Hiroko & Jim Sherwin
Paul and Gillian Sladen
Sir Hugh and Catherine Stevenson
Alexandra Stones
Thomas Dane Gallery
Matthew and Leigh Thorne
Richard and Sue Wales
Christine Walker
Robert and Jane Walters
Brian Webber
Nigel and Sandra Websper
Richard and Teresa Wharton
Iwan and Manuela Wirth
Patrick and Lucy Woodroffe
Margaret Wragg
And all those who wish to remain anonymous

THE HOLBURNE MUSEUM

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

1882 Circle

Nicholas and Richard Falk
Sir Timothy and Lady Lloyd
Trevor Osborne

Paul and Gillian Sladen
Rosemary Utidjian
And all those who wish to remain anonymous

Public Funders

Arts Council England
The National Lottery Community Fund
The National Lottery Heritage Fund
Postcode Neighbourhood Trust

Trusts and Foundations

AKO Foundation
Ampersand Foundation
Art Fund
The Arts Society
The Barakat Trust
Blavatnik Family Foundation
British-Italian Society
The Broderers' Charity Trust
The Clore Duffield Foundation
The Cobalt Trust
The Dame Violet Wills Will Trust
The Finnis Scott Foundation
Garfield Weston Foundation
The Gladys Kriebel Delmas Foundation
Golden Bottle Trust
The Headley Trust
Henry Moore Foundation
The Idlewild Trust
The James and Deirdre Dyson Trust
John Ellerman Foundation

The Joyce Fletcher Charitable Trust
The Linbury Trust
The Medlock Charitable Trust
Nicholas and Judith Goodison Charitable
Settlement
The Norie Trust
The Paul Mellon Centre
The Peter Stormonth Darling Charitable Trust
The Pilgrim Trust
The Ray Harris Charitable Trust
The Roper Family Charitable Trust
St John's Foundation, Bath
The Tavolozza Foundation
The William Gibbs Trust
The Wolfson Foundation

Business Supporters

Babycham
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The Great Wine Co.
Handelsbanken
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Mytton Williams

Very special thanks to

The Friends of the Holburne Museum
Our wonderful and committed Volunteers
The partners and lenders to our 2022-2023 exhibitions, engagement & learning programme

THE HOLBURNE MUSEUM

England & Wales - Charity number 310288

Accounts

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



Charity Registration No. 310288

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

STRUCTURE AND GOVERNANCE

The Trustee submits its annual report and accounts for the year ended 31 December 2021. The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and UK Generally Accepted Practice as it applies from 1 January 2019.

Reference and administration information

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is The Holburne Museum Trust Company ("The Company"), a company limited by guarantee.

The directors and senior management of The Company are detailed on pages 10 and 11, together with the names of directors of The Company who acted during the course of the year but are no longer directors at the date of this report. Relevant registration information is shown below:

○ The Holburne Museum Trust Company	Company Registration Number:	4104120
○ The Holburne Museum	Charity Registration Number:	310288
○ Holburne Trading Company Ltd	Company Registration Number	6954139
○ Museums and Galleries Commission	Registered Museum Number:	930

The address of The Museum, and its registered office, is Great Pulteney Street, Bath BA2 4DB. The names and addresses of The Museum's professional advisers and bankers are shown on page 11.

Structure, governance and management

▪ Organisational structure

The Museum is an independent registered charitable trust of which The Company is the sole trustee. The Museum has one subsidiary, Holburne Trading Company, which operates the commercial activities of the Museum, being the café, shop, car park, commercial events and ticketed entry.

▪ Governance

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

New Directors are required to sign a "Declaration of Eligibility to Act" and a "Declaration of Interests" in order to comply with the Board's Conflicts of Interest policy.

▪ Management

The Directors, who meet formally at least four times each year, are responsible for setting strategies and policies for the Museum and for ensuring that these are implemented. They are also responsible for:

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

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

STRUCTURE AND GOVERNANCE (continued)

The primary functions of the Directors are to:

- Oversee the key decisions affecting the operation of the Museum.
- Assist the Museum Director in formulating policy and with significant operational decisions.
- Review management accounts and key financial performance indicators against budget.
- Oversee the identification and management of risks.

Full list of committees of the Board during 2021:

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

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

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

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

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

- To monitor day-to-day performance (financial and operational) of the Museum in order to report to the Directors.
- To provide a forum for management support in particular by identifying staff professional development opportunities and addressing HR issues.
- To provide a platform for joined up thinking across departments in implementing the Museum's strategy.

OBJECTIVES AND ACTIVITIES

The Holburne Museum was founded in 1882 as Bath's first art museum with, at its heart, the collection of Sir William Holburne (1793-1874). In 1916 the collection moved to its present location at the end of Great Pulteney Street and in May 2011 an award-winning extension by architect Eric Parry provided space for additional galleries and a garden café.

The Holburne is a treasure house of Old Master paintings, portrait miniatures, porcelain, Renaissance bronzes and ceramics, silver, and embroidery. It is particularly renowned for its eighteenth-century British portraits, most notably by Ramsay, Stubbs, Zoffany and Gainsborough. The collection continues to develop, and a Collections Policy was agreed in 2018. The Holburne stages international exhibitions and other projects involving fine and decorative arts of all periods and is admired for its dynamic displays, vibrant learning and community engagement programme and innovative interpretation.

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

OBJECTIVES AND ACTIVITIES (continued)

Vision

Our vision is to make the Holburne an open, welcoming, inspiring and empowering space for everyone.

- At the heart of this vision is the powerful relationship of art, creativity and social and personal wellbeing.
- Our Vision is encapsulated by our slogan *Changing Lives Through Art*.
- We seek to deliver our Mission with *Ambition* and *Innovation*, ensuring that we always do so in ways that are *Inclusive*, of the highest *Quality, Relevant* and *Sustainable*.

Statement of Purpose:

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

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

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

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

Achievement and performance

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

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

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

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

OBJECTIVES AND ACTIVITIES (continued)

Achievement and performance (continued)

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

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

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

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

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

FINANCIAL REVIEW

Review of the year

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

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

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

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

FINANCIAL REVIEW (continued)

Review of the year (continued)

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

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

Details of Funds

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

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

Investment policy and performance

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

Unrestricted Funds operational approach

The Directors are concerned to maintain a level of unrestricted reserves which will provide sufficient working capital and enable the Museum to cope with unexpected shortfalls in income or increases in operating costs. A three-year Implementation Plan had been prepared, the objective of which is to preserve the Endowment Funds and ultimately to increase them to a level at which the total return income generated will cover the annual deficit of the Museum, but this is being re-assessed in light of the changes arising as a result of the Covid19 pandemic and its impact on the Museum. It is the long-term aim of the charity to maintain unrestricted reserves, which are the free reserves of the Museum, at a level that is sufficient to cover the running costs of the Museum for at least six months, being in the region of £700,000.

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

FINANCIAL REVIEW (continued)

Avon Pension Fund

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

The present value of funded obligations is £2.30m (2020 £2.35m), whilst the fair value of scheme assets is £1.33m (2020 £1.12m) giving rise to a net pension liability of £973,000 (2020 £1.84m) which is recognised in full in the counts. The scheme assets amount to 57.5% (2020 50%) of the projected liability that is expected to crystallise over a period of 20 years, and the resulting deficit may have to be funded from the charity's reserves in the future. The liability is reassessed by the Scheme's actuary on a triennial basis.

During the year the Directors have appointed an independent firm of specialist actuaries to review the overall position and advise on what steps the Museum might take to mitigate these liabilities, and discussions are continuing.

Plans for future periods

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

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

Responsibility for the accounts and financial statements

The Charities Act 2011 requires the Trustee to prepare financial statements for each financial year that provide a true and fair view of the state of affairs of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate that the museum will continue operating.

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

Responsibility for the accounts and financial statements (continued)

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position at any time and which ensure that the financial statements comply with the applicable rules and regulations. It is also responsible for safeguarding the assets of the charity and for their proper application under charity law, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is satisfied that the responsibilities set out above have been discharged and that these accounts have been prepared in accordance with the applicable accounting standards, save where stated in respect of donated heritage assets

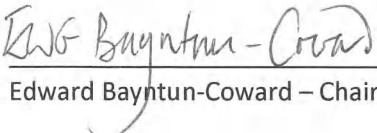
Auditors

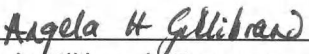
Moore have expressed their willingness to continue in office as auditors, as part of the Board's governance procedures a formal audit tender process will be undertaken ahead of appointing auditors for the 2022 financial year.

Thanks

The Directors convey their sincere thanks to all the staff and volunteers who have provided their support to the Museum, without which it could not continue to honour and deliver its response to the charitable objectives laid down for it by its founder in 1882.

This report was approved by the Directors at their meeting on 15th September 2022 and are signed on their behalf by:


Edward Bayntun-Coward – Chairman


Angela Gillibrand – Treasurer

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

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

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

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

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

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

Professional advisors:

Solicitors	Stone King, Upper Borough Court, Upper Borough Walls, Bath BA1 1RG
Auditors	Moore, Chartered Accountants & Statutory Auditors, 30 Gay Street, Bath BA1 2PA
Investment Managers	Heartwood Investment Management No 1 Kingsway London WC2B 6AN
Insurance Brokers	Jelf Insurance Brokers Ltd 1 Crescent Office Park, Clarks Way, Bath BA2 2AF Blackwall Green, The Wallbrook Building, 25 Wallbrook, London EC4N 8AW
Bankers	CafBank Ltd, PO Box 289, West Malling, Kent ME19 4TA

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HOLBURNE MUSEUM FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of The Holburne Museum (the 'Charity') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, Charity and Consolidated Balance Sheets, Consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Charity's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 9, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Our approach was as follows:

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

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

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

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

Use of our report

This report is made solely to the Charity's Trustee in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustee for our audit work, for this report, or for the opinions we have formed.



Moore

Statutory Auditor
30 Gay Street
Bath
Somerset
BA1 2PA

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

23 September 2022

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

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

The above results relate wholly to continuing activities; there were no other recognised gains or losses in the year.

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

**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2021**

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

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


Edward Bayntun-Coward – Chairman

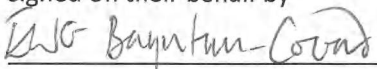

Angela Gillibrand - Treasurer

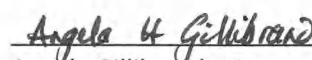
The accompanying accounting policies and notes form an integral part of these financial statements.

