

**TRUSTEES ANNUAL REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



**Charity Registration No. 310288**



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## TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### STRUCTURE AND GOVERNANCE

The Trustees submit their annual report and accounts for the year ended 31 December 2020. The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and UK Generally Accepted Practice as it applies from 1 January 2015.

#### Reference and administration information

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

The directors and senior management of The Company are detailed on pages 9 and 10, together with the names of directors of The Company who acted during the course of the year but are no longer directors at the date of this report. Relevant registration information is shown below:

○ The Holburne Museum	Registered Charity Number:	<b>310288</b>
○ Holburne Trading Company Ltd	Company Number:	<b>6954139</b>
○ The Holburne Museum Trust Company	Company Number:	<b>4104120</b>
○ Museums and Galleries Commission	Registered Museum Number:	<b>930</b>

The address of The Museum, and its registered office, is Great Pulteney Street, Bath BA2 4DB. The names and addresses of The Museum's professional advisers and bankers are shown on page 11.

#### Structure, governance and management

##### ▪ Organisational structure

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

##### ▪ Governance

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

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

##### ▪ Management

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

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

## TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### STRUCTURE AND GOVERNANCE (continued)

The primary functions of the Trustees are to:

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

Full list of committees of the Board during 2020:

- Finance, Audit & Investment Committee. Chair - Antony Constantinidi, succeeded by Angela Gillibrand
- Development Committee. Chair - Edward Bayntun-Coward
- Nominations Committee. Chair - Mark Humphriss
- Learning & Engagement Advisory Committee. Chair - Patricia Lankaster

There is also a Holburne Universities Partnership Group made up of representatives of the University of Bath, Bath Spa University, University of Bristol and The University of the West of England. This group meets twice a year.

The Trustees maintain a Risk Register which identifies the major risks to which the Museum, Trustees, staff and volunteers are exposed. This Register is maintained by the Treasurer and reviewed by the Trustees, most recently by the Finance, Audit and Investment Committee in June 2021, thus bringing risks to the attention of the Trustees and enabling them to establish strategies for dealing with them. The key risks identified are:

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

During the year, as a result of staff changes and in response to the pandemic, the Senior Management Team (Director, Head of Finance and Head of Development), was replaced by a Management Team which also includes the Learning & Engagement Lead, Curator, Facilities Manager, Head of Visitor Services, Head of Communications, and Facilities Manager, with the Museum Administrator. The aims of the Management Team meetings are:

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

### OBJECTIVES AND ACTIVITIES

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

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

## TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### OBJECTIVES AND ACTIVITIES (continued)

#### Vision

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

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

#### Statement of Purpose:

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

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

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

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

#### Achievement and performance

Following the success of 2019, when the Museum returned a surplus as a result of changes made to our business model in late 2018, the strong performance of our investments, and a generous donation from an individual donor, 2020 was expected to be a bumper year for the Museum with those advances consolidated by a strong programme led by the major exhibition 'Grayson Perry: The Pre-Therapy Years'. In the event, with the unprecedented impact of the Covid-19 pandemic, the year was remarkable for quite different reasons.

Following three years of planning and two years of planned publicity, 'Grayson Perry: The Pre-Therapy Years' opened on 23 January 2020 accompanied by huge media coverage, including a report on BBC1's Ten O'clock News. It was an immediate popular success, with visitor income doubling past records and unprecedented shop sales figures, both on-site and online. After eight weeks, however, with the Covid-19 pandemic taking hold, we elected to close the Museum on 18 March. That decision, in line with other museums locally and nationally, was followed by a national lockdown imposed from Monday 23 March.

We convened a sub-group of the Board and, with the announcement of the government's Coronavirus Job Retention Scheme on 20 March, we furloughed all but a handful of essential staff: the Director and Heads of Finance and Development continued working in order to manage the finances and to launch an emergency fundraising campaign; the Learning Officer ran the Pathways to Wellbeing project remotely as her role was separately funded, while the newly-arrived Curator continued because she was too new in post to furlough. All non-essential expenditure was suspended immediately. We launched a public Crowdfunding campaign which exceeded its £50,000 target while pursuing a private fundraising campaign with known supporters which yielded a little more than that.

## TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### OBJECTIVES AND ACTIVITIES (continued)

#### **Achievement and performance (continued)**

We pursued a strategy of believing visibility was important, we participated in various press stories looking at the museum sector during the pandemic and in discussions with Arts Council England (ACE) and DCMS. While a BBC Online News report that the Holburne might never reopen alarmed some, it significantly boosted our fundraising efforts. As time went on, we successfully applied to an early ACE Covid Emergency fund before receiving a significant grant from National Lottery Heritage Fund (NLHF) that covered some of the unavoidable costs of maintaining our collection and our historic building and, later, another from the government's Cultural Recovery Fund, through ACE, to cover the period October 2020 – March 2021. We also negotiated the reconfiguration of our programme, postponing some exhibitions and agreeing the extension of the Perry show to January 2021. The continued sale of Grayson Perry merchandise through the online shop proved an important source of income during lockdown.

We elected to reopen as soon as the lockdown ended on 18 July. While audiences were slow to return, by the end of July attendance figures were about average against previous years, though a fraction of those seen in February and early March 2020. Café custom was significantly greater than during the same period the previous year, but the café operator chose to lay on a much-reduced offer, so income was significantly down. Our Covid-safe one-way system and other measures were acknowledged to be exemplary by many visitors and were important in building trust. The Perry show continued through the rest of the year, interrupted by a second lockdown from 5 November to 5 December and then closed early when Bath entered Covid Tier 3 on 30 December. Visitor figures had been negligible during early December but were clearly recovering post-Christmas.

