

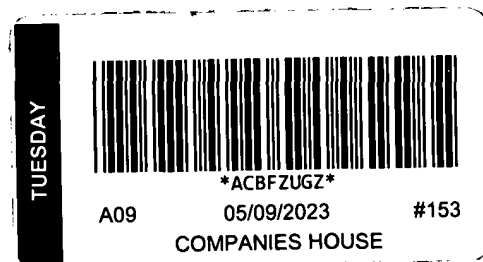
Company Number No: 01820495

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:

A handwritten signature in black ink, appearing to read 'Jill Phillips', is written over the printed name and title.

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