

WATERWORKS MUSEUM - HEREFORD

England & Wales · Charity number 515866

Details

Other names	HEREFORDSHIRE WATER WORKS MUSEUM, THE WATERWORKS MUSEUM - HEREFORD
Status	Registered
Legal form	Charitable company
Company number	01820495
Registered	1984-12-27
Register	View on the Charity Commission register

Contact

Address	Waterworks Museum Hereford Broomy Hill Hereford HR4 0LJ
Phone	01432 342192
Email	info@waterworksmuseum.org.uk
Website	www.waterworksmuseum.org.uk

Activities

Objects: TO ENCOURAGE AND PROMOTE PUBLIC EDUCATION AND INTEREST IN THE PRESERVATION DISPLAY AND RUNNING FOR THE BENEFIT OF THE PUBLIC OF WATERWORKS PUMPS BOILERS MOTOR RAILWAYS AND OTHER EQUIPMENT AND RELICS OF HISTORICAL OR GENERAL INTEREST AND FOR SUCH OTHER CHARITABLE PURPOSES CONNECTED WITH THE STUDY OF WATER SUPPLY UNDERTAKING AS THE ASSOCIATION MAY THINK FIT AND IN PARTICULAR BY THE ESTABLISHMENT OF A MUSEUM.

Activities: To operate an industrial heritage museum that preserves and exhibits a wide range of engines/pumps/artefacts used in the water industry in Herefordshire and Wales. Many engines are regularly shown fully working (in-steam). The Museum provides educational services and guided tours can be provided for schools and community groups. The Museum may be hired for community meetings and functions.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Children/young People, The General Public/mankind

Geography

- Herefordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£61,287	£58,198	-	-
2023-12-31	£57,314	£55,693	-	-
2022-12-31	£57,923	£69,898	-	-
2021-12-31	£32,596	£65,147	-	-
2020-12-31	£74,722	£79,588	-	-

Trustees

Name	Role	Appointed
Jill Frances Phillips	Chair	2018-02-09
Carole Franklin		2023-09-19
Christopher John Santry		2025-01-07
Diane Cammidge		2024-07-09
Dr ADRIAN JOHN EYRE		
Graham Prosser		2019-03-22
Justyn Neil Atkins		2020-01-01
Kevin John Burrows		2020-08-01
MR FRED SNELGROVE		
Michael John Glover		2020-08-01
Michael Phillip Harries		2018-02-09
Neil Drummond Turner		2024-09-24
PAUL ALLEN		
PETER JOHN HEATON		

Accounts

Waterworks Museum – Hereford
Company Number No: 01820495
Registered Charity No: 515866

WATERWORKS MUSEUM - HEREFORD
(A Company Limited by Guarantee not having a share capital)

REPORT OF THE TRUSTEES AND
UNAUDITED ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2024

The date of this document is Tuesday 08 July 2025

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A. Trustees Annual Report for Financial Year Ended 31 December 2024

Introduction

The Trustees of the Waterworks Museum - Hereford, five of whom are also Directors for the purposes of the Companies Act 2006, present their annual report with the accounts of the charity for the financial year ended 31 December 2024.

The Trustees have adopted the provisions of the 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).

Waterworks Museum - Hereford is a company limited by guarantee (number 01820495) and a registered charity (number 515866). The registered office is Broomy Hill, Hereford HR4 0LJ.

Established in 1974, the charity is operated as an independent working museum and industrial archaeology preservation society concerned primarily, but not exclusively, with the story of the supply of water for public consumption from the mid-Victorian era to the close of the 20th century. Based in a Grade II* listed building, the Museum is home to the UK's oldest in-situ working triple expansion steam engine and it has one of the widest ranges of working pumping engines in the UK. These are interpreted by a combination of displays, historic artefacts and ephemera related to potable water.

Chair & Director's Report: 2024 – A Milestone Year

2024 saw the museum celebrate its 50th anniversary year. Highlights included two special events held in May and August with the Right Worshipful, The Mayor of Hereford, Councillor Kevin Tillet attending and in the autumn, the newly refurbished WWII display in the Rotherwas Building was opened. The May event re-dedicated the pumping station with its six bays and provided a moment for all volunteers and supporters to consider the importance of the role they play and reflect on volunteers who have similarly supported the museum in days gone by. This provided a great opportunity for the museum community to come together to talk about past events and future plans. During the day, the Sissons Engine Set was opened by the past Chair, Richard Curtis on behalf of the donor Peter Curtis. The sun shone in August when the opening of the Brockhampton Pump display took place. In both displays, not only have the engines been carefully restored and brought back into working order but the whole display, from ground work to roof, has been designed and prepared by volunteers - such is the skill set and teamwork of volunteers here at the museum.

The WWII display has been refreshed by the creative imagination and effort of one volunteer, Carole and a small team of other volunteers. This exhibit provides an insight into a WWII evacuee bedroom as well as a kitchen/scullery area displaying period equipment and food brands. Many of the items have been donated by volunteers searching attics and cupboards alike and providing a wonderful authentic feel to the exhibit. Opened officially in October, 'Captain Mainwaring' gave orders for visitors and volunteers to '*step forward*' and see for themselves the two rooms. The Rotherwas Building will continue to highlight the Home Front of Herefordshire and with the Blackstone Engine and the focus on the Munitions Factory at Rotherwas, this exhibit has set the standard for future displays.

During the year two editions of the museum publication 'Waterwords' provided members and the public with a roundup of news, information and key events from this celebratory year and we were delighted that in September, the renowned *Vintage Spirit* magazine for steam and industrial heritage enthusiasts provided an excellent eight page article entitled 'Hereford's Victorian Treasure', in celebration of our 50 year history.

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Earlier in the New Year, a major electrical fault that affected the whole of the Victorian building was discovered. This led to the engagement of an electrical contractor to undertake upgrades to the system. A small team of volunteer engineers laid the labour intensive cabling that was needed and they worked in cooperation with the external contractor who ensured appropriate compliance standards were met. Both the voltage was increased and trips were added to help meet the future needs of the building. The task was no easy feat!

Unfortunately, the impact of this work affected the re-opening of the museum steam days which were postponed until May. The public were able to visit the museum but with reduced admission prices to reflect that some parts were not accessible. However, to help mitigate the potential financial impact the season was extended with steam days continuing into September and October.

On a brighter note, in the spring, the museum was invited to become a video case study. The aim was to encourage organisations to become accredited museums by highlighting the way we approached the Arts Council England (ACE) accreditation process. This was placed on the ACE website for others to view in the summer.

The resolution of a long standing issue took place on 30 October. Herefordshire Council removed the road roller and its associated living van from the museum site and the museum subsequently received reimbursement of the costs of parts during the 5 years that volunteers carried out work on the road roller. It is good that the road roller has at last found a new home and for us, the matter has finally been drawn to a close.

The year also saw further access improvements being made. Paving slabs were laid by volunteers to create a more even surface when walking between the newly opened Brockhampton Pump and Sisson Engine Set display areas. Also, visitors can now circulate around the site from the Southall Gallery as an exterior ramp has been installed and previously where steps had to be negotiated from bay 5 into bay 6 there is now an interior ramp providing improved accessibility between the Beam Engine and the Triple Expansion Steam Engine exhibits.

2024 is no different to years gone by, in that volunteers who are prepared to share their skills and work together are always needed to enable the museum to operate and grow. We have been fortunate to have a number of new volunteers join with a range of skills and attributes from IT, social media, accounting, cafe and engineering all supporting the vision of the museum.

This vision, set out in the 2022-2025 Forward Plan, highlights the need to be adaptable and flexible to the ever changing nature of the museum sector collectively as well as the expectations and needs of visitors individually. Keeping the balance between addressing volunteer capacity, having financial stability and gaining exciting new developments at the museum are inextricably bound together in the planning process and budgeted projects will be a feature of the 2025-2028 Forward Plan.

Financial sustainability is a constant topic for Trustees at each meeting. For example, during 2024 a number of funding streams have been considered and applications submitted such as one for improvements to our digital resources *'From Steam to Screen'* with Arts Council England (ACE) and another with ACE Museum Estate and Development Fund for chimney repairs. We were not successful with these applications and recognise that in the current climate, funding is limited and the competition high.

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More success has been seen with our applications for biodiversity projects, a community grant from Dŵr Cymru Welsh Water for laptop and IT equipment and a grant for a digital donation point. Although they may seem small steps, each one supports the operational change needed for the museum to continue to thrive. The museum will learn from these experiences and continue to fight for much needed funding.

In 2024 the financial position of the museum became stronger but in line with the museum sector, admission numbers were lower than 2020 and the museum remains vulnerable to increased costs. Directors have been careful to ensure spending is monitored and reviewed each month. Changes to admission prices, a new membership option introduced and wider encouragement for community pre group bookings are ways the museum has increased its operational revenue. Tracking the unit spend of visitors in the cafe and the shop is proving an essential tool within budget planning.

Directors were delighted with the outcome of a meeting with our benefactor SR & PH Southall Trust. Discussion focused on establishing a longer-term investment plan for the museum. To this end, the museum applied and received the maximum grant of £5k from Museum Development Midlands (MDM) to secure the appointment of a financial services specialist and for legal advice. Trustees appointed a financial services specialist in December 2024 which will enable these discussions to be progressed in 2025.

In the autumn, directors and volunteers planned the 2025 calendar. Group bookings are high and we are seeing groups wishing to return and pre booking in advance. Our partner links with engineering enthusiast groups as well as local Art & Cultural Groups and specialist coach tours that focus on accessibility are continuing to grow. The Dŵr Cymru Welsh Water education package continues to be fully booked and well utilised by primary schools, with over 350 pupils and an average of 29 pupils each Tuesday during term time. We continue our dialogue with post 16 colleges, New Model Institute for Technology and Engineering (NMITE), home school communities and with the National Association Blacksmith Artists.

Looking ahead, 2025 will see renewed enthusiasm as the Trustees consider the next 2025-2028 Forward Plan. It is a great way of encouraging the whole museum community to participate in outlining the next phase of the museum in a coherent and structured way. Searching questions will be asked about what the museum needs to do to be a success over the following 3 year plan as well as what they would like the museum to look like many years into the future as in a time of ongoing change, financial restraints and challenges it is important to secure a clear direction for the museum.

Looking back can also help shape the way forward, our industrial heritage provides real examples of how innovation and technology has shaped our past using expertise, problem solving skills and considered risk taking. Real examples from the water industry can give enthusiasts and engineers alike the tools and confidence to undertake some unique opportunities in the future to work with and keep the museum's engines and pumps of the past alive and relevant in today's and tomorrow's world.

Finally, on behalf of all members, I wish to say 'thank you' and show my gratitude to our two benefactors that have continued to support the museum throughout the past 50 years and are continuing to support the museum in the future. Without their funding the museum would not have reached this significant milestone.

There is much to celebrate beyond our 50th year and I would like to encourage all members to come along with family and friends, meet our volunteers and see the wonderful range of engines, pumps and artefacts on site. I look forward to seeing you soon!

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How the Museum is Governed and Operated

The museum's charitable purpose is:

"to encourage and promote public education and interest in the preservation, display and running for the public benefit waterworks engines, pumps, boilers and other equipment and relics of historical or general and for other charitable purposes connected with the study of water supply undertaking"

Our vision is to thrive and grow as a specialist museum, focused on the history of water supplies for public benefit, and be a prominent Herefordshire visitor attraction. The Museum aspires to bring the industrial heritage to life through the working engines, pumps, boilers and other artefacts it looks after. We will achieve our vision by being recognised as:

1. A working museum wholly governed, managed and operated by volunteers.
2. Custodians of an interesting and informative collection of engines and artefacts sited in Hereford's Grade II* listed authentic Victorian waterworks.
3. A valued resource that can support learning and education (physically & remotely).

We will drive our vision forward by following our VALUES:

- A. Safe, friendly & welcoming environment for visitors, volunteers & users of the Museum, its collection and facilities
- B. Trusted and valued to manage the Museum effectively by our volunteers, members, benefactors & partners
- C. Stronger Together playing an active role in the communities we operate in.

The Museum's collections are used in an education programme, mainly, but not exclusively, for primary school children, using curriculum-led materials designed and delivered by experienced teachers from the educational sector. Tours of the Museum are available, led by knowledgeable volunteers and the Museum prides itself in offering an enjoyable experience to visitors including those who may need some form of assistance.

The museum has no paid staff and is wholly governed, managed and operated by Volunteers. The governing body is the Council of Management, the members of which are charity trustees. The Council of Management is appointed by and is accountable to the members of the museum, of which there are currently around 120. The position of Trustee is a non-remunerated role, although out of pocket expenses are reimbursed at cost.

The day-to-day management of the museum is delegated to a smaller group of Trustees who are elected annually to serve as Directors, and who collectively oversee the activities of the museum's volunteers. For awareness, Jill Phillips was appointed Chair of Trustees and Governance Director on 16 May 2022. Also, the museum continues to have a volunteer Health & Safety Officer and the designated Safeguarding Lead is the Governance Director..

The Directors at the date of this report are:

- | | |
|------------------|---|
| • Jill Phillips | Chair of Trustees and Governance Director |
| • Mike Harries | Financial Director and Honorary Treasurer |
| • Mike Glover | Chief Engineer |
| • Fred Snelgrove | Collections Co-Manager |
| • Diane Cammidge | Collections Co-Manager |

Four of the above Directors served throughout the financial year ended 31 December 2024 and one Director (Diane Cammidge) was appointed in July 2024. There are currently 18 Trustees at the date of this report; five Directors shown above and the other 13 Museum Trustees are: Paul Allen; Neil Atkins; Shane Ball; Kevin Burrows; Adrian Eyre; Carole Franklin; Peter Heaton; Michelle Impanni; Liam Kirkham; Keith Munn; Graham Prosser; Chris Santry and Neil Turner.

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In 2024, the following changes took place:

- Mike Aitkin, Stan Lawler & Richard Glasspoole resigned as a Trustee in March 2024, July 2024 & November 2024 respectively
- Neil Turner, Chris Santry & Shane Ball became Trustees on 24 September 2024, 7 January 2025 and 13 May 2025 respectively.
- Neil Atkins resigned as a Director on 9 July 2024 and Diane Cammidge was appointed as a Director & Collections Co-Manager on 9 July 2024.

For awareness, Richard Curtis resigned as Company Secretary on 11 February 2025.

The Trustees made the following annual appointments, which were renewed for the financial year January to December 2024:

- **Accreditation Mentor:** Katherine Andrew;
59 The Common, Abberley, Worcestershire WR6 6AY
- **Independent Examiner:** Edward Richards, Thorne & Co;
1 St Mary's Street, Ross-on-Wye, Herefordshire HR9 5HT
- **Bankers:** HSBC Bank plc, 35 High Town, Hereford HR1 2AQ
- **Solicitors:** Lambe Corner, 36/37 Bridge Street, Hereford HR4 9DJ

The Council of Management met on four occasions in 2024: 12 March, 14 May, 24 September and 13 December. The Annual General Meeting was held on 9 July 2024.

Regulation, Compliance & Risk Management

AGM: This year's Annual General Meeting (AGM) has been convened for 8 July 2025. All resolutions at this meeting will be matters of routine business, that is to approve the year ending 31 December 2024 Trustees Report and Accounts and resolutions for the annual re-appointment of each Trustee, the Accreditation Mentor and Independent Examiner. For awareness, the resolutions passed at the previous AGM, held at the Museum on 9 July 2024 were all items of routine business (as described above).

Forward Plan: The strategic and operational direction of the museum is managed using a 3 year Forward Plan. The 2022-2025 Forward Plan was approved by the Trustees on 22 September 2022. It is reviewed by Directors regularly with updates presented to, or available at, the Trustee meeting each second quarter in the year. The Chair's annual report provides an update on the continuing challenges and pressures facing volunteers at the museum. 2025 will see the transition from the current plan into a new 3 year Forward Plan for 2025-2028 so a clear direction is set for the future. This offers an opportune time to reflect and review the Museum's operations, its future developments (short & longer term) and the aspirations of volunteers, members, and the wider museum community.

Accreditation: The museum completed the Arts Council England re-accreditation process in November 2023 and gained Full Accreditation status. Giving confidence that the Museum is well managed and governed effectively. In 2024 an action plan to deal with the one recommendation from the re-accreditation process concerning improvements to the Emergency Handbook is on track to achieve the desired outcome.

Health & Safety: There were no reported safety incidents in the year ending 31 December 2024 although a major electrical fault was identified and remedial work was undertaken.

Data Protection: The museum continues to meet its data protection/privacy requirements and continues to strengthen its governance to ensure safe keeping of museum records.

Policy Update: Museum policies are reviewed & approved by Trustees as a rolling programme & in line governance review schedule. The Volunteer Handbook & Volunteer Agreement have been updated in 2024 & Directors approved a new Risk Management Policy in December 2024. To help it operate better in the digital world, a new **Social Media Policy** and a **Cyber Security Policy** were approved by the Trustees in March 2025.

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Training: Volunteers are kept up to date with ongoing matters via regular, normally monthly, face to face briefings. Volunteer training continues on matters such as Health & Safety (e.g. ladder safety & working from heights) and Safeguarding. Four volunteers have current First Response Certificates for medical emergencies and two Trustees have a First Aid Certificate. Volunteers, Directors & Trustees have benefitted from on-line external training courses organised/funded through Museum Development Midlands (MDM) on subjects such as Governance, Finance & Fundraising, IT and Marketing.

External Links: In 2024, the Chair of Trustees was appointed onto the MDM Oversight Board which has oversight of Arts Council England funding and who provide advice on how MDM meets the needs of the Midlands museum sector. The board has nine members made up of MDM staff and representatives from different types of museums across the region.

Risk Management: Below are the main business as usual risks, managed by the Council of Management and are typical of a small, independently funded & wholly volunteer run charity:

- sustainability of resources available to the Museum, both financial (operational budget & grant funding for projects) and non-financial (succession, time, capacity, skills & experience of Volunteers, Trustees & Directors)
- health, safety, and wellbeing of all who visit the museum including volunteers, the general public especially relating to safeguarding of children/vulnerable adults, users of the Museum's services, contractors, traders and exhibitors.
- need to keep up to date with changing UK laws, regulations & standards of good practice expected of an accredited museum

Some developments in known areas of risk for the museum are summarised below:

Accessibility: Following an Access Audit in May 2023 an Action Plan was carried out in 2024 to help mitigate the risks & issues identified, resulting in improvements for accessibility across Digital, Environmental, Social and Physical access needs of visitors and volunteers.

Café: To manage its food safety arrangements better, in last quarter of 2024 the museum started to use 'Safer Food Better Business for Caterers' documentation to ensure compliance with food hygiene laws and its legal requirements to put in place, implement & maintain food safety procedures. It felt improvements using an externally recognised system would improve consistency and benefit the museum long term. In November 2024, the museum was graded 'low risk' by Herefordshire Council Environmental Health following a desk top food hygiene assessment as part of a three yearly renewal process. Also, updated Café Procedures approved by Directors on 10 December 2024 have strengthened the recording & monitoring of Cafe processes. Café volunteers have up to date Level 2 Food Safety & Hygiene for Catering Certificates which are renewed three yearly.

The Trustees remain constantly aware of the challenge of managing its risks without the support of paid and professionally qualified museum staff.

Collection & Archives

The Museum collection in 2024 grew by 188 items, represented by 117 catalogue entries. During 2024, and 25 years after they arrived in Hereford, three items which were on long term loan from Amgueddfa Cymru (previously the National Museum of Wales), the Simpson beam engine, overshot waterwheel and Wilson Hartnell Dynamo are now in permanent ownership of the museum. Cared and maintained by volunteers since their installation, these artefacts will continue as integral exhibits for visitors to enjoy.

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Other key donations during the year included a contract dated 5 February 1895 between Worth Mackenzie & Co Ltd and the Mayor of Hereford relating to the Triple Expansion Steam Engine and a contract dated 17 September 1901 between Mather & Platt Ltd and the Mayor of Hereford for Three Reeves Patent Compound Filters at the Waterworks in Hereford. The 1895 contract was used in a display during the 50th Anniversary events held in 2024.

The museum was delighted to receive a donation of 10 Stirling Engine models, all made by the same person and donated by his family which include a Rider-Stirling Engine (No.25); Robinson pattern Stirling Engine (No.34) & a Rotative Manson cycle Engine (No.67).

In 2024, the museum enjoyed the official opening of the Brockhampton Pump Display and the Sissons Engine Set with various drawings related to engines made by W Sisson & Co Ltd from the late 1940's to late 1950's donated. The collection has been further enhanced and made more accessible by the refreshed World War II display using existing/new artefacts and highlighting the Herefordshire Home Front focused on the Rotherwas Munitions Factory.

Also in 2024 a project in the historic 'Old Workshop' is substantially complete involving nearly 600 tools & other artefacts being photographed and linked to a detailed record to support the catalogue listing and future stock take activity. A regular volunteer is now looking after this display allowing the 'Old Workshop' to be opened up to visitors once more.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing an annual report and the accounts in accordance with: (i) applicable charity law, and (ii) the provisions of the 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 2015).

Company law requires the Trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit of the charitable company for that year. In preparing those accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the accounts on the 'going concern' basis, unless it is inappropriate to presume that the company will continue in business.

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

The foregoing report has been prepared in accordance with the small company regime (Section 419(2) of the Companies Act 2006).

The trustees declare that they have approved the trustees' report.

Signed on behalf of the Charities Trustees by:

Jill Phillips
Chair of Trustees and Governance Director
Waterworks Museum - Hereford
17 June 2025



B. FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

This Report covers the 12-month financial period ended 31st December 2024. The Accounts presented in this Report comply with the requirements of the Companies Act 2006 and the Charity Commission. Following the practice of previous years, the narrative that follows refers mainly to the Income and Expenditure account. This distinguishes everyday Operations and Maintenance activities from those devoted to specific Projects.

The Museum had intended to run a full programme throughout the year, but the discovery of a major electrical supply fault during winter maintenance meant we had to delay reopening fully to the public, and were only able to be in steam from May. This resulted in lower admissions income and unanticipated expenditure on an electrical contractor. Material and supply costs continued to increase, but through careful procurement and improved processes, our administration overheads decreased by around 20%.

Operations: Despite the impact of our deferred full opening on visitor numbers, the café spend per head continued to increase, meaning refreshments income was only marginally down on the previous year. The Museum was also the beneficiary of an increased number of private donations.

Projects: Projects fall into two categories, either 'Designated' or 'Restricted'. These are carefully distinguished in the accounts to meet Charity Commission requirements, but for reporting to Museum Members they are combined under the 'Projects' heading. Designated Projects use money allocated from Museum funds at the discretion of the Directors and/or Trustees who monitor each project carefully. Restricted Projects draw on money given by an outside body for a specific purpose, being ring-fenced and used strictly in accordance with the terms of the grant.

Ignoring non-cash items (depreciation and stock movements), just over 17% of expenditure was project based – a significant increase from 2023's 10%, but still lower than historically.

Designated Projects: Two 'Designated' projects were worked on during the year. Our renewal of the World War II display was part-funded by a generous donation from one of our volunteer members. The Southall Trust increased their funding allocation for projects which contributed to completion of the Brockhampton pump set display, opened in August.

Restricted Projects: Heritage Compass gave a grant to purchase a contactless donation point, which itself contributed to the increased donations income. A fund was created to manage the electrical repair work, and attracted some specific donations from the public. 2023's Environment fund award from DCWW paid for further landscaping and environmental improvements, including a habitat survey; the residue will be drawn on in 2025.

Conclusion: Despite our reduced admissions, other income streams were strong and, other than the unforeseen electrical remediation, project work focussed on effective use of volunteers' time in preference to capital expenditure and external contractors. We were therefore able to make a healthy operating profit to roll forward to next year. None of this would be possible without the essential support given by the Museum's Benefactors, Members, Volunteers, and friends, as provided over the course of this last year.


Mike Harries
Financial Director and Honorary Treasurer
Waterworks Museum - Hereford
17 June 2025

Waterworks Museum – Hereford
Company Number No: 01820495
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Independent Examiner's Report

To the Directors of Waterworks Museum – Hereford

Unaudited accounts for the financial year ended 31 December 2024

I report on the accounts of the charitable company for the **financial year ended 31 December 2024**, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of Trustees and Independent Examiner

The charity's Trustees (some of whom are also the Directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent Examiners' statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with s386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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 2015) have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Edward Richards
Thorne & Co., Chartered Certified Accountants
1 St. Mary's Street, Ross-on-Wye. HR9 5HT
12th June 2025

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Waterworks Museum - Hereford
Statement of Financial Activities
(Income and Expenditure Account)
For the financial year ended 31 December 2024

				<u>2024</u>	<u>2023</u>
	<u>Note</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>	<u>Total</u>
<u>Income from</u>					
Grants, fees and donations	3	30,859	1,098	31,957	26,284
Activities for generating funds	3	27,718	-	27,718	30,214
Investments	3	1,612	-	1,612	816
Total income		<u>60,189</u>	<u>1,098</u>	<u>61,287</u>	<u>57,314</u>
<u>Expenditure on</u>					
Generating funds	4	8,268	543	8,810	9,393
Charitable objectives	4	30,220	19,167	49,387	46,300
Total Expenditure		<u>38,488</u>	<u>19,710</u>	<u>58,198</u>	<u>55,693</u>
Net income/expenditure		<u>21,701</u>	<u>(18,612)</u>	<u>3,089</u>	<u>1,621</u>
Gross transfer between funds		(1,804)	1,804	-	-
Net movement in funds		19,897	(16,808)	3,089	1,621
Total funds brought forward		<u>72,197</u>	<u>616,826</u>	<u>689,023</u>	<u>687,402</u>
Total funds carried forward		<u>92,094</u>	<u>600,017</u>	<u>692,112</u>	<u>689,023</u>

Waterworks Museum – Hereford
Company Number No: 01820495
Registered Charity No: 515866

Waterworks Museum - Hereford
Balance Sheet
As at 31 December 2024

				2024	2023
	<u>Note</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>	<u>Total</u>
<u>Fixed Assets</u> (tangible fixed assets only)	7	<u>8,749</u>	<u>598,646</u>	<u>607,395</u>	<u>621,289</u>
<u>Current Assets</u>					
Stock	8	1,703	-	1,703	2,697
Debtors and prepayments	9	2,200	-	2,200	451
Cash at bank and in hand		<u>81,257</u>	<u>1,371</u>	<u>82,628</u>	<u>65,823</u>
Total current assets		<u>85,159</u>	<u>1,371</u>	<u>86,530</u>	<u>68,971</u>
<u>Current Liabilities</u>					
Creditors falling due within one year	10	1,376	-	1,376	323
Net Current Assets		<u>83,784</u>	<u>1,371</u>	<u>85,155</u>	<u>68,649</u>
Provisions for liabilities	10	438	-	438	915
Net Assets		<u>92,094</u>	<u>600,017</u>	<u>692,112</u>	<u>689,023</u>
<u>Income Funds</u>	11/12				
Unrestricted Funds		92,094	-	92,094	72,197
Restricted Funds		-	600,017	600,017	616,826
		<u>92,094</u>	<u>600,017</u>	<u>692,112</u>	<u>689,023</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2024.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2024 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Signed on behalf of the Trustees by:



Jill Phillips
Chair of Trustees and Governance Director
Waterworks Museum - Hereford
17 June 2025

Waterworks Museum – Hereford
Company Number No: 01820495
Registered Charity No: 515866

Waterworks Museum - Hereford

Notes to the Unaudited Accounts for the financial year ended 31 December 2024

1 Accounting Policies

Basis of preparation:

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income Resources: Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- i. The donor specifies that the grant or donation must only be used in future accounting periods; or
- ii. The donor has imposed conditions that must be met before the charity has unconditional use.