During the first lockdown, our Pathways to Wellbeing groups could not meet and activity moved online with weekly Creativity4Wellbeing workshops which eventually attracted several hundred participants. At the same time, our Curator developed a pattern of regular posts about the collection, building an expanded digital audience. These online activities continued and grew through the year. With funding from ArtFund, we developed digital and physical resources for schools in lieu of actual visits to the Museum and, with the support of National Lottery Community Fund (NLCF), we sent creative packs to young people identified in consultation with local schools. Similarly, with our partners in the Bath Cultural Education Partnership (the Egg Theatre, Bath Festivals and House of Imagination) we participated in a project to send creative packs out to targeted young people.

At the same time, events of summer 2020 brought to the fore considerations of the role of museums in urgent debates around racism in society. We consequently accelerated on-going work on the Museum's response to our historic organisational links to empire and slavery: we put out a short statement, undertook research into the Holburne family's links to Caribbean plantations, and our Artisa Foundation-funded Curatorial Fellow prepared a new display around a plantation day book in our collection to be unveiled in 2021.

While 2020 was probably the most challenging year in the Holburne's history, with staff and trustees contemplating at one point the Museum's potential demise, we entered the lockdown at the end of the year considerably stronger than we had the first in March. This was thanks to government support, via CJRS, ACE and NLHF, the support of our benefactors – a few major donors and hundreds of minor ones - and our careful management of the situation.

### FINANCIAL REVIEW

#### **Review of the year**

Total income for the year amounted to £1,998,665, an increase of 43% or £603,396 over the previous year. However, this includes £262,500 of Endowment Fund donations received in the year, Covid-19 support grants of £210,400 from the National Lottery Heritage Fund and £163,204 from Arts Council England, and Coronavirus Job Retention Scheme (furlough) funding of £114,500. Excluding these one-off sources of funding, recurring income amounts to £1,248,061,

## TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### FINANCIAL REVIEW

#### **Review of the year (continued)**

After charging costs of running the Museum, which amounted to £1,486,458 including depreciation of £234,855, there was a net surplus of income amounting to £512,207 compared to a net deficit of £386,761 in 2019.

Investment gains amounted to £299,320 (2019 £321,706 gain), whilst there was a further deficit arising of £357,000 in respect of the actuarial revaluation of the defined benefit pension scheme (2019 £161,000 deficit). The Trustees have decided that in view of the improved financial situation, the total Avon Pension Fund deficit should be equally charged against Unrestricted Funds and the Special Acquisitions Fund, rather than all to this latter fund as has been the case in previous years, so as a result of this decision there is an overall reduction of £592,000 in Unrestricted Funds. The opportunity has also been taken to repay to the Endowment Fund the amount borrowed from it in 2018 plus interest for two years at 2%, resulting in a transfer of £387,935 to the Endowment Fund.

After including all gains and losses, there was a net increase in funds amounting to £454,527 (2019 £226,055 reduction). Endowment Funds increased by £658,244 as a result of the Endowment donations received in the year and loan repayment, while Restricted Funds increased by £53,928, the depreciation charged against the Development Fund being more offset by the transfer of half the pension fund deficit to Unrestricted Funds and movements in Specific Purposes Funds. This produced an overall deficit of £257,645 in Unrestricted Funds.

The Museum's net assets at 31 December 2020 amounted to £12,075,455, of which Endowment Funds stood at £2,346,060, Restricted Funds at £8,994,128, while Unrestricted Funds decreased to a total of £735,267.

#### **Details of Funds**

The Trustees long term objective is to maintain the following five funds, which are separately recorded and accounted for in the Trust's records:

- **The Endowment Fund** comprises the DCMS/ National Lottery Heritage Fund Catalyst: Endowments Fund award, together with matched donations. The NLHF agreed in 2018 to a loan of £372,000 being made from the Catalyst Fund to unrestricted funds, to be repaid over four years with interest; this was repaid in full this year.
- **The Development Fund** is a restricted fund comprising the funds donated and grants raised to finance the Museum's major redevelopment scheme (including the Gardener's Lodge development). The annual depreciation charges on freehold and leasehold property, and on fixtures and fittings financed from the Development Fund, are charged against the fund.
- **The Special Acquisition Fund** holds the proceeds of sale of an item from the collection in 2011. With the approval of the Charity Commission, the deficit in respect of the Avon Pension Fund can be offset against this Fund until unrestricted funds have been rebuilt – this year half the deficit has now been charged against unrestricted funds.
- **The Specific Purposes Fund** is an amalgam of the many donations to the charity over the years made with a specific purpose or intent expressed at the time of gift.
- **The Unrestricted Fund** provides finance for the core operating costs relating to the on-going activities of the Museum. Total return income and gains from the Catalyst Endowment Fund and the Special Acquisition Fund are held within this fund.

#### **Investment policy and performance**

The assets of the Endowment Fund and Special Acquisitions Fund have been invested through a third party professional investment manager, Heartwood Investment Management, with a medium to low risk/capital preservation Total Asset Return mandate in accordance with the powers given to the Trustee under the Trustee Investment Act 1961. The invested funds totalled £3,092,550 (2019 £2,832,240), recording a gain of £299,320 during the year (2019 £321,706 gain), before investment management costs which amounted to £39,010. The performance of the investments is reported quarterly to the Trustees.

## TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### FINANCIAL REVIEW (continued)

#### **Unrestricted Funds operational approach**

The Trustees are concerned to maintain a level of reserves which will provide sufficient working capital and enable the Museum to cope with unexpected shortfalls in income or increases in operating costs. A three-year Implementation Plan had been prepared, the objective of which is to preserve the Endowment Funds and ultimately to increase them to a level at which the total return income generated will cover the annual deficit of the Museum, but this is being reassessed in light of the changes arising as a result of the Covid19 pandemic and its impact on the Museum.

It is the long term aim of the charity to establish unrestricted reserves, which are the free reserves of the Charity, at a level that is sufficient to cover the running costs of the Charity for at least six months, being in the region of £700,000. The actions set out above are currently being implemented with the aim to restore this headroom.