**CHARITY BALANCE SHEET
AT 31 DECEMBER 2021**

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

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


Edward Bayntun-Coward – Chairman


Angela Gillibrand - Treasurer

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

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

General information - the charity is a registered charity in England and Wales and is unincorporated. The address of the principal office is The Holburne Museum, Great Pulteney Street, Bath, BA2 4DB.

Statement of compliance - these financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in July 2014, as updated by 2nd edition October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of accounting - the financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at fair value through income or expenditure. The consolidated accounts include the trading activities, assets and liabilities of the subsidiary company and are prepared in sterling, which is the functional currency of the entity.

Going concern - the activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Trustee's Annual Report. The financial position of the Charity and its cashflow are presented in the financial statements and accompanying notes.

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

The Directors consider that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty - the preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition - Donations, grants, sponsorship and legacies are credited to income only when it is probable that they will be received, and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.

No monetary value is attributed to the substantial amount of time and effort contributed by the many volunteers essential to the Museum's activities and who have not been paid for their assistance.

Income - Donations and legacies include all gifts, donations and related gift aid, grants which provide core funding and patrons' subscriptions. Other trading activities are the trading and other fundraising activities primarily to generate incoming resources to undertake charitable activities. Income from charitable activities includes any incoming resources received that are a payment for goods and services provided for the benefit of the charity's beneficiaries. 'Charitable activities' for the purposes of the Museum's financial statement are a) Exhibitions and display, b) Learning, and c) Events (lectures and concerts etc), room hire and catering.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

Expenditure - expenditure is recognised when incurred, and is reported gross of related income on the following bases:

- a) Expenditure on raising funds comprises the costs associated with attracting voluntary income and the costs of other income generation, e.g., the costs associated with management of the investment portfolio.
- b) Expenditure on charitable activities comprises direct expenditure including staff costs attributable to its activities. Where costs cannot be directly attributed, they are allocated to activities on a basis consistent with the use of resources as described below.
- c) Governance costs are costs incurred in the governance of the Trust's assets in order to comply with constitutional and statutory requirements and are included within expenditure on charitable activities.
- d) Support costs include the central functions and are allocated to activity cost categories on a basis consistent with the use of the resources, e.g., allocating staff costs according to time spent and other costs according to usage.

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

Investment assets and income - the charity's investment in its subsidiary company is shown at cost. All other investments are shown in the Balance Sheet at their mid-market price. Gains and losses on the revaluation and realisation of investments are taken to income in the Statement of Financial Activities. Dividends and interest from investments are credited to income on receipt.

Taxation - the Museum's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Museum is not liable to tax. In addition, its subsidiary incurs no current tax charge as all its profits, which would otherwise be taxable, are distributed to the Museum by way of Gift Aid and thus no tax liability arises.

The Group receives Museum and Gallery Exhibition Tax Relief, which is surrendered, giving rise to a tax repayment to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in other income in the Consolidated Statement of Financial Activities. Gift Aid is recoverable on certain donations, and where applicable, has been included in income.

Liabilities - liabilities are recognised in full in the financial statements as soon as the obligation arises.

Restricted and unrestricted income funds - unrestricted income funds are expendable at the discretion of the Directors in furtherance of the objects of the Museum. Funds designated for a particular purpose are also unrestricted. The Museum receives grants and donations for purposes specified by the donors and funds are expended in accordance with donors' wishes. Such funds are restricted funds and are disclosed in the accounts under one of the headings Specific Purposes Funds or Development Funds.

Endowment funds - the Catalyst Endowment Fund is the Heritage Lottery Fund/Department for Culture Media and Sport Catalyst: Endowment fund created from a grant of £1 million from the Heritage Lottery Fund which, together with 1:1 matched funding, was received and raised over the period to June 2016. The capital must be retained as a permanent endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum and will be transferred annually to the general fund. The Special Acquisitions Fund comprised the proceeds of sale of an item from the collection in 2011 for £1 million, with the balance in the fund amounting to £920,000; the Museum has received legal advice which has led to this Fund being reclassified as part of the Endowment of the Museum.

Fixed Assets - Heritage assets - the Museum holds a collection of heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Several heritage assets have been purchased or donated to the Museum in this or earlier years and these items have been capitalised.

The remainder of the collection is the legacy of the Holburne Family, and it would be difficult and costly to attribute a cost or value to it. As such these assets are excluded from the balance sheet as reliable cost information is not available and conventional valuation approaches lack sufficient reliability and significant costs would be involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by users of the accounts in assessing the Directors' stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided.

Fixed Assets – Freehold Property - freehold property is shown in the Balance Sheet using a pre-development valuation of £550,000 as deemed cost on transition to SORP (FRS102) plus subsequent costs of development of £8,957,122.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

Fixed Assets – Fixtures, fittings and equipment - expenditure on fixed assets is capitalised where material. Where capitalised, assets are stated at cost less subsequent depreciation unless otherwise stated. Other fixed asset expenditure of less than £2,000 is charged to general income or specific grants as appropriate. Where expenditure on material fixed assets is funded by specific grants or donations depreciation thereon is charged to the Specific Purposes Fund.

Depreciation - depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

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

Where the recoverable amount of a tangible fixed asset is found to be below its net book value, the asset is written down to its recoverable amount and the loss on impairment is charged to the relevant expenditure category of the statement of financial activities. Where an asset is not primarily used to generate income, its impairment is assessed by reference to its service potential on its initial acquisition. In the year, the charity currently has no tangible fixed assets to which impairment provisions apply.

Stock - Shop stock is included in the financial statements at the lower of original cost and net realisable value.

Operating lease agreements - rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are included in expenditure on a straight-line basis over the period of the lease.

Financial instruments - Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, Bath and North-East Somerset Council determine the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 20.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

Pension costs - defined benefit pension schemes

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the Statement of Financial Activities. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the Statement of Financial Activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the Statement of Financial Activities. Net pension finance income is recognised as an incoming resource in the Statement of Financial Activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the balance sheet.

Pension costs - defined contribution pension schemes

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

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

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

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

7. Expenditure on charitable activities by activity type

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

8. Analysis of support costs

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

9. Net income for the year

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

10. Staff costs and emoluments

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

Other pension costs above represent the total operating charge included in expenditure in the Statement of Financial Activities and does not include amounts included in other finance costs.

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

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

Trustees: no remuneration is payable to the sole trustee of the Museum, the Holburne Museum Trust Company, or to any of the directors of that company, except for the Museum Director. No expenses were reimbursed to directors of the Trustee company (2020 - £nil).

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

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

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

Freehold property - the freehold of the Museum buildings and grounds is held by the Trustee, in Trust for the charity. The Museum building and grounds were professionally valued at £550,000 in 1994 and this valuation was used as a deemed cost on transition to SORP (FRS 102). During 2011 the Development project was completed and the total cost of £8,811,623 reanalysed as freehold property, and a further £145,499 has also subsequently been capitalised.

Since the opening of the Museum in May 2011, depreciation commenced on the freehold property on a straight-line basis over a period of 50 years. In August 2017 the building was valued at £16.6m (2016 £16m) by the Charity's insurers, this being based on the cost of restoring or repairing the building using modern techniques and materials or replacing the property with a modern equivalent.

Leasehold property - The Gardener's Lodge. The cost included in the accounts represents the cost of the premium paid to Bath & North East Somerset Council for the grant by them of a 20-year rent-free lease on these premises in Sydney Gardens, together with the cost of small subsequent improvements. The lease commenced on 20 November 2004 and its costs are being amortised by equal annual instalments over the life of the lease. The amount of the depreciation is charged against the Development Fund

12. Heritage Assets (The Group and the Charity)

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

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

13a. Investments (The Group and the Charity)

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

13b. Investments - Subsidiary Undertaking

The charity owns the whole of the issued share capital of Holburne Trading Company Limited, a company registered in England. The address of the principal office is Great Pulteney Street, Bath, BA2 4DB. Its principal activity is the operation of the commercial activities at the Holburne Museum and a summary of its results and balance sheet is provided below:

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

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

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

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

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

The Endowment Fund began as a grant of £1 million from the National Lottery Heritage Fund which, together with 1:1 matched funding, was raised over the period to June 2016. The capital must be retained as an endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum.

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

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

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

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

Disclosure of Total Asset Return approach to investment of permanent endowment

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

17. Restricted Funds (The Group and the Charity)

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

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

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

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

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

17. Restricted Funds (The Group and the Charity)

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

18. Unrestricted Funds

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

19. Related Parties

The nominees of the University of Bath, James Eastman (to 27 April 2021) and Rohan Surana (from 3 February 2022), sit on the Board of Directors of the Museum. During the year the University made grants totalling £20,000 (2020 £11,667) to the Museum, and provided 'in kind' support (payroll, IT, security services) with an estimated value of £30,000 (2020 £30,000). The nominee of Bath Spa University, Dr Andrew Salmon, also sits on the Board of Trustees of the Museum. During the year the University made grants totalling £20,000 (2020 £35,000) to the Museum.