Income from trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when admission and membership fees or performance related grants are receivable in advance of the dates to which they relate.

Volunteers and Donated Services and Facilities: The Volunteers involved with the charity are members of the company limited by guarantee. They support the Museum so that it can open to members of the public on up to 70 days each year. They include the Trustees, Directors and Officers, who carry additional responsibilities, and volunteer engineers who work additional days maintaining and preserving the collection. The Museum has no paid staff. Further details of the contribution made by Volunteers can be found in the Trustees' annual report.

Resources Expended: Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- i. Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- ii. Charitable activities include expenditure associated with the restoration and maintenance of donated assets and leased premises and include both the direct costs and support costs relating to these activities.
- iii. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- iv. Support costs include central functions and have been apportioned to the activities to which they relate on a total activity cost basis.

Irrecoverable VAT: All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases: The charity operates the Museum on land and buildings owned by Dŵr Cymru Welsh Water under a long-term rent-free lease, which expires in 2074. The land on which the Heritage Water Park sits is owned by Herefordshire Council, which is leased to the Museum for a peppercorn rent until 2047.

Tangible Fixed Assets and Depreciation: Tangible Fixed Assets represent the Museum's buildings, which are being depreciated on a straight-line basis over the remaining term of the lease, and the boiler over a 25-year term (2010-2035). The Heritage Water Park is not a building and is not subject to depreciation.

Stock: Stock is included at the lower of cost and net realisable value. Stock includes parts, fuel and items for sale to Museum visitors.

Inalienable or Historic Assets: The charity has a leasehold interest in the property that is classed as an inalienable asset and is not included in the Balance Sheet. This interest expires on 31st March 2074.

Funds Structure: The charity has restricted income funds to account for situations where donors require that donations are spent on a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted income funds.

- 2 **Legal Status of the charity:** The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £1.

3 Income	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
From fees, donations and grants				
Membership fees	1,987	-	1,987	1,945
Donations	3,258	555	3,813	1,486
Gifted Regular Income	-	-	-	-
Gift aid refund	1,464	-	1,464	453
Grant - Southall Trust	11,000	-	11,000	10,000
Grant - Dŵr Cymru Welsh Water	12,411	-	12,411	12,400
Other grants/awards	739	543	1,282	-
	<u>30,859</u>	<u>1,098</u>	<u>31,957</u>	<u>26,284</u>
From activities for generating funds				
Admission fees	15,283	-	15,283	17,275
Refreshments	11,017	-	11,017	11,195
Retail sales	1,093	-	1,093	1,535
Museum products	206	-	206	209
Premises hire	-	-	-	-
	<u>27,599</u>	<u>-</u>	<u>27,599</u>	<u>30,214</u>
Investment income				
Bank interest	1,612	-	1,612	816
Other income				
Asset disposals	120	-	120	-

4 **Expenditure (analysis of resources expended)**

	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
For generating funds				
Refreshments	2,058	-	2,058	2,860
Sale material	836	-	836	1,126
Special events	-	-	-	-
Hardware and Consumables	1,769	543	2,312	1,779
Advertising/publicity	3,401	-	3,401	3,172
WaterWords	204	-	204	455
	<u>8,268</u>	<u>543</u>	<u>8,810</u>	<u>9,393</u>
For charitable purposes				
Fuel	4,935	-	4,935	5,349
Machine maintenance	8,021	-	8,021	6,994
Premises maintenance	8,994	4,971	13,965	12,809
Display/signage/artefacts	1,712	-	1,712	109
Insurance	1,406	-	1,406	1,561
Education/publications	12	-	12	64
Depreciation	180	13,714	13,894	13,894
Museum activities	1,110	-	1,110	391
Office/computer/telecom/postage/travel	2,024	-	2,024	3,187
Project professional fees	-	480	480	445
Rent	59	-	59	59
Subscriptions to external bodies	632	-	632	418
Audit professional fees	438	-	438	501
Bank charges	699	2	701	519
	<u>30,220</u>	<u>19,167</u>	<u>49,387</u>	<u>46,300</u>

- 5 **Paid employees:** The charity does not have any paid employees.
- 6 **Trustees and Other Related Parties:** Expenses incurred by the Trustees are reimbursed at cost. The Trustees had no material interest in any transaction undertaken by the charity during the year.

7 **Tangible fixed assets**

	<u>Boiler</u>	<u>Museum Buildings</u>	<u>Total</u>
Cost			
At 31 December 2023	42,507	806,972	849,479
Additions	<u>0</u>	<u>0</u>	<u>0</u>
At 31 December 2024	<u>42507</u>	<u>806972</u>	<u>849479</u>
Depreciation			
At 31 December 2023	23,472	204,717	228,189
Charge for year	<u>1,729</u>	<u>12,165</u>	<u>13,894</u>
At 31 December 2024	<u>25,201</u>	<u>216,882</u>	<u>242,083</u>
Net book value			
At 31 December 2023	19,035	602,255	621,289
At 31 December 2024	<u>17,306</u>	<u>590,089</u>	<u>607,395</u>

	<u>2024</u>	<u>2023</u>
8 <u>Stock</u>		
Fuel and oil	1,070	1,289
Materials and spare parts	319	500
Goods for resale	<u>314</u>	<u>908</u>
	<u>1,703</u>	<u>2,697</u>
9 <u>Debtors and prepayments</u>		
Trade debtors	<u>2,200</u>	<u>451</u>
	<u>2,200</u>	<u>451</u>
10 <u>Creditors (amounts falling due within one year)</u>		
Trade creditors	395	303
Membership Fees in Advance	981	20
Accruals	<u>438</u>	<u>915</u>
	<u>1,814</u>	<u>1,238</u>

Accruals include the balance of the Brockhampton roller shutter door.

- 11 **Restricted funds:** The Restricted Income Fund represents capital grants provided by various funding bodies, including for the purposes of providing Tangible Fixed Assets in the form of the new museum buildings, the Rotherwas Engine House and boiler shown in Note 7 to the accounts. These Restricted Income Funds will be released to the Statement of Financial Activities on the same basis as the Depreciation Policy. New restricted funds were created for remediation of a major electrical fault and enhancements to the Heritage Water Park.

	<u>Unrestricted income fund</u>	<u>Restricted income fund</u>
Income	60,189	1,098
Expenditure	<u>38,488</u>	<u>19,710</u>
	<u>21,701</u>	<u>(18,612)</u>
Gross transfer between funds	<u>(1,804)</u>	<u>1,804</u>
Net movement	<u>19,897</u>	<u>(16,808)</u>
At 31 December 2023	72,197	616,826
At 31 December 2024	<u>92,094</u>	<u>600,017</u>

Waterworks Museum – Hereford
Company Number No: 01820495
Registered Charity No: 515866

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and has been left intentionally blank.

Accounts

Company Number No: 01820495

Registered Charity No: 515866

WATERWORKS MUSEUM - HEREFORD

(A Company Limited by Guarantee not having a share capital)

**REPORT OF THE TRUSTEES AND
UNAUDITED ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2023**

Trustee Approved Tuesday 9 July 2024



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TRUSTEES' REPORT for the FINANCIAL YEAR ENDED 31 DECEMBER 2023

A. INTRODUCTION

The Trustees of the Waterworks Museum - Hereford, five of whom are also Directors for the purposes of the Companies Act 2006, present their annual report with the accounts of the charity for the **financial year ended 31 December 2023**. The Trustees have adopted the provisions of the 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).

Waterworks Museum - Hereford is a company limited by guarantee (number 01820495) and a registered charity (number 515866). The registered office is Broomy Hill, Hereford HR4 0LJ.

Established in 1974, the charity is operated as an independent working museum and industrial archaeology preservation society concerned primarily, but not exclusively, with the story of the supply of water for public consumption from the mid-Victorian era to the close of the 20th century. Based in a Grade II* listed building, the Museum is home to the UK's oldest in-situ working triple expansion steam engine and it has one of the widest ranges of working pumping engines in the UK. These are interpreted by a combination of displays, historic artefacts and ephemera related to potable water.

THE MUSEUM'S CHARITABLE PURPOSE

"to encourage and promote public education and interest in the preservation, display and running for the public benefit waterworks engines, pumps, boilers and other equipment and relics of historical or general and for other charitable purposes connected with the study of water supply undertaking"

Our vision is to thrive and grow as a specialist museum, focussed on the history of water supplies for public benefit, and be a prominent Herefordshire visitor attraction. The Museum aspires to bring the industrial heritage to life through the working engines, pumps, boilers and other artefacts it looks after.

We will achieve our vision by being recognised as:

1. A working museum wholly governed, managed and operated by volunteers.
2. Custodians of an interesting and informative collection of engines and artefacts sited in Hereford's Grade II* listed authentic Victorian waterworks.
3. A valued resource that can support learning and education (physically & remotely).

We will drive our vision forward by following our VALUES:

- A. **Safe, friendly & welcoming**
environment for visitors, volunteers & users of the Museum, its collection and facilities
- B. **Trusted and valued**
to manage the Museum effectively by our volunteers, members, benefactors & partners
- C. **Stronger Together**
playing an active role in the communities we operate in

The Museum's collections are used in an education programme, mainly, but not exclusively, for primary school children, using curriculum-led materials designed and delivered by experienced teachers from the educational sector. Tours of the Museum are available, led by knowledgeable volunteers and the Museum prides itself in offering an enjoyable experience to visitors including those who may need some form of assistance.

STATUS OF THE MUSEUM

The Museum has Full Accreditation status under the Accreditation Scheme administered by Arts Council England which sets nationally agreed standards for museums in the UK (registration number RD783). The Museum achieved the successful outcome of Full Accreditation on 23 November 2023 for a further five years.

THE MUSEUM'S COLLECTION

The collection comprises over 5,000 individual items. These are owned by the Museum, except for less than 30 items which are on long-term loan. The collections are housed on a single site in the Victorian water pumping station that served the City of Hereford for 120 years, the Tangye House (one floor of Leominster's Victorian pumping station, which was moved to the Museum in 1992), the Rotherwas Engine House (built in 2007 to display artefacts saved from dereliction from a World War II bunker and houses a permanent exhibition devoted to Hereford in World War II), or in the Museum's archive room or stores.

The collections comprise artefacts and archives that illustrate the collection, treatment, and supply of water since 1856, but also more broadly over the past two thousand years. On the Museum site, with the exception of animal power, there are examples of all types of motive power for water pumping including the UK's oldest in-situ working triple expansion steam engine.

Visitors to the Waterworks Museum can see historic beam, steam, gas, oil, diesel and combustion engines, many of which are among the last working examples of their kind. The collection primarily relates to drinking water supply in Herefordshire, the Marches and Wales, but also includes items from other parts of the UK to represent the development of drinking water supply, which were otherwise likely to be irretrievably lost. In addition, building on its collection of hot-air engines, the Waterworks Museum has gained a reputation as a repository of knowledge for these early devices that produced mechanical work from heat and were essential for raising water for drinking and irrigation.

The Trustees have determined that future expansion of the collection will be directed towards completing aspects of the Museum's historic story. They would like to expand the collection covering the mid to late Victorian period and the early years of the twentieth century - the transitional phase of technological development between beam engines and rotative steam engines, and water industry instrumentation for the latter half of the twentieth century. Also, to protect the industrial heritage and knowledge of developments in drinking water supply and associated technologies that might otherwise be lost. This includes engines, pumps and associated devices and technologies used in educational establishments in the past for training apprentice water engineers.

Each year the Museum receives both general and technical enquiries about the Museum's collection or from people seeking advice. These are received from within the UK and overseas. Trustees encourage visits to and from other museums to learn from the skills and experience of Museum Volunteers, who possess often scarce expertise in the restoration, operation and maintenance of steam, hot air, gas, and internal combustion engines.

HOW THE MUSEUM IS FUNDED

The Waterworks Museum receives no public funding. It is independently funded by admission fees, grant awards and membership subscriptions, but would not be able to operate at the level that it does without the continued support it receives from two principal benefactors: The Southall Trust and Dŵr Cymru Welsh Water. Further detail of this is provided in the financial statements, which are presented later in this report.

HOW THE MUSEUM IS GOVERNED AND OPERATED

The Museum has no paid staff and is wholly governed, managed and operated by Volunteers. The governing body is the Council of Management, the members of which are charity trustees. The day-to-day management of the Museum is delegated to a smaller group of Trustees who are elected annually to serve as Directors, and who collectively oversee the activities of the Museum's Volunteers. The Council of Management is appointed by and is accountable to the Members of the Museum, of which there are currently around 120. The position of Trustee is a non-remunerated role, although out of pocket expenses are reimbursed at cost.

The Directors at the date of this report are:

Jill Phillips ^(a)	Chair of Trustees and Governance Director
Mike Harries ^(a)	Financial Director and Honorary Treasurer
Fred Snelgrove ^(a)	Collections Manager
Vacant ^(a)	Operations Director (Neil Atkins until May 2024)
Mike Glover ^(a)	Chief Engineer
Vacant	Development Director (Kevin Burrows until October 2023)

^(a) Denotes served as a Director throughout the financial year ended 31 December 2023.

There are currently 17 Trustees at the date of this report; four Directors shown above and the other Museum Trustees are listed below:

* Paul Allen	* Peter Heaton
* Neil Atkins	* Michelle Impanni (Dŵr Cymru Welsh Water Representative)
* Kevin Burrows	* Liam Kirkham
* Diane Cammidge	* Stan Lawler (resigning at AGM 2024)
* Adrian Eyre	* Keith Munn
* Carole Franklin	* Graham Prosser
* Richard Glasspoole	

Jill Phillips was appointed a Director on 10th March 2022 and Director of Governance and Chair of Trustees on 16th May 2022.

On 23 May 2023, Brian Nelson resigned as a Trustee, having been a long serving member of the Council of Management.

On 23 May 2023, Michelle Impanni was appointed as the Dŵr Cymru Welsh Water representative replacing Vicky Martin who had stepped down in March 2023 and Michael Aitken was appointed as a Trustee.

At the Annual General Meeting held on 18 July 2023, Kathy Burrows and Richard Curtis did not stand for re-election.

On 19 September 2023, Kevin Burrows resigned as a Director but continued as a Trustee.

On 19 September 2023, Carole Franklin became a Trustee.

Consideration of suitable Trustee candidates to strengthen the Council of Management will continue.

Richard Curtis remained **Company Secretary** from December 2022 through to December 2023.

The Trustees made the following annual appointments, which have been renewed for the financial year January to December 2023:

- **Accreditation Mentor:** Katherine Andrew
59 The Common, Abberley, Worcestershire WR6 6AY

- **Independent Examiner:** Edward Richards, Thorne & Co
1 St Mary's Street, Ross-on-Wye, Herefordshire HR9 5HT
- **Bankers:** HSBC Bank plc
35 High Town, Hereford HR1 2AQ
- **Solicitors:** Lambe Corner
36/37 Bridge Street, Hereford HR4 9DJ

In 2023, the Council of Management met on four occasions: on 14 March, 23 May, 19 September and 9 December 2023. The Annual General Meeting was held on 18 July 2023.

The updated Forward Plan 2022-2025 was approved by the Trustees on 22 September 2022. This document has been reviewed by Directors every quarter during the year with updates presented to the Trustee meeting each second quarter in the year.

HOW THE MUSEUM MANAGES ITS RISKS

The main business as usual risks managed by the Council of Management are typical of any small, independently funded and wholly volunteer run charity. They principally speak to the:

- a) sustainability of the resources available to the Museum, both financial (operational budget and grant funding for projects) and non-financial (the succession, time, capacity and skills and experience of the Volunteers, Trustees and Directors who operate the Museum)
- b) health, safety and wellbeing of everyone who visits the site including Volunteers, the general public especially relating to the safeguarding of children and vulnerable adults, users of the Museum's services, contractors, traders and exhibitors
- c) need to keep up to date with changing UK laws, regulations and standards of good practice expected of an accredited museum.

A statement of risk assessment arising as a result of the Coronavirus Pandemic was publicly available on the Museum website from March 2020 until summer 2022 when all pandemic restrictions were removed by the Government.

Following the occurrence of the 'omicron' variant of Coronavirus, the decision was taken by the Directors to extend the period of closure from 2021 into the first quarter of 2022. This has enabled volunteers to complete safety work and essential maintenance on the collection of engines and pumps which it had not been possible to complete during the Coronavirus lockdown. Visitors returned to the Museum in March 2022.

In May 2023, an Access Audit was undertaken. This audit, carried out by Direct Access, was able to take place following a successful funding application through West Midlands Museum Development (WMMD). This was necessary to take account of changes due to the refurbishment of the museum and to update the Access Audit carried out in March 2020 which couldn't be fully utilised due to the COVID 19 lockdown measures. The May 2023 Audit has resulted in a detailed Action Plan to help mitigate the risks and issues identified. The resulting outcomes will improve accessibility across the four aspects of Digital, Environmental, Social and Physical access needs of visitors and volunteers.

The Trustees remain constantly aware of the challenge of managing its risks without the support of paid and professionally qualified museum staff.

B. THE MUSEUM'S KEY POLICIES AND DOCUMENTS

Key policies and documents are reviewed by Trustees as part of a rolling programme and in line with an agreed governance schedule approved by Trustees. Further details can be found below.

FINANCIAL RESERVES POLICY

The Trustees are required to hold general reserves at a level to provide the Museum with adequate financial stability and the means for it to meet its charitable purposes for the foreseeable future. In normal circumstances the Trustees require that general reserves be maintained at a level equivalent to not less than 15 months basic operational expenditure. The Trustees have set the reserves policy at this level having regard to the Museum's regular funding streams and nature of its operations (i.e. that the Museum is operated and governed solely by Volunteers and is open to the public on a limited number of days each year as a visitor attraction which constrains the ability of the Museum to expand or grow new income streams). The Trustees regularly review the level of general reserves that are required to ensure that they are adequate to fulfil the Museum's continuing obligations and formally approve the General Reserves Policy on an annual basis.

RISK MANAGEMENT POLICY

The Trustees are responsible for ensuring that the Museum has a clear strategy, that it remains true to its vision, and that it complies with all necessary rules and legal obligations. They also ensure that the Museum has the policies, controls and other documents that minimise the risks that the charity may encounter. The Trustees:

- Continuously review the risks the charity may face
- Establish systems and controls to mitigate the risks identified
- Implement policies and procedures designed to minimise any potential impact on the charity should a risk materialise

Key risks and risk mitigation in 2023/24 have been previously described in the earlier section on 'Risk Management'.

OTHER KEY POLICIES

ACCESS: The Access Policy sets out how people can see, use or access the museum site and collection. The Museum welcomes all sections of the community and seeks to be an inviting place to visit regardless of education, income, residence, or personal circumstances and wants everyone to enjoy independent use of the Museum's facilities.

COLLECTION: The Collection Policy relates to the artefacts, records and buildings in the Museum's care which together are known as the 'Museums Collections'. It sets out key principles and encompasses the development, care & conservation and documentation of the Museum's Collections. This Policy is supported by, and forms part of, the overall Collection Framework which comprises key procedures, standardised forms and guidance along with a Priority Salvage List.

Training volunteers on Collections Management is a key component in the Museum's overall training programme.

HEALTH & SAFETY: The Health & Safety Policy Statement sets out the framework by which the Museum will protect the general safety and wellbeing of all visitors and volunteers. The following specialist policies/key documents support this Policy Statement.

- Risk Assessment of Threats
- Emergency Planning Handbook
- Priority Salvage List & first aid steps for damaged objects
- Asbestos Management Policy

- Electrical Safety Policy
- Volunteer Training Programme - Action Plan Updated by Directors 6 monthly

SAFEGUARDING: The Safeguarding Policy defines how the Museum operates to safeguard children, young people and vulnerable persons. It also sets out the Museum's Code of Conduct for its members. All Trustees, Directors, Designated Officers and Volunteers are members of the Museum.

EQUALITY, INCLUSION & DIVERSITY: The Equality, Inclusion and Diversity Policy explains how the Museum is committed to eliminating all forms of discrimination, victimisation and harassment, and to promoting equality of opportunity.

ENVIRONMENTAL SUSTAINABILITY: The Environmental Sustainability Policy covers the natural, built, economic and social environment of the Museum and the policy expresses three key aspects of the work of the Museum:

- Serving our people: Volunteers, visitors and users of the Museum's facilities.
- Securing our Collection; Choice and care of engines & other artefacts/records
- Sense of Place: Recognising the sense of place created by the Museum for water supplies at all levels - local, regional, national and global.

PRIVACY OF PERSONAL INFORMATION: The Privacy of Personal Information Policy states the Trustee's commitment to protecting an individuals' privacy and sets out the standards you can expect the Museum to maintain when we request or hold personal information about you.

C1

Chair's Introduction

Having reflected on 2023 my overarching view is that it was a year of consolidation that finished with a stronger outlook than anticipated.

Without a doubt, the whole volunteer team started 2023 positively and with renewed vigour for the forthcoming opening season. Additional volunteers were recruited with a wide range of skills and experiences. This has supported our growing visitor centre services including archives, data analytics, social media and administration needs while the additional engineers has led to a more flexible, creative and forward looking team. My thanks go to all the active volunteers who have shown such commitment to the museum during 2023.

At the start of the year the Museum Directors and Trustees were acutely aware that the financial reports of December 2021 - December 2022 showed a deficit and that financial sustainability was a key strategic factor. Looking back there were two main reasons for this deficit. Firstly, on-costs for completing the refurbishment of the museum were carried through as additional costs above the grant received from Herefordshire due to COVID19. This was essential spending to achieve the objective of re-opening the museum on a more commercial basis and to enhance the visitor experience. Secondly, the Sisson Engine Set project had been delayed since 2019 and there was a drive to have the display operational for the start of the 2023 season which resulted in extra expenditure. However, as a result of close monitoring of monthly reporting of expenditure and income, the Directors acted to ensure that the operational income streams achieved a surplus at the end of December 2023.

As part of the strategic drive to increase revenue, the local market was studied and the Trustee's reviewed and agreed an increase in admission prices with effect from January 2023. A detailed consultation with members about membership options was also carried out resulting in the introduction of a student membership, reduced rates for active volunteers and a new membership option for a combined membership with guest option which is already proving to be successful.

During 2023, it became apparent that funding opportunities were becoming highly competitive and criteria based. The Directors have been actively exploring and submitting applications for a range of funding streams to support the museum's needs and growth. We are pleased to report that we were successful in receiving three funding bids:

- Environmental grant to improve the habitat environment of the site (WWDC partnership)
- Digital equipment for reception and archives teams (WWDC Community grants)
- Capital grant for contactless donation point (Heritage Compass Scheme)

In addition, having gained full accreditation, the museum is currently applying for two major funding opportunities:

- Unlocking Collections - to use technology to increase visitor access to the collection. This is an Arts Council England funding stream.
- Grant for the urgent renovation of the 50' Boiler Chimney. This is a Museum Estate and Development Funding initiative with, in partnership funding from AIA.

Strategically, re-accreditation was a significant exercise for the completion window which was between December 2022 and June 2023. For a specialist museum of our size run wholly by volunteers, it required a huge 'ask' of both time and skills along with an essential and important mindset to demonstrate we had achieved the criteria set out in the three sections, Organisational Health, Managing Collections and Users & their Experiences and the nine Standards underlying these areas. This time around, a small yet vitally effective Digital Working Group was set up to address the Standards, ably led by Bob Higgle and all Standards overseen by myself as Chair. Diane Cammidge became the key administrator for the process and was a massive support to the Directors.

Preparing for the process included a Trustee Accreditation Away Day held in January 2023. This ensured that Trustee members had knowledge and understanding of the process as one of the key objectives was to re-introduce, following the disruption caused by COVID19, a scheduled rolling programme of policy and key documents review and approvals, thereby making sure all policies were relevant and up-to-date before the submission. Other areas included updating the museum's workforce chart, its marketing plan and a focus was placed on refreshing the museum website. The process was helped by the production of three mind maps, one for each of the Accreditation areas (Organisational Health, Managing Collections and Users & their Experiences) detailing the key changes and developments at the museum since the last accreditation submission.

By March 2023, Diane and I had the unenviable task of learning how to use the on-line submission system as well as pulling together the wealth of material needed to provide responses to the various sections of the Standards as well as uploading nearly 50 attachments to complete the submission!

Achieved early, some three weeks before the deadline, the team were delighted to have only a handful of minor corrections given to amend the submission by the assessor. This was then taken to moderation and a final panel confirmation process by Arts Council England (ACE). Full accreditation was granted in November 2023. Museum Accreditation is the benchmark for a well-run museum and the award shows a museum is being properly managed and governed, is looking after and managing their collections appropriately and it means people can actually access collections and stories – seeing the items that matter to them and knowing that future generations will be able to do the same.

From the museum's perspective, it will open up funding and new partnership opportunities, boost our reputation and hopefully help in winning further funding streams, giving confidence to donors and other supporters. As our Accreditation Mentor, Kate Andrew, states in her report, the return was so well received that the Arts Council England requested the museum be featured as a case study for other museums and cultural groups to see how the process was approached and completed.

The 2022 - 2025 Forward Plan is pivotal in structuring the completion of both strategic and operational objectives. This is done as a quarterly review by Directors and half yearly by Trustees. Good progress has been made in all four areas and this is an encouraging sign for the future success and stability of the museum.

Operationally, the museum has seen a healthy increase in visitor numbers on open days with 500 more visitors in 2023 compared to 2022. This is an important growth along with the additional spend per person seen in both the cafe and retail sales. The cafe team have been particularly busy with their cakes and light lunches proving to be very popular and this is becoming a consistent income generator for the museum.

More groups are booking tailored made times at the museum within our window of Open days and Tuesdays. For many open Sundays, particularly for school holidays, we aim to have a theme for the day where possible. In May 2023 the museum became a national venue for BABA Blacksmith weekend and this is now going to be an bi-annual event with the next one due in 2025.

Waterwords, our in-house publication for members and interested parties, continues to be held in esteem by many who cannot attend the museum in person. Our thanks go to Richard Curtis for his unstinting efforts over the years on research papers and as editor of Waterwords. Richard Curtis has now passed his Editor role onto Eddie Coventry. Eddie collated and edited a spring edition followed by a special edition for the Blacksmith Weekend in May entitled "forge-in" 2023, along with an Autumn 2023 publication.