#### **Avon Pension Fund**

The Museum's participation in the Avon Pension Fund defined benefit scheme for its employees resulted in a further net actuarial deficit of £357,000 during the year (2019 net deficit £161,000).

The present value of funded obligations is £2.35m (2019 £1.94m), whilst the fair value of scheme assets is £1.17m (2019 £1.11m) giving rise to a net pension liability of £1.18m (2019 £827,000) which is recognised in full in the accounts. The scheme assets amount to 50% (2019 57%) of the projected liability that is expected to crystallise over a period of 20 years, and the resulting deficit may have to be funded from the charity's reserves in the future. The liability is reassessed by the Scheme's actuary on a triennial basis.

Since the year-end the Trustees have appointed an independent firm of specialist actuaries to review the overall position and advise on what steps the Museum might take to mitigate these liabilities, and discussions are continuing.

The Charity Commission had agreed that this deficit could be covered by the balance held in the Restricted Special Acquisitions Fund; in view of the improvement in the Museum's finances the decision has been taken to only charge half of the potential liability here, the other half being charged against Unrestricted funds.

#### **Plans for future periods**

Having weathered an extraordinary year, we recognise the unpredictability of the coming period. This reinforces the need for strong, popular programming to drive footfall, and for maximising all our income-generating potential. As a consequence, at the end of the year it was agreed that we would create a new post of Head of Business & Development to enhance our commercial activity while still driving the vital fundraising programme. We confirmed our long-term ambition to reduce our dependency on revenue fundraising through growing our endowment fund and seeking core funding. Having been delayed by the pandemic, in 2021 we will relaunch a campaign to raise £1,000,000 for the Endowment to be match-funded by an anonymous charitable trust. At the same time, we will prepare to bid for ACE NPO funding in 2022.

At the same time, we remain committed to the Vision agreed by staff and trustees in 2019 that set the triangular relationship of art, creativity and wellbeing at the heart of our organisation. We intend to deepen the Holburne's commitment to supporting individual wellbeing through art and to playing a significant role in the wellbeing of our communities. We will also continue pursue our long-term ambitions to open up more of our historic building to public use, to reconceive the presentation of the building and the collection, and to redesign the grounds as a destination garden in line with our commitment to sustainability.

## TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### Responsibility for the accounts and financial statements

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

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

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

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


### Auditors


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

### Thanks

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

This report was approved by the Trustees at their meeting on 2 July 2021 and are signed on their behalf by:

  
\_\_\_\_\_  
Edward Bayntun-Coward – Chairman

  
\_\_\_\_\_  
Angela Gillibrand - Treasurer

**OFFICERS AND MANAGEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**The Board of Directors of The Holburne Museum Trust Company ('The Trustees')**

<b>Edward Bayntun-Coward CHAIRMAN</b>	1, 2, 4	Owner of George Bayntun, antiquarian bookbinders and booksellers. Deputy Lieutenant of Somerset.
<b>Francesca Beauman VICE CHAIR</b>	2, 4	Writer, historian and television presenter. World's leading expert on the history of the pineapple.
<b>Angela Gillibrand (appointed 20 November 2020) TREASURER &amp; COMPANY SECRETARY</b>	1	Vice Chair of the Holborn Estate Charity, non-executive director of the Rethink Trust Corporation.
<b>John Barneby</b>	1	Former Chairman of Czarnikow Group Ltd.
<b>Dr Martin Clarke</b>	1	Senior private equity and corporate finance practitioner. Trustee of Iford Arts, the York Minster Fund, the Dr Martin Clarke Young Organist Scholar's Trust. Member of the Advisory Board of St Mary's University Business School. Member of the Campaign Committee of the Museum of London.
<b>Jamie Eastman</b>		Nominated Trustee, University of Bath.
<b>Jeremy Garfield-Davies</b>	2	Advisor to historic houses, private collections and museums in Asia, Britain and USA.
<b>Magdalen Fisher (appointed 20 November 2020)</b>	2	Independent arts consultant supporting the Imperial Health Charity on its arts committee, and arts adviser to the Alzheimer's Society.
<b>Sarah Flannigan</b>		Consultant Chief Information Officer and non-executive Director Chair of Sawday's. Trustee of National Lottery Heritage Fund & Kew Gardens.
<b>Sandra Forbes</b>	4	Senior banking and corporate lawyer.
<b>Sukie Hemming (appointed 20 November 2020)</b>	2	Former roles at British Museum and National Trust. Currently Trustee of Chelsea Physic Garden.
<b>Caro Howell (appointed 20 November 2020)</b>	3	Director of Foundling Museum, London. Co-chair of Women Leaders in Museums Network.
<b>Mark Humphriss</b>	4	University Secretary, University of Bath (until June 2020); then Diocesan Secretary (CEO) Diocese of Oxford; Vice-Chair. Designability.
<b>Oluwatosin Onile-Ere-Rotimi</b>	3	Contemporary African art specialist.
<b>Dr Andrew Salmon</b>	3	Nominated Trustee, Bath Spa University.
<b>Desmond Shawe-Taylor LVO</b>		Surveyor of The Queen's Pictures. Former Director of Dulwich Picture Gallery.
<b>Dr Chris Stephens</b>	1, 2, 3	Director of The Holburne Museum
<b>Committee Membership</b>		
1 - Finance, Audit & Investment Committee      2 - Fundraising Committee		
3 - Learning & Engagement Advisory Committee      4 - Nominations Committee		

**OFFICERS AND MANAGEMENT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Trustees who served during the year, but who are no longer in post at the date of this report:**

<b>James Eastman</b>	Retired 27 April 2021
<b>Brian Allen</b>	Retired 20 November 2020
<b>Antony Constantinidi FCA</b>	Retired 20 November 2020
<b>Michael King</b>	Retired 20 November 2020
<b>Patricia Lankester</b>	Retired 20 November 2020
<b>Tim Sanderson</b>	Retired 20 November 2020
<b>Liam Wiseman</b>	Retired 10 June 2020