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

20. Pensions and Other Post Retirement Benefits

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

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

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

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

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

How the Fund is invested

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

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

Reconciliation to Balance sheet

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

Net periodic pension cost recognised in profit and loss

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

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

20. Pensions and Other Post Retirement Benefits (continued)

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

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

21a. Previous Year Comparatives – Consolidated Statement of Financial Activities

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

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

21b. Previous Year Comparatives – Consolidated Balance Sheet

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

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

21c. Previous Year Comparatives – Endowment and Restricted Funds

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

THANK YOU

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

Major Donors and Supporters

Bath Spa University
Francesca Beauman and James Bobin
Ben Elwes Fine Art
Bonhams
Marianna Clark
Dr and Mrs Martin Clarke
Clore Wyndham
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The Sanderson Foundation
Marcelle Speller OBE
Sir Hugh and Catherine Stevenson
Sir Ian and Mercedes Stoutzker
Thomas Gibson Fine Art
Kathryn Uhde
University of Bath
Shi Wei

And all those who wish to remain anonymous

Trevor Osborne
Patricia Robertson-Glasgow
Ian and Christa Taylor
And all those who wish to remain anonymous

Hazlitt Holland-Hibbert
Patricia Heath
Douglas and Pippa Hutchison
Jane Ibbunson
Darren and Julieann Jefford
Tim Kent
Michael and Frances-Anne King
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Sandra le Marchant
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The Medlock Charitable Trust
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 Antony and Amanda Constantinidi
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 Thomas Dane Gallery
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 Margaret Wragg
And all those who wish to remain anonymous

Rosemary Utidjian
And all those who wish to remain anonymous

The National Lottery Heritage Fund
 Postcode Neighbourhood Trust

Henry Moore Foundation
 The Idlewild Trust
 The Linbury Trust
 The Medlock Charitable Trust
 The Norie Trust
 The Paul Mellon Centre
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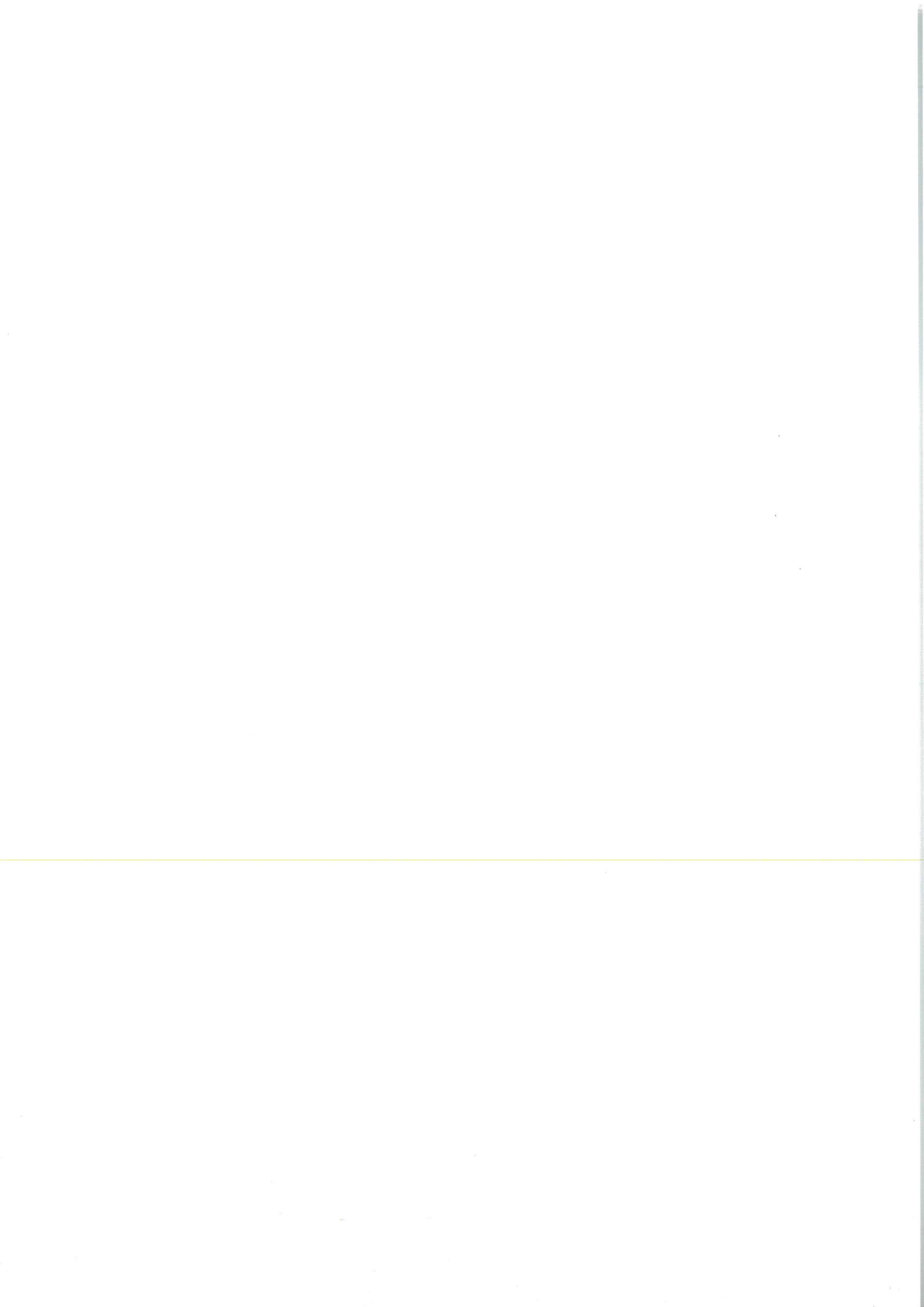
Very special thanks to

The Friends of the Holburne Museum

Our wonderful and committed Volunteers

The partners and lenders to our 2021 exhibitions, engagement & learning programme

All those who donated to our Covid Emergency Appeals



THE HOLBURNE MUSEUM

England & Wales - Charity number 310288

Accounts

**TRUSTEES ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



Charity Registration No. 310288

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE AND GOVERNANCE

The Trustees submit their annual report and accounts for the year ended 31 December 2020. The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and UK Generally Accepted Practice as it applies from 1 January 2015.

Reference and administration information

The Holburne Museum ("The Museum") is an independent institution with registered charitable status, established by Deed of Trust in 1883. The sole Trustee, by whom the Trust is administered, is the Holburne Museum Trust Company ("The Company"), a company limited by guarantee.

The directors and senior management of The Company are detailed on pages 9 and 10, together with the names of directors of The Company who acted during the course of the year but are no longer directors at the date of this report. Relevant registration information is shown below:

○ The Holburne Museum	Registered Charity Number:	310288
○ Holburne Trading Company Ltd	Company Number:	6954139
○ The Holburne Museum Trust Company	Company Number:	4104120
○ Museums and Galleries Commission	Registered Museum Number:	930

The address of The Museum, and its registered office, is Great Pulteney Street, Bath BA2 4DB. The names and addresses of The Museum's professional advisers and bankers are shown on page 11.

Structure, governance and management

▪ Organisational structure

The Museum is an independent registered charitable trust of which The Company is the sole trustee. The Company has one subsidiary, Holburne Trading Company, which operates the commercial activities of the Museum, being the café, shop, car park, commercial events and ticketed entry.

▪ Governance

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

New Trustees are required to sign a "Declaration of Eligibility to Act" and a "Declaration of Interests" in order to comply with the Board's Conflicts of Interest policy.

▪ Management

The Trustees, who meet formally at least four times each year, are responsible for setting strategies and policies for the Museum and for ensuring that these are implemented. They are also responsible for:

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

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE AND GOVERNANCE (continued)

The primary functions of the Trustees are to:

- Oversee the key decisions affecting the operation of the Museum.
- Assist the Director in formulating policy and with significant operational decisions.
- Review management accounts and key financial performance indicators against budget.
- Oversee the identification and management of risks.

Full list of committees of the Board during 2020:

- Finance, Audit & Investment Committee. Chair - Antony Constantinidi, succeeded by Angela Gillibrand
- Development Committee. Chair - Edward Bayntun-Coward
- Nominations Committee. Chair - Mark Humphriss
- Learning & Engagement Advisory Committee. Chair - Patricia Lankaster

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

The Trustees maintain a Risk Register which identifies the major risks to which the Museum, Trustees, staff and volunteers are exposed. This Register is maintained by the Treasurer and reviewed by the Trustees, most recently by the Finance, Audit and Investment Committee in June 2021, thus bringing risks to the attention of the Trustees and enabling them to establish strategies for dealing with them. The key risks identified are:

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

During the year, as a result of staff changes and in response to the pandemic, the Senior Management Team (Director, Head of Finance and Head of Development), was replaced by a Management Team which also includes the Learning & Engagement Lead, Curator, Facilities Manager, Head of Visitor Services, Head of Communications, and Facilities Manager, with the Museum Administrator. The aims of the Management Team meetings are:

- To monitor day-to-day performance (financial and operational) of the Museum in order to report to the Trustees.
- To provide a forum for management support in particular by identifying staff professional development opportunities and addressing HR issues.
- To provide a platform for joined up thinking across departments in implementing the Museum's strategy.

OBJECTIVES AND ACTIVITIES

The Holburne Museum was founded in 1882 as Bath's first art museum with, at its heart, the collection of Sir William Holburne (1793-1874). In 1916 the collection moved to its present location at the top of Great Pulteney Street and in May 2011 an award-winning extension by architect Eric Parry provided space for additional galleries and a garden café.

The Holburne is a treasure house of Old Master paintings, portrait miniatures, porcelain, Renaissance bronzes and ceramics, silver, and embroidery. It is particularly renowned for its eighteenth-century British portraits, most notably by Ramsay, Stubbs, Zoffany and Gainsborough. The collection continues to develop, and a Collections Policy was agreed in 2018. The Holburne stages international exhibitions and other projects involving fine and decorative arts of all periods and is admired for its dynamic displays, vibrant learning and community engagement programme and innovative interpretation.

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES (continued)

Vision

Our vision is to make the Holburne an open, welcoming, inspiring and empowering space for everyone.

- At the heart of this vision is the powerful relationship of art, creativity and social and personal wellbeing.
- Our Vision is encapsulated by our slogan *Changing Lives Through Art*.
- We seek to deliver our Mission with *Ambition* and *Innovation*, ensuring that we always do so in ways that are *Inclusive*, of the highest *Quality, Relevant* and *Sustainable*.

Statement of Purpose:

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

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

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

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

Achievement and performance

Following the success of 2019, when the Museum returned a surplus as a result of changes made to our business model in late 2018, the strong performance of our investments, and a generous donation from an individual donor, 2020 was expected to be a bumper year for the Museum with those advances consolidated by a strong programme led by the major exhibition 'Grayson Perry: The Pre-Therapy Years'. In the event, with the unprecedented impact of the Covid-19 pandemic, the year was remarkable for quite different reasons.

Following three years of planning and two years of planned publicity, 'Grayson Perry: The Pre-Therapy Years' opened on 23 January 2020 accompanied by huge media coverage, including a report on BBC1's Ten O'clock News. It was an immediate popular success, with visitor income doubling past records and unprecedented shop sales figures, both on-site and online. After eight weeks, however, with the Covid-19 pandemic taking hold, we elected to close the Museum on 18 March. That decision, in line with other museums locally and nationally, was followed by a national lockdown imposed from Monday 23 March.