I would also like to place on record my thanks to Kathy Burrows for the work she continues to do on so many topics, marketing, advertising and promotion of the museum using the various media channels, her work on volunteer recruitment, the quick responses to support the accreditation activity and so much more. Her calm manner, sensible advice and saying just the right thing at the right time is valued by myself and other volunteers.

The 2023 Annual General Meeting held in July was attended not only by current active volunteers but also past volunteers/members. It was a typical summer day – rain. This prevented the outdoor BBQ

running but all enjoyed the hot dogs and burgers in the comfort of the Visitor Centre! This will be the format for the 2024 AGM with our fingers crossed for a hopeful splash of sunshine.

As we approach the 50th anniversary year of the museum, I find it humbling to be the Chair at this milestone time. To see the museum thriving; full of the sounds of school children, volunteers and visitors talking and engines running on Tuesday opening days and with even more activity on a Sunday opening, gives me a sense of pride and inspiration to keep the museum a great place for everyone to enjoy. It astounds me that we have the same two benefactors supporting the museum throughout this 50 year period and long may it continue. We have an excellent Primary School Programme funded by Dwr Cymru Welsh Water but so well taught by the teacher, Ruth Morris who always greets everyone with a cheerful smile. Alongside this is the strength of the volunteer team, knowing that the museum is still run by volunteers since its vision in the 1970's is quite a record that should be applauded and celebrated.

So finally, if you have time available and live nearby please consider joining our volunteer team you would be most welcome and, may I ask that you visit the museum to enjoy the full range of engines, pumps and artefacts on display and in that way, you will be thanking the team that prepare the Waterworks Museum - Hereford to be open to the public on open days and steam days come rain or shine.

Jill Phillips – Chair of the Trustees and Governance Director

C2 Engineering Report Projects

The Sisson Engine display made its debut on 26 March 2023. This has been a project carried across several years, delayed by the closures during COVID19. As well as the Sisson Engines, volunteers have worked on the Brockhampton Set display. Both of these exhibits will be formally opened and will feature in the museum's 50th Anniversary celebrations in 2024. The completion of these displays has relied on the ingenuity, problem solving and creative skills of the volunteers who not only restored the machinery but also built the housing from scratch, often recycling materials from around the museum.

Sitework

Phase 3 of the refurbished Visitor Centre was finally completed with the removal of the glass in the Southall Gallery. This provides an all-round view of the displays and a much more tactile feel to this area.

In May 2023, the museum applied for funding from the regional Museum Development Group for a new access audit through the Open All Doors scheme. Although an access audit had been completed in 2020, this pre-dated the refurbished work that had been taking place and as it is recommended that a new access audit is completed every three years the Directors felt it was important to renew the audit and work from a more up to date position. As a result of this, an action plan has been devised and much of the recommendations have been incorporated into the 2023 winter maintenance schedule running from November and through the closure during January and February 2024.

Paving slabs have been placed around the Massington display area with fencing and a gateway added to provide a much easier circular access around the Victorian building. A second hand ramp has been fitted to one set of the doors exiting the Southall Gallery along with a ramp from recycled metal work in Bay 6 to replace the steps helping to improve accessibility.

Balfour Beatty employees volunteered their skills for two days, free of charge to the museum in September. This included work to improve the car park entrance with additional stonework, removal of a tree stump and making a hole to allow a concrete stand to be made for the Water Park to set out the Archimedes Screw and Water Wheel display. The water supply to the workshop/ mess has been diverted to allow further work during the winter closure to the old Victorian water main and for the pipework to be replaced.

Environment

Fencing has been built to hide the oil catch tanks outside Bay 3 and three outside lights have been fitted on the north wall of the museum to improve the lighting, ready for the winter period.

As part of the Environmental Grant Project Objectives with WWDC, completion of groundwork and soil preparation during summer 2023 and subsequent planting of bare root saplings has provided a hedge line around the southern boundary of the site. This included saplings of Common Beech, Hornbeam and Cherry with spiral guards for protection. Tree planting in the Heritage Water Park included two Crab Apple trees. In the Phillipa Southall Water Garden, the pond was overhauled to include a new liner and restoration of the sides of the pond to allow amphibian movement in and out of the pond. A new pond pump was installed and this uses water obtained from rainfall from the museum building roofs, stored in tanks/water butts (kindly donated to the museum) and then transferred across the site to the pond.

In addition, a tree safety survey was carried out and subsequent work on trees that were identified as requiring removal or pruning was carried out. A tree felling application was submitted to Herefordshire County Council during December 2023 with work completed in February 2024. There is some remaining funding available to carry out a habitat baseline assessment in the summer of 2024.

Mike Glover Chief Engineer

C3 - HEALTH, SAFETY, WELFARE AND TRAINING OF VOLUNTEERS

There were no reportable safety incidents in 2023.

During the summer 2023, work was carried out to remove the trip hazard caused by the old rail sidings and uneven surface around the outside area of the workshop. Accessibility in this area has been significantly improved for volunteers & visitors with additional level paving slabs laid down and by changing the far exit point of the Southall Gallery to an outside ramp rather than external steps.

During the winter months, substantial work has taken place across the museum with maintenance of engines and other artefacts carried out, along with repairs undertaken and internal re-painting of some floors & walls of the buildings.

Many of the outcomes support the action points raised in the latest Access Audit for example, there is now a clear accessible route from the Southall Gallery to the new outside display areas, improvements to the uneven surface around the outside of the workshop as well as a ramp installed into the Triple Steam engine bay where previously there were steps.

The volunteer mess was well utilised and was in full service throughout 2023. The welfare of volunteers is an important consideration for the museum and the mess provides a facility away from the general public which the volunteers can use for themselves.

New volunteers undertook induction, the Volunteer Handbook has been updated and with the full season of opening, a focus on training and safety of volunteers has been paramount with safeguarding briefings, training on the use of ladders and four volunteers being trained as First Responders.

New CCTV across the three main buildings has improved security and this is monitored at reception as well as remote access being available.

Volunteers (including Directors and Trustees) have benefitted from a range of on-line and external training courses organised and funded through West Midlands Museum Development (WMMD) and Heritage Compass. The most significant being for the Accreditation process and included an Access Audit of the Museum in May 2023 and subsequent action plans. Other topics covered included aspects of governance, finance, fund raising, IT and marketing. Jill Phillips and Stan Lawler presented at the West Midlands Museum Development Conference held at Ironbridge in October 2023. This was on the theme of Youth Trustees and the Museum Community and was a very successful opportunity to showcase the Waterworks Museum. Jill Phillips successfully had an article on this subject printed in the Association of Independent Museums, members magazine.

C4

Operational Report

Visitor Centre and Café

The café team, and visitor centre reception team have been very successful in maintaining an exceptionally high level of customer service and support throughout 2023.

The café team is enthusiastic and continues to demonstrate their baking and food preparation skills, as well as producing a very successful menu throughout the year. The visitor centre reception volunteers and stewards have worked hard to provide a high degree of customer service and support to ensure visitors receive the very best museum experience.

The museum welcomed visitors every Tuesday throughout April to September this year, and also opened its doors for three 'working' days and eight 'Steam' days over the summer weekends.

The European Group undertook a Rally in April, with a timed route from Swansea to Hereford. They arranged to use the museum as a main assembly and display stop which coincided with our working day on Sunday 23rd April. The group comprised 25 vehicles of all makes, each with a driver and navigator.

On Sunday 14th May the Kingston & Hereford Historic and Vintage Car Club displayed 17 cars on the forecourt during our Steam Day. Twenty five members of the group attended, all keen to preserve the importance of their vehicles and showcase them against the museum building backdrop.

A "sleep-over" took place inside the museum on Saturday 20th May involving a local group of very excited Beavers led by their Leaders, Steve and Emily Goss - who are also museum volunteers! The Beaver Pack spent their time in the museum engaging in a variety of activities for their 'Badge Awards' and experiencing a night together as a camping group.

On Saturday 15th July, the Singer Motor Club hired the Museum and Visitor Centre as the base for their annual function for their members. During the event the museum hosted 21 cars and 40 members. Volunteers, Derek Duffett and Keith Munn, gave a talk to our guests about the history of the Waterworks Museum and its collection of artefacts. After a superb lunch provided by the café volunteers, guests were split into small groups for a guided tour around the museum by stewards Keith, Derek, Mike Harries, Mike Glover and Neil Atkins.

In September, the museum was represented and had a stall at the first Herefordshire History Day held at the Town Hall in Hereford. The visitor turnout was high and feedback was very encouraging. A similar event is being planned for 2024.

Sunday 24th September - what a busy day in Steam! It involved the Stirling Engines Society where its members presented a hands-on engineered experience for members of the public. They showcased their exciting working models, engaged visitors with the 'science' and wonder of their functioning engines. All 19 exhibiting members felt that the day was very worthwhile allowing them to directly engage with the public. With the museum fully in Steam, volunteers were immersed in presenting the collection and talking to visitors throughout the day. The Morris Car Club, with 21 attending members, displayed 12 Classic Morris 'Motors' cars and one vintage lorry whilst enthusiastically captivating visitors and volunteers alike. The group welcomed the opportunity to display their classic vehicles and thanked the museum for such a well organised and stewarded day with a special mention to the café team for their excellent menu and service on the day. The Stirling Engines Society is proposing to return on Sunday 29th September 2024.

Tuesday 8th October saw the Limitless Travel Group visit the museum with a group of 26 diverse accessibility adults accompanied by their support team. They engaged in a full day visit of the museum which included a tour and short talk on the history and establishment of the Waterworks Museum led by Keith Munn. Limitless Travel have already booked three guided visits to take place in 2024.

Tuesday 7th November 2023 and a visit by the Chideock Discussion Group (Over 65's) on a full one-day visit, with a focus on the history of the museum and its collection and in particular the Hereford in WW2 Exhibition. A keynote to the day was a presentation by Angela Williams, a member of the

'Rotherwas Together' Group, highlighting the role of the Canary Girls and their role in the Rotherwas Munitions Factory. The day was very successful with praise from our visitors for the organisation, content and the service given to their members and the excellent menu provided across the day.

Neil Atkins - Director of Operations

C5 - VISITOR EXPERIENCE

Visitor feedback to the reopening of the Museum and its new facilities has been excellent and the pro rata number of visitors received was significantly higher than visitor numbers for 2022, set as a new baseline of visitor numbers against which future performance can be monitored since Covid19.

The current strategy and pattern of open-days means that the total number of visitors the Museum receives each year are not expected to return to pre-pandemic levels. Trustees are aware that new operational income streams are necessary to overcome this fall. Both the cafe and shop sales have a baseline for monitoring visitor expenditure. The widening range of group bookings prior to visits has become an encouraging growth area for the museum volunteers. This is being developed through focused calendar planning and communications.

Visitors are now greeted by a new team of front of house volunteers (reception, café staff and visitor stewards) who are dedicated to helping them enjoy their time at the Waterworks Museum. The overall visitor experience has also been enhanced by steadily improving the way in which the working machines and interactive displays at the Museum are presented and by working with third parties (for example, exhibitors, entertainers, providers of arts & craft displays and owners of steam engine and vintage vehicles) to provide an all-round interactive experience that can be equally enjoyed by heritage enthusiasts and family groups. This approach will continue to be developed in 2024.

C6 - COLLECTION and ARCHIVES

There were 87 items that were added to the Museum collection during 2023. This included a collection of books relating to WWII including some War Monthly & War Illustrated booklets. It also included a collection of Welsh Water Annual Reports from 1974 to 2000 and various documents/paperwork including publicity booklets and leaflets distributed by the Museum during 1974 - mid 1980.

Below is a snapshot of the activities that have taken place during the year:

- A revised Collections Policy using the Arts Council England template has been produced and approved by the Trustees supporting the Museum's Accreditation submission.
- A conditions check on artefacts on display has taken place. An initial meeting on the findings has been held with Directors which highlighted that due to volunteer changes there is a need to know which volunteers are looking after which areas of the museum, understanding any gaps and identifying new volunteers who could support the work needed to care and preserve these exhibits. This activity has been started and will continue in 2024.
- A project to record and photograph the tools and other artefacts within the historic 'Old Workshop' will continue into 2024. The detailed record will have a description of the item and a link to the image to support the catalogue listing and help future stock take activity.
- Two new cabinets in the Rotherwas Room now contain a selection of WWII related items from the archives and information cards to go with the exhibits will be produced over time.
- Work on bringing the Waterwords Index up to date has continued with the years 2015 to 2019 completed so far.
- Scanning of stored archive material will continue into 2024. These images suitably referenced are being held in a useable format and will be linked to the new digital database in due course where the long term aim is to make the Collection more accessible.

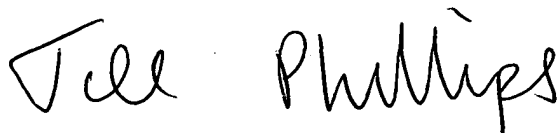
Finally, we are delighted to report that three key artefacts on display (Beam Engine, Overshot Waterwheel and a Dynamo) and on long term loan are being transferred to the Museum's ownership following approval by Amgueddfa Cymru (previously known as the National Museum of Wales).

C7 Educational Visits

The Primary Education Programme has engaged with over 330 primary pupils across the summer and winter school terms during 2023. Eight, Lower Sixth Form Science, pupils from the Cathedral School Science Department visited the museum as part of their 'in-school' science project relating to the First Law of Thermodynamics. Twenty one Apprentices from NMITE Hereford visited the museum to engage and place the use of Engineering Language in a working/historic context as part of their energy module. We have also welcomed two home schooled pupil groups plus a Primary KS1 pupil group to the museum as part of a social learning experience.

Primary School Visits December 2022 - December 2023:

Almeley eco club	Ashfield Park x 4	Brookfield x 2	Cleobury Mortimer
Gorsley Goffs	Home school group x 2	King Solomon	Lord Scudamore x 3
Lucton x 3	Mordiford x 2	Orleton x 2	Riverside x 3
St Thomas Cantilupe	Westfield Special school		



Jill Phillips - Chair
19 June 2024

C8 - ACCREDITATION MENTOR'S REPORT YEAR ENDED 31 DECEMBER 2023

Kate Andrew MSc FMA ACR

Alongside starting to operate "normally" again using the much-improved arrangement of visitor facilities and visitor numbers returning to pre-pandemic levels, the museum has made two significant achievements.

Accreditation

In normal times, museum accreditation has to be re-applied for every five years. Due to both a revision of the national museum accreditation standard in 2018 and the impact of the Covid pandemic, the timetable for museums to be invited to re-apply for accreditation slipped considerably.

Prior to Covid, we had anticipated an invitation date in November 2019, with a deadline for submission of April 2020. After confirmation that Accreditation was to be extended until April 2022, the museum finally received its invitation to re-apply in the spring of 2023 and was due to submit in the late autumn of 2023.

The standard has become progressively more all-encompassing and complex since it was first rolled out nationally in the mid 1990's and although the previous standard was tiered, for small volunteer run museums it was becoming onerous. The 2019 revision reviewed and consolidated requirements, there are now bands of what is expected, based on organisation type, size of collections, turnover and visitor numbers. The standard is now something that volunteer run museums such as The Waterworks Museum can hope to achieve and maintain.

With good work completed for the previous return and a clear forward plan agreed by Trustees in 2022, the main thrust of work anticipated was to ensure policies and procedures aligned with the new standard and to ensure that the documentation backlog that had built up over Covid, was addressed.

This time around, the work- load has been shared by a small group of volunteers. A workshop led by Jill Phillips for Trustees, meant that the whole Trustee body was aware of what was required and why and how individuals could contribute. Diane Cammidge and Jill and later supported by Ruth Stobbs, have undertaken the bulk of the checking and re-writing governance, policies and the return itself. Problems with the digital catalogue also identified a series of interrelated IT issues and a Digital Working Group consisting of Kathy and Kevin Burrows, Diane Cammidge, Eddie Coventry, Mike Harries, Bob Higgle and Fred Snelgrove was established, chaired by Bob, completing most of the identified task by May 2023. A new server, the adoption of Atom as a collections management system, demo catalogue entries on-line on the revamped website and removal of the documentation backlog are the main achievements.

Work was so far advanced that the return was submitted early and assessed at the previous quarter's meeting. Accredited status was granted under the new standard at the start of October 2023, with only two areas, both linked to the Emergency Planning Document identified as needing improvement.

The return was so well received that Arts Council England (ACE) requested the Museum be featured as a case study in a film CASE case study on Accreditation. ACE commissioned filming by Copper Crayon and this took place at the end of February 2024. It was interesting to be part of the process.

Good standing with ACE should help with a capital bid currently being prepared for works to the historic building.

Conversion of loan to accession of Amgueddfa Cymru items

Object loans in and out require a five yearly review by all accredited museums. It was for this reason that the National Museum of Wales, Amgueddfa Cymru, had contacted the museum with respect to a number of significant items on long-term loan from their collection. National Museums have only recently required to become Accredited, therefore the requirement to meet the standard for loans was not previously in place. What at first seemed to be a complex problem and potentially costly to the museum to either return items (covering removal and transportation costs) or set up an annual renewing loan that also required an annual conservation condition report in fact proved to be an opportunity to make a formal request for transfer of title of the items to the Waterworks Museum collections. On Thursday 28 September 2023 Amgueddfa Cymru's board discussed that accessions of a beam pumping engine and twin ram pump; overshot waterwheel and a dynamo should be formally deaccessioned and transferred to the Waterworks Museum, Hereford. The minutes were approved on Thursday 14 December 2023 allowing these items to be formally entered into the collection at Hereford.

It has been a pleasure to continue to work with the museum and its volunteers as they have re-established themselves and new people have joined the Trustees. Other challenges lie ahead, but if required, I'm happy to continue as Accreditation Mentor for another year or two.

Kate Andrew

2 April 2024

C9 - REGULATION AND COMPLIANCE

This year's Annual General Meeting (AGM) has been convened for 9 July 2024. All resolutions at this meeting will be matters of routine business - that is to approve the 2023 Trustees Report and Accounts and resolutions for the annual re-appointment of each Trustee, the Accreditation Mentor and the Independent Examiner (previously described as the Reporting Accountant). For awareness, the resolutions passed at the previous AGM, held at the Museum on 18 July 2023 were all items of routine business as described above.

In 2023, the Museum was invited to re-new, for a further 5 years, its accreditation status by Arts Council England. This re-accreditation process was completed in November 2023 when the Museum gained Full Accreditation status. This gives confidence that the Museum is well managed and governed effectively and this accolade will help retain and attract benefactors and funding streams for the financial sustainability of the Museum.

The museum continues to meet its data protection and privacy requirements and from a technology view point, the number of available laptops has increased, back up processes are more formalised and the use of Google workspace for sharing and recording of documents has resulted in improved operational efficiency and collaborative work amongst volunteers. This has strengthened the governance framework and the safe keeping of museum records.

Training to volunteers on matters such as Health & Safety (e.g. working at heights) and on subjects like Safeguarding have taken place during 2023 as part of the Museum's training plans.

The 2022 - 2025 Forward Plan has been actioned, reviewed by Directors quarterly and presented to Trustees every second quarter during the year. The Chair's report provides an update on the continuing pressures from 2022 that remained during 2023: attracting growth and a wider range of funding streams to improve financial viability and not overstretching the goodwill of volunteers. 2023 has been a year of consolidation across all museum activities supported by the hard work and commitment of all those who are actively involved in the museum.

During the period of the current Forward Plan (2022-2025) the Museum will reach the 50th anniversary of its creation in 1974. An opportune time to reflect and review the Museum's operations, its future aspirations and it provides a significant opportunity to promote awareness of the Museum.

Jill Phillips

Chair of Trustees and Governance Director

19 June 2024

A handwritten signature in black ink, reading 'Jill Phillips', written in a cursive style.

D.STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing an annual report and the accounts in accordance with: (i) applicable charity law, and (ii) the provisions of the 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 2015).

Company law requires the Trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit of the charitable company for that year. In preparing those accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the accounts on the 'going concern' basis, unless it is inappropriate to presume that the company will continue in business.

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

The foregoing report has been prepared in accordance with the small company regime (Section 419(2) of the Companies Act 2006).

Signed on behalf of the Trustees

Jill Phillips

Chair of Trustees and Governance Director

19 June 2024

Jill Phillips

E. FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31st DECEMBER 2023

This Report covers the 12-month financial period ended 31st December 2023.

The Accounts presented in this Report comply with the requirements of the Companies Act 2006 and the Charity Commission. Following the practice of previous years, the narrative that follows refers mainly to the Income and Expenditure account presented on page 22. This distinguishes everyday Operations and Maintenance activities from those devoted to specific Projects.

The underlying pattern of activities undertaken by the Museum has returned to closer to the norm before the disruption of the pandemic, and we enjoyed being able to open for the full period. However, like many businesses, we suffered large increases in the costs of materials and other supplies. Consequently, the Directors reduced expenditure to the essentials and key priorities, and increased admission prices by 20%. We also made new arrangements for waste collection and website management which will continue to provide better value into the future.

Operations

Despite the Cost of Living crisis affecting households, operational income related to visitors increased strongly, with admissions up nearly 30% and the café an impressive 50%. Along with the cost savings mentioned above, this resulted in a much healthier operational profit, allowing the Trustees to approve a transfer of £3,000 to replenish our reserves.

Projects

Projects fall into two categories, either 'Designated' or 'Restricted'. These are carefully distinguished in the accounts to meet Charity Commission requirements, but for reporting to Museum Members on page 28 they are combined under the 'Projects' heading. Designated Projects use money allocated from Museum funds at the discretion of the Directors and/or Trustees who monitor each project carefully. Restricted Projects draw on money given by an outside body for a specific purpose, being ring-fenced and used strictly in accordance with the terms of the grant.

Ignoring non-cash items (depreciation and stock movements), just over 10% of expenditure was project based – a large reduction from 2022's 30%, and lower than historically.

Designated Projects

Two 'Designated' projects were worked on during the year. Minor additional work was needed to enable the Sissons Engines to become operational. Southall Trust funds allocated for projects paid for an enhanced digital CCTV system and contributed to the Brockhampton pump set display.

Restricted Projects

Dwr Cymru – Welsh Water gave a grant from their Community Fund which purchased two laptops, one for the archive and collection team, the other for Visitor Centre volunteers. Last year's Environment fund from DCWW has paid for hedging and other environmental improvement; the residue will be drawn on in 2024.

Conclusion

Our increased visitor income allowed us to increase our operating profit, but we had also restricted expenditure on project and improvements. Having been able to transfer some profit to our reserve, in 2024 we are in a stronger position to resume project work and improvements to the museum buildings, collection and archive. None of this would be possible without the essential support given by the Museum's Benefactors, Members, Volunteers, and friends, as provided over the course of this last year.

Mike Harries
Honorary Treasurer
19 June 2024

Independent Examiner's Report

To the Directors of Waterworks Museum - Hereford

On the unaudited accounts for the financial year ended 31 December 2023

I report on the accounts of the charitable company for the financial year ended 31 December 2023, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of Trustees and examiner

The charity's Trustees (some of whom are also the Directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiners' statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with s386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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 2015) have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Edward Richards

Thorne & Co (Accountants)

1 St. Mary's Street, Ross-on-Wye. HR9 5HT

19 June 2024



Waterworks Museum - Hereford

**Statement of Financial Activities
(Income and Expenditure Account)**

For the financial year ended 31 December 2023

					2023	2022
	Note	Unrestricted funds	Restricted funds		Total	Total
Income from						
Grants, fees and donations	3	25,784	500		26,284	33,823
Activities for generating funds	3	30,214	-		30,214	23,949
Investments	3	816	-		816	152
Total income		56,814	500		57,314	57,923
Expenditure on						
Generating funds	4	9,393	-		9,393	9,724
Charitable objectives	4	31,251	15,049		46,300	60,174
Total Expenditure		40,643	15,049		55,693	69,898
Net income/expenditure		16,170	(14,549)		1,621	(11,975)
Gross transfer between funds		-	-		-	-
Net movement in funds		16,170	(14,519)		1,621	(11,975)
Total funds brought forward		56,027	631,375		687,402	699,376
Total funds carried forward		72,197	616,826		689,023	687,402

Waterworks Museum - Hereford

**Balance Sheet
As at 31 December 2023**

						2023	2022
		Note	Unrestricted funds	Restricted funds		Total	Total
	Fixed Assets (tangible fixed assets only)	7	8,928	612,361		621,289	635,183
	Current Assets						
	Stock	8	2,697	-		2,697	3,740
	Debtors and prepayments	9	451	-		451	549
	Cash at bank and in hand		61,358	4,465		65,823	55,007
	Total current assets		64,506	4,465		68,971	59,296
	Current Liabilities						
	Creditors falling due within one year	10	323	-		323	2,004
	Net Current Assets		64,184	4,465		68,649	57,292
	Provisions for liabilities	10	915	-		915	5,073
	Net Assets		72,197	616,826		689,023	687,402
	Income Funds	11/12					
	Unrestricted Funds		72,197	-		72,197	56,027
	Restricted Funds		-	616,826		616,826	631,375
			72,197	616,826		689,023	687,402

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

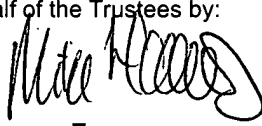
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2023 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Signed on behalf of the Trustees by:


Mike Harries
Director & Honorary Treasurer
19 June 2024

Notes to the Unaudited Accounts for the financial year ended 31 December 2023

1	<u>Accounting Policies</u>
	<u>Basis of preparation</u> The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.
	<u>Income Resources</u> Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when: - The donor specifies that the grant or donation must only be used in future accounting periods; or - The donor has imposed conditions that must be met before the charity has unconditional use. Income from trading activities is recognised as earned (as the related goods and services are provided). Investment income is recognised on a receivable basis. Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when admission and membership fees or performance related grants are receivable in advance of the dates to which they relate.
	<u>Volunteers and Donated Services and Facilities</u> The Volunteers involved with the charity are members of the company limited by guarantee. They support the Museum so that it can open to members of the public on up to 70 days each year. They include the Trustees, Directors and Officers, who carry additional responsibilities, and volunteer engineers who work additional days maintaining and preserving the collection. The Museum has no paid staff. Further details of the contribution made by Volunteers can be found in the Trustees' annual report.
	<u>Resources Expended</u> Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable. - Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. - Charitable activities include expenditure associated with the restoration and maintenance of donated assets and leased premises and include both the direct costs and support costs relating to these activities. - Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. - Support costs include central functions and have been apportioned to the activities to which they relate on a total activity cost basis.
	<u>Irrecoverable VAT</u> All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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Operating Leases

The charity operates the Museum on land and buildings owned by Dŵr Cymru Welsh Water under a long-term rent-free lease, which expires in 2074. The land on which the Heritage Water Park sits is owned by Herefordshire Council, which is leased to the Museum for a peppercorn rent until 2047.