**Professional advisors:**

<b>Solicitors</b>	Thring's LLP, 2 Queen Square, Bath BA1 2HQ Withy King, Midland Bridge House, Midland Bridge Road, Bath BA2 3FP
<b>Auditors</b>	Moore, Chartered Accountants & Statutory Auditors, 30 Gay Street, Bath BA1 2PA
<b>Investment Managers and Advisors</b>	Heartwood Investment Management No1 Kingsway London WC2B 6AN
<b>Insurance Brokers</b>	Jelf Insurance Brokers Ltd 1 Crescent Office Park, Clarks Way, Bath BA2 2AF Blackwall Green, The Wallbrook Building, 25 Wallbrook, London EC4N 8AW
<b>Bankers</b>	CafBank Ltd, PO Box 289, West Malling, Kent ME19 4TA

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE HOLBURNE MUSEUM FOR THE YEAR ENDED 31 DECEMBER 2020

### Opinion

We have audited the financial statements of The Holburne Museum (the 'charity') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, Charity and Consolidated Balance Sheets, Consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities Statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are UK financial reporting standards as issued by the Financial Reporting Council, and the Charities Act 2011
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Moore

Statutory Auditor  
30 Gay Street  
Bath  
Somerset  
BA1 2PA

18/8/2021

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment fund £	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME</b>						
Grants and Donations	1	886,798	107,398	262,500	1,256,696	649,073
Income from charitable activities	2	339,788	194,290	-	534,078	447,788
Other trading activities	3	207,539	-	-	207,539	300,295
Income from investments	4	352	-	-	352	3,113
Other income	5	-	-	-	-	(5,000)
<b>Total Income</b>		<b>1,434,477</b>	<b>301,688</b>	<b>262,500</b>	<b>1,998,665</b>	<b>1,395,269</b>
<b>EXPENDITURE</b>						
Expenditure on raising funds	6	(85,839)	-	-	(85,839)	(100,493)
Investment management costs	7	-	-	(39,010)	(39,010)	(38,708)
Expenditure on charitable activities	8/9	(878,849)	(482,760)	-	(1,361,609)	(1,642,829)
<b>Total Expenditure</b>		<b>(964,688)</b>	<b>(482,760)</b>	<b>(39,010)</b>	<b>(1,486,458)</b>	<b>(1,782,030)</b>
<b>NET INCOME/ (EXPENDITURE)</b>	11	<b>469,789</b>	<b>(181,072)</b>	<b>223,490</b>	<b>512,207</b>	<b>(386,761)</b>
<b>TRANSFERS BETWEEN FUNDS</b>						
Total Asset Return transfer	19	252,501	-	(252,501)	-	-
Loan from Endowment now repaid	19	(387,935)	-	387,935	-	-
Avon Pension Fund deficit	20	(235,000)	235,000	-	-	-
<b>NET INCOME/(EXPENDITURE) AFTER TRANSFERS</b>		<b>99,355</b>	<b>53,928</b>	<b>358,924</b>	<b>512,207</b>	<b>(386,761)</b>
Gain on investments	15a	-	-	299,320	299,320	321,706
Actuarial loss on defined benefit pension scheme	23	(357,000)	-	-	(357,000)	(161,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(257,645)</b>	<b>53,928</b>	<b>658,244</b>	<b>454,527</b>	<b>(226,055)</b>
<b>FUND BALANCES BROUGHT FORWARD</b>		<b>992,912</b>	<b>8,940,200</b>	<b>1,687,816</b>	<b>11,620,928</b>	<b>11,846,983</b>
<b>FUND BALANCES CARRIED FORWARD</b>		<b>735,267</b>	<b>8,994,128</b>	<b>2,346,060</b>	<b>12,075,455</b>	<b>11,620,928</b>

The above results relate wholly to continuing activities; there were no other recognised gains or losses in the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

**CONSOLIDATED BALANCE SHEET  
AT 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2020 £	Total Funds 2019 £
<b>FIXED ASSETS</b>						
Tangible fixed assets:						
Freehold Property: The Museum	13	550,000	7,260,889	-	7,810,889	7,987,121
Other assets	13	140,487	501,859	-	642,346	684,970
		690,487	7,762,748	-	8,453,235	8,672,091
Heritage assets	14	-	761,000	-	761,000	761,000
Investments	15	88,990	920,000	2,083,560	3,092,550	2,832,240
<b>TOTAL FIXED ASSETS</b>		<b>779,477</b>	<b>9,443,748</b>	<b>2,083,560</b>	<b>12,306,785</b>	<b>12,265,331</b>
<b>CURRENT ASSETS</b>						
Museum shop stock	16	28,225	-	-	28,225	21,239
Debtors	17	122,210	-	-	122,210	204,340
Bank balances and similar		577,006	142,380	262,500	981,886	259,576
		727,441	142,380	262,500	1,132,321	485,155
<b>CREDITORS: Amounts falling due within one year</b>	18	(179,651)	-	-	(179,651)	(302,558)
<b>NET CURRENT ASSETS</b>		<b>547,790</b>	<b>142,380</b>	<b>262,500</b>	<b>952,670</b>	<b>182,597</b>
<b>NET ASSETS BEFORE PENSION DEFICIT</b>		<b>1,327,267</b>	<b>9,586,128</b>	<b>2,346,060</b>	<b>13,259,455</b>	<b>12,447,928</b>
Pension scheme deficit	23	(592,000)	(592,000)	-	(1,184,000)	(827,000)
<b>NET ASSETS</b>		<b>735,267</b>	<b>8,994,128</b>	<b>2,346,060</b>	<b>12,075,455</b>	<b>11,620,928</b>
<b>ENDOWMENT FUND</b>	19	-	-	2,346,060	2,346,060	1,687,816
<b>RESTRICTED FUNDS</b>	20					
Development Fund		-	7,762,748	-	7,762,748	7,990,186
Heritage Assets		-	761,000	-	761,000	761,000
Special Acquisitions Fund		-	920,000	-	920,000	920,000
Less: Avon Pension Fund deficit offset		-	(592,000)	-	(592,000)	(827,000)
Specific Purposes Funds: Revenue		-	142,380	-	142,380	96,014
		-	8,994,128	-	8,994,128	8,940,200
<b>UNRESTRICTED FUNDS</b>						
General fund	21	735,267	-	-	735,267	992,912
		735,267	8,994,128	2,346,060	12,075,455	11,620,928