We convened a sub-group of the Board and, with the announcement of the government's Coronavirus Job Retention Scheme on 20 March, we furloughed all but a handful of essential staff: the Director and Heads of Finance and Development continued working in order to manage the finances and to launch an emergency fundraising campaign; the Learning Officer ran the Pathways to Wellbeing project remotely as her role was separately funded, while the newly-arrived Curator continued because she was too new in post to furlough. All non-essential expenditure was suspended immediately. We launched a public Crowdfunding campaign which exceeded its £50,000 target while pursuing a private fundraising campaign with known supporters which yielded a little more than that.

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES (continued)

Achievement and performance (continued)

We pursued a strategy of believing visibility was important, we participated in various press stories looking at the museum sector during the pandemic and in discussions with Arts Council England (ACE) and DCMS. While a BBC Online News report that the Holburne might never reopen alarmed some, it significantly boosted our fundraising efforts. As time went on, we successfully applied to an early ACE Covid Emergency fund before receiving a significant grant from National Lottery Heritage Fund (NLHF) that covered some of the unavoidable costs of maintaining our collection and our historic building and, later, another from the government's Cultural Recovery Fund, through ACE, to cover the period October 2020 – March 2021. We also negotiated the reconfiguration of our programme, postponing some exhibitions and agreeing the extension of the Perry show to January 2021. The continued sale of Grayson Perry merchandise through the online shop proved an important source of income during lockdown.

We elected to reopen as soon as the lockdown ended on 18 July. While audiences were slow to return, by the end of July attendance figures were about average against previous years, though a fraction of those seen in February and early March 2020. Café custom was significantly greater than during the same period the previous year, but the café operator chose to lay on a much-reduced offer, so income was significantly down. Our Covid-safe one-way system and other measures were acknowledged to be exemplary by many visitors and were important in building trust. The Perry show continued through the rest of the year, interrupted by a second lockdown from 5 November to 5 December and then closed early when Bath entered Covid Tier 3 on 30 December. Visitor figures had been negligible during early December but were clearly recovering post-Christmas.

During the first lockdown, our Pathways to Wellbeing groups could not meet and activity moved online with weekly Creativity4Wellbeing workshops which eventually attracted several hundred participants. At the same time, our Curator developed a pattern of regular posts about the collection, building an expanded digital audience. These online activities continued and grew through the year. With funding from ArtFund, we developed digital and physical resources for schools in lieu of actual visits to the Museum and, with the support of National Lottery Community Fund (NLCF), we sent creative packs to young people identified in consultation with local schools. Similarly, with our partners in the Bath Cultural Education Partnership (the Egg Theatre, Bath Festivals and House of Imagination) we participated in a project to send creative packs out to targeted young people.

At the same time, events of summer 2020 brought to the fore considerations of the role of museums in urgent debates around racism in society. We consequently accelerated on-going work on the Museum's response to our historic organisational links to empire and slavery: we put out a short statement, undertook research into the Holburne family's links to Caribbean plantations, and our Artisa Foundation-funded Curatorial Fellow prepared a new display around a plantation day book in our collection to be unveiled in 2021.

While 2020 was probably the most challenging year in the Holburne's history, with staff and trustees contemplating at one point the Museum's potential demise, we entered the lockdown at the end of the year considerably stronger than we had the first in March. This was thanks to government support, via CJRS, ACE and NLHF, the support of our benefactors – a few major donors and hundreds of minor ones - and our careful management of the situation.

FINANCIAL REVIEW

Review of the year

Total income for the year amounted to £1,998,665, an increase of 43% or £603,396 over the previous year. However, this includes £262,500 of Endowment Fund donations received in the year, Covid-19 support grants of £210,400 from the National Lottery Heritage Fund and £163,204 from Arts Council England, and Coronavirus Job Retention Scheme (furlough) funding of £114,500. Excluding these one-off sources of funding, recurring income amounts to £1,248,061,

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Review of the year (continued)

After charging costs of running the Museum, which amounted to £1,486,458 including depreciation of £234,855, there was a net surplus of income amounting to £512,207 compared to a net deficit of £386,761 in 2019.

Investment gains amounted to £299,320 (2019 £321,706 gain), whilst there was a further deficit arising of £357,000 in respect of the actuarial revaluation of the defined benefit pension scheme (2019 £161,000 deficit). The Trustees have decided that in view of the improved financial situation, the total Avon Pension Fund deficit should be equally charged against Unrestricted Funds and the Special Acquisitions Fund, rather than all to this latter fund as has been the case in previous years, so as a result of this decision there is an overall reduction of £592,000 in Unrestricted Funds. The opportunity has also been taken to repay to the Endowment Fund the amount borrowed from it in 2018 plus interest for two years at 2%, resulting in a transfer of £387,935 to the Endowment Fund.

After including all gains and losses, there was a net increase in funds amounting to £454,527 (2019 £226,055 reduction). Endowment Funds increased by £658,244 as a result of the Endowment donations received in the year and loan repayment, while Restricted Funds increased by £53,928, the depreciation charged against the Development Fund being more offset by the transfer of half the pension fund deficit to Unrestricted Funds and movements in Specific Purposes Funds. This produced an overall deficit of £257,645 in Unrestricted Funds.

The Museum's net assets at 31 December 2020 amounted to £12,075,455, of which Endowment Funds stood at £2,346,060, Restricted Funds at £8,994,128, while Unrestricted Funds decreased to a total of £735,267.

Details of Funds

The Trustees long term objective is to maintain the following five funds, which are separately recorded and accounted for in the Trust's records:

- **The Endowment Fund** comprises the DCMS/ National Lottery Heritage Fund Catalyst: Endowments Fund award, together with matched donations. The NLHF agreed in 2018 to a loan of £372,000 being made from the Catalyst Fund to unrestricted funds, to be repaid over four years with interest; this was repaid in full this year.
- **The Development Fund** is a restricted fund comprising the funds donated and grants raised to finance the Museum's major redevelopment scheme (including the Gardener's Lodge development). The annual depreciation charges on freehold and leasehold property, and on fixtures and fittings financed from the Development Fund, are charged against the fund.
- **The Special Acquisition Fund** holds the proceeds of sale of an item from the collection in 2011. With the approval of the Charity Commission, the deficit in respect of the Avon Pension Fund can be offset against this Fund until unrestricted funds have been rebuilt – this year half the deficit has now been charged against unrestricted funds.
- **The Specific Purposes Fund** is an amalgam of the many donations to the charity over the years made with a specific purpose or intent expressed at the time of gift.
- **The Unrestricted Fund** provides finance for the core operating costs relating to the on-going activities of the Museum. Total return income and gains from the Catalyst Endowment Fund and the Special Acquisition Fund are held within this fund.

Investment policy and performance

The assets of the Endowment Fund and Special Acquisitions Fund have been invested through a third party professional investment manager, Heartwood Investment Management, with a medium to low risk/capital preservation Total Asset Return mandate in accordance with the powers given to the Trustee under the Trustee Investment Act 1961. The invested funds totalled £3,092,550 (2019 £2,832,240), recording a gain of £299,320 during the year (2019 £321,706 gain), before investment management costs which amounted to £39,010. The performance of the investments is reported quarterly to the Trustees.

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW (continued)

Unrestricted Funds operational approach

The Trustees are concerned to maintain a level of reserves which will provide sufficient working capital and enable the Museum to cope with unexpected shortfalls in income or increases in operating costs. A three-year Implementation Plan had been prepared, the objective of which is to preserve the Endowment Funds and ultimately to increase them to a level at which the total return income generated will cover the annual deficit of the Museum, but this is being reassessed in light of the changes arising as a result of the Covid19 pandemic and its impact on the Museum.

It is the long term aim of the charity to establish unrestricted reserves, which are the free reserves of the Charity, at a level that is sufficient to cover the running costs of the Charity for at least six months, being in the region of £700,000. The actions set out above are currently being implemented with the aim to restore this headroom.

Avon Pension Fund

The Museum's participation in the Avon Pension Fund defined benefit scheme for its employees resulted in a further net actuarial deficit of £357,000 during the year (2019 net deficit £161,000).

The present value of funded obligations is £2.35m (2019 £1.94m), whilst the fair value of scheme assets is £1.17m (2019 £1.11m) giving rise to a net pension liability of £1.18m (2019 £827,000) which is recognised in full in the accounts. The scheme assets amount to 50% (2019 57%) of the projected liability that is expected to crystallise over a period of 20 years, and the resulting deficit may have to be funded from the charity's reserves in the future. The liability is reassessed by the Scheme's actuary on a triennial basis.

Since the year-end the Trustees have appointed an independent firm of specialist actuaries to review the overall position and advise on what steps the Museum might take to mitigate these liabilities, and discussions are continuing.

The Charity Commission had agreed that this deficit could be covered by the balance held in the Restricted Special Acquisitions Fund; in view of the improvement in the Museum's finances the decision has been taken to only charge half of the potential liability here, the other half being charged against Unrestricted funds.

Plans for future periods

Having weathered an extraordinary year, we recognise the unpredictability of the coming period. This reinforces the need for strong, popular programming to drive footfall, and for maximising all our income-generating potential. As a consequence, at the end of the year it was agreed that we would create a new post of Head of Business & Development to enhance our commercial activity while still driving the vital fundraising programme. We confirmed our long-term ambition to reduce our dependency on revenue fundraising through growing our endowment fund and seeking core funding. Having been delayed by the pandemic, in 2021 we will relaunch a campaign to raise £1,000,000 for the Endowment to be match-funded by an anonymous charitable trust. At the same time, we will prepare to bid for ACE NPO funding in 2022.

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

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Responsibility for the accounts and financial statements

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year that provide a true and fair view of the state of affairs of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements, The Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate that the museum will continue operating.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position at any time and which ensure that the financial statements comply with the applicable rules and regulations. They are also responsible for safeguarding the assets of the charity and for their proper application under charity law, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are satisfied that the responsibilities set out above have been discharged and that these accounts have been prepared in accordance with the applicable accounting standards, save where stated in respect of donated heritage assets


Auditors


Moore Stephens have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

Thanks

The Trustees convey their sincere thanks to all the staff and volunteers who have provided their support to the Museum, without which it could not continue to honour and deliver its response to the charitable objectives laid down for it by its founder in 1882.