Tangible Fixed Assets and Depreciation

Tangible Fixed Assets represent the Museum's buildings, which are being depreciated on a straight-line basis over the remaining term of the lease, and the boiler over a 25-year term (2010-2035). The Heritage Water Park is not a building and is not subject to depreciation.

Stock

Stock is included at the lower of cost and net realisable value. Stock includes parts, fuel and items for sale to Museum visitors.

Inalienable or Historic Assets

The charity has a leasehold interest in the property that is classed as an inalienable asset and is not included in the Balance Sheet. This interest expires on 31st March 2074.

Funds Structure

The charity has restricted income funds to account for situations where donors require that donations are spent on a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted income funds.

2 Legal Status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £1.

3 Income

		<u>2023</u> Unrestricted	<u>2023</u> Restricted	<u>2023</u> Total	<u>2022</u> Total
	From fees, donations and grants				
	Membership fees	1,945	-	1,945	1,773
	Donations	1,486	-	1,486	1,490
	Gifted Regular Income	-	-	-	125
	Gift aid refund	453	-	453	549
	Grant - Southall Trust	10,000	-	10,000	10,000
	Grant - Dŵr Cymru Welsh Water	11,900	500	12,400	15,786
	Other grants/awards	=	=	=	4,100
		<u>25,784</u>	<u>500</u>	<u>26,284</u>	<u>33,823</u>
	From activities for generating funds				
	Admission fees	17,275	-	17,275	13,495
	Refreshments	11,195	-	11,195	7,185
	Retail sales	1,535	-	1,535	1,458
	Museum products	209	-	209	164
	Premises hire	=	=	=	390
		<u>30,214</u>	<u>=</u>	<u>30,214</u>	<u>22,691</u>
	Investment income				
	Bank interest	<u>816</u>	<u>=</u>	<u>816</u>	<u>152</u>
	Other income				
	Asset disposals	=		=	1,257

4	Expenditure (analysis of resources expended)	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>
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	Unrestricted	Restricted	Total	Total
For generating funds				
Refreshments	2,860	-	2,860	2,274
Sale material	1,126	-	1,126	158
Special events	-	-	-	1,297
Consumables	1,143	-	1,143	3,701
Advertising/publicity	3,172	-	3,172	2,084
WaterWords	<u>455</u>	<u>=</u>	<u>455</u>	<u>211</u>
	<u>9,393</u>		<u>9,393</u>	<u>9,724</u>
For charitable purposes				
Fuel	5,349	-	5,349	4,939
Machine maintenance	6,994	-	6,994	8,345
Premises maintenance	11,974	835	12,809	22,292
Display/signage/artefacts	109	-	109	1,530
Insurance	1,561	-	1,561	1,353
Education/publications	64	-	64	23
Depreciation	180	13,714	13,894	13,894
Museum activities	391	-	391	2,143
Office/computer/telecom/postage/travel	2,687	500	3,187	2,986
Project professional fees	445	-	445	884
Rent	59	-	59	59
Subscriptions to external bodies	418	-	418	849
Audit professional fees	501	-	501	438
Bank charges	<u>519</u>	<u>=</u>	<u>519</u>	<u>441</u>

		<u>31,251</u>	<u>15,049</u>	<u>46,300</u>	<u>60,174</u>
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5	<u>Paid employees</u> The charity does not have any paid employees.			
6	<u>Trustees and Other Related Parties</u> Expenses incurred by the Trustees are reimbursed at cost. The Trustees had no material interest in any transaction undertaken by the charity during the year.			
7	<u>Tangible fixed assets</u>			
		<u>Boiler</u>	<u>Museum buildings</u>	<u>Total</u>
	Cost			
	At 31 December 2022	42,507	806,972	849,479
	Additions	<u>0</u>	<u>0</u>	<u>0</u>
	At 31 December 2023	<u>42,507</u>	<u>806,972</u>	<u>849,479</u>
	Depreciation			
	At 31 December 2022	21,743	192,552	214,295
	Charge for year	<u>1,729</u>	<u>12,165</u>	<u>13,894</u>
	At 31 December 2023	<u>23,472</u>	<u>204,717</u>	<u>228,459</u>
	Net book value			
	At 31 December 2022	20,763	614,420	635,183
	At 31 December 2023	<u>19,035</u>	<u>602,255</u>	<u>621,289</u>

		<u>2023</u>	<u>2022</u>
8	<u>Stock</u>		
	Fuel and oil	<u>1,289</u>	<u>1,930</u>
	Materials and spare parts	<u>500</u>	<u>650</u>
	Goods for resale	<u>908</u>	<u>1,160</u>
		<u>2,697</u>	<u>3,740</u>
9	<u>Debtors and prepayments</u>		
	Trade debtors	<u>451</u>	<u>549</u>
		<u>451</u>	<u>549</u>
10	<u>Creditors (amounts falling due within one year)</u>		
	Trade creditors	<u>303</u>	<u>1,244</u>
	Membership Fees in Advance	<u>20</u>	<u>760</u>
	Accruals	<u>915</u>	<u>5,073</u>
		<u>1,238</u>	<u>7,077</u>
	Accruals include the balance of the Brockhampton roller shutter door.		
11	<u>Restricted funds</u> The Restricted Income Fund represents capital grants provided by various funding bodies, including for the purposes of providing Tangible Fixed Assets in the form of the new museum buildings, the Rotherwas Engine House and boiler shown in Note 7 to the accounts. These Restricted Income Funds will be released to the Statement of Financial Activities on the same basis as the Depreciation Policy. An additional Restricted fund was created for the DCWW Community grant to ensure its use for the purpose of new IT equipment.		

12	<u>Movement in funds</u>		
		<u>Unrestricted income fund</u>	<u>Restricted income fund</u>
	Income	56,814	500
	Expenditure	<u>40,643</u>	<u>15,049</u>
		<u>16,170</u>	<u>(14,549)</u>
	Gross transfer between funds	=	=
	Net movement	16,170	<u>(14,549)</u>
	At 31 December 2022	<u>56,027</u>	<u>631,375</u>
	At 31 December 2023	<u>72,197</u>	<u>616,826</u>

WATERWORKS MUSEUM - HEREFORD

England & Wales - Charity number 515866

Accounts

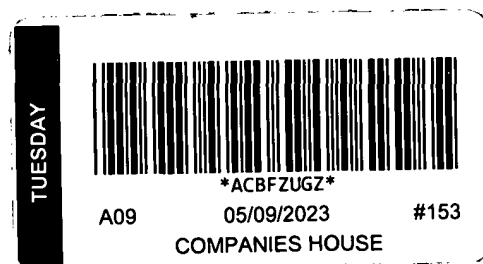
Company Number No: 01820495

Registered Charity No: 515866

WATERWORKS MUSEUM - HEREFORD

(A Company Limited by Guarantee not having a share capital)

**REPORT OF THE TRUSTEES AND
UNAUDITED ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2022**



For Trustee Approval -The date of this document is Tuesday 27 June 2023.

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TRUSTEES' REPORT for the FINANCIAL YEAR ENDED 31 DECEMBER 2022

A. INTRODUCTION

The Trustees of the Waterworks Museum - Hereford, six of whom are also Directors for the purposes of the Companies Act 2006, present their annual report with the accounts of the charity for the **financial year ended 31 December 2022**. The Trustees have adopted the provisions of the 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).

Waterworks Museum - Hereford is a company limited by guarantee (number 01820495) and a registered charity (number 515866). The registered office is Broomy Hill, Hereford HR4 0LJ.

Established in 1974, the charity is operated as an independent working museum and industrial archaeology preservation society concerned primarily, but not exclusively, with the story of the supply of water for public consumption from the mid-Victorian era to the close of the 20th century. Based in a Grade II* listed building, the Museum is home to the UK's oldest in-situ working triple-expansion steam engine and it has one of the widest ranges of working pumping engines in the UK. These are interpreted by a combination of displays, historic artefacts and ephemera related to potable water.

THE MUSEUM'S CHARITABLE PURPOSE

"to encourage and promote public education and interest in the preservation, display and running for the public benefit waterworks engines, pumps, boilers and other equipment and relics of historical or general and for other charitable purposes connected with the study of water supply undertaking"

Our vision is to thrive and grow as a specialist museum, focussed on the history of water supplies for public benefit, and be a prominent Herefordshire visitor attraction. The Museum aspires to bring the industrial heritage to life through the working engines, pumps, boilers and other artefacts it looks after.

We will achieve our vision by being recognised as:

1. A working museum wholly governed, managed and operated by volunteers
2. Custodians of an interesting and informative collection of engines and artefacts sited in Hereford's Grade II* listed authentic Victorian waterworks.
3. A valued resource that can support learning and education (physically & remotely)

We will drive our vision forward by following our VALUES:

- A. **Safe, friendly & welcoming**
environment for visitors, volunteers & users of the Museum, it's collection and facilities
- B. **Trusted and valued**
to manage the Museum effectively by our volunteers, members, benefactors & partners
- C. **Stronger Together**
playing an active role in the communities we operate in

The Museum's collections are used in an education programme, mainly, but not exclusively, for primary school children, using curriculum led materials designed and delivered by experienced teachers from the educational sector. Tours of the Museum are available, led by knowledgeable volunteers and the Museum prides itself in offering an enjoyable experience to visitors including those who may need some form of assistance.

STATUS OF THE MUSEUM

The Museum has Full Accreditation status under The Accreditation Scheme administered by Arts Council England which sets nationally agreed standards for museums in the UK (registration number RD783). The Museum received notification to submit an application for re-accreditation on 20 December 2022 with the outcome to be determined by December 2023.

THE MUSEUM'S COLLECTION

The collection comprises over 5,000 individual items. These are owned by the Museum, save for 34 items which are on long-term loan. The collections are housed on a single site in the Victorian water pumping station that served the City of Hereford for 120 years, the Tangye House (one floor of Leominster's Victorian pumping station, which was moved to the Museum in 2006), the Rotherwas Engine House (built in 2007 to display artefacts saved from dereliction from a World War II bunker and houses a permanent exhibition devoted to Hereford in World War II), or in the Museum's archive room or stores.

The collections comprise artefacts and archives that illustrate the collection, treatment, and supply of water since 1856, but also more broadly over the past two thousand years. On the Museum site, with the exception of animal power, there are examples of all types of motive power for water pumping including the oldest in situ working triple expansion steam engine in Britain.

Visitors to the Waterworks Museum can see historic beam, steam, gas, oil, diesel and combustion engines, many of which are among the last working examples of their kind. The collection primarily relates to drinking water supply in Herefordshire, the Marches and Wales, but also includes items from other parts of the UK to represent the development of drinking water supply, which were otherwise likely to be irretrievably lost. In addition, building on its collection of hot-air engines, the Waterworks Museum has gained a reputation as a repository of knowledge for these early devices that produced mechanical work from heat and were essential for raising water for drinking and irrigation.

The Trustees have determined that future expansion of the collection will be directed towards completing aspects of the Museum's historic story. They would like to expand the collection covering the mid to late Victorian period and the early years of the twentieth century - the transitional phase of technological development between beam engines and rotative steam engines, and water industry instrumentation for the latter half of the twentieth century. Also, to protect the industrial heritage and knowledge of developments in drinking water supply and associated technologies that might otherwise be lost. This includes engines, pumps and associated devices and technologies used in educational establishments in the past for training apprentice water engineers.

Each year the Museum receives both general and technical enquiries about the Museum's collection or from people seeking advice. These are received from within the UK and overseas. Trustees encourage visits to and from other museums to learn from the skills and experience of Museum Volunteers, who possess often scarce expertise in the restoration, operation and maintenance of steam, hot air, gas, and internal combustion engines.

HOW THE MUSEUM IS FUNDED

The Waterworks Museum receives no public funding. It is independently funded by admission fees, grant awards and membership subscriptions, but would not be able to operate at the level that it does without the continued support it receives from two principal benefactors: The Southall Trust and Dŵr Cymru Welsh Water. Further detail of this is provided in the financial statements, which are presented later in this report.

HOW THE MUSEUM IS GOVERNED AND OPERATED

The Museum has no paid staff and is wholly governed, managed and operated by Volunteers. The governing body is the Council of Management, the members of which are charity trustees. The day-to-day management of the Museum is delegated to a smaller group of Trustees who are elected annually to serve as Directors, and who collectively oversee the activities of the Museum's Volunteers. The Council of Management is appointed by and is accountable to the Members of the Museum, of which there are currently around 120. The position of Trustee is a non-remunerated role, although out of pocket expenses are reimbursed at cost.

The Directors at the date of this report are:

Jill Phillips	Chair of Trustees and Governance Director
Mike Harries ^(a)	Financial Director and Honorary Treasurer
Fred Snelgrove ^(a)	Collections Manager
Neil Atkins ^(a)	Operations Director
Mike Glover ^(a)	Chief Engineer
Kevin Burrows	Development Director

^(a) Denotes served as a Director throughout the financial year ended 31 December 2022.

On 1 March 2022, Richard Curtis stepped down as Chair of the Museum due to ill health when Jill Phillips (Vice Chair) became Acting Chair. She was subsequently appointed a Director on 10 March 2022 and Director of Governance and Chair of Trustees on 16 May 2022.

There are currently 17 Trustees at the date of this report; six Directors shown above and the other Museum Trustees are listed below:

* Michael Aitken	* Peter Heaton
* Paul Allen	* Michelle Impanni (Dŵr Cymru Welsh Water Representative)
* Kathy Burrows	* Stan Lawler
* Richard Curtis	* Keith Munn
* Adrian Eyre	* Graham Prosser
* Richard Glasspoole	

At the Annual General Meeting 18 July 2022, Ana Vaughan stepped down and Colin Hughes was not re-elected as a Trustee. On 23 May 2023, Michelle Impanni was appointed as the Dŵr Cymru Welsh Water representative replacing Vicky Martin who had stepped down in March 2023. Also on 23 May 2023, Brian Nelson stepped down as a Trustee and Michael Aitken was appointed as a Trustee. Efforts will continue to be made in 2023 to find suitable Trustee candidates to help strengthen the Council of Management.

Two trustees, Kathy Burrows and Richard Curtis, will not be seeking re-election at the 2023 AGM.

Richard Curtis was **Company Secretary** December 2021 through to December 2022

The Trustees made the following annual appointments, which have been renewed for the financial year January to December 2022:

- **Accreditation Mentor:** Katherine Andrew
59 The Common, Abberley, Worcestershire WR6 6AY
- **Independent Examiner:** Edward Richards, Thorne & Co
1 St Mary's Street, Ross-on-Wye, Herefordshire HR9 5HT
- **Bankers:** HSBC Bank plc
35 High Town, Hereford HR1 2AQ
- **Solicitors:** Lambe Corner
36/37 Bridge Street, Hereford HR4 9DJ

In 2022, the Council of Management met on five occasions: on 1 April, 16 May, 10 June, 22 September and 2 December 2022. The Annual General Meeting was held on 19 July 2022.

The updated Forward Plan 2022-2025 was approved by the Trustees on 22 September 2022.

RISK MANAGEMENT

The main business as usual risks managed by the Council of Management are typical of any small, independently funded and wholly volunteer run charity. They principally speak to:

- a) The sustainability of the resources available to the Museum, both financial (operational budget and grant funding for projects) and non-financial (the succession, time, capacity and skills and experience of the Volunteers, Trustees and Directors who operate the Museum)
- b) The health, safety, and wellbeing of Volunteers, the visiting public and users of the Museum's services and contractors and others who visit the site, and especially the safeguarding of children and vulnerable adults
- c) Keeping up to date with changing UK laws and regulations and the standards of good practice expected of an accredited museum.

A statement of risk assessment arising as a result of the Coronavirus Pandemic was publicly available on the Museum website from March 2020 until summer 2022 when all pandemic restrictions were removed by the Government.

Following the occurrence of the 'omicron' variant of Coronavirus, the decision was taken by the Directors to extend the period of closure from 2021 into the first quarter of 2022. This has enabled volunteers to complete safety work and essential maintenance on the collection of engines and pumps which it had not been possible to complete during the Coronavirus lockdown. Visitors returned to the Museum in March 2022.

The Trustees are constantly aware of the challenge of managing the above risks without the support of paid and professionally qualified museum staff. The Coronavirus pandemic changed the operating environment of the Museum in several ways and the report that follows demonstrates how the risks associated with this are being managed.

B. THE MUSEUM'S KEY POLICIES

FINANCIAL RESERVES POLICY

The Trustees are required to hold general reserves at a level to provide the Museum with adequate financial stability and the means for it to meet its charitable purposes for the foreseeable future. In normal circumstances the Trustees require that general reserves be maintained at a level equivalent to not less than 15 months basic operational expenditure. The Trustees have set the reserves policy at this level having regard to the Museum's regular funding streams and nature of its operations (i.e. that the Museum is operated and governed solely by Volunteers and is open to the public on limited number of days each year as a visitor attraction which constrains the ability of the Museum to expand or grow new income streams). The Trustees regularly review the level of general reserves that are required to ensure that they are adequate to fulfil the Museum's continuing obligations.

RISK MANAGEMENT POLICY

The Trustees are responsible for ensuring that the Museum has a clear strategy, that it remains true to its vision, and that it complies with all necessary rules and legal obligations. They also ensure that the Museum has the policies, controls and other documents that minimise the risks that the charity may encounter. The Trustees:

- Continuously review the risks the charity may face
- Establish systems and controls to mitigate the risks identified
- Implement policies and procedures designed to minimise any potential impact on the charity should a risk materialise.

Key risks and risk mitigation in 2021/22 have been previously described in the earlier section on 'Risk Management'.

OTHER KEY POLICIES

ACCESS: The Access Policy sets out how people can see, use or access the museum site and collection. The Museum welcomes all sections of the community and seeks to be an inviting place to visit regardless of education, income, residence, or personal circumstances and wants everyone to enjoy independent use of the Museum's facilities.

COLLECTION: The Collection Policy relates to the artefacts, records and buildings in the Museum's care which together are known as the 'Collection'. It sets out key principles and encompasses the development, care & conservation and documentation of the Museum's Collection. This Policy is supported by, and forms part of, the overall Collection Framework which comprises key procedures, standardised forms and guidance along with a Priority Salvage List.

Training volunteers on Collections Management is a key component in the Museum's overall training programme.

HEALTH & SAFETY: The Health & Safety Policy Statement sets out the framework by which the Museum will protect the general safety and wellbeing of all visitors and volunteers. The following specialist policies/key documents support this Policy Statement.

- Risk Assessment of Threats
- Emergency Planning Handbook
- Priority Salvage List & first aid steps for damaged objects
- Asbestos Management Policy
- Electrical Safety Policy
- Volunteer Training Programme - Action Plan

OTHER POLICIES

SAFEGUARDING: The Safeguarding Policy defines how the Museum operates to safeguard children, young people and vulnerable persons. It also sets out the Museum's Code of Conduct for its members. All Trustees, Directors, Designated Officers and Volunteers are members of the Museum.

EQUALITY, INCLUSION & DIVERSITY: The Equality, Inclusion and Diversity Policy explains how the Museum is committed to eliminating all forms of discrimination, victimisation and harassment, and to promoting equality of opportunity.

ENVIRONMENTAL SUSTAINABILITY: The Environmental Sustainability Policy covers the natural, built, economic and social environment of the Museum and the policy expresses three key aspects of the work of the Museum:

- Serving our people: Volunteers, visitors and users of the Museum's facilities.
- Securing our Collection: Choice and care of engines & artefacts for the Collection.
- Sense of Place: Recognising the sense of place created by the Museum for water supplies at all levels – local, regional, national and global.

PRIVACY OF PERSONAL INFORMATION: The Privacy of Personal Information Policy states the Trustee's commitment to protecting an individuals' privacy and sets out the standards you can expect the Museum to maintain when we request or hold personal information about you.

Each of the above policies are reviewed by Trustees as part of a rolling programme and in line with an agreed review schedule approved by Trustees.

C1 - CHAIR'S INTRODUCTION

What a difference a year makes! The Annual Report is our opportunity to reflect and to recognise both our successes and challenges we faced during 2022. Undoubtedly, the highlight of the year was the wonderful day on 4 October when volunteers, distinguished guests and benefactors of the Museum attended the presentation of the Queen's Award for Voluntary Service (QAVS). Mr. Edward Harley OBE, The Lord Lieutenant of Herefordshire presented the Museum with a QAVS plaque and certificate, signed by the Late Queen Elizabeth II. These will take pride of place in the Museum Visitor Centre to recognise the effort of all volunteers who have given their time and skills to the Museum since its official opening in 1974. Following on from the Award Ceremony in October, the Trustees recognised over 70 volunteers who were entitled to receive an enamel QAVS Badge to mark this prestigious event.

March 2022, however, saw the return of the Tuesday maintenance days and a renewed focus on ensuring the range of historical engines and artefacts were back in safe working conditions as the period of closure during the pandemic had caused a significant maintenance backlog. This period of closure was also needed to complete the Visitor Centre reconfiguration with a functional and working café, shop and reception area ready for the return of visitors at the end of March. Research and archive work began in earnest with a priority on the delayed re-cataloguing of the Museum's collection.

All these tasks set the museum in a good position for the reopening and anticipation of a fully operational season - something not known for over two years!

The strategic priorities in 2022 were those identified in the 2021 Annual Report -namely securing the Museum's "accredited" Museum status and the approval & implementation of a new Forward Plan. Both of these challenges, I am pleased to say, have been addressed.

The Forward plan was approved by Trustees in September 2022 after wide consultation with volunteers, community, and benefactors. This covered a shorter than usual three year period (2022-2025) because of the period of transition and recovery needed after the Coronavirus pandemic. Progress against the agreed objectives will be updated by Directors every quarter, with reporting to the Trustees every six months.

An updated Forward Plan was critical for the accreditation submission process which went 'live' on-line on 20 December 2022. The Museum submitted its application in June 2023 and will receive notification of the outcome of the submission by December 2023. A key element of the work needed for this was a review and, where appropriate, update of all the Museum's key policies, which have been approved by Trustees under a rolling programme of policy reviews.

Reflecting on the post pandemic challenges we faced, the Directors were especially aware of two competing pressures (a) attracting a growth in visitor numbers to retain financial viability and (b) not overstressing the goodwill of volunteers actively engaging with the museum. These were the priorities from seven major changes in the operating environment of the Museum brought about by the Coronavirus pandemic, which were first described by Richard Curtis in 2021 in a strategic 'cultural shift' paper, which was subsequently adopted by the Trustees in 2022.

During the Coronavirus lockdown Directors had commissioned two independent strategic reviews. The first was an appraisal of the viability of their proposals for the reconfiguration of the visitor centre and opportunities this would provide for improving the visitor experience and growing new sources of income. The second review assessed opportunities for retail development at the Museum as part of the wider review of future operations. In 2022, the Museum focused on the second of these reviews as the one that, given the impact of the pandemic on financial and volunteer resources, could have the most immediate impact. However, both exercises will help improve the financial stability over the next few years and reduce the Museum's reliance on the support it receives from its benefactors.

. The re-organisation of the visitor centre allowed more specific zoning of activity, including an enlarged café facility, improved shop display and a more purposeful visitor reception. These were important features to move the Museum to a more commercial footing and has supported a growth in sales as demonstrated in the financial report. Not only is the visitor centre better for visitors but it also lends itself to possible external hire and for potentially new purposes. However, this was not a strategic priority in 2022 as we did not have the volunteer resource needed for such new activities.

Other important changes in 2022 included the installation of a Volunteer Mess, a designated area for the volunteers well-being and the development of the calendar to include more group and community use of the Museum. For visitors we have developed a wider range of steam, working and non-steam days. This has provided more flexibility to operate within the capacity of volunteer time and has been crucial in managing the rising costs of living and high fuel costs of running the Museum on Steam days.

The challenges of volunteer capacity have been ongoing since the pandemic. The 15-month closure of the Museum saw many long-term volunteers not returning due to health and confidence reasons. We have also seen fundamental changes the very nature of volunteering, with fewer individuals giving time and those that volunteer wanting more flexibility in the commitment to time and days. These changes are not specific to this Museum but is evidenced nationally by the museum sector. However, recruitment of new volunteers has been more successful in certain areas of the museum compared to others. There is a remaining concern over the lack of volunteers to work in the café and stewards coming forward for the visitor centre. The Directors are continuing to try and find ways of addressing the issue of volunteer recruitment.

We have seen major changes and more importantly, the speed of change in the use of technology for informing visitors and monitoring visitor engagement which has been a constant agenda issue for Trustees. Our use of social media presence has developed significantly since 2020 and the outbreak of the pandemic and in 2022 a Digital Working Group was set up to address our IT Strategy and platforms, with the objective of making the Museum Collection more accessible and improve the safeguarding of data held at the Museum. A further key output from this exercise will be a revamped Museum website which will go live in the summer of 2023.

Finally, the Trustees would wish to thank all the volunteers, both old hands and new faces, who have actively supported the major refurbishment of the Museum and maintaining the collection and in supporting open days for visitors. It cannot be underestimated that the Museum runs solely on volunteer goodwill which is a very unusual position within the museum sector across the UK.

A successful year with much to celebrate.

This report finishes with some words spoken by the Lord Lieutenant at the Queen's Award for Voluntary Service presentation:

"The Museum educates across the spectrum – not just the story of water and engineering – it also deals with contemporary issues relating to the environment and sustainability."

C2 - ENGINEERING

Two key engineering projects were advanced in 2022. Having completed the covered display for the Sissons cross compound slow speed instructional engine set, volunteers installed the engine in situ it was made operational for the start of the 2023 season. A new project to showcase a recently restored pump set from the Brockington Estate near Fownhope has begun with the hard foundation base laid down and a covered area planned.

In addition, volunteers supported several projects to enhance the Museum site. The gateway to the meadow car park was widened and fencing placed around the meadow. A grant from Dŵr Cymru Welsh Water (DCWW) also allowed planning to progress for hedge planting and environmental improvements across the Museum site, which has been extended further into 2023. Additional funding has been sought in 2022 for enhancing biodiversity of our site and will include bird and mammal houses on site and to purchase a pump and pond plants for the pond area on the Museum forecourt.

A long -standing problem has been the lack of storage space on site and in 2022 discussions with DCWW led to the Museum being offered much needed offsite storage at the Broomy Hill DCWW site - the Trustees are grateful to DCWW for their support in resolving this issue.

Youth Trustee Stan Lawler's design for a new entrance gate was warmly accepted by Trustees. This project involves the reclaiming and use of 4 flywheels. It is hoped that the project will be completed in 2023.

Having in December 2021, reached agreement in principle, it is disappointing to have to report that the Directors are still awaiting completion of an agreement with Herefordshire County Council to secure the long-term future at the Museum of 'Emma' the Steam Road Roller. We will continue our endeavours to make progress on this in 2023 as an area has been set aside for the prominent display of Emma on the Museum forecourt.