These financial statements were approved by the Trustees at their meeting on 2 July 2021 and are signed on their behalf by

  
Edward Bayntun-Coward – Chairman

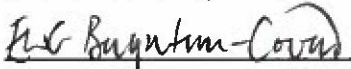
  
Angela Gillibrand - Treasurer

The accompanying accounting policies and notes form an integral part of these financial statements.

**COMPANY BALANCE SHEET  
AT 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2020 £	Total Funds 2019 £
<b>FIXED ASSETS</b>						
Tangible fixed assets:						
Freehold Property: The Museum	13	550,000	7,260,889	-	7,810,889	7,987,121
Other assets	13	140,487	501,859	-	642,346	684,970
		690,487	7,762,748	-	8,453,235	8,672,091
Heritage assets	14	-	761,000	-	761,000	761,000
Investments	15	88,990	920,000	2,083,560	3,092,550	2,832,240
Investment in subsidiary		100	-	-	100	100
<b>TOTAL FIXED ASSETS</b>		<b>779,577</b>	<b>9,443,748</b>	<b>2,083,560</b>	<b>12,306,885</b>	<b>12,265,431</b>
<b>CURRENT ASSETS</b>						
Debtors	17	251,241	-	-	251,241	245,931
Bank balances and similar		458,427	142,380	262,500	863,307	191,456
		709,668	142,380	262,500	1,114,548	437,387
<b>CREDITORS: Amounts falling due within one year</b>	18	(162,089)	-	-	(162,089)	(271,132)
<b>NET CURRENT ASSETS</b>		<b>547,579</b>	<b>142,380</b>	<b>262,500</b>	<b>952,459</b>	<b>166,255</b>
<b>NET ASSETS BEFORE PENSION DEFICIT</b>		<b>1,327,156</b>	<b>9,586,128</b>	<b>2,346,060</b>	<b>13,259,344</b>	<b>12,431,686</b>
Pension scheme deficit		(592,000)	(592,000)	-	(1,184,000)	(827,000)
<b>NET ASSETS</b>		<b>735,156</b>	<b>8,994,128</b>	<b>2,346,060</b>	<b>12,075,344</b>	<b>11,604,686</b>
<b>ENDOWMENT FUND</b>	19	-	-	2,346,060	2,346,060	1,687,816
<b>RESTRICTED FUNDS</b>						
Development Fund	20	-	7,762,748	-	7,762,748	7,990,186
Heritage Assets		-	761,000	-	761,000	761,000
Special Acquisitions Fund		-	920,000	-	920,000	920,000
Less: Avon Pension Fund deficit offset		-	(592,000)	-	(592,000)	(827,000)
Specific Purposes Funds: Revenue		-	142,380	-	142,380	96,014
		-	8,994,128	-	8,994,128	8,940,200
<b>UNRESTRICTED FUNDS</b>						
General fund	21	735,156	-	-	735,156	976,670
		735,156	8,994,128	2,346,060	12,075,344	11,604,686

These financial statements were approved by the Trustees at their meeting on 2 July 2021 and are signed on their behalf by

  
Edward Bayntun-Coward – Chairman

  
Angela Gillibrand - Treasurer

The accompanying accounting policies and notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net movement in funds for the reporting period	454,527	(226,055)
<i>Adjustments for:</i>		
Movement in pension reserve deficit	357,000	208,000
Depreciation of tangible fixed assets	234,855	236,513
Net gains on investments	(299,320)	(321,706)
Investment management costs	39,010	38,708
Dividends and income from investments	(352)	(3,113)
<i>Changes in:</i>		
Increase / (reduction) in stocks	(6,986)	29,018
Reduction in trade and other debtors	82,130	35,752
Reduction in trade and other creditors	(122,907)	(24,883)
<b>Net cash generated / ( used) in operating activities</b>	<b>737,957</b>	<b>(27,766)</b>
<b>Cash flows from investing activities</b>		
Dividends and income from investments	352	3,113
Purchase of tangible assets	(15,999)	(14,529)
Purchase of heritage assets	-	(8,000)
Funds withdrawn from investments	-	100,000
<b>Net cash (absorbed by) / provided by investing activities</b>	<b>(15,647)</b>	<b>80,584</b>
<b>Net increase in cash and cash equivalents</b>	<b>722,310</b>	<b>52,818</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>259,576</b>	<b>206,758</b>
<b>Cash and cash equivalents at end of year</b>	<b>981,886</b>	<b>259,576</b>

## ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

**General information** - the charity is a registered charity in England and Wales and is unincorporated. The address of the principal office is Great Pulteney Street, Bath, BA2 4DB.

**Statement of compliance** - these financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in July 2014, as updated by 2<sup>nd</sup> edition October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

**Basis of accounting** - the financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at fair value through income or expenditure. The consolidated accounts include the trading activities, assets and liabilities of the subsidiary company and are prepared in sterling, which is the functional currency of the entity.

**Going concern** - the activities of the Charity, together with the factors likely to affect its future development and performance are set out in the Trustees Annual Report. The financial position of the Charity and its cashflow are presented in the Financial Statements and accompanying Notes.