This report was approved by the Trustees at their meeting on 2 July 2021 and are signed on their behalf by:


Edward Bayntun-Coward – Chairman


Angela Gillibrand - Treasurer

**OFFICERS AND MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Edward Bayntun-Coward CHAIRMAN	1, 2, 4	Owner of George Bayntun, antiquarian bookbinders and booksellers. Deputy Lieutenant of Somerset.
Francesca Beauman VICE CHAIR	2, 4	Writer, historian and television presenter. World's leading expert on the history of the pineapple.
Angela Gillibrand (appointed 20 November 2020) TREASURER & COMPANY SECRETARY	1	Vice Chair of the Holborn Estate Charity, non-executive director of the Rethink Trust Corporation.
John Barneby	1	Former Chairman of Czarnikow Group Ltd.
Dr Martin Clarke	1	Senior private equity and corporate finance practitioner. Trustee of Iford Arts, the York Minster Fund, the Dr Martin Clarke Young Organist Scholar's Trust. Member of the Advisory Board of St Mary's University Business School. Member of the Campaign Committee of the Museum of London.
Jamie Eastman		Nominated Trustee, University of Bath.
Jeremy Garfield-Davies	2	Advisor to historic houses, private collections and museums in Asia, Britain and USA.
Magdalen Fisher (appointed 20 November 2020)	2	Independent arts consultant supporting the Imperial Health Charity on its arts committee, and arts adviser to the Alzheimer's Society.
Sarah Flannigan		Consultant Chief Information Officer and non-executive Director Chair of Sawday's. Trustee of National Lottery Heritage Fund & Kew Gardens.
Sandra Forbes	4	Senior banking and corporate lawyer.
Sukie Hemming (appointed 20 November 2020)	2	Former roles at British Museum and National Trust. Currently Trustee of Chelsea Physic Garden.
Caro Howell (appointed 20 November 2020)	3	Director of Foundling Museum, London. Co-chair of Women Leaders in Museums Network.
Mark Humphriss	4	University Secretary, University of Bath (until June 2020); then Diocesan Secretary (CEO) Diocese of Oxford; Vice-Chair. Designability.
Oluwatosin Onile-Ere-Rotimi	3	Contemporary African art specialist.
Dr Andrew Salmon	3	Nominated Trustee, Bath Spa University.
Desmond Shawe-Taylor LVO		Surveyor of The Queen's Pictures. Former Director of Dulwich Picture Gallery.
Dr Chris Stephens	1, 2, 3	Director of The Holburne Museum
Committee Membership		
1 - Finance, Audit & Investment Committee 2 - Fundraising Committee		
3 - Learning & Engagement Advisory Committee 4 - Nominations Committee		

**OFFICERS AND MANAGEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

James Eastman	Retired 27 April 2021
Brian Allen	Retired 20 November 2020
Antony Constantinidi FCA	Retired 20 November 2020
Michael King	Retired 20 November 2020
Patricia Lankester	Retired 20 November 2020
Tim Sanderson	Retired 20 November 2020
Liam Wiseman	Retired 10 June 2020

Professional advisors:

Solicitors	Thring's LLP, 2 Queen Square, Bath BA1 2HQ Withy King, Midland Bridge House, Midland Bridge Road, Bath BA2 3FP
Auditors	Moore, Chartered Accountants & Statutory Auditors, 30 Gay Street, Bath BA1 2PA
Investment Managers and Advisors	Heartwood Investment Management No1 Kingsway London WC2B 6AN
Insurance Brokers	Jelf Insurance Brokers Ltd 1 Crescent Office Park, Clarks Way, Bath BA2 2AF Blackwall Green, The Wallbrook Building, 25 Wallbrook, London EC4N 8AW
Bankers	CafBank Ltd, PO Box 289, West Malling, Kent ME19 4TA

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HOLBURNE MUSEUM FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Holburne Museum (the 'charity') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, Charity and Consolidated Balance Sheets, Consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Our approach was as follows:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Trustees' 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.

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.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Moore

Statutory Auditor
30 Gay Street
Bath
Somerset
BA1 2PA

18/8/2021

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment fund £	Total Funds 2020 £	Total Funds 2019 £
INCOME						
Grants and Donations	1	886,798	107,398	262,500	1,256,696	649,073
Income from charitable activities	2	339,788	194,290	-	534,078	447,788
Other trading activities	3	207,539	-	-	207,539	300,295
Income from investments	4	352	-	-	352	3,113
Other income	5	-	-	-	-	(5,000)
Total Income		1,434,477	301,688	262,500	1,998,665	1,395,269
EXPENDITURE						
Expenditure on raising funds	6	(85,839)	-	-	(85,839)	(100,493)
Investment management costs	7	-	-	(39,010)	(39,010)	(38,708)
Expenditure on charitable activities	8/9	(878,849)	(482,760)	-	(1,361,609)	(1,642,829)
Total Expenditure		(964,688)	(482,760)	(39,010)	(1,486,458)	(1,782,030)
NET INCOME/ (EXPENDITURE)	11	469,789	(181,072)	223,490	512,207	(386,761)
TRANSFERS BETWEEN FUNDS						
Total Asset Return transfer	19	252,501	-	(252,501)	-	-
Loan from Endowment now repaid	19	(387,935)	-	387,935	-	-
Avon Pension Fund deficit	20	(235,000)	235,000	-	-	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS		99,355	53,928	358,924	512,207	(386,761)
Gain on investments	15a	-	-	299,320	299,320	321,706
Actuarial loss on defined benefit pension scheme	23	(357,000)	-	-	(357,000)	(161,000)
NET MOVEMENT IN FUNDS		(257,645)	53,928	658,244	454,527	(226,055)
FUND BALANCES BROUGHT FORWARD		992,912	8,940,200	1,687,816	11,620,928	11,846,983
FUND BALANCES CARRIED FORWARD		735,267	8,994,128	2,346,060	12,075,455	11,620,928

The above results relate wholly to continuing activities; there were no other recognised gains or losses in the year.

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

**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2020 £	Total Funds 2019 £
FIXED ASSETS						
Tangible fixed assets:						
Freehold Property: The Museum	13	550,000	7,260,889	-	7,810,889	7,987,121
Other assets	13	140,487	501,859	-	642,346	684,970
		690,487	7,762,748	-	8,453,235	8,672,091
Heritage assets	14	-	761,000	-	761,000	761,000
Investments	15	88,990	920,000	2,083,560	3,092,550	2,832,240
TOTAL FIXED ASSETS		779,477	9,443,748	2,083,560	12,306,785	12,265,331
CURRENT ASSETS						
Museum shop stock	16	28,225	-	-	28,225	21,239
Debtors	17	122,210	-	-	122,210	204,340
Bank balances and similar		577,006	142,380	262,500	981,886	259,576
		727,441	142,380	262,500	1,132,321	485,155
CREDITORS: Amounts falling due within one year	18	(179,651)	-	-	(179,651)	(302,558)
NET CURRENT ASSETS		547,790	142,380	262,500	952,670	182,597
NET ASSETS BEFORE PENSION DEFICIT		1,327,267	9,586,128	2,346,060	13,259,455	12,447,928
Pension scheme deficit	23	(592,000)	(592,000)	-	(1,184,000)	(827,000)
NET ASSETS		735,267	8,994,128	2,346,060	12,075,455	11,620,928
ENDOWMENT FUND	19	-	-	2,346,060	2,346,060	1,687,816
RESTRICTED FUNDS						
Development Fund	20	-	7,762,748	-	7,762,748	7,990,186
Heritage Assets		-	761,000	-	761,000	761,000
Special Acquisitions Fund		-	920,000	-	920,000	920,000
Less: Avon Pension Fund deficit offset		-	(592,000)	-	(592,000)	(827,000)
Specific Purposes Funds: Revenue		-	142,380	-	142,380	96,014
		-	8,994,128	-	8,994,128	8,940,200
UNRESTRICTED FUNDS						
General fund	21	735,267	-	-	735,267	992,912
		735,267	8,994,128	2,346,060	12,075,455	11,620,928

These financial statements were approved by the Trustees at their meeting on 2 July 2021 and are signed on their behalf by


Edward Bayntun-Coward – Chairman

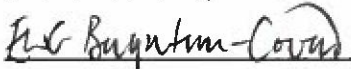

Angela Gillibrand - Treasurer


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

**COMPANY BALANCE SHEET
AT 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2020 £	Total Funds 2019 £
FIXED ASSETS						
Tangible fixed assets:						
Freehold Property: The Museum	13	550,000	7,260,889	-	7,810,889	7,987,121
Other assets	13	140,487	501,859	-	642,346	684,970
		690,487	7,762,748	-	8,453,235	8,672,091
Heritage assets	14	-	761,000	-	761,000	761,000
Investments	15	88,990	920,000	2,083,560	3,092,550	2,832,240
Investment in subsidiary		100	-	-	100	100
TOTAL FIXED ASSETS		779,577	9,443,748	2,083,560	12,306,885	12,265,431
CURRENT ASSETS						
Debtors	17	251,241	-	-	251,241	245,931
Bank balances and similar		458,427	142,380	262,500	863,307	191,456
		709,668	142,380	262,500	1,114,548	437,387
CREDITORS: Amounts falling due within one year	18	(162,089)	-	-	(162,089)	(271,132)
NET CURRENT ASSETS		547,579	142,380	262,500	952,459	166,255
NET ASSETS BEFORE PENSION DEFICIT		1,327,156	9,586,128	2,346,060	13,259,344	12,431,686
Pension scheme deficit		(592,000)	(592,000)	-	(1,184,000)	(827,000)
NET ASSETS		735,156	8,994,128	2,346,060	12,075,344	11,604,686
ENDOWMENT FUND	19	-	-	2,346,060	2,346,060	1,687,816
RESTRICTED FUNDS						
Development Fund	20	-	7,762,748	-	7,762,748	7,990,186
Heritage Assets		-	761,000	-	761,000	761,000
Special Acquisitions Fund		-	920,000	-	920,000	920,000
Less: Avon Pension Fund deficit offset		-	(592,000)	-	(592,000)	(827,000)
Specific Purposes Funds: Revenue		-	142,380	-	142,380	96,014
		-	8,994,128	-	8,994,128	8,940,200
UNRESTRICTED FUNDS						
General fund	21	735,156	-	-	735,156	976,670
		735,156	8,994,128	2,346,060	12,075,344	11,604,686

These financial statements were approved by the Trustees at their meeting on 2 July 2021 and are signed on their behalf by


Edward Bayntun-Coward – Chairman


Angela Gillibrand - Treasurer

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

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Net movement in funds for the reporting period	454,527	(226,055)
<i>Adjustments for:</i>		
Movement in pension reserve deficit	357,000	208,000
Depreciation of tangible fixed assets	234,855	236,513
Net gains on investments	(299,320)	(321,706)
Investment management costs	39,010	38,708
Dividends and income from investments	(352)	(3,113)
<i>Changes in:</i>		
Increase / (reduction) in stocks	(6,986)	29,018
Reduction in trade and other debtors	82,130	35,752
Reduction in trade and other creditors	(122,907)	(24,883)
Net cash generated / (used) in operating activities	737,957	(27,766)
Cash flows from investing activities		
Dividends and income from investments	352	3,113
Purchase of tangible assets	(15,999)	(14,529)
Purchase of heritage assets	-	(8,000)
Funds withdrawn from investments	-	100,000
Net cash (absorbed by) / provided by investing activities	(15,647)	80,584
Net increase in cash and cash equivalents	722,310	52,818
Cash and cash equivalents at beginning of year	259,576	206,758
Cash and cash equivalents at end of year	981,886	259,576

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

General information - the charity is a registered charity in England and Wales and is unincorporated. The address of the principal office is Great Pulteney Street, Bath, BA2 4DB.