C3 - HEALTH, SAFETY, WELFARE AND TRAINING OF VOLUNTEERS

There were no reportable safety incidents in 2022. As previously described in this Annual Report, the Directors' assessment of the risk to the health and well-being of volunteers and visitors was sufficiently high to decide to close the Waterworks Museum on 10 December 2021 and to only re-open to the public in March 2022.

The welfare of engineers was improved with the completion of kitchen and toilet facilities and relaxation area in the volunteer mess. New volunteers undertook induction, the Volunteer Handbook has been updated and with the full season of opening, a focus on training and safety of volunteers has been paramount.

Trustees agreed a funding priority was for installing new CCTV across the three main buildings which linked together with a monitor screen in reception as well as remote access being available.

Volunteers (including Directors and Trustees) have benefitted from a range of on-line and external training courses organised and funded through West Midlands Museum Development (WMMD) and Heritage Compass. Topics covered included aspects of governance, finance and fund raising, IT and marketing. Directors were pleased to support a review of the WMMD courses with the Museum being written as a Case Study for an independent review of this service.

In September 2022, the Operations Director represented the Museum to sign the Armed Forces Covenant. Museum volunteers, especially given Herefordshire's close links to the armed forces, are delighted to be part of this commitment to support the armed forces community.

C4 - VISITOR CENTRE (including Café, Reception and Shop)

The reconfiguration project has delivered three associated benefits which have further improved the experience of Museum visitors in 2022. We now have a more efficient and enhanced café service, a new team of suitably trained and qualified volunteers who have listened to visitor feedback and established an evolving range of menu options for visitors.

The reception area has been repositioned by redeveloping the space previously occupied by the toilets where a bespoke visitor reception desk has been installed supported by a new card payment system adopted in 2021. The third benefit is the creation of a dedicated area for a Museum 'shop', which has reopened with a seasonal uplift in presentation and style. This will continue to be seasonally renewed whilst awaiting development of a longer-term strategy for retail space within the visitor centre.

The latest phase of the Visitor Centre re-furbishment involving removing the glass wall between the Southall Gallery and the new elevated walkway. This was completed during the winter period and was completed in time for the first open day in March 2023.

A Google Workspace Account has been set up and a new IT server installed which help support the Museum's digital needs.

With thanks to a grant from the Friends of Herefordshire Museums and Arts a new display board documents the story of the design and build of the Water Tower, a prominent feature on the Hereford skyline. This helps visitors to understand the importance of the Broomy Hill Water Tower and the important role it played with the Lower Pumping Station to improve water supply to the people of Hereford. The display board has been placed in the visitor centre and sits alongside the working model of the Water Tower created over ten years ago by Museum volunteer, Derek Duffett.

C5 - VISITOR EXPERIENCE

Visitor feedback to the reopening of the Museum and its new facilities has been excellent and the pro rata number of visitors received was significantly higher than visitor numbers for 2019, the last year before the pandemic. However, the current strategy and pattern of open-days means that the total number of visitors the Museum receives each year are not expected to return to pre-pandemic levels. 2022 has, therefore, set a new baseline of visitor numbers against which future performance can be monitored.

Visitors are now greeted by a new team of front of house volunteers (reception, café staff and visitor stewards) who are dedicated to helping them enjoy their time at the Waterworks Museum. The overall visitor experience has also been enhanced by steadily improving the way in which the working machines and interactive displays at the Museum are presented and by working with third parties (for example, exhibitors, entertainers, providers of arts & craft displays and owners of steam engine and vintage vehicles) to provide an all-round interactive experience that can be equally enjoyed by heritage enthusiasts and family groups. This approach will continue to be developed in 2023.

C6 - COLLECTION and ARCHIVES

There were 214 additions to the Museum collection during 2022. This included a substantial donation of a number of engines and pumps including a Lister/Listard diesel engine; a water bowser donated by a local resident; a steam indicator in good condition contained in its own wooden box and an interesting hand pump not previously catalogued found in one of the museum inspection bays during recent stock take activity.

The stock take activity, started in 2019 was interrupted due to the Covid pandemic and became a key focus when the museum re-opened in March 2022. Work was initiated to finish the activity and locate the remaining 259 items. Over the period May to September, 223 items were located, leaving 36 items outstanding (17 Artefacts & 19 Records) and the exercise was drawn to a close. These items will remain on the catalogue as 'missing' and periodic reviews to locate them will continue to take place.

The Archives Room and its associated storage were appraised given the enforced 2-year closure. A number of issues and areas which would benefit from positive action were identified and the 2022 report produced will help shape future action and funding decisions.

Improved labelling of artefacts has been a long-term aim and during 2022 a large number of blank labels were cut to size from stored aluminium sheets. Whilst it is recognised this will take time to complete, gradually, an aluminium label will be attached to each artefact, where appropriate, replacing any existing paper labels.

Additionally, after an eight-year gap, 2022 saw work resume on bringing the Waterwords Index (completed up to 2014) more up to date. Scanning activities of stored archive material resumed, research activities recommenced, and work has started on how the Museum can be more consistent with the library of research material it holds. These activities support the wider exploration and use of digital technology the Museum is engaged in to make the Collection more accessible - this is ongoing work using an open-source software system with a prototype database being trialled.

C7 - EDUCATION, RESEARCH AND COMMUNITY ENGAGEMENT

Extending the reach of the Museum's support for education and connections with the schools' communities around Herefordshire, surrounding counties and Wales has always been an integral part of the Museum's charitable purpose. The education primary KS1 AND KS2 programme, delivered in partnership with Dŵr Cymru Welsh Water, was re-established in April 2022 and we are pleased to report the following schools have participated in the programme.

- Lord Scudamore Academy
- Westfield, Leominster
- Cleobury Mortimer, Shropshire
- Gorsley Goffs
- Orleton
- Ashfield Park
- Mordiford
- The Brookfield
- Hereford home school group
- King Solomon International School Birmingham
- Lucton
- Westfield Special school.

In a new venture, our Chief Engineer collaborated with the staff of the New Model Institute for Technology and Engineering (NMITE) to support apprentice students complete a module involving a visit to the museum and a presentation assessment of an issue they had to resolve using information gained from the museum visits.

In April the success of the Steam Punk Saturday, run by volunteers, was an encouraging start to the season.

The new meeting and conference facilities of the Museum visitor centre is already providing new opportunities for community engagement. Examples include the Museum being host to a range of Morris classic cars and vans on the forecourt during the Steam Day on 9th October while indoors, there was a working display of Stirling hot air engines.

Volunteers are also developing a themed approach to open days – for example volunteers decorated the shop to reflect the Halloween theme of our Steam Day on 31st October 2022.

Our goal to use the Museum's charitable objectives to make a reasonable proportion of booking slots financially accessible for local community and charity use. In 2022 the Museum hosted the Herefordshire Group of Co-op Community Funding Initiative, a regular feature going forwards.

Since April 2022, a range of specialist and local community groups have used the Museum as a meeting place and this will be a focus for future income generation which helps to meet Strategic Objective 4 of the Forward Plan 2022-2025.

C8 - ACCREDITATION MENTOR'S REPORT YEAR ENDED 31 DECEMBER 2022

The last few years have been a period of intense activity and great strides forward by the museum despite the impact of the Covid Pandemic and the serious illness of the Chairman. The museum continues to be entirely operated and run by volunteers.

During Covid lockdown the museum was able to source Covid recovery funds and worked quickly and with tremendous vision and energy to re-image the museum layout in order to achieve a covid-safe visitor route. Most of the building works and internal re-ordering of the layout was undertaken by museum volunteers.

In addition to a one-way route that complied with covid -safe visiting, the re-organisation addressed a number of features of the original layout that didn't really work and confused visitors. There is now a clear front reception desk where admission tickets can be purchased, shop sales transacted and enquiries made, supported by a small office, rather than these activities being dealt with at the café counter. The learning and café spaces have been swapped round and work more effectively – the learning/ meeting area now being the larger of the two spaces. New storage units mean that the area remains clear and uncluttered and looks much more professional. The museum now has more and considerably better toilets. The one-way route now allows visitors to see both sides of the smaller engines in the Southall bay.

New kitchen counters and display cabinets are attractive. A standard menu is now in operation with a new range of (very good) cakes and the operation is a lot slicker and has the potential to be operated as a short term franchise if an increase of opening hours is pursued. A separate mess room has been created for museum volunteers to eat their packed lunches in. Whilst this means that volunteer engineers are now separated from visitors, it has meant that the entrance area and café now feels like a visitor attraction rather than a private canteen for volunteer engineers.

During Chairman Richard Curtis' illness, Jill Phillips (Vice Chair) has stepped into the breach to specifically cover work needed to review and update museum governance and ensure that the policies and procedures are in place to achieve re-accreditation and that these are core to operations rather than an add-on.

Trustees were asked to complete a survey in March 2021 and I'm pleased to note that action has been taken to address all of the concerns and areas for improvement that I had noted.

Following a skills audit, several new Trustees have been recruited to join the organisation, including the Museum's second Youth Trustee. These individuals have brought new skills and enthusiasm. Trustees have received training on the Accreditation standard and processes, a team has been established to select a collections database, deal with the small collections documentation backlog that had started to build up and re-establish on-line access to collections data. As a result there is now a much larger team involved with curation and collections management. The long-term loan of a number of iconic items from the National Museum of Wales has, following my advice being resolved via a request for transfer rather than a renewal of the loan and the requirement to cover expensive insurance or the cost to transporting items back to NMW stores.

The huge contribution made by the volunteer team was recognised by the award to the museum of the Queens' Platinum Award for Voluntary Action at an official event with the Lord Lieutenant in the autumn of 2022.

Kate Andrew MSc FMA ACR
Accreditation Mentor
May 2023

C9 - REGULATION AND COMPLIANCE

The 2023 Annual General Meeting (AGM) has been convened for 18 July 2023. All resolutions at this meeting will be matters of routine business - that is to approve the 2022 Trustees Report and Accounts and resolutions for the annual re-appointment of each of the Trustees, the Accreditation Mentor and the Independent Examiner (previously described as the Reporting Accountant).

The 2022 AGM was held at the Museum on 19 July. The resolutions passed at this meeting were all items of routine business (as described above).

An update on the main compliance issues in 2022 (renewal the Museum's status as an 'accredited museum' and approval of a new Forward Plan) is provided in the Chair's Report on page *. This report also provides an update on the two main competing pressures in 2022: attracting a growth in visitor numbers to improve financial viability and not overstressing the goodwill of Volunteers actively engaging with the museum.

To improve operational efficiency and collaborative work amongst volunteers a Google Workspace Account has been set up and a new IT server installed. This will also ensure the safeguarding of all Museum records and ensure that data protection and privacy requirements continue to be met.

During the period of the current Forward Plan (2022-2025) the Museum will reach the 50th anniversary of its creation in 1974. This will provide significant opportunity to promote awareness of the Museum, but also to be very timely to entertain a period of reflection and review of the Museum's operations and future aspirations.

Jill Phillips
Chair of Trustees and Governance Director
20 June 2023

Jill Phillips
20 June 2023

C. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing an annual report and the accounts in accordance with: (i) applicable charity law, and (ii) the provisions of the 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 2015).

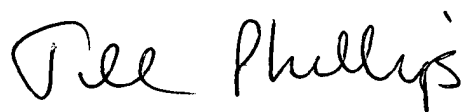
Company law requires the Trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit of the charitable company for that year. In preparing those accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the accounts on the 'going concern' basis, unless it is inappropriate to presume that the company will continue in business.

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

The foregoing report has been prepared in accordance with the small company regime (Section 419(2) of the Companies Act 2006).

Signed on behalf of the Trustees

 20/June/2023.

Jill Phillips
Chair of Trustees and Governance Director
20 June 2023

D. FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

This Report covers the 12-month financial period ended 31st December 2022.

The Accounts presented in this Report comply with the requirements of the Companies Act 2006 and the Charity Commission. Following the practice of previous years, the narrative that follows refers mainly to the Income and Expenditure account presented on page 18. This distinguishes everyday Operations and Maintenance activities from those devoted to specific Projects.

The underlying pattern of activities undertaken by the Museum had become well established and consistent for many years, but this did not hold for 2020 as a result of the pandemic whose impact continued into 2021 and the start of 2022. However, our cash flow for 2022 was more consistent with the assumptions of the Reserves Policy, as set out on page 7.

Operations

Operational income, particularly that related to visitors, recovered, and exceeded that for 2019. This was more than offset by increased expenditure on items such as fuel and maintenance of both exhibits and buildings, some from addressing backlogs, but mainly higher material costs. However, savings have been made by moving much of our advertising and communications online.

Projects

Projects fall into two categories, either 'Designated' or 'Restricted'. These are carefully distinguished in the accounts to meet Charity Commission requirements, but for reporting to Museum Members on page 27 they are combined under the 'Projects' heading. Designated Projects use money allocated from Museum funds at the discretion of the Directors and/or Trustees who monitor each project carefully. Restricted Projects draw on money given by an outside body for a specific purpose, being ring-fenced and used strictly in accordance with the terms of the grant.

Ignoring non-cash items (depreciation and stock movements), 30% of expenditure was project based – a reduction from 2021's 50%, but still higher than historically.

Designated Projects

Two 'Designated' projects were worked on during the year: 'Emma', Herefordshire Council's steam road-roller received further attention and completion of housing and installation for the Sissons Engines (as described in the Chief Engineer's Report). A second payment from the Government's Small Business Grant further contributed to the new Volunteers' Mess.

Restricted Projects

We were able to create a new display on the Water Tower, thanks to a grant from the Friends of Hereford Museums Association. Dwr Cymru – Welsh Water gave a grant from their Environment fund for hedging to improve the appearance of and biodiversity supported by the Museum. This fund will be drawn on in 2023.

Conclusion

Our healthy visitor income shows a renewed appetite to visit attractions such as the Museum, but the increased costs we are bearing are reducing our operating profit. Combined with the impact of the continuing cost of living crisis on visitor income, the Museum is closely monitoring income and expenditure to ensure its continuing financial sustainability. This would not be possible without the essential support given by the Museum's Benefactors, Members, Volunteers, and friends, as provided over the course of this last year, welcoming visitors back for an essentially complete season after two disrupted years.

Mike Harries
Honorary Treasurer
20 June 2023

Independent Examiner's Report

To the Directors of Waterworks Museum - Hereford

On the unaudited accounts for the financial year ended 31 December 2022

I report on the accounts of the charitable company for the financial year ended 31 December 2022, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of Trustees and examiner

The charity's Trustees (some of whom are also the Directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiners' statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with s386 and 387 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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 2015) have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Edward Richards

Thorne & Co. (Accountants)

1 St. Mary's Street, Ross-on-Wye, HR9 5HT

20 June 2023



Waterworks Museum - Hereford
Statement of Financial Activities
(Income and Expenditure Account)
For the financial year ended 31 December 2022

				2022	2021
	<u>Note</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>	<u>Total</u>
<u>Income from</u>					
Grants, fees and donations	3	28,523	5,300	33,823	21,483
Activities for generating funds	3	23,949	-	23,949	11,009
Investments	3	<u>152</u>	-	<u>152</u>	<u>104</u>
Total income		<u>52,623</u>	<u>5,300</u>	<u>57,923</u>	<u>32,596</u>
<u>Expenditure on</u>					
Generating funds	4	9,724	-	9,724	7,628
Charitable objectives	4	<u>45,449</u>	<u>14,724</u>	<u>60,174</u>	<u>57,518</u>
Total Expenditure		<u>55,173</u>	<u>14,724</u>	<u>69,898</u>	<u>65,147</u>
Net income/expenditure		(2,550)	(9,424)	(11,975)	(32,551)
Gross transfer between funds		<u>(3,252)</u>	<u>3,252</u>	=	=
Net movement in funds		(5,803)	(6,172)	(11,975)	(32,551)
Total funds brought forward		<u>61,829</u>	<u>637,547</u>	<u>699,376</u>	<u>731,927</u>
Total funds carried forward		<u>56,027</u>	<u>631,375</u>	<u>687,402</u>	<u>699,376</u>

Waterworks Museum - Hereford

Balance Sheet

As at 31 December 2022

				2022	2021
	<u>Note</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>	<u>Total</u>
<u>Fixed Assets</u> (tangible fixed assets only)	7	<u>9,108</u>	<u>626,075</u>	<u>635,183</u>	<u>649,077</u>
<u>Current Assets</u>					
Stock	8	3,740	-	3,740	2,341
Debtors and prepayments	9	549	-	549	226
Cash at bank and in hand		<u>49,707</u>	<u>5,300</u>	<u>55,007</u>	<u>72,937</u>
Total current assets		<u>53,996</u>	<u>5,300</u>	<u>60,456</u>	<u>75,504</u>
<u>Current Liabilities</u>					
Creditors falling due within one year	10	2,004	-	2,004	24,784
Net Current Assets		<u>51,992</u>	<u>5,300</u>	<u>57,292</u>	<u>50,719</u>
Provisions for liabilities	10	5,073	-	5,073	420
Net Assets		<u>56,027</u>	<u>631,375</u>	<u>687,402</u>	<u>699,376</u>
<u>Income Funds</u>					
	11/12				
Unrestricted Funds		56,027	-	56,027	61,829
Restricted Funds		-	<u>631,375</u>	<u>631,375</u>	<u>637,547</u>
		<u>56,027</u>	<u>631,375</u>	<u>687,402</u>	<u>699,376</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Signed on behalf of the Trustees by:



Jill Phillips
Chair of Trustees and Governance Director
20 June 2023

Waterworks Museum - Hereford

Notes to the Unaudited Accounts for the financial year ended 31 December 2022

1 Accounting Policies

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income Resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- i. The donor specifies that the grant or donation must only be used in future accounting periods; or
- ii. The donor has imposed conditions that must be met before the charity has unconditional use.

Income from trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when admission and membership fees or performance related grants are receivable in advance of the dates to which they relate.

Volunteers and Donated Services and Facilities

The Volunteers involved with the charity are members of the company limited by guarantee. They support the Museum so that it can open to members of the public on up to 70 days each year. They include the Trustees, Directors and Officers, who carry additional responsibilities, and volunteer engineers who work additional days maintaining and preserving the collection. The Museum has no paid staff. Further details of the contribution made by Volunteers can be found in the Trustees' annual report.

Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- i. Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- ii. Charitable activities include expenditure associated with the restoration and maintenance of donated assets and leased premises and include both the direct costs and support costs relating to these activities.
- iii. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- iv. Support costs include central functions and have been apportioned to the activities to which they relate on a total activity cost basis.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases

The charity operates the Museum on land and buildings owned by Dŵr Cymru Welsh Water under a long-term rent-free lease, which expires in 2074. The land on which the Heritage Water Park sits is owned by Herefordshire Council, which is leased to the Museum for a peppercorn rent until 2047.

Tangible Fixed Assets and Depreciation

Tangible Fixed Assets represent the Museum's buildings, which are being depreciated on a straight-line basis over the remaining term of the lease, and the boiler over a 25-year term (2010-2035). The Heritage Water Park is not a building and is not subject to depreciation.

Stock

Stock is included at the lower of cost and net realisable value. Stock includes parts, fuel and items for sale to Museum visitors.

Inalienable or Historic Assets

The charity has a leasehold interest in the property that is classed as an inalienable asset and is not included in the Balance Sheet. This interest expires on 31st March 2074.

Funds Structure

The charity has restricted income funds to account for situations where donors require that donations are spent on a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted income funds.

2 Legal Status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £1.

3 Income

	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>
	Unrestricted	Restricted	Total	Total
From fees, donations and grants				
Membership fees	1,773	-	1,773	55
Donations	1,490	-	1,490	649
Gifted Regular Income	125	-	125	295
Gift aid refund	549	-	549	226
Grant - Southall Trust	10,000	-	10,000	10,000
Grant - Dŵr Cymru Welsh Water	10,486	5,300	15,786	9,758
Other grants/awards	<u>4,100</u>		<u>4,100</u>	<u>500</u>
	<u>28,523</u>	<u>5,300</u>	<u>33,823</u>	<u>21,483</u>
From activities for generating funds				
Admission fees	13,495	-	13,495	7,341
Refreshments	7,185	-	7,185	2,539
Retail sales	1,458	-	1,458	327
Museum products	164	-	164	23
Premises hire	<u>390</u>	-	<u>390</u>	<u>80</u>
	<u>22,691</u>	=	<u>22,691</u>	<u>10,309</u>
Investment income				
Bank interest	<u>152</u>	=	<u>152</u>	<u>104</u>
Other income				
Asset disposals	<u>1,257</u>		<u>1,257</u>	<u>700</u>

Premises hire includes pitch fees for stalls at the Steampunk event

4	<u>Expenditure (analysis of resources expended)</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>
	For generating funds	Unrestricted	Restricted	Total	Total
	Refreshments	2,274	-	2,274	1,618
	Sale material	158	-	158	70
	Special events	1,297	-	1,297	329
	Consumables	3,701	-	3,701	3,523
	Advertising/publicity	2,084	-	2,084	2,088
	WaterWords	<u>211</u>	-	<u>211</u>	-
		<u>9,724</u>		<u>9,724</u>	<u>7,628</u>
	For charitable purposes				
	Fuel	4,939	-	4,939	3,327
	Machine maintenance	8,345	-	8,345	4,052
	Premises maintenance	22,292	-	22,292	26,020
	Display/signage/artefacts	520	1,010	1,530	849
	Insurance	1,353	-	1,353	1,183
	Publications (museum/education)	23	-	23	285
	Depreciation	180	13,714	13,894	13,894
	Museum activities	2,143	-	2,143	260
	Office/computer/telecom/postage/travel	2,986	-	2,986	2,165
	Project professional fees	884	-	884	884
	Rent	59	-	59	59
	Subscriptions to external bodies	849	-	849	980
	Audit professional fees	438	-	438	3,420
	Bank charges	<u>441</u>	-	<u>441</u>	<u>141</u>
		<u>45,449</u>	<u>14,724</u>	<u>60,174</u>	<u>57,519</u>

5 **Paid employees** The charity does not have any paid employees.

6 **Trustees and Other Related Parties**

Expenses incurred by the Trustees are reimbursed at cost. The Trustees had no material interest in any transaction undertaken by the charity during the year.

7 **Tangible fixed assets**

	<u>Boiler</u>	<u>Museum buildings</u>	<u>Total</u>
Cost			
At 31 December 2021	42,507	806,972	849,479
Additions	<u>0</u>	<u>0</u>	<u>0</u>
At 31 December 2022	<u>42,507</u>	<u>806,972</u>	<u>849,479</u>
Depreciation			
At 31 December 2021	20,014	180,387	186,507
Charge for year	<u>1,729</u>	<u>12,165</u>	<u>13,894</u>
At 31 December 2022	<u>21,743</u>	<u>192,552</u>	<u>200,372</u>
Net book value			
At 31 December 2021	22,492	626,585	649,077
At 31 December 2021	<u>20,763</u>	<u>614,420</u>	<u>635,183</u>

	<u>2022</u>	<u>2021</u>
8 <u>Stock</u>		
Fuel and oil	1,930	996
Materials and spare parts	650	750
Goods for resale	<u>1,160</u>	<u>595</u>
	<u>3,740</u>	<u>2,341</u>
9 <u>Debtors and prepayments</u>		
Trade debtors	<u>549</u>	<u>226</u>
	<u>549</u>	<u>226</u>
10 <u>Creditors (amounts falling due within one year)</u>		
Trade creditors	1,244	24,489
Membership Fees in Advance	760	295
Accruals- includes the balance of the CCTV system digital upgrade	<u>5,073</u>	<u>420</u>
	<u>7,077</u>	<u>25,204</u>

11 **Restricted funds**

The Restricted Income Fund represents capital grants provided by various funding bodies for the purposes of providing Tangible Fixed Assets in the form of the new museum buildings, the Rotherwas Engine House and boiler shown in Note 7 to the accounts. The Restricted Income Funds will be released to the Statement of Financial Activities on the same basis as the Depreciation Policy.

An additional Restricted fund was created for the DCWW Environment grant to ensure its use for the purpose of hedge planting and other agreed improvements.

12 **Movement in funds**

	<u>Unrestricted income fund</u>	<u>Restricted income fund</u>
Income	53,209	5,300
Expenditure	<u>55,759</u>	<u>14,724</u>
	<u>(2,550)</u>	<u>(9,424)</u>
Gross transfer between funds	<u>(3,252)</u>	<u>3,252</u>
Net movement	(5,803)	<u>(6,172)</u>
At 31 December 2021	<u>61,829</u>	<u>637,547</u>
At 31 December 2022	<u>56,027</u>	<u>631,375</u>

Income and Expenditure Account for the financial year ended 31 December 2022

(This page does not form part of the statutory accounts)

	Operations 2022	Projects 2022	Total 2022	Total 2021	Variance 2022-21
All columns rounded £					
INCOME					
Memberships, Grants and Donations					
Membership fees	1,773		1,773	55	1,718
Welsh Water	10,486	5,300	15,786	9,758	6,028
Southall Trust	3,500	6,500	10,000	10,000	0
Other outside bodies	100	4,000	4,100	500	3,600
Private donations	1,410	205	1,615	944	671
Gift Aid refund	549		549	226	323
Activities income					
Admission fees	13,495		13,495	7,341	6,154
Refreshments	7,185		7,185	2,539	4,646
Retails sales, publications and DVDs	1,622		1,622	350	1,272
Income from hire of premises	390		390	80	310
Gain from asset disposals	1,257		1,257	700	557
Interest Received					
Bank interest	152		152	104	48
TOTAL INCOME	41,918	16,005	57,923	32,597	25,326
EXPENDITURE					
Visitor Services					
Advertising and publicity	2,295		2,295	2,088	207
Sales materials	158		158	70	88
Refreshments	2,274		2,274	1,618	656
Special events and museum activities	3,440		3,440	589	2,851
Educational projects, museum publications	22		22	285	(263)
Utensils, consumables	3,701		3,701	3,524	177
Installations and Maintenance					
Exhibits, install, repair & maintain artefacts	5,499	1,062	6,561	2,931	3,630
Exhibits, external contractor services	1,806		1,806	1,409	397
Premises, repairs & maintenance	5,023	10,508	15,531	20,380	(4,849)
Premises, external contractor services	1,971	4,790	6,761	5,640	1,121
Fuel, lubricating oil and gas	4,939		4,939	3,327	1,612
Displays/signage additions and improvements	1,381	1,010	2,391	1,445	946
Depreciation		13,894	13,894	13,894	0
Administration Overheads					
Postage and telephone/broadband	667		667	619	48
Computer and office supplies	2,182		2,182	1,506	676
Rent	59		59	59	0
Insurances	1,353		1,353	1,183	170
Subscriptions to other organisations/journals	849		849	980	(131)
Travel and incidental costs	137		137	40	97
Accountancy and consultancy fees	438		438	3,420	(2,982)
Bank charges	441		441	141	300
TOTAL EXPENDITURE	38,633	31,264	69,898	46,865	23,033
EXCESS OF INCOME OVER EXPENDITURE	3,285	(15,259)	(11,974)	(14,268)	2,293

Accounts

Company Number No: 01820495

Registered Charity No: 515866

WATERWORKS MUSEUM - HEREFORD

(A Company Limited by Guarantee not having a share capital)

**REPORT OF THE TRUSTEES AND
UNAUDITED ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Waterworks Museum - Hereford

Report and unaudited Accounts for the financial year ended 31 December 2021

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WATERWORKS MUSEUM – HEREFORD

TRUSTEES' REPORT for the FINANCIAL YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The Trustees of the Waterworks Museum - Hereford, five of whom are also Directors for the purposes of the Companies Act 2006, present their annual report with the accounts of the charity for the **financial year ended 31 December 2021**. The Trustees have adopted the provisions of the 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).