It is the intention to start the process of building the Endowment Funds with a capital raising programme using grant funding which has been made available up to £1million matching £ for £.

The Board of Trustees considers that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

**Judgements and key sources of estimation uncertainty** - the preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Revenue recognition** - Donations, grants, sponsorship and legacies are credited to income only when it is probable that they will be received, and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution.

No monetary value is attributed to the substantial amount of time and effort contributed by the many volunteers essential to the Museum's activities and who have not been paid for their assistance.

**Income** - Donations and legacies include all gifts, donations and related gift aid, grants which provide core funding and patrons' subscriptions. Other trading activities are the trading and other fundraising activities primarily to generate incoming resources to undertake charitable activities. Income from charitable activities includes any incoming resources received that are a payment for goods and services provided for the benefit of the charity's beneficiaries. 'Charitable activities' for the purposes of the Museum's financial statement are: a) Exhibitions and display, b) Learning, and c) Events (lectures and concerts etc), room hire and catering.

## ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

**Expenditure** - expenditure is recognised when incurred, and is reported gross of related income on the following bases:

- a) Expenditure on raising funds comprises the costs associated with attracting voluntary income and the costs of other income generation, e.g. the costs associated with management of the investment portfolio.
- b) Expenditure on charitable activities comprises direct expenditure including staff costs attributable to its activities. Where costs cannot be directly attributed, they are allocated to activities on a basis consistent with the use of resources as described below.
- c) Governance costs are costs incurred in the governance of the Trust's assets in order to comply with constitutional and statutory requirements and are included within expenditure on charitable activities.
- d) Support costs include the central functions and are allocated to activity cost categories on a basis consistent with the use of the resources, e.g. allocating staff costs according to time spent and other costs according to usage.

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

**Investment assets and income** - the charity's investment in its subsidiary company is shown at cost. All other investments are shown in the Balance Sheet at their mid-market price. Gains and losses on the revaluation and realisation of investments are taken to income in the Statement of Financial Activities. Dividends and interest from investments are credited to income on receipt.

**Taxation** - the Museum's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Museum is not liable to tax. In addition, its subsidiary incurs no current tax charge as all its profits, which would otherwise be taxable, are distributed to the Museum by way of Gift Aid and thus no tax liability arises.

The Group receives Museum and Gallery Exhibition Tax Relief, which is surrendered, giving rise to a tax repayment to the Group. The arising credit is recognised in the year in which the related expenditure is incurred. The credit is recognised in other income in the Consolidated Statement of Financial Activities.

Gift Aid is recoverable on certain donations, and where applicable, has been included in income.

**Liabilities** - liabilities are recognised in full in the financial statements as soon as the obligation arises.

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

**Endowment funds** - the Catalyst Endowment Fund is the Heritage Lottery Fund/Department for Culture Media and Sport Catalyst: Endowment fund created from a grant of £1 million from the Heritage Lottery Fund which, together with 1:1 matched funding, was received and raised over the period to June 2016. The capital must be retained as a permanent endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum and will be transferred annually to the general fund.

**Fixed Assets - Heritage assets** - the Museum holds a collection of heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Five heritage assets have been purchased in this or earlier years and these items have been capitalised.

The remainder of the collection is the legacy of the Holburne Family and it would be difficult and costly to attribute a cost or value to it. As such these assets are excluded from the balance sheet as reliable cost information is not available and conventional valuation approaches lack sufficient reliability and significant costs would be involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by users of the accounts in assessing the trustees' stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided.

## ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

**Fixed Assets – Freehold Property** - freehold property is shown in the Balance Sheet using a pre-development valuation of £550,000 as deemed cost on transition to SORP (FRS102) plus subsequent costs of development of £8,949,750.

**Fixed Assets – Fixtures, fittings and equipment** - expenditure on fixed assets is capitalised where material. Where capitalised, assets are stated at cost less subsequent depreciation unless otherwise stated. Other fixed asset expenditure of less than £200 is charged to general income or specific grants as appropriate. Where expenditure on material fixed assets is funded by specific grants or donations depreciation thereon is charged to the Specific Purposes Fund.

**Depreciation** - depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

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

Where the recoverable amount of a tangible fixed asset is found to be below its net book value, the asset is written down to its recoverable amount and the loss on impairment is charged to the relevant expenditure category of the statement of financial activities. Where an asset is not primarily used to generate income, its impairment is assessed by reference to its service potential on its initial acquisition. In the year, the charity currently has no tangible fixed assets to which impairment provisions apply.

**Stock** - Shop stock is included in the financial statements at the lower of original cost and net realisable value.

**Operating lease agreements** - rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are included in expenditure on a straight-line basis over the period of the lease.