Statement of compliance - these financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in July 2014, as updated by 2nd edition October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of accounting - the financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at fair value through income or expenditure. The consolidated accounts include the trading activities, assets and liabilities of the subsidiary company and are prepared in sterling, which is the functional currency of the entity.

Going concern - the activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Trustees Annual Report. The financial position of the Charity and its cashflow are presented in the Financial Statements and accompanying Notes.

It is the intention to start the process of building the Endowment Funds with a capital raising programme using grant funding which has been made available up to £1million matching £ for £.

The Board of Trustees considers that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty - the preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition - Donations, grants, sponsorship and legacies are credited to income only when it is probable that they will be received, and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.

No monetary value is attributed to the substantial amount of time and effort contributed by the many volunteers essential to the Museum's activities and who have not been paid for their assistance.

Income - Donations and legacies include all gifts, donations and related gift aid, grants which provide core funding and patrons' subscriptions. Other trading activities are the trading and other fundraising activities primarily to generate incoming resources to undertake charitable activities. Income from charitable activities includes any incoming resources received that are a payment for goods and services provided for the benefit of the charity's beneficiaries. 'Charitable activities' for the purposes of the Museum's financial statement are: a) Exhibitions and display, b) Learning, and c) Events (lectures and concerts etc), room hire and catering.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

Expenditure - expenditure is recognised when incurred, and is reported gross of related income on the following bases:

- a) Expenditure on raising funds comprises the costs associated with attracting voluntary income and the costs of other income generation, e.g. the costs associated with management of the investment portfolio.
- b) Expenditure on charitable activities comprises direct expenditure including staff costs attributable to its activities. Where costs cannot be directly attributed, they are allocated to activities on a basis consistent with the use of resources as described below.
- c) Governance costs are costs incurred in the governance of the Trust's assets in order to comply with constitutional and statutory requirements and are included within expenditure on charitable activities.
- d) Support costs include the central functions and are allocated to activity cost categories on a basis consistent with the use of the resources, e.g. allocating staff costs according to time spent and other costs according to usage.

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

Investment assets and income - the charity's investment in its subsidiary company is shown at cost. All other investments are shown in the Balance Sheet at their mid-market price. Gains and losses on the revaluation and realisation of investments are taken to income in the Statement of Financial Activities. Dividends and interest from investments are credited to income on receipt.

Taxation - the Museum's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Museum is not liable to tax. In addition, its subsidiary incurs no current tax charge as all its profits, which would otherwise be taxable, are distributed to the Museum by way of Gift Aid and thus no tax liability arises.

The Group receives Museum and Gallery Exhibition Tax Relief, which is surrendered, giving rise to a tax repayment to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in other income in the Consolidated Statement of Financial Activities.

Gift Aid is recoverable on certain donations, and where applicable, has been included in income.

Liabilities - liabilities are recognised in full in the financial statements as soon as the obligation arises.

Restricted and unrestricted income funds - unrestricted income funds are expendable at the discretion of the Trustees in furtherance of the objects of the Museum. Funds designated for a particular purpose are also unrestricted. The Museum receives grants and donations for purposes specified by the donors and funds are expended in accordance with donors' wishes. Such funds are restricted funds and are disclosed in the accounts under one of the headings Specific Purposes Funds or Development Funds.

Endowment funds - the Catalyst Endowment Fund is the Heritage Lottery Fund/Department for Culture Media and Sport Catalyst: Endowment fund created from a grant of £1 million from the Heritage Lottery Fund which, together with 1:1 matched funding, was received and raised over the period to June 2016. The capital must be retained as a permanent endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum and will be transferred annually to the general fund.

Fixed Assets - Heritage assets - the Museum holds a collection of heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Five heritage assets have been purchased in this or earlier years and these items have been capitalised.

The remainder of the collection is the legacy of the Holburne Family and it would be difficult and costly to attribute a cost or value to it. As such these assets are excluded from the balance sheet as reliable cost information is not available and conventional valuation approaches lack sufficient reliability and significant costs would be involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by users of the accounts in assessing the trustees' stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

Fixed Assets – Freehold Property - freehold property is shown in the Balance Sheet using a pre-development valuation of £550,000 as deemed cost on transition to SORP (FRS102) plus subsequent costs of development of £8,949,750.

Fixed Assets – Fixtures, fittings and equipment - expenditure on fixed assets is capitalised where material. Where capitalised, assets are stated at cost less subsequent depreciation unless otherwise stated. Other fixed asset expenditure of less than £200 is charged to general income or specific grants as appropriate. Where expenditure on material fixed assets is funded by specific grants or donations depreciation thereon is charged to the Specific Purposes Fund.

Depreciation - depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

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

Where the recoverable amount of a tangible fixed asset is found to be below its net book value, the asset is written down to its recoverable amount and the loss on impairment is charged to the relevant expenditure category of the statement of financial activities. Where an asset is not primarily used to generate income, its impairment is assessed by reference to its service potential on its initial acquisition. In the year, the charity currently has no tangible fixed assets to which impairment provisions apply.

Stock - Shop stock is included in the financial statements at the lower of original cost and net realisable value.

Operating lease agreements - rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are included in expenditure on a straight-line basis over the period of the lease.

Financial instruments - Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions has an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, Bath and North East Somerset Council determine the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 20.

Pension costs - defined benefit pension schemes

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the statement of financial activities. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of financial activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the statement of financial activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the statement of financial activities

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the balance sheet.

Pension costs - defined contribution pension schemes

Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Year Ended 31 December 2020				Year Ended 31 December 2019		
	Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Total £
1. Voluntary income - Grants and Donations							
Donations to Endowment Appeal (Note 19)	-	-	262,500	262,500	-	-	-
Covid Support Grants - Heritage Lottery	210,400	-	-	210,400	-	-	-
Covid Support Grants - Arts Council	196,377	-	-	196,377	-	-	-
General donations and grants	338,153	107,398	-	445,551	429,629	71,965	501,594
Raised from Patrons and Friends	65,201	-	-	65,201	67,479	-	67,479
University contributions	76,667	-	-	76,667	80,000	-	80,000
	886,798	107,398	262,500	1,256,696	577,108	71,965	649,073
2. Income from charitable activities							
Museums and Exhibition admissions	324,223	-	-	324,223	332,668	-	332,668
Coronavirus Job Retention Scheme	-	114,500	-	114,500	-	-	-
Learning lectures, concerts, workshops etc	15,565	79,790	-	95,355	43,283	71,837	115,120
	339,788	194,290	-	534,078	375,951	71,837	447,788
3. Other trading activities							
Museum Shop sales	163,030	-	-	163,030	130,668	-	130,668
Income from Café and car parking	35,184	-	-	35,184	96,405	-	96,405
Venue hire (including filming fees)	1,213	-	-	1,213	33,709	-	33,709
Corporate Sponsorship and membership	5,000	-	-	5,000	8,000	-	8,000
Other income	3,112	-	-	3,112	29,135	-	29,135
	207,539	-	-	207,539	297,917	-	297,917
4. Investment Income							
From UK listed investments	-	-	-	-	-	2,798	2,798
Bank interest receivable	352	-	-	352	315	-	315
	352	-	-	352	315	2,798	3,113
5. Other (costs)/income							
Museum & Gallery Exhibition Tax Relief	-	-	-	-	(5,000)	-	(5,000)
The Group receives Museum and Gallery Exhibition Tax Relief which is surrendered, giving rise to a tax repayment to the Group. The current year charge includes an adjustment to the prior year tax relief.							
6. Expenditure on raising funds							
Salary costs	69,398	-	-	69,398	73,710	-	73,710
Other costs of generating funds	16,441	-	-	16,441	26,783	-	26,783
	85,839	-	-	85,839	100,493	-	100,493
7. Investment management costs							
Investment management fees	-	-	39,010	39,010	38,708	-	38,708
8. Expenditure on charitable activities by fund type							
Museum activities (inc. cost of shop sales)	387,231	391,087	-	778,318	512,002	302,638	814,640
Learning activities	61,969	71,489	-	133,458	116,557	47,914	164,471
Exhibition activities	108,826	20,184	-	129,010	161,490	221	161,711
Support costs	320,823	-	-	320,823	463,453	38,554	502,007
	878,849	482,760	-	1,361,609	1,253,502	389,327	1,642,829

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Expenditure on charitable activities by activity type

	Staff costs	Other direct costs	Support costs	Total 2020	Total 2019
	£	£	£	£	£
Museum activities	301,033	447,278	102,016	850,327	957,443
Learning activities	108,330	25,128	85,014	218,472	285,144
Exhibition activities	27,418	101,593	153,024	282,035	366,489
	436,781	573,999	340,054	1,350,834	1,609,076
Governance costs	-	-	10,775	10,775	33,753
	436,781	573,999	350,829	1,361,609	1,642,829

10. Analysis of support costs

	Museum activities	Education activities	Exhibition activities	Total 2020	Total 2019
	£	£	£	£	£
Staff costs	24,034	20,028	36,050	80,112	128,909
Premises costs	50,249	41,875	75,374	167,498	217,820
Other administrative costs	27,733	23,111	41,600	92,444	121,525
	102,016	85,014	153,024	340,054	468,254

11. Net income for the year

This is stated after charging:

	2020	2019
	£	£
Depreciation	234,855	236,513
Auditors' remuneration:	11,400	11,400

12. Staff costs and emoluments

Total staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	518,141	562,169
Social security costs	38,312	49,995
Other pension costs – defined benefit	9,902	70,000
Other pension costs – defined contribution	13,171	13,876
Apprentice Levy	1,448	-
	580,974	696,040

Other pension costs above represent the total operating charge included in expenditure in the Statement of Financial Activities and does not include amounts included in other finance costs.