Waterworks Museum - Hereford is a company limited by guarantee (number 01820495) and a registered charity (number 515866). The registered office is Broomy Hill, Hereford HR4 0LJ.

Established in 1974, the charity is operated as an independent working museum and industrial archaeology preservation society concerned primarily, but not exclusively, with the story of the supply of water for public consumption from the mid-Victorian era to the close of the 20th century. Based in a Grade II* listed building, the Museum is home to the UK's oldest in-situ working triple-expansion steam engine and it has one of the widest ranges of working pumping engines in the UK. These are interpreted by a combination of displays, historic artefacts and ephemera related to potable water.

THE MUSEUM'S CHARITABLE PURPOSE

"to encourage and promote public education and interest in the preservation, display and running for the public benefit waterworks engines, pumps, boilers and other equipment and relics of historical or general and for other charitable purposes connected with the study of water supply undertaking"

Our vision is to thrive and grow as a specialist museum, focussed on the history of water supplies for public benefit, and be a prominent Herefordshire visitor attraction. The Museum aspires to bring the industrial heritage to life through the working engines, pumps, boilers and other artefacts it looks after.

We will achieve our vision by being recognised as:

1. A working museum wholly governed, managed and operated by volunteers
2. Custodians of an interesting and informative collection of engines and artefacts sited in Hereford's Grade 2* listed authentic Victorian waterworks.
3. A valued resource that can support learning and education (physically & remotely)

We will drive our vision forward by following our VALUES:

- A. **Safe, friendly & welcoming**
environment for visitors, volunteers & users of the Museum, it's collection and facilities
- B. **Trusted and valued**
to manage the Museum effectively by our volunteers, members, benefactors & partners
- C. **Stronger Together**
playing an active role in the communities we operate in

The Museum's collections are used in an education programme, mainly, but not exclusively, for primary school children, using curriculum led materials designed and delivered by experienced teachers from the educational sector. Tours of the Museum are available, led by knowledgeable volunteers and the Museum prides itself in offering an enjoyable experience to visitors including those who may need some form of assistance.

STATUS OF THE MUSEUM

The Museum has Full Accreditation status under The Accreditation Scheme administered by Arts Council England which sets nationally agreed standards for museums in the UK (registration number RD783).

THE MUSEUM'S COLLECTION

The collection comprises around 4,300 individual items. These are owned by the Museum, save for 26 items which are on long-term loan. The collections are housed on a single site in the Victorian water pumping station that served the City of Hereford for 120 years, the Tangye House (one floor of Leominster's Victorian pumping station, which was moved to the Museum in 2006), the Rotherwas Engine House (built in 2007 to display artefacts saved from dereliction from a World War II bunker and houses a permanent exhibition devoted to Hereford in World War II), or in the Museum's archive room or stores.

The collections comprise artefacts and archives that illustrate the collection, treatment, and supply of water since 1856, but also more broadly over the past two thousand years. On the Museum site, with the exception of animal power, there are examples of all types of motive power for water pumping including the oldest in situ working triple expansion steam engine in Britain.

Visitors to the Waterworks Museum can see historic beam, steam, gas, oil, diesel and combustion engines, many of which are among the last working example of their kind. The collection primarily relates to drinking water supply in Herefordshire, the Marches and Wales, but also includes items from other parts of the UK to represent the development of drinking water supply, which were otherwise likely to be irretrievably lost. In addition, building on its collection of hot-air engines, the Waterworks Museum has gained a reputation as a repository of knowledge for these early devices that produced mechanical work from heat and were essential for raising water for drinking and irrigation.

The Trustees have determined that future expansion of the collection will be directed towards completing aspects of the Museum's historic story. They would like to expand the collection covering the mid to late Victorian period and the early years of the twentieth century - the transitional phase of technological development between beam engines and rotative steam engines, and water industry instrumentation for the latter half of the twentieth century. Also, to protect the industrial heritage and knowledge of developments in drinking water supply and associated technologies that might otherwise be lost. This includes engines, pumps and associated devices and technologies used in educational establishments in the past for training apprentice water engineers.

Each year the Museum receives both general and technical enquiries about the Museum's collection or from people seeking advice. These are received from within the UK and overseas. Trustees encourage visits to and from other museums to learn from the skills and experience of Museum Volunteers, who possess often scarce expertise in the restoration, operation and maintenance of steam, hot air, gas, and internal combustion engines.

HOW THE MUSEUM IS FUNDED

The Waterworks Museum receives no public funding. It is independently funded by admission fees, grant awards and membership subscriptions, but would not be able to operate at the level that it does without the continued support it receives from two principal benefactors: The Southall Trust and Dŵr Cymru Welsh Water. Further detail of this is provided in the financial statements, which are presented later in this report.

HOW THE MUSEUM IS GOVERNED AND OPERATED

The Museum has no paid staff and is wholly governed, managed and operated by Volunteers. The governing body is the Council of Management, the members of which are charity trustees. The day-to-day management of the Museum is delegated to a smaller group of Trustees who are elected annually to serve as Directors, and who collectively oversee the activities of the Museum's Volunteers. The Council of Management is appointed by and is accountable to the Members of the Museum, of which there are currently around 120. The position of Trustee is a non-remunerated role, although out of pocket expenses are reimbursed at cost.

The Directors at the date of this report are:

Jill Phillips	Chair of Trustees and Governance Director
Mike Harries ^(a)	Financial Director and Honorary Treasurer
Fred Snelgrove ^(a)	Collections Manager
Neil Atkins ^(a)	Operations Director
Mike Glover ^(a)	Joint Chief Engineer

^(a) Denotes served as Director throughout the financial year ended 31 December 2021.

Subsequent to the financial year end, on 10 March 2022, Richard Curtis ^(a) stepped down as a Director and Chairman of the Museum due to ill health and Jill Phillips (then Vice Chair of Trustees) became a Director and Acting Chair. On 15 May 2022, Jill Phillips was appointed as Chair of Trustees and Governance Director.

The other Trustees of the Museum at the date of this report are listed

* Peter Heaton	* Richard Curtis (also Company Secretary)
* Paul Allen	* Vicky Martin (representing Dŵr Cymru Welsh Water)
* Kathy Burrows	* Keith Munn
* Kevin Burrows	* Brian Nelson
* Adrian Eyre	* Richard Glasspoole
* Colin Hughes	* Graham Prosser
* Ana Vaughan	* Stan Lawler

Three Trustees were appointed in 2021: Richard Glasspoole (8 March 2021), Ana Vaughan (20 September 2021) and Stan Lawler, who was appointed as Youth Trustee (1 November 2021). There are currently 19 Trustees. Efforts will be made to fill the remaining (one) vacancy in 2022.

Due to the circumstances of the continuing Coronavirus Pandemic the Council of Management formally met only twice in 2021, but Trustees received regular electronic updates from the Directors. Virtual meetings of the Council were held in March and September 2021, and the Annual General Meeting was held virtually on 25 October 2021.

The Trustees made the following appointments, which have been renewed for the financial year January to December 2022:

- **Accreditation Mentor:** Katherine Andrew
59 The Common, Abberley, Worcestershire WR6 6AY
- **Independent Examiner:** Edward Richards, Thorne & Co
1 St Mary's Street, Ross-on-Wye, Herefordshire HR9 5HT
- **Bankers:** HSBC Bank plc
35 High Town, Hereford HR1 2AQ
- **Solicitors:** Lambe Corner
36/37 Bridge Street, Hereford HR4 9DJ

RISK MANAGEMENT

The main business as usual risks managed by the Council of Management are typical of any small, independently funded and wholly volunteer run charity. They principally speak to:

- a) The sustainability of the resources available to the Museum, both financial (operational budget and grant funding for projects) and non-financial (the succession, time, capacity and skills and experience of the Volunteers, Trustees and Directors who operate the Museum)
- b) The health, safety, and wellbeing of Volunteers, the visiting public and users of the Museum's services and contractors and others who visit the site, and especially the safeguarding of children and vulnerable adults
- c) Keeping up to date with changing UK laws and regulations and the standards of good practice expected of an accredited museum.

The circumstances of the Coronavirus Pandemic in 2020 led to a fundamental review and restatement of all risks. A statement of risk assessment arising as a result of the Pandemic was publicly available on the Museum website during 2020, 2021 and into 2022 until all restrictions were removed by the Government.

Waterworks Museum - Hereford remained closed throughout the first half of the reporting year and only reopened to the public in July 2021. To minimise risk to volunteers and visitors, Directors delayed reopening the Museum to enable the completion of the work commenced in 2020 to mitigate the risks associated with the Coronavirus Pandemic. This work principally comprised a structural reconfiguration of the visitor centre to improve facilities and create a new one-way route to tour the Museum. These changes will provide Directors much greater flexibility in managing any future pandemic or similar incident reducing the time for which the Museum would need to be closed to the public.

Subsequent to reopening, the Waterworks Museum was closed again on 10 December 2021 following the occurrence of the 'omicron' variant of Coronavirus. This decision was taken by Directors given the huge initial uncertainty about the impact of the omicron variant and the desire to protect the health and wellbeing of volunteers and visitors, a large proportion of whom by age or underlying condition were considered under government guidance to be at higher risk of infection. Directors extended this period of closure into the first quarter of 2022 to enable volunteers to complete safety work and essential maintenance on the collection of engines and pumps which it had not been possible to complete during the Coronavirus lockdown. Visitors returned to the Museum in March 2022.

The Trustees are constantly aware of the challenge of managing all of the above risks without the support of paid and professionally qualified museum staff, and the report that follows demonstrates how these risks are being managed.

KEY POLICIES

Financial Reserves Policy

The Directors are required to hold general reserves at a level to provide the Museum with adequate financial stability and the means for it to meet its charitable purposes for the foreseeable future. In normal circumstances the Trustees require that general reserves be maintained at a level equivalent to not less than 15 months basic operational expenditure. The Trustees have set the reserves policy at this level having regard to the Museum's regular funding streams and nature of its operations (i.e. that the Museum is operated and governed solely by Volunteers and is open to the public on limited number of days each year as a visitor attraction which constrains the ability of the Museum to expand or grow new income streams). The Trustees regularly review the level of general reserves that are required to ensure that they are adequate to fulfil the Museum's continuing obligations.

Risk Management Policy

The Trustees are responsible for ensuring that the Museum has a clear strategy, that it remains true to its vision, and that it complies with all necessary rules and legal obligations. They also ensure that the Museum has the policies, controls and other documents that minimise the risks that the charity may encounter. The Trustees:

- Continuously review the risks the charity may face
- Establish systems and controls to mitigate the risks identified
- Implement policies and procedures designed to minimise any potential impact on the charity should a risk materialise.

Key risks and risk mitigation in 2021 have been previously described in the earlier section on 'Risk Management'.

Other Key Policies

ACCESS: The Access Policy describes how the Trustees provide the widest access to the Museum and its collection that is reasonably possible, and seek to be open to everyone regardless of education, income, residence or personal circumstances. The Museum prides itself on being a valued learning resource for schools, being attractive and accessible to all groups in society, and as a family friendly museum and visitor attraction.

COLLECTION: The Collections Development Policy describes the principles, processes and the Museum's themes and priorities for the development of the collection; the Care and Conservation Policy sets a framework for the preservation of the collections and buildings in the Museum's care, the conservation of the collections (preventative and remedial) and the safe use of and access to the collections; and the Collections Documentation Policy ensures that information held about the Museum's collection is as complete, accurate, secure and accessible as reasonably possible.

SAFETY: The Health and Safety Policy describes how the Museum will protect the general safety and wellbeing of visitors, members, volunteers, contractors and the public, and the Safeguarding Policy describes measures designed to safeguard children and vulnerable people. Through an Equality and Diversity Policy the Museum is committed to eliminating all forms of discrimination, victimisation and harassment, and to promoting equality of opportunity.

OTHER: The Environmental Sustainability Policy covers the natural, built, economic and social environment of the Museum and the Information Management Policy covers the Trustee's commitment to protecting the privacy and the standards individuals can expect the Museum to maintain with regard to any personal information it holds.

Each of the above policies will be reviewed in line with an agreed schedule of review.

TRUSTEES' REPORT for the FINANCIAL YEAR ENDED 31 DECEMBER 2021

CHAIR'S INTRODUCTION

I am delighted for our collective community that, at the time of writing this report, the Museum has been awarded the prestigious Queen's Award for Voluntary Service in the Queen's Birthday Honours for 2022. It is the highest award a local voluntary group can receive in the UK and is known as the Charities MBE. As I stated in the Museum's press release, "the vision, drive and determination of the founder members and volunteers has continued through the years and the absolute strength of the Museum is the passion and capabilities of those involved. The Museum is a very special place to be a volunteer at". I am sure this public recognition will give all the volunteers a real boost and encourage others to make a commitment to the Museum's future.

In 2021, the Museum continued to be closed to the public until July. Volunteers worked hard to ensure essential maintenance was carried out throughout the closure and to carry out tasks and construction work needed to deliver phase 2 of the reconfiguration of the Visitor Centre. It was wonderful to see visitors return and it was very encouraging to see the pro rata numbers of visitors for the limited number of open days we could hold in 2021 were better than in 2019, one of our best years for visitors.

In managing the Museum, the Directors were aware of two competing pressures (a) attracting a growth in visitor numbers to retain financial viability and (b) not overstretching the goodwill of Volunteers actively engaging with the museum. To this end, the Directors trialed an open day once a month with an earlier start time of 11am – 4pm, adding events as opportunities arose and ensuring there was an 'In Steam' Tuesday in the school holidays. The monthly Sunday steam events were themed and in 2021 three events (The Cart Shed 4 July, Greg Chapman 8 August and #SteamUpTuesday 24 August) were hosted.

As the autumn unfolded however, a new variant in the Coronavirus Pandemic led the Directors to close the museum once again during the winter period from December 2021 through to March 2022. This enforced closure was once again turned from a real threat to an opportunity where volunteers continued with the reconfiguration of the Museum in preparation for a re-opening in 2022. A selection of pictures to help bring to life the reconfiguration and tasks completed are either included at the end of this document or are available on request.

As a result of the Coronavirus Pandemic the Museum's Financial Reserves have been significantly depleted and will take several years to regenerate but with the continued support of our benefactors the financial viability of the museum is not at risk. Save for the impact on Reserves, the financial performance in 2021 was in line with budget, so largely unchanged from 2020. In the current year, the global escalation on energy and cost of living will need careful monitoring to ensure open days and events are cost effective and to minimise risk of loss. The challenge will also be in ensuring the operational model, developed during lockdown, can open up new sources of funding to allow the Museum to be less dependent on benefactors and others.

The Trustees identified two compliance challenges for 2020 which were delayed throughout 2021 and into 2022 due to the Coronavirus Pandemic. The first challenge being (a) the process to renew the Museum's status as an 'accredited museum' and the second (b) being the approval of a new Forward Plan over a three-year period 2022 to 2025. These are now receiving the Trustees attention.

The Trustees are so grateful for the tremendous effort of all Volunteers in preparing the Museum for reopening. Their contribution and effort cannot be quantified as the reconfiguration project was substantially delivered in house over 15 months with an exceptional quality of workmanship. Once structural work had been completed volunteer efforts were refocused with the same commitment on returning the Museum site to a standard ready to receive visitors and to planning the open days and events to attract visitors to return after a lengthy period of closure.

ENGINEERING

When the Waterworks Museum was closed because of the Coronavirus Pandemic the engineering skill and experience of the volunteer engineers were essential in preparing the Museum for a safe and timely re-opening to the public. Engineers also focused on discharge of responsibilities for the safe operation of the Museum and its engines and pumps, including the programme of annual safety inspections and statutory testing of the steam boiler. However, the programme of routine maintenance work was once again disrupted, which led the Directors to decide to extend the closure due to the Omicron variant in December 2021 until March 2022 to allow a backlog of winter maintenance to be addressed.

Two key engineering projects were advanced in 2021. The covered display for the Sissons cross compound slow speed instructional engine set was completed and the installation of this engine set was commenced. It is planned that this new exhibit will be ready by the end of 2022. A new mess cabin for volunteers was acquired and fitted out with services for restroom, kitchen, and toilet facilities.

In addition, volunteers supported projects to enhance the Museum site. The gateway to the meadow car park was widened to improve access to the rear of the site. A grant from Dŵr Cymru Welsh Water also allowed planning to progress for hedge planting and environmental improvements across the Museum site, which will be implemented during 2022.

At the date of this report, the Blackstone Engine and the Heritage Water Park have been recommissioned following a period of essential winter maintenance period ready for the 2022 season. Directors are still awaiting completion of an agreement with Herefordshire County Council to secure the long-term future at the Museum of Emma, the Steam Road Roller.

HEALTH, SAFETY, WELFARE AND TRAINING OF VOLUNTEERS

There were no reportable safety incidents in 2021. The arrival of the Coronavirus Pandemic called for a reassessment of all the Museum's operational practices and the development of a risk mitigation plan specifically addressing Covid-19. As previously described in this annual report, the Directors' assessment of the risk to the health and well-being of volunteers and visitors was sufficiently high to decide to close the Waterworks Museum on 10 December 2021 and to only re-opened to the the public in March 2022.

The welfare of Volunteer engineers was improved in 2021 with the installation of a dedicated engineers' mess. All new volunteers undertook induction and training appropriate to the role to be performed.

The number of volunteers supporting the Museum has been adversely affected by the Coronavirus Pandemic. Many volunteers used the period of closure to retire from volunteering and some others are finding it hard to return to active involvement at previous levels. Directors are pleased with the success of a proactive volunteer recruitment and advertising programme which has used online and social media resources to reach a more diverse pool of potential volunteers who can support the Museum in a variety of flexible ways. Notwithstanding this there is still a need to recruit volunteers in a number of areas and the overall available volunteer capacity available to the Directors is reflected in the reduced programme of open-days in 2021 and 2022.

VISITOR CENTRE (including Café, Reception and Shop)

The impact of risks associated with the Coronavirus Pandemic made it very clear that to safely reopen the Museum there needed to be structural changes put in place. Works which commenced in 2020 to re-configure facilities within the Visitor Centre and adjoining display galleries were substantially completed, which allowed the Museum to reopen to the public in July 2021. This work included the installation of a visitor one way system to allow controlled flow of visitors from reception to a newly constructed covered walkway into the Southall Gallery, allowing visitors to progress from display Bays 1 to 7 and the outside exhibit locations using a newly created visitor map.

The reconfiguration project also saw the toilet block relocated with improved facilities, and the creation of a larger and more flexible-use space for educational activities, museum events, conference style meetings and 'hire' events. An area intended for breakout space is to be further developed with an installation of a demountable wall system, however this has currently been put on hold due to supply issues. An example of the construction system can be seen in use in the new reception desk in the visitor centre. The installation of a hearing loop for the café, reception and visitor Centre has been postponed for reassessment in 2022.

The reconfiguration project has also delivered three associated benefits which have further enhanced the experience of Museum visitors. We now have a more efficient and enhanced café service, and a new team of suitably trained and qualified volunteers has established an evolving range of menu options for visitors. The reception area has been repositioned by redeveloping the space previously occupied by the toilets where a bespoke visitor reception desk has been installed supported by a new card payment system adopted in 2021. The third benefit is creation of an area for a Museum shop, which has reopened with a seasonal uplift in presentation and style. This will continue to be seasonally renewed whilst awaiting development of a longer-term strategy for retail space within the visitor centre.

VISITOR EXPERIENCE

Visitor feedback to the reopening of the Museum and its new facilities has been excellent. For the three open days held in 2021, when engines and pumps could be seen working, the pro rata number of visitors received was significantly higher than visitor numbers for 2019, the last year before the pandemic. However, the current strategy and pattern of open-days means that the total number of visitors the Museum receives each year are not expected return to pre-pandemic levels. 2022 will, therefore, set a new baseline of visitor numbers against which future performance can be monitored.

Visitors are now greeted by a new team of front of house volunteers (reception and café staff and visitor stewards) who are dedicated to helping them enjoy their time at the Waterworks Museum. The overall visitor experience has also been enhanced by steadily improving the way in which the working machines and interactive displays at the Museum are presented and by working with third parties (for example, exhibitors, entertainers, providers of arts & craft displays and owners of steam engine and vintage vehicles) to provide an all-round interactive experience that can be equally enjoyed by heritage enthusiasts and family groups. This approach has continued to be developed in 2022.

COLLECTION AND ARCHIVES

There were only a small number of additions to the Museum's collections during the reporting year. These were small items of paper and ephemera relating to public water supply and included information to support new displays. Trustees are especially grateful to Presteigne & Norton Town Council for the donation of display boards which describe the historic water supply to that town which can now be seen in the Museum's visitor centre.

During the period of closure, significant additional information was made accessible on the Museum's website about various artefacts in the Museum's collections and, although it was closed for personal research, Volunteers in the Archive Room provided engineering and research advice and support to three UK heritage organisations.

EDUCATION, RESEARCH AND COMMUNITY ENGAGEMENT

Extending the reach of the Museum's support for education and connections with the schools' communities around Herefordshire, surrounding counties and Wales has always been an integral part of the Museum's charitable purpose. However, the education programme delivered in partnership with Dŵr Cymru Welsh Water, which has had a significant impact since it was re-established in its current form in 2007, was suspended throughout 2021 and only recommenced on a reduced programme after April 2022. It is hoped to revert to the pre-pandemic education programme in 2023.

The new meeting and conference facilities of the Museum visitor centre is already providing new opportunity for community engagement, which the Directors will further develop in 2022. Our goal is to use the Museum's charitable objectives to make a reasonable proportion of booking slots financially accessible for local community and charity use. It is also hoped that research activity, which was suspended during the period the Museum was closed, will soon recommence.

REGULATION AND COMPLIANCE

The 2022 Annual General Meeting (AGM) has been convened for 19 July 2022. All resolutions at this meeting will be matters of routine business - that is to approve the 2021 Trustees Report and Accounts and resolutions for the annual re-appointment of each of the Trustees and the Independent Examiner (previously described as the Reporting Accountant).

As a consequence of the Coronavirus pandemic last year's AGM was held virtually on 25 October 2021. The resolutions passed at this meeting were all items of routine business (as described above).

In last year's report, the Trustees identified two compliance challenges for 2021: completion of the process to renew the Museum's status as an 'accredited museum' and approval of a new Forward Plan for the period 2021 to 2025. The Trustees also acknowledged that during the period of the next Forward Plan, the Museum would reach the 50th anniversary of its creation in 1974, so a period of reflection and review of the Museum's business model and future aspirations would be very timely.

Each of these challenges were substantially delayed by the Coronavirus Pandemic and subsequent closures of the Museum. Trustees welcomed the suspension by the Arts Council England of the process for renewal of Accredited Museum status, which for the Museum this programme will commence in December 2022. Plans for a review of the Museum's strategic plan and the adoption of a Forward Plan for 2021-2025 were also deferred a year. Trustees aim to have completed this process in 2022 and have agreed that this will be a three-year plan running from 2022 – 2025.

Jill Phillips
Chair of Trustees and Governance Director
10 June 2022

TREASURER'S REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

This Report covers the 12-month financial period ended 31 December 2021.

The Accounts presented in this Report comply with the requirements of the Companies Act 2006 and the Charity Commission. Following the practice of previous years, the narrative that follows refers mainly to the Income and Expenditure account presented on page 18 in this report. This distinguishes everyday Operations and Maintenance activities from those devoted to specific Projects.

The underlying pattern of activities undertaken by the Museum had become well established and consistent for many years, but this did not hold for 2020 as a result of the Pandemic whose impact continued into 2021. Our cash flow was therefore not consistent with the assumptions of the Reserves Policy, as set out on page 5 of this report.

Operations

Operational income, particularly that related to visitors, although partly recovered, was still significantly down on 2019. This was partially offset by reduced expenditure on items such as fuel and maintenance for the reduced number of operating days the Museum held. However, many overheads, for example insurance, still had to be met in full. In addition, the continued need for enhanced cleaning and other measures to protect the health of volunteers and the public came out of operational funds.

Projects

Projects fall into two categories, either 'Designated' or 'Restricted'. These are carefully distinguished in the accounts to meet Charity Commission requirements, but for reporting to Museum Members on page 18 they are combined under the 'Project' heading. Designated Projects use money allocated from Museum funds at the discretion of the Directors and/or Trustees who monitor each project carefully. Restricted Projects draw on money given by an outside body for a specific purpose, being ring-fenced and used strictly in accordance with the terms of the grant.

Ignoring non-cash items (depreciation and stock movements), just over 50% of expenditure was project based – a stark increase from 2019's 5%.

Designated Projects

Two 'Designated' projects were worked on to a limited extent during the 2021 year: 'Emma', Herefordshire Council's steam road-roller and housing for the Sissons Engine (as described earlier in the Chief Engineer's Report). The remainder of the monies from the Government's Small Business Grant contributed to the purchase and fitting out of the Volunteers' Mess and the element of the covered walkway that was not covered by the National Lottery Heritage Emergency Fund (below).

Restricted Projects

The National Lottery Heritage Emergency Fund is restricted and applied to works to adapt to the Coronavirus Pandemic and improve our business resilience and it had been expensed by the end of 2021. A fund for a display on the Water Tower was created, thanks to a grant from the Friends of Hereford Museums Association.

Conclusion

I am pleased to report that our cash flow policy reduced the impact of the Pandemic in 2021, and although Pandemic related project work has reduced our reserves, it has improved the sustainability of the Museum to pursue its aims for the foreseeable future. This would not have been the case without the essential support given by the Museum's Benefactors, Members, Volunteers, and friends, over the course of another year that was demanding for many reasons.

Mike Harries
Honorary Treasurer
10 June 2022

Waterworks Museum - Hereford

Trustees' Report for the financial year ended 31 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing an annual report and the accounts in accordance with: (i) applicable charity law, and (ii) the provisions of the 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 2015).

Company law requires the Trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit of the charitable company for that year. In preparing those accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the accounts on the 'going concern' basis, unless it is inappropriate to presume that the company will continue in business.

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

The foregoing report has been prepared in accordance with the small company regime (Section 419(2) of the Companies Act 2006).