**Financial instruments** - Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

## ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2020

### **Defined benefit pension and other post-employment benefits**

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

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

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

### **Pension costs - defined benefit pension schemes**

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

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

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

### **Pension costs - defined contribution pension schemes**

Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Year Ended 31 December 2020				Year Ended 31 December 2019		
	Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Total £
<b>1. Voluntary income - Grants and Donations</b>							
Donations to Endowment Appeal (Note 19)	-	-	262,500	262,500	-	-	-
Covid Support Grants - Heritage Lottery	210,400	-	-	210,400	-	-	-
Covid Support Grants - Arts Council	196,377	-	-	196,377	-	-	-
General donations and grants	338,153	107,398	-	445,551	429,629	71,965	501,594
Raised from Patrons and Friends	65,201	-	-	65,201	67,479	-	67,479
University contributions	76,667	-	-	76,667	80,000	-	80,000
	<b>886,798</b>	<b>107,398</b>	<b>262,500</b>	<b>1,256,696</b>	<b>577,108</b>	<b>71,965</b>	<b>649,073</b>
<b>2. Income from charitable activities</b>							
Museums and Exhibition admissions	324,223	-	-	324,223	332,668	-	332,668
Coronavirus Job Retention Scheme	-	114,500	-	114,500	-	-	-
Learning lectures, concerts, workshops etc	15,565	79,790	-	95,355	43,283	71,837	115,120
	<b>339,788</b>	<b>194,290</b>	<b>-</b>	<b>534,078</b>	<b>375,951</b>	<b>71,837</b>	<b>447,788</b>
<b>3. Other trading activities</b>							
Museum Shop sales	163,030	-	-	163,030	130,668	-	130,668
Income from Café and car parking	35,184	-	-	35,184	96,405	-	96,405
Venue hire (including filming fees)	1,213	-	-	1,213	33,709	-	33,709
Corporate Sponsorship and membership	5,000	-	-	5,000	8,000	-	8,000
Other income	3,112	-	-	3,112	29,135	-	29,135
	<b>207,539</b>	<b>-</b>	<b>-</b>	<b>207,539</b>	<b>297,917</b>	<b>-</b>	<b>297,917</b>
<b>4. Investment Income</b>							
From UK listed investments	-	-	-	-	-	2,798	2,798
Bank interest receivable	352	-	-	352	315	-	315
	<b>352</b>	<b>-</b>	<b>-</b>	<b>352</b>	<b>315</b>	<b>2,798</b>	<b>3,113</b>
<b>5. Other (costs)/income</b>							
Museum & Gallery Exhibition Tax Relief	-	-	-	-	(5,000)	-	(5,000)
The Group receives Museum and Gallery Exhibition Tax Relief which is surrendered, giving rise to a tax repayment to the Group. The current year charge includes an adjustment to the prior year tax relief.							
<b>6. Expenditure on raising funds</b>							
Salary costs	69,398	-	-	69,398	73,710	-	73,710
Other costs of generating funds	16,441	-	-	16,441	26,783	-	26,783
	<b>85,839</b>	<b>-</b>	<b>-</b>	<b>85,839</b>	<b>100,493</b>	<b>-</b>	<b>100,493</b>
<b>7. Investment management costs</b>							
Investment management fees	-	-	39,010	39,010	38,708	-	38,708
<b>8. Expenditure on charitable activities by fund type</b>							
Museum activities (inc. cost of shop sales)	387,231	391,087	-	778,318	512,002	302,638	814,640
Learning activities	61,969	71,489	-	133,458	116,557	47,914	164,471
Exhibition activities	108,826	20,184	-	129,010	161,490	221	161,711
Support costs	320,823	-	-	320,823	463,453	38,554	502,007
	<b>878,849</b>	<b>482,760</b>	<b>-</b>	<b>1,361,609</b>	<b>1,253,502</b>	<b>389,327</b>	<b>1,642,829</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. Expenditure on charitable activities by activity type**

	Staff costs	Other direct costs	Support costs	Total 2020	Total 2019
	£	£	£	£	£
Museum activities	301,033	447,278	102,016	850,327	957,443
Learning activities	108,330	25,128	85,014	218,472	285,144
Exhibition activities	27,418	101,593	153,024	282,035	366,489
	436,781	573,999	340,054	1,350,834	1,609,076
Governance costs	-	-	10,775	10,775	33,753
	436,781	573,999	350,829	1,361,609	1,642,829

**10. Analysis of support costs**

	Museum activities	Education activities	Exhibition activities	Total 2020	Total 2019
	£	£	£	£	£
Staff costs	24,034	20,028	36,050	80,112	128,909
Premises costs	50,249	41,875	75,374	167,498	217,820
Other administrative costs	27,733	23,111	41,600	92,444	121,525
	102,016	85,014	153,024	340,054	468,254

**11. Net income for the year**

This is stated after charging:

	2020	2019
	£	£
Depreciation	234,855	236,513
Auditors' remuneration:	11,400	11,400

**12. Staff costs and emoluments**

Total staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	518,141	562,169
Social security costs	38,312	49,995
Other pension costs – defined benefit	9,902	70,000
Other pension costs – defined contribution	13,171	13,876
Apprentice Levy	1,448	-
	580,974	696,040

Other pension costs above represent the total operating charge included in expenditure in the Statement of Financial Activities and does not include amounts included in other finance costs.

**Particulars of employees:** there were 9 (2019:11) part time employees and 10 (2019:11) full time employees during the year, being 19 (2019:22) employees in total. The average full-time equivalent being 15 (2019:19) employees. One employee's remuneration for the year fell within the band of £70,000 to £79,999 (2019 1).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 12. Staff costs and emoluments (continued)

**Key management personnel:** the total amount of employee benefits received by key management personnel is £143,831 (2019:£173,817).

**Trustees:** no remuneration is payable to the sole trustee of the Museum, the Holburne Museum Trust Company, or to any of the directors of that company, except for the Museum Director, Chris Stephens. No expenses were reimbursed to directors of the Trustee company (2019 - £nil).

### 13. Tangible Fixed Assets (The Group and the Charity)

	Freehold property £	Fixtures & Fittings £	Leasehold Property £	Total £
<b>COST</b>				
At start of year	9,507,122	1,155,272	90,423	10,752,817
Additions in year	-	15,999	-	15,999
At end of year	9,507,122	1,171,271	90,423	10,768,816
<b>DEPRECIATION</b>				
At start of year	1,520,001	493,012	67,713	2,080,726
Charge for year	176,232	53,924	4,699	234,855
At end of year	1,696,233	546,936	72,412	2,315,581
<b>NET BOOK VALUE</b>				
At end of year	7,810,889	624,335	18,011	8,453,235
At start of year	7,987,121	662,260	22,710	8,672,091

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. Heritage Assets (The Group and the Charity)**