Particulars of employees: there were 9 (2019:11) part time employees and 10 (2019:11) full time employees during the year, being 19 (2019:22) employees in total. The average full-time equivalent being 15 (2019:19) employees. One employee's remuneration for the year fell within the band of £70,000 to £79,999 (2019 1).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Staff costs and emoluments (continued)

Key management personnel: the total amount of employee benefits received by key management personnel is £143,831 (2019:£173,817).

Trustees: no remuneration is payable to the sole trustee of the Museum, the Holburne Museum Trust Company, or to any of the directors of that company, except for the Museum Director, Chris Stephens. No expenses were reimbursed to directors of the Trustee company (2019 - £nil).

13. Tangible Fixed Assets (The Group and the Charity)

	Freehold property £	Fixtures & Fittings £	Leasehold Property £	Total £
COST				
At start of year	9,507,122	1,155,272	90,423	10,752,817
Additions in year	-	15,999	-	15,999
At end of year	9,507,122	1,171,271	90,423	10,768,816
DEPRECIATION				
At start of year	1,520,001	493,012	67,713	2,080,726
Charge for year	176,232	53,924	4,699	234,855
At end of year	1,696,233	546,936	72,412	2,315,581
NET BOOK VALUE				
At end of year	7,810,889	624,335	18,011	8,453,235
At start of year	7,987,121	662,260	22,710	8,672,091

Freehold property - the freehold of the Museum buildings and grounds is held by the Trustee, in Trust for the charity. The Museum building and grounds were professionally valued at £550,000 in 1994 and this valuation was used as a deemed cost on transition to SORP (FRS 102). During 2011 the Development project was completed and the total cost of £8,811,623 reanalysed as freehold property, and a further £145,499 has also subsequently been capitalised.

Since the opening of the Museum in May 2011, depreciation commenced on the freehold property on a straight-line basis over a period of 50 years. In August 2017 the building was valued at £16.6m (2016 £16m) by the Charity's insurers, this being based on the cost of restoring or repairing the building using modern techniques and materials or replacing the property with a modern equivalent.

Leasehold property - The Gardener's Lodge. The cost included in the accounts represents the cost of the premium paid to Bath & North East Somerset Council for the grant by them of a 20-year rent-free lease on these premises in Sydney Gardens, together with the cost of small subsequent improvements. The lease commenced on 20 November 2004 and its costs are being amortised by equal annual instalments over the life of the lease. The amount of the depreciation is charged against the Development Fund

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Heritage Assets (The Group and the Charity)

		2020	2019
		£	£
Cabinet	Capitalised in 2015 as a prior year adjustment	250,000	250,000
Bead basket	Capitalised in 2015 as a prior year adjustment	78,000	78,000
Atherley Portrait	Purchased in 2015	420,000	420,000
Ivory Fan	Purchased in 2017	5,000	5,000
Various etchings	Purchased in 2019	8,000	8,000
		761,000	761,000

15a. Investments (The Group and the Charity)

		2020	2019
		£	£
Movement in market value			
Market value at 1 January 2020		2,832,240	2,649,242
Funds (withdrawn) in the year		-	(100,000)
Net gains arising on revaluations in the year		299,320	321,706
Brokers management charges		(39,010)	(38,708)
Market value at 31 December 2020		3,092,550	2,832,240
Historical cost at 31 December 2020		2,812,004	2,736,310
Investments are held as follows:			
Handelsbanken Balanced Multi Asset Fund C		1,121,469	1,028,647
Handelsbanken Balanced Multi Asset Fund I		1,970,743	1,798,027
Ruffer Illiquid Strategies Fund 2011		-	5,566
Cash held by Investment Managers		338	-
		3,092,550	2,832,240
Analysis of investments between funds			
Endowment Fund		2,083,560	1,687,816
Restricted: Special Acquisitions Fund		920,000	920,000
Unrestricted Funds		88,990	224,424
		3,092,550	2,832,240

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

15b. Investments - Subsidiary Undertaking

The charity owns the whole of the issued share capital of Holburne Trading Company Limited, a company registered in England. The address of the principal office is Great Pulteney Street, Bath, BA2 4DB. Its principal activity is the operation of the commercial activities at the Holburne Museum and a summary of its results and balance sheet is provided below:

	2020 £	2019 £
Balance sheet		
Assets	191,981	148,145
Liabilities	(191,870)	(148,034)
Capital and retained reserves	111	111
Profit and loss account		
Turnover	546,424	473,752
Cost of sales	(367,271)	(227,277)
Gross profit	179,153	246,475
Administrative expenses	(127,253)	(230,321)
Operating profit	51,900	16,154
Interest receivable	38	79
Net profit	51,938	16,233
Distribution to Holburne Museum	(51,938)	(16,233)
Result for the financial year	0	0

16. Stocks

Shop stocks for resale

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Shop stocks for resale	28,225	21,239	-	-
17. Debtors				
Trade debtors	6,936	30,334	5,276	24,595
Amounts owed by group undertakings	-	-	174,308	100,277
Other debtors	85,884	117,934	32,085	73,883
VAT	50	-	10,232	-
Prepayments	29,340	56,072	29,340	47,176
	122,210	204,340	251,241	245,931

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Creditors: Amounts falling due within one year

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	136,084	119,190	132,354	108,504
Taxation and social security	-	12,171	-	1500
Other creditors	-	-	-	161,028
Accruals and deferred income	43,567	171,197	29,735	100
	179,651	302,558	162,089	271,132

19. Permanent Endowment funds (The Group and the Charity)

	2020 £	2019 £
Balance at the start of the year	1,687,816	1,679,242
Donations received for Endowment Fund	262,500	-
Unapplied total return allocated to Capital	7,809	8,574
Amount loaned from Endowment in 2018 now repaid	372,871	-
Interest charges on the above - at 2% per annum	15,064	-
Balance at the end of the year	2,346,060	1,687,816

The Catalyst Endowment Fund is a grant of £1 million from the National Lottery Heritage Fund which, together with 1:1 matched funding, was raised over the period to June 2016. The capital must be retained as an endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum.

Disclosure of Total Asset Return approach to investment of permanent endowment

	Trust for Investment	Unapplied Total Return	Total 2020	Total 2019
Balance at start of the period				
Gift component of Permanent Endowment	2,038,447		2,038,447	2,038,447
Unapplied total return		(350,631)	(350,631)	(359,205)
Total	2,038,447	(350,631)	1,687,816	1,679,242
Movements in the reporting period				
Investment return: dividends & interest received	-	-	-	2,798
Investment return: realised & unrealised gains	-	299,320	299,320	321,706
Investment return: investment management costs	-	(39,010)	(39,010)	(38,708)
	-	260,310	260,310	285,796
Less: Unapplied total return allocated to income (97%)	-	(252,501)	(252,501)	(277,222)
Donations received for Endowment Fund	262,500	-	262,500	-
Amount loaned from Endowment in 2018 now repaid		387,935	387,935	-
Net movements in the reporting period	262,500	395,744	658,244	8,574
Balance at end of the period				
Gift component of the permanent endowment	2,300,947	-	2,300,947	2,038,447
Unapplied total return	-	45,113	45,113	(350,631)
Total	2,300,947	45,113	2,346,060	1,687,816

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

20. Restricted Funds (The Group and the Charity)

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

The Heritage Asset Fund represents amounts received to purchase capitalised Heritage Assets (Note 14)

The Special Acquisitions Fund holds £920,000 received from the sale of an item in the collection which under the charity's constitution is required to be held and applied for the further purchase of other works of art for the collection. Any income, gains or losses on the investments held in the Special Acquisitions Fund are allocated to unrestricted funds in order to maintain the balance within the fund.

The Charity Commission has approved the offsetting of the Avon Pension Fund deficit against the Special Acquisitions Fund, should the Trustees wish to adopt this treatment. In previous years the whole of the deficit was offset - this year, following the improvement in Museum finances, it has been agreed that 50% of the deficit will be offset, the remaining 50% being offset against Unrestricted Funds.

Specific Purposes Fund are amounts received for specific purposes or projects

	Balance at 31 Dec 2019 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2020 £
Development funds					
The Holburne Museum development project	7,990,186	-	(227,438)	-	7,762,748
Heritage Asset Funds					
Funding for purchase of assets - Note 14	761,000	-	-	-	761,000
Special Acquisitions Fund					
Balance outstanding	920,000	-	-	-	920,000
Less: Pension fund deficit offset -50% of total	(827,000)	-	-	235,000	(592,000)
	93,000	-	-	235,000	328,000
Specific purposes funds					
National Lottery Comm Fund: Pathways	59,026	79,790	(71,489)	-	67,327
Clore - for redecoration	20,000	-	-	-	20,000
Ellerman Found / Traverse Trust - Curator funding	3,893	38,477	(23,039)	-	19,331
Neighbourhood Postcode Lottery	-	9,959	-	-	9,959
Conservation (various small amounts)	9,263	-	-	-	9,263
Cayzer Trust - for removal of table	-	8,000	-	-	8,000
Funding for Exhibitions	-	25,184	(20,184)	-	5,000
Stumpwork	2,500	1,000	-	-	3,500
Learning	1,332	-	(1,332)	-	-
Coronavirus Job Retention Scheme funding	-	114,500	(114,500)	-	-
Art Fund 'Respond and Reimagine' project	-	13,778	(13,778)	-	-
National Lottery Comm.Fund: Create @ Home	-	11,000	(11,000)	-	-
	96,014	301,688	(255,322)	-	142,380
	8,940,200	301,688	(482,760)	235,000	8,994,128

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Unrestricted Funds

	Balance at start of period £	Incoming resources £	Outgoing resources £	Gains, losses and transfers	Balance at end of period £
The Group	992,912	1,434,477	(964,688)	(727,434)	735,267
The Charity	992,901	939,953	(470,264)	(727,434)	735,156

22. Related Parties

The nominee of the University of Bath, Jamie Eastman, sits on the Board of Trustees of the Museum. During the year the University made grants totalling £11,667 (2019 £20,000) to the Museum, and provided 'in kind' support (payroll, IT and security services) with an estimated value of £30,000 (2019 £30,000).