Signed on behalf of the Trustees

Jill Phillips
Chair of Trustees and Governance Director
10 June 2022

Independent Examiner's Report

To the Directors of Waterworks Museum - Hereford

On the unaudited accounts for the financial year ended 31 December 2021

I report on the accounts of the charitable company for the **financial year ended 31 December 2021**, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of Trustees and examiner

The charity's Trustees (some of whom are also the Directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiners' statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with s386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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 2015) have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Edward Richards
Thorne & Co. (Accountants)
1 St. Mary's Street, Ross-on-Wye, HR9 5HT
10 June 2022

Waterworks Museum - Hereford
Statement of Financial Activities
Income and Expenditure Account
For the financial year ended 31 December 2021

				2021	2020
	<u>Note</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>	<u>Total</u>
<u>Income from</u>					
Grants, fees and donations	3	20,983	500	21,483	74,209
Activities for generating funds	3	10,309	700	11,009	428
Investments	3	<u>104</u>		<u>104</u>	<u>85</u>
Total income		<u>31,396</u>	<u>1,200</u>	<u>32,596</u>	<u>74,722</u>
<u>Expenditure on</u>					
Generating funds	4	6,893	736	7,628	6,234
Charitable purposes	4	<u>24,341</u>	<u>33,177</u>	<u>57,518</u>	<u>73,355</u>
Total Expenditure		<u>31,234</u>	<u>33,913</u>	<u>65,147</u>	<u>79,588</u>
Net income/expenditure		162	(32,713)	(32,551)	(4,866)
Gross transfer between funds		—	—	—	—
Net movement in funds		162	(32,713)	(32,551)	(4,866)
Total funds brought forward		<u>61,667</u>	<u>670,260</u>	<u>731,927</u>	<u>736,793</u>
Total funds carried forward		<u>61,829</u>	<u>637,547</u>	<u>699,376</u>	<u>731,927</u>

Waterworks Museum - Hereford
Balance Sheet
As at 31 December 2021

				2021	2020
	<u>Note</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>	<u>Total</u>
<u>Fixed Assets</u> (tangible fixed assets only)	7	<u>9,288</u>	<u>639,789</u>	<u>649,077</u>	<u>662,971</u>
<u>Current Assets</u>					
Stock	8	2,341	-	2,341	2,618
Debtors and prepayments	9	226	-	226	77
Cash at bank and in hand		<u>71,179</u>	<u>1,758</u>	<u>72,937</u>	<u>97,210</u>
Total current assets		<u>73,746</u>	<u>1,758</u>	<u>75,504</u>	<u>99,905</u>
<u>Current Liabilities</u>					
Creditors falling due within one year	10	20,784	4,000	24,784	471
Net Current Assets		<u>52,962</u>	<u>(2,242)</u>	<u>50,719</u>	<u>99,434</u>
Provisions for liabilities		420	-	420	30,478
Net Assets		<u>61,829</u>	<u>637,547</u>	<u>699,376</u>	<u>731,297</u>
<u>Income Funds</u>	11/12				
Unrestricted Funds		61,829	-	61,829	61,667
Restricted Funds		-	<u>637,547</u>	<u>637,547</u>	<u>670,260</u>
		<u>61,829</u>	<u>637,547</u>	<u>699,376</u>	<u>731,927</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Signed on behalf of the Trustees by

Jill Phillips
Chair of Trustees and Governance Director
10 June 2022

Waterworks Museum - Hereford

Notes to the Unaudited Accounts for the financial year ended 31 December 2021

1. Accounting Policies

Basis of Preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income Resources

Voluntary Income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- i The donor specifies that the grant or donation must only be used in future accounting periods; or
- ii The donor has imposed conditions that must be met before the charity has unconditional use.

Income from trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when admission fees or performance related grants are receivable in advance of the performances or events to which they relate.

Volunteers and Donated Services and Facilities

The Volunteers involved with the charity are members of the company limited by guarantee. They support the Museum so that it can open to members of the public on up to 70 days each year. They include the Trustees, Directors and Officers, who carry additional responsibilities, and volunteer engineers who work additional days maintaining and preserving the collection. The Museum has no paid staff. Further details of the contribution made by Volunteers can be found in the Trustees' annual report.

Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- i Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- ii Charitable activities include expenditure associated with the restoration and maintenance of donated assets and leased premises and include both the direct costs and support costs relating to these activities.
- iii Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- iv Support costs include central functions and have been apportioned to the activities to which they relate on a total activity cost basis.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases

The charity operates the Museum on land and buildings owned by Dŵr Cymru Welsh Water under a long-term rent-free lease, which expires in 2074. The land on which the Heritage Water Park sits is owned by Herefordshire Council, which is leased to the Museum for a peppercorn rent until 2047.

Tangible Fixed Assets and Depreciation

Tangible Fixed Assets represent the Museum's buildings, which are being depreciated on a straight-line basis over the remaining term of the lease, and the boiler over a 25-year term (2010-2035). The Heritage Water Park is not a building and is not subject to depreciation.

Stock

Stock is included at the lower of cost and net realisable value. Stock includes parts, fuel and items for sale to Museum visitors.

Inalienable or Historic Assets

The charity has a leasehold interest in the property that is classed as an inalienable asset and is not included in the Balance Sheet. This interest expires on 31st March 2074.

Funds Structure

The charity has restricted income funds to account for situations where donors require that donations are spent on a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted income funds.

2 Legal Status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £1.

3 Income

	<u>2021</u> Unrestricted	<u>2021</u> Restricted	<u>2021</u> Total	<u>2020</u> Total
From Grants, fees and donations				
Membership fees	55	-	55	1,997
Donations	649	-	649	1,552
Gifted Regular Income	295	-	295	-
Gift aid refund	226	-	226	77
Grant - Southall Trust	10,000	-	10,000	10,000
Grant - Dŵr Cymru Welsh Water	9,758	-	9,758	9,482
Other grants/awards	-	500	500	51,100
	<u>20,983</u>	<u>500</u>	<u>21,483</u>	<u>74,208</u>
From Activities for generating funds				
Admission fees	7,341	-	7,341	247
Refreshments	2,539	-	2,539	174
Retail sales	327	-	327	7
Museum products	23	-	23	-
Premises hire	80	-	80	-
	<u>10,310</u>	<u>-</u>	<u>10,310</u>	<u>428</u>
Investment income				
Bank interest	<u>104</u>	<u>-</u>	<u>104</u>	<u>85</u>
Other income				
Asset disposals	<u>-</u>	<u>700</u>	<u>700</u>	<u>-</u>

4.	Expenditure	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2020</u>
	(Analysis of resources expended)				
	For Generating funds	Unrestricted	Restricted	Total	Total
	Refreshments	1,618	-	1,618	80
	Sale material	70	-	70	4
	Special events	329	-	329	-
	Consumables	2,788	736	3,523	2,576
	Advertising/publicity	2,088	-	2,088	3,444
	WaterWords	-	-	-	130
		<u>6,893</u>	<u>736</u>	<u>7,628</u>	<u>6,234</u>
	For Charitable purposes				
	Fuel	3,327	-	3,327	489
	Machine maintenance	4,042	10	4,052	5,141
	Premises maintenance	9,568	16,453	26,020	46,278
	Display/signage/artefacts	849	-	849	623
	Insurance	1,183	-	1,183	1,168
	Publications (museum/education)	285	-	285	52
	Depreciation	180	13,714	13,894	13,894
	Museum activities	260	-	260	289
	Office/computer/telecom/postage	2,165	-	2,165	2,339
	Honorarium	-	-	-	150
	Project professional fees	884	-	884	1,130
	Rent	59	-	59	59
	Subscriptions to external bodies	980	-	980	1,080
	Audit professional fees	420	3,000	3,420	420
	Bank charges	141	-	141	242
		<u>24,342</u>	<u>33,177</u>	<u>57,519</u>	<u>73,354</u>

Premises maintenance includes work on the Visitor Centre reconfiguration and Volunteers' Mess.
Audit professional fees incorporates the business model review.

5. **Paid employees_-** The charity does not have any paid employees

6. **Trustees and Other Related Parties**

Expenses incurred by the Trustees are reimbursed at cost. The Trustees had no material interest in any transaction undertaken by the charity during the year.

7.	Tangible fixed assets	<u>Boiler</u>	<u>Museum Buildings</u>	<u>Total</u>
	Cost			
	At 31 December 2020	42,507	806,972	849,479
	Additions	<u>0</u>	<u>0</u>	<u>0</u>
	At 31 December 2021	<u>42,507</u>	<u>806,972</u>	<u>849,479</u>
	Depreciation			
	At 31 December 2020	18,285	168,222	186,507
	Charge for year	<u>1,729</u>	<u>12,165</u>	<u>13,894</u>
	At 31 December 2021	<u>20,014</u>	<u>180,387</u>	<u>200,372</u>
	Net book value			
	At 31 December 2020	24,221	638,750	662,971
	At 31 December 2021	<u>22,493</u>	<u>626,585</u>	<u>649,077</u>
8.	Stock		<u>2021</u>	<u>2020</u>
	Fuel and oil		996	1003
	Materials and spare parts		750	950
	Goods for resale		595	665
			<u>2,341</u>	<u>2,618</u>
9.	Debtors and prepayments			
	Trade debtors		<u>226</u>	<u>77</u>
			<u>226</u>	<u>77</u>

10. **Creditors**

(Amounts falling due within one year)

Trade creditors	24,489	471
Membership Fees in Advance	295	-
Accruals	420	<u>30,478</u>
	<u>25,204</u>	<u>30,949</u>

Trade creditors includes 2021 expenditure on works essential for re-opening the museum in a Covid secure manner but only completed and paid for in February 2022.

11. **Restricted funds**

The Restricted Income Fund represents capital grants provided by various funding bodies for the purposes of providing Tangible Fixed Assets in the form of the new museum buildings, the Rotherwas Engine House and boiler shown in Note 7 to the accounts. The Restricted Income Funds will be released to the Statement of Financial Activities on the same basis as the Depreciation Policy.

An additional Restricted fund was created for the National Lottery Heritage Emergency Fund grant to ensure its use for the purpose of reconfiguring the museum in a Covid secure manner

12. **Movement in funds**

	<u>Unrestricted income fund</u>	<u>Restricted income fund</u>
Income	31,396	1,200
Expenditure	<u>31,234</u>	<u>33,913</u>
	<u>162</u>	<u>(32,713)</u>
Gross transfer between funds	-	-
Net movement	162	<u>(32,713)</u>
At 31 December 2020	<u>61,667</u>	<u>670,260</u>
At 31 December 2021	<u>61,829</u>	<u>637,547</u>

Waterworks Museum - Hereford

Income and Expenditure Account for the financial year ended 31 December 2021

(This page does not form part of the statutory accounts)

	Operations 2021 £	Projects 2021 £	Total 2021 £	Total 2020 £	Variance £
INCOME					
Memberships, Grants and Donations					
Membership fees	55		55	1,997	(1,942)
Welsh Water	9,758		9,758	9,482	276
Southall Trust	3,500	6,500	10,000	10,000	0
Other outside bodies		500	500	51,100	(50,600)
Private donations	944		944	1,552	(608)
Gift Aid refund	226		226	77	149
Activities income					
Admission fees	7,341		7,341	247	7,094
Refreshments	2,539		2,539	174	2,365
Retails sales, publications and DVDs	350		350	7	343
Income from hire of premises	80		80		80
Gain from asset disposals		700	700		700
Interest Received					
Bank interest	104		104	85	19
TOTAL INCOME	24,897	7,700	32,597	74,721	(42,124)
EXPENDITURE					
Visitor Services					
Advertising and publicity	2,088		2,088	3,573	(1,485)
Sales materials	70		70	4	66
Refreshments	1,618		1,618	80	1,538
Special events and museum activities	589		589	289	300
Educational projects, museum publications	285		285	52	233
Utensils, consumables	2,644	880	3,524	2,576	948
Installations and Maintenance					
Exhibits, install, repair & maintain artefacts	2,884	47	2,931	3,700	(769)
Exhibits, external contractor services	1,409		1,409	1,509	(100)
Premises, repairs & maintenance	2,484	17,896	20,380	41,595	(21,215)
Premises, external contractor services	1,680	3,960	5,640	4,683	957
Fuel, lubricating oil and gas	3,327		3,327	489	2,838
Displays/signage additions and improvements	1,445		1,445	1,686	(241)
Depreciation		13,894	13,894	13,894	0
Administration Overheads					
Postage and telephone/broadband	619		619	775	(156)
Computer and office supplies	1,506		1,506	1,564	(58)
Rent	59		59	59	0
Insurances	1,183		1,183	1,168	15
Honorarium			0	150	(150)
Subscriptions to other organisations/journals	980		980	1,080	(100)
Travel and incidental costs		40	40		40
Accountancy and consultancy fees	420	3,000	3,420	420	3,000
Bank charges	141		141	242	(101)
TOTAL EXPENDITURE	25,431	39,717	65,148	46,865	18,283
EXCESS OF INCOME OVER EXPENDITURE	(534)	(32,017)	(32,551)	27,856	(60,407)

Accounts

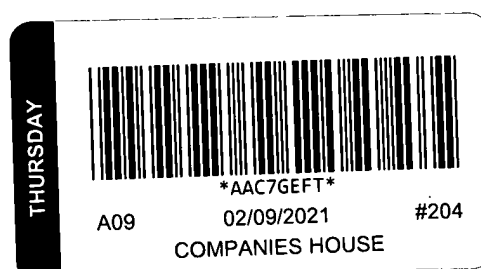
Company Number No: 01820495

Registered charity No: 515866

WATERWORKS MUSEUM - HEREFORD

(A company Limited by Guarantee not having a share capital)

**REPORT OF THE TRUSTEES AND
UNAUDITED ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2020**



Waterworks Museum - Hereford

Report and unaudited Accounts for the financial year ended 31 December 2020

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Waterworks Museum - Hereford

Trustees' Report for the financial year ended 31 December 2020

The Trustees, six of whom are also Directors for the purposes of the Companies Act 2006, present their annual report with the accounts of the charity for the financial year ended 31 December 2020. The Trustees have adopted the provisions of the 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).

Introducing Waterworks Museum - Hereford

Waterworks Museum - Hereford is a company limited by guarantee (number 01820495) and a registered charity (number 515866). The registered office is Waterworks Museum - Hereford, Broomy Hill, Hereford HR4 0LJ.

Established in 1974, the Waterworks Museum is operated as an independent working museum and industrial archaeology preservation society concerned primarily, but not exclusively, with the story of the supply of water for public consumption from the mid-Victorian era to the close of the 20th century. Based in a Grade II* listed building, the Museum is home to the UK's oldest in-situ working triple-expansion steam engine and it has one of the widest ranges of working pumping engines in the UK. These are interpreted by a combination of displays, historic artefacts and ephemera related to potable water.

The Museum's purpose

The Museum's goal is to maintain its status as a specialist museum and a leading tourist attraction that brings industrial heritage to life through working pumping engines and other artefacts and machines. This achieved by being a museum that is:

- family friendly with something for visitors of all ages,
- attractive and accessible (financially, physically, and intellectually) to all groups in society, and
- a valued learning resource for schools, further and higher education and for the lifelong learning of visitors,

and to do this in a way that supports the local community, the regional economy and local tourism priorities.

The Museum's charitable purpose is to promote public education and interest through the display of pumps, engines and other equipment of historical interest connected with the supply of water. The Museum's collections are used in an active education programme, mainly (but not exclusively) for primary school children, using curriculum led materials designed and delivered by experienced teachers currently working in education. The Museum prides itself in offering a hands-on learning experience for all members of the Community, including visitors who need some form of assistance to enjoy their visit to the Museum. Tours are led by volunteers and, as far as practicable, tailored to the needs of individual visitors. The Trustees regard as a unique selling point the knowledge, enthusiasm, and commitment of its volunteers, which is regularly commented upon in feedback.

Status of the Museum

The Museum has Full Accreditation status under The Accreditation Scheme administered by Arts Council England which sets nationally agreed standards for museums in the UK (registration number RD783).

The Museum's Collection

The collection comprises around 4,300 individual items. All are owned by the Museum, save for 26 items on long-term loan. The collections are housed on a single site in the Victorian water pumping station that served the City of Hereford for 120 years, The Tangye House (Leominster's Victorian pumping station, which was moved to the Museum in 2006), the Rotherwas Engine House (built in 2007 to display artefacts saved from dereliction from a World War II bunker and houses a permanent exhibition devoted to Hereford in World War II), or in the Museum's archive room or stores.

The collections comprise artefacts and archives that illustrate the collection, treatment, and supply of water since 1856, but also more broadly over the past two thousand years. On the Museum site there are examples of all types of motive power for water pumping (except animal power), including the oldest in situ working triple expansion steam engine working in Britain.

Visitors to the Waterworks Museum can see historic beam, steam, gas, oil, diesel and combustion engines, many of which are among the last working example of their kind. The collection primarily relates to drinking water supply in Herefordshire, the Marches and Wales, but also includes items from other parts of the UK to represent the development of drinking water supply, which were otherwise likely to be irretrievably lost. In addition, building on its collection of hot-air engines, the Waterworks Museum has gained a reputation as a repository of knowledge for these early devices that produced mechanical work from heat and were essential for raising water for drinking and irrigation.

The Trustees have determined that future expansion of the collection will be directed towards completing aspects of the Museum's historic story. They would like to expand the collection covering the mid to late Victorian period and the early years of the twentieth century - the transitional phase of technological development between beam engines and rotative steam engines, and water industry instrumentation for the latter half of the twentieth century. Also, to protecting the industrial heritage and knowledge of developments in drinking water supply and associated technologies that might otherwise be lost. This includes engines, pumps and associated devices and technologies used in educational establishments in the past for training apprentice water engineers.

Each year the Museum receives both general and technical enquiries about the Museum's collection or from people seeking advice. These are received from within the UK and overseas. Trustees encourage visits from other museums to learn from the skills and experience of Museum Volunteers, who possess often scarce expertise in the restoration, operation and maintenance of steam, hot air, gas, and internal combustion engines.

How the Museum is funded

The Waterworks Museum receives no public funding. It is independently funded by admission fees, grant awards and membership subscriptions, but would not be able to operate at the level that it does without the continued support it receives from two principal benefactors: The Southall Trust and Dŵr Cymru Welsh Water. Further detail of this is provided in the financial statements, which are presented on pages 12 to 17 of this report.

How the Museum is governed and operated

The Museum has no paid staff and is wholly governed, managed and operated by Volunteers. The governing body is the Council of Management, the members of which are charity Trustees. The day-to-day management of the Museum is delegated to a smaller group of Trustees who are elected annually to serve as Directors, and who collectively oversee the activities of the Museum's Volunteers. The Council of Management is appointed by and is accountable to the Members of the Museum, of which there are currently around 180.

The Trustees who were Directors on 31 December 2020, and are Directors at the date of this report, are:

Richard Curtis	Chairman and Company Secretary
Mike Harries	Honorary Treasurer
Fred Snelgrove	Collections Manager
Neil Atkins	(Appointed 01/07/2020)

Subsequent to the financial year end Mike Glover (Joint Chief Engineer) became a Director on 05/02/2021 (having previously been appointed a Trustee on 01/08/2020). Kevin Burrows was appointed, and Derek Duffett stood down, as a Director both with effect from 10/02/2021. Peter Heaton stood down as a Director and Joint Chief Engineer on 30/04/2021.

The other Trustees of the Museum on 31 December 2020 were

* Paul Allen	* Jill Jackson (Vice-Chair)
* Neil Atkins (Appointed 01/01/2020)	* Vicky Martin (representing Dŵr Cymru Welsh Water)
* Kathy Burrows (Appointed 01/01/2020)	* Keith Munn
* Kevin Burrows (Appointed 01/08/2020)	* Brian Nelson
* Adrian Eyre	* Brian Pearson
* Colin Hughes	* Graham Prosser
* Derek Duffett (later resigned 08/03/2021)	

Three Trustees stood down in 2020: David Smith (28/06/2020) and Brian Pearson and Alex Rowe (27/07/2020). Since the financial year end, Richard Glasspoole was appointed a Trustee on 08/03/2021. There are currently 18 Trustees (31.12.2020: 18 Trustees). Efforts are being made to recruit to fill two current vacancies in 2021.

Due to the extraordinary circumstances of the Coronavirus Pandemic the Council of Management met on only two occasions in 2020. Prior to the pandemic, Trustees had in addition attended a strategy event in January 2020.

The position of Trustee is a non-remunerated role, although out of pocket expenses are reimbursed at cost.

The Trustees have made the following appointments, which have been renewed for the financial year January to December 2021:

Accreditation Mentor	Katherine Andrew, 59 The Common, Abberley, Worcestershire WR6 6AY
Reporting Accountant	Thorne & Co., 1 St Mary's Street, Ross-on-Wye, Herefordshire HR9 5HT
Bankers	HSBC Bank plc, 35 High Town, Hereford HR1 2AQ
Solicitors	Lambe Corner, 36/37 Bridge Street, Hereford HR4 9DJ

Risk Management

The main business as usual risks managed by the Council of Management are typical of any small, independently funded and wholly volunteer run charity. They principally speak to:

- (a) The sustainability of the resources available to the Museum, both financial (operational budget and grant funding for projects) and non-financial (the succession, time, capacity and skills and experience of the Volunteers, Trustees and Directors who operate the Museum);
- (b) The health, safety, and wellbeing of Volunteers, the visiting public and users of the Museum's services and contractors and others who visit the site, and especially the safeguarding of children and vulnerable adults; and
- (c) Keeping up to date with changing UK laws and regulations and the standards of good practice expected of an accredited museum.

The circumstances of the Coronavirus Pandemic in 2020 led to a fundamental review and restatement of all risk. A statement of risk assessment arising as a result of the pandemic is publicly available on the Museum website.

Trustees are constantly aware of the challenge of managing all of the above risks without the support of paid and professionally qualified museum staff, and the report that follows demonstrates how these risks are being managed.

Key Policies of the Museum

Financial Reserves Policy

Trustees are required to hold general reserves at a level to provide the Museum with adequate financial stability and the means for it to meet its charitable purposes for the foreseeable future. General reserves must therefore be maintained at a level equivalent to not less than 15 months basic operational expenditure. The Trustees have set the reserves policy at this level having regard to the Museum's regular funding streams and nature of its operations (i.e., that the Museum is operated and governed solely by Volunteers and is open to the public as a visitor attraction on a maximum of 70 days a year), which limit the ability of the Museum to expand or grow new income streams. Trustees regularly review the level of general reserves that are required to ensure that they are adequate to fulfil the Museum's continuing obligations.

Risk Management

The Trustees are responsible for ensuring that the Museum has a clear strategy, that it remains true to its vision, and that it complies with all necessary rules and legal obligations. They also ensure that the Museum has the policies, controls and other documents that minimise the risks that the charity may encounter. The Trustees:

- Continuously review the risks the charity may face,
- Establish systems and controls to mitigate the risks identified, and
- Implement policies and procedures designed to minimise any potential impact on the charity should a risk materialise.

Key risks have been previously described on page 3.

Principal policies

ACCESS: The Access Policy describes how Trustees provide the widest possible access to the Museum and its collection, which should be open to everyone regardless of education, income, residence or personal circumstances. The Museum prides itself on being a valued learning resource for schools, being attractive and accessible to all groups in society, and as a family friendly Museum and visitor attraction in every sense.

COLLECTION: The Collections Development Policy describes the principles, processes and the Museum's themes and priorities for the development of the collection; the Care and Conservation Policy sets a framework for the preservation of the collections and buildings in the care of the Museum, the conservation of the collections (preventative and remedial) and the safe use of and access to the collections; and the Collections Documentation Policy ensures that information held about the Museum's collection is as complete, accurate, secure and accessible as reasonably possible.

SAFETY: The Health and Safety Policy describes how the Museum will protect the general safety and wellbeing of visitors, members, Volunteers, contractors and the public, and the Safeguarding Policy describes measures designed to safeguard children and vulnerable people. Through an Equality and Diversity Policy the Museum is committed to eliminating all forms of discrimination, victimisation and harassment, and to promoting equality of opportunity.

OTHER: The Environmental Sustainability Policy covers the natural, built, economic and social environment of the Museum and the Information Management Policy covers the Trustee's commitment to protecting the privacy and the standards individuals can expect the Museum to maintain with regard to any personal information it holds.

Each of the above policies will be reviewed in line with an agreed schedule of review.

TRUSTEES' REPORT

2020 was a year like no other due to the impact of the Coronavirus (Covid-19) pandemic. One to remember – and mostly for all the wrong reasons. But I want to start this report on an optimistic footing because, although the Waterworks Museum may have been closed since 13 March 2020, we have much to look forward to. I base my optimism on the following factors:

Our volunteers pulled together last year in a way that demonstrated why 'community spirit' has been at the core of the Museum's success and growth over the past 20 years. It was brilliant to see volunteer efforts to look out for each other during long periods of lockdown and, for some, isolation.

The ingenuity, commitment, and effort of volunteers who took on responsibility for preparing the Waterworks Museum for re-opening has been tremendous. Not only will the Museum re-open in 2021 in a Covid-19 safe way, but the changes made (and still being made) in response to the pandemic will give the Trustees a platform to deliver an improved visitor experience and, through the adoption of a revised business model, a more sustainable museum in the years ahead.

The enforced closure of the Waterworks Museum provided space for a number of improvements to be made. These included a major update of the Museum's website and the development of a more cohesive approach to using social media to engage with members, volunteers, supporters, and the public. We also renewed the fencing around the meadow car park at the rear of the Museum, which saw the installation of a larger entrance gate to facilitate different uses of that area of land, which we plan to develop for use for outdoor arts and performance.

Our main Benefactors, the Southall Trust and Dŵr Cymru Welsh Water, have supported the Waterworks Museum since it was founded in 1974 but rarely has that support been more valuable than last year. This has meant that the Museum has suffered less badly the long-term financial harm and detriment experienced by so many small charities during the Covid-19 pandemic. The Museum's reserves have been depleted and will take time to replenish - but our foundations remain strong.

Last autumn, we appointed Mike Glover as Joint Chief Engineer and Safety Officer and commenced a search to find a new Joint Chief Engineer to succeed Peter Heaton. The strategic change to a 'joint' role recognised that the responsibilities and time demands of the role had grown significantly over the past 10 years and were too much to expect from a single volunteer. Mike, who was already a trustee, was appointed a director at the same time. Thankfully, Peter Heaton, who will shortly step down as chief engineer after over 20 years in the role, will remain an active volunteer so his vast experience will continue to be of benefit to the Directors.

In March 2020, Jill Phillips kindly agreed to take on additional responsibility as my Vice Chair. There were also changes in the membership of the Council of Management last year and I must especially thank ex-Director Brian Pearson, who stood down as a Trustee in July 2020 after serving for ten years, and Alex Rowe who completed his studies in Hereford and stood down as our first Youth Trustee also in July 2020. Since the financial year end, in February 2021 Derek Duffett (who served for many years as Honorary Treasurer) stood down as both as a Trustee and Director. Each has made a huge contribution to the success of the Waterworks Museum and their experience will be missed around the Trustee table. Since the year end, we have appointed one new Trustee (Richard Glasspoole) and progress had been made to recruit two additional Trustees before the end of 2021.

Richard Curtis
CHAIRMAN

BEFORE THE PANDEMIC

Covid-19 was not the only or even the first challenge the Waterworks Museum faced last year. In February 2020, Hereford experienced the worst event of flooding from the river Wye in over 120 years. The Museum grounds and the basement areas of some of our major exhibits were inundated and flood water entered our Workshop for the second time in less than 12 months. However, flood risk mitigation plans worked well such that when flood water had receded the damage was relatively minor and the cleaning up exercise took only a matter of days effort. Nonetheless, important lessons were learned.

IMPACT OF AND RESPONSE TO THE PANDEMIC

After a successful year in 2019, Trustees had a full programme of events planned for 2020 but this was completely negated when the Museum closed its doors on 13 March 2020 as a result of the Coronavirus (Covid-19) pandemic. Directors took the early decision to close because of the significant number of volunteers and the large proportion of visitors who might be considered particularly vulnerable to Covid-19 infection, and the Museum did not open again to the public in 2020.

The Waterworks Museum has only once before closed for such a long period, in 2003-05, when the Museum's visitor centre was built, and essential repairs were made to its Grade II* Listed Victorian building and chimney. That significant event was the catalyst for the growth of the Museum that we have seen we have over the past 15 years. Trustees believe that the significant changes being made in response to the Covid-19 pandemic will also act to spur the Museum forward into a new period of growth.

During the initial period of the Covid-19 lockdown visits to the Museum site were limited to two volunteers making a weekly safety inspection of the Museum building and site and a fortnightly manual 'turning' of the main engines to prevent them seizing up and suffering avoidable harm. In this period Directors prioritised maintaining regular contact with the Museum's community of volunteers and finding new ways to engage with past and future visitors and improve remote access to the collections.

This started with a revamp of the Museum website (www.waterworksmuseum.org.uk) and included an active programme of social media engagement and online events. This included a virtual Steampunk Festival which reached some 15,000 people over two days at the end of April 2020. A series of weekly #WaterworksCovid Treats, short video clips of engines and pumps in action and unusual images of the Museum's collection, also proved to be extremely popular.

When the national lockdown was eased, and after the Museum had been thoroughly cleansed and essential PPE (personal and protective equipment) had been purchased, it was possible a small core team of volunteers to meet weekly to plan for a reopening of the Museum. It was immediately obvious that this could not happen quickly. The Museum's collection is largely held in a Victorian brick building with narrow corridors, on a small site with many areas of potential visitor bottleneck, which would have made any level of social distancing problematic. This included in the Museum's visitor centre but especially in the compact toilet block located in part of the Listed building, which meant that options for structural changes to improve facilities in its current location were limited.

After 10 weeks of planning and looking at all the options a scheme was devised for a safe reopening of the Waterworks Museum. This would involve relocating the toilet block to another part of the visitor centre and to create a new entry from the visitor centre to the Southall engine gallery, which would allow for the creation of a one-way route for visitors to tour the Victorian waterworks. Delivery of this called for significant change and a structural reconfiguration of the visitor centre.

A change in the layout of the visitor centre had previously been agreed by Trustees as a focus for the Forward Plan for 2021-2025, to create a new education/meeting facility more attractive for external hire. This was to be a means of generating new income to make the organisation more financially sustainable as an independent museum. The Director led project team therefore sought to combine these strategic objectives in planning a way forward. Phase 1, and the immediate priority, was to install new and bigger toilet facilities, which would allow the old toilets to be beneficially converted to an office and reception desk, and to create the new entry to the Southall Engine Gallery. Phase 2, some of which would be delivered alongside Phase 1 for reasons of efficiency and economy, would see the Museum's kitchen/café moved to another area of the visitor centre and the creation of an enclosed education/meeting room with break out area in place of the existing 'open plan' facility. The funding for the described phase-1 work, which was secured in September 2020, is reported in the next section below.

The underlying ethos of the Waterworks Museum required that volunteers would undertake and control as much of this work as possible, but it soon became obvious that the support of specialist contractors would also be required. By the end of 2020, a small 'bubble' of volunteers led by Deputy Chief Engineer, Mike Glover, had substantially completed the work to be done by the internal team. The toilet block had been moved, a new office had been created and large elements of associated phase II work (relocating the Museum's kitchen and café) had also been substantially completed. However, progress on contractor led work was delayed by staffing and supply chain problems associated with the extended periods of Covid-19 lockdown and these elements of the project will delay the planned reopening of the Waterworks Museum until later in 2021.

FINANCIAL IMPACT OF THE PANDEMIC AND FUNDING FOR IMPROVEMENTS

Being run wholly by volunteers, with no paid staff and relatively few fixed overheads, meant that the closure of the Waterworks Museum in March 2020 was in effect a 'mothballing' of all activities. Last year, we received less than 10% of our normal visitor numbers and all visits were during the quiet winter months before our programme of family running days had commenced. As a result of this, income was just a fraction of its usual level, but operational expenditure was also significantly lower. Largely as a result of the financial and other support provided by Dŵr Cymru Welsh Water and The Southall Trust, the net effect is that the Waterworks Museum did not suffer the catastrophic impact experienced by many independent museums.

Trustees were delighted, and extremely grateful, when financial support for the above-described Phase 1 work was provided by a grant of £26,100 from the National Lottery Heritage Emergency Fund, which included a sum for an independent review of the Trustees business plan and the strategic changes being considered by them. Pleasingly, this review broadly endorsed the proposed changes and put forward many useful ideas for future consideration by Trustees. Other aspects of the Museum's response to the Covid-19 pandemic were funded from a government Small Business Grant distributed in April 2020 via Herefordshire Council and from the Museum's financial reserves.

Further information of the financial impact of the pandemic is provided in the Financial Report on page 9 below.

ENGINEERING

The strategic move to appointing a Joint Chief Engineer in autumn 2019 has already led to a more even spread of operational responsibilities but equally important it will significantly enhance of robustness of our operational and safety arrangements. This is doubly so because the vast experience of Peter Heaton will remain available to the joint chief engineers for, we hope, some considerable time ahead.

As a result of the Covid-19 Pandemic volunteers were prevented from attending the Waterworks Museum for most of the year, so little progress was made on major maintenance or restoration projects. But there were exceptions:

The covered display for the Sissons cross compound slow speed instructional engine set has been completed and it is hoped that this engine set can be installed and that a new exhibit will be ready for inauguration in 2021. Work also continued on preparing steam road-roller 'Emma' for re-assembly and eventual display on a new area of the Museum forecourt, and winter repairs were also made to Emma's Living Van.

Save for these projects, work was performed to discharge responsibilities for the annual inspection and statutory testing of the boiler and Volunteers' engineering skill and experience were hugely beneficial in preparing the Waterworks Museum for re-opening when circumstances permit. Advantage was though taken during this relatively quiet period to work with the Herefordshire Wildlife Trust to look holistically at the habitat and biodiversity of the land occupied by the Museum, which will lead further surveys in spring 2021 and to the adoption of a new five-year environmental site management plan.

HEALTH, SAFETY, WELFARE AND TRAINING

There were no reportable safety incidents in 2020. The arrival of the Coronavirus pandemic called for a reassessment of all the Museum's operational practices and the development of a risk mitigation plan specifically addressing Covid-19, which is publicly available on the Museum's website. Directors' assessment of the risk to the health and well-being of volunteers and visitors was sufficiently high to decide to close the Waterworks Museum in March 2020, ten days before the government announcement of a national lockdown. This appropriately cautious approach continues to be applied when assessing the timetable for a public re-opening of the Museum.

COLLECTION AND ARCHIVE

There were only a small number of additions to the Museum's collections during the reporting year. These were small items of paper and ephemera relating to public water supply, displays at the Waterworks Museum and items in the collections. Discussion on other potential donations to the Museum were suspended for the duration of the pandemic.

During period of closure, additional information was made accessible on the Museum's website about various artefacts in the Museum's collections and volunteers in the Archive Room also provided engineering and research advice and support to three UK heritage organisations.

EDUCATION, RESEARCH AND COMMUNITY ENGAGEMENT

Only three primary schools were able to visit the Waterworks Museum under the partnership with Dŵr Cymru Welsh Water before the Museum closed in March 2020 and the education programme was suspended. However, teaching materials provided by the Museum continued to be freely available from the Waterworks Museum website for use in the classroom and/or to support home schooling.

The new meeting and conference facility being developed at the Museum will provide fresh opportunity for community engagement, as our goal is to use the Museum's charitable objectives to make a reasonable proportion of booking slots financially accessible for local community and charity use.

In the spring of 2020, a new fence was installed around the meadow car park at the rear of the Waterworks Museum, which did not just enhance the visual amenity of the Museum. This improvement was driven by Directors' desire to instal a larger gateway to increase the size of vehicles that could gain access to the meadow, which we believe will open this space for new uses and, in particular its use for community events, outdoor performance and entertainment. The potential for this was first shown during the Hereford Steampunk Festival in 2017, when the meadow was used for the evening concert performance.

REGULATION AND COMPLIANCE

The date for the 2021 Annual General Meeting (AGM) has yet to be announced. All resolutions at this meeting will be matters of routine business - that is to approve the 2020 Trustees Report and Accounts and resolutions for the annual re-appointment of each of the Trustees and the Reporting Accountant (or Independent Examiner).

The Coronavirus pandemic saw the holding of last year's AGM deferred from May to July 2020, when a socially distanced meeting was held with a smaller number of Members than usual. The resolutions passed at this meeting were all items of routine business.

In last year's report, Trustees identified two compliance challenges for 2020: completion of the process to renew the Museum's status as an 'accredited museum' and the approval of a new Forward Plan for the period 2021 to 2025. Trustees also acknowledged that during the period of the next Forward Plan the Museum would reach the 50th anniversary of its creation in 1974, so a period of reflection and review of the Museum's business model and future aspirations would be very timely. However, each of these challenges were substantially delayed.

Trustees welcomed the announcement in spring 2020 that, as a result of the Covid-19 pandemic, Arts Council England would be suspending the programme for renewal of Accredited Museum status for a year. This suspension was subsequently extended for a further year in February 2021.

Plans for a quinquennial review of the Museum's strategic plan and the adoption of a Forward Plan for 2021-2025 were also deferred a year. Trustees aim to have completed this process in 2021 so the new Forward Plan would operate between 2022-2026. However, as previously described above, some aspects of this were advanced in 2020 with the independent review of the Museum's business model and plans to improve the overall sustainability of the charity.

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31st DECEMBER 2020

This Report covers the 12-month financial period ended 31st December 2020.

The Accounts presented in this Report comply with the requirements of the Companies Act 2006 and the Charity Commission. Following the practice of previous years, the narrative that follows refers mainly to the Income and Expenditure account presented on page 18. This distinguishes everyday Operations and Maintenance activities from those devoted to specific Projects.

The underlying pattern of activities undertaken by the Museum had become well established and consistent for many years, but this did not hold for 2020 due to the pandemic. Our cash flow was therefore not consistent with the assumptions of the Reserves Policy, as set out on page 4.

Operations

Operational income fell sharply, particularly that related to visitors. This was partially offset by reduced expenditure on items such as fuel, since no exhibits were in operation, but the Museum has continuing expenses, for example insurance, that still had to be met. In addition, the deep clean of the premises, purchase of PPE and other measures to protect volunteers came out of operational funds.

Projects

Projects fall into two categories, either 'Designated' or 'Restricted'. These are carefully distinguished in the accounts to meet Charity Commission requirements, but for reporting to Museum Members on page 18 they are combined under the 'Project' heading. Designated Projects are unrestricted and use money allocated from Museum funds at the discretion of the Directors who monitor each project carefully. Restricted Projects draw on money given by an outside body for a specific purpose, being ring-fenced and used strictly in accordance with the terms of the grant.

Ignoring non-cash items (depreciation and stock movements), just over 50% of expenditure was project based – a stark increase from 5% in 2019.

Designated Projects

Three 'Designated' projects were worked on to a limited extent during the year: 'Emma', Herefordshire Council's steam road-roller, housing for the Sissons Engine (as described in the Chief Engineer's Report) and the new fencing for the car park.

Restricted projects

The monies from the Government's Small Business Grant and National Lottery Heritage Emergency Fund are restricted and applied to works to adapt to Coronavirus and improve our business resilience, as described in the Chairman's report. Although the total sum was not expensed in 2020, it has been fully committed, along with additional funds from the Museum's reserves.

Conclusion

I am pleased to report that our cash flow policy reduced the impact of the pandemic in 2020, enabling the Museum to pursue its aims for the foreseeable future. This would not have been the case without the essential support given by the Museum's Benefactors, Members, Volunteers, and friends, which was even more valued this year.

Mike Harries
Honorary Treasurer

Waterworks Museum - Hereford

Trustees' Report for the financial year ended 31 December 2020

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing an annual report and the accounts in accordance with: (i) applicable charity law, and (ii) the provisions of the 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 2015).

Company law requires the Trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit of the charitable company for that year. In preparing those accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts on the 'going concern' basis, unless it is inappropriate to presume that the company will continue in business.

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

The foregoing report has been prepared in accordance with the small company regime (Section 419(2) of the Companies Act 2006).

Signed on behalf of the Trustees:



Richard Curtis - Company Secretary

15 June 2021

Independent Examiner's Report

To the Directors of Waterworks Museum - Hereford

On the unaudited accounts for the financial year ended 31 December 2020

I report on the accounts of the charitable company for the **financial year ended 31 December 2020**, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of Trustees and examiner

The charity's Trustees (some of whom are also the Directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiners' statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with s386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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 2015)have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Edward Richards
Thorne & Co.
Accountants
1 St. Mary's Street,
Ross-on-Wye
HR9 5HT

15 June 2021

Waterworks Museum - Hereford

**Statement of Financial Activities
(Income and Expenditure Account)**

For the financial year ended 31 December 2020

				2020	2019
	<u>Note</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>	<u>Total</u>
<u>Income from</u>					
Grants, fees and donations	3	48,109	26,100	74,209	24,364
Activities for generating funds	3	428		428	17,057
Investments	3	85		85	632
Total income		<u>48,622</u>	<u>26,100</u>	<u>74,722</u>	<u>42,053</u>
<u>Expenditure on</u>					
Generating funds	4	6,234		6,234	9,022
Charitable objectives	4	50,296	23,058	73,355	37,843
Total Expenditure		<u>56,530</u>	<u>23,058</u>	<u>79,588</u>	<u>46,865</u>
Net income/expenditure		(7,908)	3,042	(4,866)	(4,812)
Gross transfer between funds		-	-	-	-
Net movement in funds		(7,908)	3,042	(4,866)	(4,812)
Total funds brought forward		69,575	667,218	736,793	741,605
Total funds carried forward		<u>61,667</u>	<u>670,260</u>	<u>731,927</u>	<u>736,793</u>

Waterworks Museum - Hereford

**Balance Sheet
As at 31 December 2020**

				2020	2019
	<u>Note</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total</u>	<u>Total</u>
<u>Fixed Assets</u> (tangible fixed assets only)	7	<u>9,467</u>	<u>653,504</u>	<u>662,971</u>	<u>676,865</u>
<u>Current Assets</u>					
Stock	8	2,618	-	2,618	1,775
Debtors and prepayments	9	77	-	77	770
Cash at bank and in hand		<u>80,024</u>	<u>17,186</u>	<u>97,210</u>	<u>59,295</u>
Total current assets		<u>82,719</u>	<u>17,186</u>	<u>99,905</u>	<u>61,840</u>
<u>Current Liabilities</u>					
Creditors falling due within one year	10	41	430	471	1,492
Net Current Assets		<u>82,678</u>	<u>16,756</u>	<u>99,434</u>	<u>60,348</u>
Provisions for liabilities		30,478	-	30,478	420
Net Assets		<u>61,667</u>	<u>670,260</u>	<u>731,297</u>	<u>736,793</u>
<u>Income Funds</u>	11/12				
Unrestricted Funds		61,667	-	61,667	69,575
Restricted Funds		-	<u>670,260</u>	<u>670,260</u>	<u>667,218</u>
		<u>61,667</u>	<u>670,260</u>	<u>731,927</u>	<u>736,793</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Signed on behalf of the Trustees by:



Richard Curtis - Chairman

15 June 2021

Waterworks Museum - Hereford

Notes to the Unaudited Accounts for the financial year ended 31 December 2020

1 Accounting Policies

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income Resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- i. The donor specifies that the grant or donation must only be used in future accounting periods; or
- ii. The donor has imposed conditions that must be met before the charity has unconditional use.

Income from trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when admission fees or performance related grants are receivable in advance of the performances or events to which they relate.

Volunteers and Donated Services and Facilities

The Volunteers involved with the charity are members of the company limited by guarantee. They support the Museum so that it can open to members of the public on up to 70 days each year. They include the Trustees, Directors and Officers, who carry additional responsibilities, and volunteer engineers who work additional days maintaining and preserving the collection. The Museum has no paid staff. Further details of the contribution made by Volunteers can be found in the Trustees' annual report.

Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- i. Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- ii. Charitable activities include expenditure associated with the restoration and maintenance of donated assets and leased premises and include both the direct costs and support costs relating to these activities.
- iii. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- iv. Support costs include central functions and have been apportioned to the activities to which they relate on a total activity cost basis.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases

The charity operates the Museum on land and buildings owned by Dŵr Cymru Welsh Water under a long-term rent-free lease, which expires in 2074. The land on which the Heritage Water Park sits is owned by Herefordshire Council, which is leased to the Museum for a peppercorn rent until 2047.

Tangible Fixed Assets and Depreciation

Tangible Fixed Assets represent the Museum's buildings, which are being depreciated on a straight-line basis over the remaining term of the lease, and the boiler over a 25 year term (2010-2035). The Heritage Water Park is not a building and is not subject to depreciation.

Stock

Stock is included at the lower of cost and net realisable value. Stock includes parts, fuel and items for sale to Museum visitors.

Inalienable or Historic Assets

The charity holds a leasehold interest in property, which includes Hereford's Victorian Grade II* Listed Lower Pumping Station, that occupies part of an operational utility site owned by Dŵr Cymru Welsh Water. The 99-year lease of this property, which expires on 31st March 2074, is classed as an Inalienable Asset and is not included in the charity's Balance Sheet.

Funds Structure

The charity has a restricted income fund to account for situations where donors require that donations are spent on a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted income funds.

2 Legal Status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £1.

3 Income

	2020 Unrestricted	2020 Restricted	2020 Total	2019 Total
From fees, donations and grants				
Membership fees	1,997	-	1,997	2,552
Donations	1,552	-	1,552	1807
Gifted Regular Income	-	-	-	-
Gift aid refund	77	-	77	715
Grant - Southall Trust	10,000	-	10,000	10,000
Grant - Dŵr Cymru Welsh Water	9,482	-	9,482	9,239
Other grants/awards	<u>25,000</u>	<u>26,100</u>	<u>51,100</u>	<u>50</u>
	<u>48,108</u>	<u>26,100</u>	<u>74,208</u>	<u>24,364</u>

Other grants/awards are exceptional items - National Lottery Heritage Emergency Fund and Small Business Grant

From activities for generating funds

Admission fees	247	-	247	11,021
Refreshments	174	-	174	5,078
Retail sales	7	-	7	741
Museum products	-	-	-	93
Premises hire	=	=	=	=
	<u>428</u>	=	<u>428</u>	<u>16,933</u>

Investment income

Bank interest	<u>85</u>	=	<u>85</u>	<u>632</u>
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Other income

Asset disposals	=	=	=	<u>124</u>
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4	<u>Expenditure (analysis of resources expended)</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
	For generating funds	Unrestricted	Restricted	Total	Total
	Refreshments	80	-	80	1,314
	Sale material	4	-	4	123
	Special events	-	-	-	1,374
	Consumables	2,576	-	2,576	417
	Advertising/publicity	3,444	-	3,444	5,315
	WaterWords	130	=	130	480
		<u>6,234</u>	=	<u>6,234</u>	<u>9,022</u>
	For charitable purposes				
	Fuel	489	-	489	4,425
	Machine maintenance	4,901	240	5,141	6,430
	Premises maintenance	37,174	9,104	46,278	3,279
	Display/signage/artefacts	623	-	623	854
	Insurance	1,168	-	1,168	2,706
	Publications (museum/education)	52	-	52	111
	Depreciation	180	13,714	13,894	13,894
	Museum activities	289	-	289	1,667
	Office/computer/telecom/postage	2,339	-	2,339	2,002
	Honorarium	150	-	150	600
	Project professional fees	1,130	-	1,130	907
	Rent	59	-	59	59
	Subscriptions to external bodies	1,080	-	1,080	161
	Audit professional fees	420	-	420	420
	Bank charges	242	=	242	328
		<u>50,296</u>	<u>23,058</u>	<u>73,354</u>	<u>37,843</u>

As a result of the Museum's closure, most expenditure reduced. The notable exception is Premises Maintenance which includes Covid related professional cleaning, a new car park fence and initial work on the visitor centre reconfiguration.

5 **Paid employees** The charity does not have any paid employees.

6 **Trustees and Other Related Parties**

A small honorarium of £150 was made to the charity administrator (who is not a trustee). Expenses incurred by the Trustees are reimbursed at cost. The Trustees had no material interest in any transaction undertaken by the charity during the year.

7 **Tangible fixed assets**

	<u>Boiler</u>	<u>Museum buildings</u>	<u>Total</u>
Cost			
At 31 December 2019	42,507	806,972	849,479
Additions	<u>0</u>	<u>0</u>	<u>0</u>
At 31 December 2020	<u>42,507</u>	<u>806,972</u>	<u>849,479</u>
Depreciation			
At 31 December 2019	16,556	156,057	172,613
Charge for year	<u>1,729</u>	<u>12,165</u>	<u>13,894</u>
At 31 December 2020	<u>18,285</u>	<u>168,222</u>	<u>186,507</u>
Net book value			
At 31 December 2019	25,950	650,915	676,865
At 31 December 2020	<u>24,221</u>	<u>638,750</u>	<u>662,971</u>

	<u>2020</u>	<u>2019</u>
8 <u>Stock</u>		
Fuel and oil	1003	500
Materials and spare parts	950	950
Goods for resale	<u>665</u>	<u>325</u>
	<u>2,618</u>	<u>1,775</u>
9 <u>Debtors and prepayments</u>		
Trade debtors	<u>77</u>	<u>770</u>
	<u>77</u>	<u>770</u>
10 <u>Creditors (amounts falling due within one year)</u>		
Trade creditors	471	-
Membership Fees in Advance	-	1,558
Accruals	<u>30,478</u>	<u>420</u>
	<u>30,949</u>	<u>1,978</u>

Accruals include 2021 expenditure incurred or priced for works essential for the re-opening of the Waterworks Museum in a Covid secure manner.

11 Restricted funds

The Restricted Income Fund represents capital grants provided by various funding bodies for the purposes of providing Tangible Fixed Assets in the form of the new museum buildings, the Rotherwas Engine House and boiler shown in Note 7 to the accounts. The Restricted Income Funds will be released to the Statement of Financial Activities on the same basis as the Depreciation Policy.

An additional restricted fund was created for the National Lottery Heritage Emergency Fund grant to ensure its use for the purpose of reconfiguring the museum in a Covid secure manner and a review of the museum's business model.

12 Movement in funds

	<u>Unrestricted income fund</u>	<u>Restricted income fund</u>
Income	48,622	26,100
Expenditure	<u>56,530</u>	<u>23,058</u>
	<u>(7,908)</u>	<u>3,042</u>
Gross transfer between funds	-	-
Net movement	(7,908)	3,042
At 31 December 2019	<u>69,575</u>	<u>667,218</u>
 At 31 December 2020	 <u>61,667</u>	 <u>670,260</u>

13 Post Balance Event

The Waterworks Museum was mothballed (i.e. closed to Volunteers and Visitors) on 13 March 2020, two days after the World Health Organisation declared Covid-19 a global pandemic and ten days before the UK Government declared a 'national lockdown'. The Museum remains closed to visitors at the date of this report. Work is underway to prepare the Waterworks Museum to accept a return of visitors but, as yet, no date has been agreed for this. Work is also in hand to assess the strategic implications of Covid-19 on the Museum's Forward Plan for 2022-2026, which is being prepared for Trustee approval later this year. For the Waterworks Museum, Covid 19 is a non-adjusting post balance sheet event in this Trustees Report for the year ended 31 December 2020.

Waterworks Museum - Hereford

Income and Expenditure Account for the financial year ended 31 December 2020
(This page does not form part of the statutory accounts)

	Operations	Projects	Total	Total	Variance
	2020 £	2020 £	2020 £	2019 £	£
INCOME					
Memberships, Grants and Donations					
Membership fees	1,997		1,997	2,552	-555
Welsh Water	9,482		9,482	9,239	243
Southall Trust	3,500	6,500	10,000	10,000	0
Other outside bodies		51,100	51,100	50	51,050
Private donations	1,552		1,552	1,807	-255
Gift Aid refund	77		77	715	-638
Activities income					
Admission fees	247		247	11,021	-10,774
Refreshments	174		174	5,078	-4,904
Retails sales, publications and DVDs	7		7	835	-828
Income from hire of premises					0
Gain from asset disposals				124	-124
Interest Received					
Bank interest	85		85	632	-547
TOTAL INCOME	17,121	57,600	74,721	42,053	32,668
EXPENDITURE					
Visitor Services					
Advertising and publicity	3,574		3,574	5,795	-2,221
Sales materials	4		4	123	-119
Refreshments	80		80	1,314	-1,234
Special events and museum activities	289		289	3,041	-2,752
Educational projects, museum publications	52		52	111	-59
Utensils, consumables	2,576		2,576	417	2,159
Installations and Maintenance					
Exhibits, install, repair & maintain artefacts	2,015	1,685	3,700	6,081	-2,381
Exhibits, external contractor services	1,389	120	1,509	350	1,159
Premises, repairs & maintenance	2,661	38,933	41,594	2,266	39,329
Premises, external contractor services	1,143	3,540	4,683	1,012	3,671
Fuel, lubricating oil and gas	489		489	4,425	-3,936
Displays/signage additions and improvements	1,686		1,686	1,761	-75
Depreciation		13,894	13,894	13,894	0
Administration Overheads					
Postage and telephone/broadband	775		775	1,387	-612
Computer and office supplies	1,564		1,564	585	979
Rent	59		59	59	0
Insurances	1,168		1,168	2,706	-1,538
Honorarium	150		150	600	-450
Subscriptions to other organisations/journals	1,080		1,080	161	919
Travel and incidental costs				30	-30
Accountancy and consultancy fees	420		420	420	0
Bank charges	242		242	328	-86
TOTAL EXPENDITURE	21,416	58,172	79,588	46,865	32,723
EXCESS OF INCOME OVER EXPENDITURE	-4,295	-572	-4,867	-4,812	-55