The nominee of Bath Spa University, Dr Andrew Salmon, also sits on the Board of Trustees of the Museum. During the year the University made grants totalling £35,000 (2019 £60,000) to the Museum.

23. Pensions and Other Post Retirement Benefits

In 2011 the Museum set up a defined contribution group pension scheme with Scottish Widows. This is available to all staff if they wish but as at 31 December 2020 no one had taken up the scheme.

The Museum also participates in a multi-employer defined benefit scheme which has some 65,000 members. The assets of the scheme are held in the Avon Pension Fund, administered by Bath & North East Somerset Council. The Avon Pension Fund scheme was closed to new members in September 2010. The last actuarial valuation was undertaken as at 31 March 2019. The amounts recognised in the statement of financial activities are as follows:

	2020 £	2019 £
<i>Total operating charge in resources expended:</i>		
Current service cost	16,000	22,000
Past service cost	1,000	48,000
Total operating charge	17,000	70,000
<i>Amounts included in other finance cost:</i>		
Expected return on scheme assets	(24,000)	(32,000)
Interest on scheme liabilities	41,000	50,000
Other finance cost	17,000	18,000
<i>Amounts included in other recognised gains and losses:</i>		
Actuarial loss/(gain)	358,000	161,000
Total charge/(credit) to the statement of financial activities	392,000	249,000
Employers' contributions	(35,000)	(41,000)
Increase/(decrease) in net liability	357,000	208,000

The total operating charge and other finance cost are recognised in the following line items in the statement of financial activities:

	£	£
Costs of generating funds	16,000	22,000
Governance costs	17,000	18,000
Total	33,000	40,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

23. Pensions and Other Post Retirement Benefits (continued)

The amounts recognised in the balance sheet are as follows:

	Movement in the year	2020 £	2019 £
Present value of funded obligations	(411,000)	(2,351,000)	(1,940,000)
Fair value of scheme assets	54,000	1,167,000	1,113,000
Net pension liability	(357,000)	(1,184,000)	(827,000)

Changes in the present value of the defined benefit obligation scheme are as follows:

	£	£
Opening defined benefit obligation	1,940,000	1,671,000
Current service cost	16,000	22,000
Past service cost	1,000	48,000
Interest on scheme liabilities	41,000	50,000
Contributions by scheme participants	3,000	6,000
Benefits paid	(17,000)	(17,000)
Remeasurements liabilities - gain on assumptions	367,000	160,000
Closing defined benefit obligation	2,351,000	1,940,000

Changes in the fair value of scheme assets are as follows:

	£	£
Opening fair value of scheme assets	1,113,000	1,052,000
Expected return on scheme assets	24,000	32,000
Contributions by employer	35,000	41,000
Contributions by scheme participants	3,000	6,000
Benefits paid	(17,000)	(17,000)
Remeasurements assets	9,000	(1,000)
Closing fair value of scheme assets	1,167,000	1,113,000

Pension contributions rates from 1 April 2020 were 21.5% of salary plus a fixed contribution of £30,400; from April 2021 the rates will be 21.5% plus a fixed contribution of £31,400 for the financial year to 31 March 2022.

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

Equities	40.6%	47.4%
Government bonds	12.1%	9.6%
Other bonds	9.0%	2.8%
Property	4.4%	9.9%
Cash	8.3%	2.3%
Other assets	25.6%	28.0%

The principal actuarial assumptions as at the balance sheet date were:

Discount rate	1.4%	2.1%
Rate of increase in salaries	3.8%	3.6%
Rate of increase in pensions in payment	2.4%	2.2%
Inflation	2.3%	2.1%

Total deficit for the current and previous four periods are as follows:

	2020 £	2019 £	2018 £	2017 £	2016 £
Defined benefit obligation	(2,351,000)	(1,940,000)	(1,671,000)	(1,742,000)	(1,672,000)
Fair value of scheme assets	1,167,000	1,113,000	1,052,000	1,031,000	887,000
Deficit in the scheme	(1,184,000)	(827,000)	(619,000)	(711,000)	(785,000)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

24a. Previous Year Comparatives – Consolidated Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Endowment fund £	Total Funds 2019 £
INCOME AND ENDOWMENTS				
Donations and legacies	577,108	71,965	-	649,073
Income from charitable activities	375,951	71,837	-	447,788
Other trading activities	300,295	-	-	300,295
Income from investments	315	-	2,798	3,113
Other income	(5,000)	-	-	(5,000)
TOTAL INCOME AND ENDOWMENTS	1,248,669	143,802	2,798	1,395,269
EXPENDITURE				
Expenditure on raising funds	(100,493)	-	-	(100,493)
Investment management costs	-	-	(38,708)	(38,708)
Expenditure on charitable activities	(1,253,502)	(389,327)	-	(1,642,829)
TOTAL EXPENDITURE	(1,353,995)	(389,327)	(38,708)	(1,782,030)
NET INCOME/ (EXPENDITURE)	(105,326)	(245,525)	(35,910)	(386,761)
TRANSFERS BETWEEN FUNDS	355,766	(28,544)	(327,222)	-
NET INCOME/(EXPENDITURE) AFTER TRANSFERS	250,440	(274,069)	(363,132)	(386,761)
(Loss)/gain on investments	-	-	321,706	321,706
Actuarial loss on defined benefit pension scheme	-	(161,000)	-	(161,000)
NET MOVEMENT IN FUNDS	250,440	(435,069)	(41,426)	(226,055)
FUND BALANCES BROUGHT FORWARD	742,472	9,375,269	1,729,242	11,846,983
FUND BALANCES CARRIED FORWARD	992,912	8,940,200	1,687,816	11,620,928

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

24b. Previous Year Comparatives – Consolidated Balance Sheet

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2019 £
FIXED ASSETS				
Tangible fixed assets:				
The Museum	550,000	7,437,121	-	7,987,121
Other assets	57,238	627,732	-	684,970
Heritage assets	-	761,000	-	761,000
Investments	224,424	920,000	1,687,816	2,832,240
TOTAL FIXED ASSETS	831,662	9,745,853	1,687,816	12,265,331
CURRENT ASSETS				
Bookshop stock	21,239	-	-	21,239
Debtors	204,340	-	-	204,340
Bank balances and cash in hand	238,229	21,347	-	259,576
	463,808	21,347	-	485,155
CREDITORS: Amounts falling due within one year	(302,558)	-	-	(302,558)
NET CURRENT ASSETS	161,250	21,347	-	182,597
NET ASSETS BEFORE PENSION DEFICIT	992,912	9,767,200	1,687,816	12,447,928
Pension scheme deficit	-	(827,000)	-	(827,000)
NET ASSETS	992,912	8,940,200	1,687,816	11,620,928
ENDOWMENT FUND	-	-	1,687,816	1,687,816
RESTRICTED FUNDS				
Specific Purposes Fund: Revenue	-	96,014	-	96,014
Specific Purposes Fund:Capital	-	-	-	-
Specific Purposes Fund:Heritage assets	-	761,000	-	761,000
Special Acquisitions Fund	-	920,000	-	920,000
Less: Pension scheme deficit offset	-	(827,000)	-	(827,000)
Development Fund	-	7,990,186	-	7,990,186
	-	8,940,200	-	8,940,200
UNRESTRICTED FUNDS				
General fund	992,912	-	-	992,912
	992,912	8,940,200	1,687,816	11,620,928

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

24c. Previous Year Comparatives – Endowment and Restricted Funds

	Balance at 1 Jan 2019	Incoming Resources	Outgoing Resources	Gains, losses & transfers	Balance at 31 Dec 2019
Endowment Funds					
Catalyst Fund	1,679,242	2,798	-	5,776	1,687,816
Learning Fund	50,000	-	-	(50,000)	-
	1,729,242	2,798	-	(44,224)	1,687,816
Restricted Funds					
Development funds					
Gardener's lodge	22,065	-	(4,699)	-	17,366
Major development project	8,195,558	-	(222,738)	-	7,972,820
	8,217,623	-	(227,437)	-	7,990,186
Specific purposes funds					
Assets	8,270	-	(8,270)	-	-
Cash	14,278	-	(14,278)	-	-
Learning	1,685	5,000	(5,353)	-	1,332
Contemporary Curator fund	30,447	-	(26,554)	-	3,893
Railings	2,412	-	(2,412)	-	-
Conservation	6,316	-	-	-	6,316
Adopt a Treasure	1,202	-	(1,202)	-	-
D E B Pike for conservation	1,447	-	-	-	1,447
Stumpwork	-	2,500	-	-	2,500
Fan conservation	-	1,500	-	-	1,500
Collections for Music Fund	2,382	-	(2,382)	-	-
Pathways	34,986	66,837	(42,797)	-	59,026
Exhibitions	221	-	(221)	-	-
Cafe TV screen	-	5,500	(5,500)	-	-
Feasibility survey report	-	17,044	(17,044)	-	-
Pavilion project	-	17,421	(17,421)	-	-
Clore redecoration	-	20,000	-	-	20,000
	103,646	135,802	(143,434)	-	96,014
Heritage asset funds					
Atherley acquisition	420,000	-	-	-	420,000
Ivory Fan	5,000	-	-	-	5,000
Bead basket	78,000	-	-	-	78,000
Cabinet	250,000	-	-	-	250,000
Various etchings	-	8,000	-	-	8,000
	753,000	8,000	-	-	761,000
Special Acquisitions Fund					
Balance outstanding	920,000	-	-	-	920,000
Less: Pension fund deficit offset	(619,000)	-	(47,000)	(161,000)	(827,000)
	301,000	-	(47,000)	(161,000)	93,000
	9,375,269	143,802	(417,871)	(161,000)	8,940,200

THANK YOU

Holburne is an independent charity and every year we have to fundraise over half a million pounds to support our exhibition and learning programmes, and to help us care for our collection and Grade I listed building. Every donation we receive helps us to achieve our mission of '*Changing Lives Through Art*'.

We are very grateful to everyone who donated to support the Holburne in 2020, and would like to extend special thanks to:

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