		2020	2019
		£	£
Cabinet	Capitalised in 2015 as a prior year adjustment	250,000	250,000
Bead basket	Capitalised in 2015 as a prior year adjustment	78,000	78,000
Atherley Portrait	Purchased in 2015	420,000	420,000
Ivory Fan	Purchased in 2017	5,000	5,000
Various etchings	Purchased in 2019	8,000	8,000
		<b>761,000</b>	<b>761,000</b>

**15a. Investments (The Group and the Charity)**

		2020	2019
		£	£
<b>Movement in market value</b>			
Market value at 1 January 2020		2,832,240	2,649,242
Funds (withdrawn) in the year		-	(100,000)
Net gains arising on revaluations in the year		299,320	321,706
Brokers management charges		(39,010)	(38,708)
Market value at 31 December 2020		<b>3,092,550</b>	2,832,240
Historical cost at 31 December 2020		<b>2,812,004</b>	2,736,310
<b>Investments are held as follows:</b>			
Handelsbanken Balanced Multi Asset Fund C		1,121,469	1,028,647
Handelsbanken Balanced Multi Asset Fund I		1,970,743	1,798,027
Ruffer Illiquid Strategies Fund 2011		-	5,566
Cash held by Investment Managers		338	-
		<b>3,092,550</b>	2,832,240
<b>Analysis of investments between funds</b>			
Endowment Fund		2,083,560	1,687,816
Restricted: Special Acquisitions Fund		920,000	920,000
Unrestricted Funds		88,990	224,424
		<b>3,092,550</b>	2,832,240

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 15b. Investments - Subsidiary Undertaking

The charity owns the whole of the issued share capital of Holburne Trading Company Limited, a company registered in England. The address of the principal office is Great Pulteney Street, Bath, BA2 4DB. Its principal activity is the operation of the commercial activities at the Holburne Museum and a summary of its results and balance sheet is provided below:

	2020 £	2019 £
<b>Balance sheet</b>		
Assets	191,981	148,145
Liabilities	(191,870)	(148,034)
Capital and retained reserves	111	111
<b>Profit and loss account</b>		
Turnover	546,424	473,752
Cost of sales	(367,271)	(227,277)
Gross profit	179,153	246,475
Administrative expenses	(127,253)	(230,321)
Operating profit	51,900	16,154
Interest receivable	38	79
Net profit	51,938	16,233
Distribution to Holburne Museum	(51,938)	(16,233)
Result for the financial year	0	0

### 16. Stocks

Shop stocks for resale

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Shop stocks for resale	28,225	21,239	-	-
<b>17. Debtors</b>				
Trade debtors	6,936	30,334	5,276	24,595
Amounts owed by group undertakings	-	-	174,308	100,277
Other debtors	85,884	117,934	32,085	73,883
VAT	50	-	10,232	-
Prepayments	29,340	56,072	29,340	47,176
	122,210	204,340	251,241	245,931

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**18. Creditors: Amounts falling due within one year**

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	136,084	119,190	132,354	108,504
Taxation and social security	-	12,171	-	1500
Other creditors	-	-	-	161,028
Accruals and deferred income	43,567	171,197	29,735	100
	<b>179,651</b>	<b>302,558</b>	<b>162,089</b>	<b>271,132</b>

**19. Permanent Endowment funds (The Group and the Charity)**

	2020 £	2019 £
Balance at the start of the year	1,687,816	1,679,242
Donations received for Endowment Fund	262,500	-
Unapplied total return allocated to Capital	7,809	8,574
Amount loaned from Endowment in 2018 now repaid	372,871	-
Interest charges on the above - at 2% per annum	15,064	-
Balance at the end of the year	<b>2,346,060</b>	<b>1,687,816</b>

The Catalyst Endowment Fund is a grant of £1 million from the National Lottery Heritage Fund which, together with 1:1 matched funding, was raised over the period to June 2016. The capital must be retained as an endowment for a minimum period of 25 years. The real value of investment returns on this fund will be used to support the operations of the Museum.

**Disclosure of Total Asset Return approach to investment of permanent endowment**

	Trust for Investment	Unapplied Total Return	Total 2020	Total 2019
<b>Balance at start of the period</b>				
Gift component of Permanent Endowment	2,038,447		2,038,447	2,038,447
Unapplied total return		(350,631)	(350,631)	(359,205)
<b>Total</b>	<b>2,038,447</b>	<b>(350,631)</b>	<b>1,687,816</b>	<b>1,679,242</b>
<b>Movements in the reporting period</b>				
Investment return: dividends & interest received	-	-	-	2,798
Investment return: realised & unrealised gains	-	299,320	299,320	321,706
Investment return: investment management costs	-	(39,010)	(39,010)	(38,708)
	-	260,310	260,310	285,796
Less: Unapplied total return allocated to income (97%)	-	(252,501)	(252,501)	(277,222)
Donations received for Endowment Fund	262,500	-	262,500	-
Amount loaned from Endowment in 2018 now repaid		387,935	387,935	-
<b>Net movements in the reporting period</b>	<b>262,500</b>	<b>395,744</b>	<b>658,244</b>	<b>8,574</b>
<b>Balance at end of the period</b>				
Gift component of the permanent endowment	2,300,947	-	2,300,947	2,038,447
Unapplied total return	-	45,113	45,113	(350,631)
<b>Total</b>	<b>2,300,947</b>	<b>45,113</b>	<b>2,346,060</b>	<b>1,687,816</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 20. Restricted Funds (The Group and the Charity)

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

The Heritage Asset Fund represents amounts received to purchase capitalised Heritage Assets (Note 14)

The Special Acquisitions Fund holds £920,000 received from the sale of an item in the collection which under the charity's constitution is required to be held and applied for the further purchase of other works of art for the collection. Any income, gains or losses on the investments held in the Special Acquisitions Fund are allocated to unrestricted funds in order to maintain the balance within the fund.

The Charity Commission has approved the offsetting of the Avon Pension Fund deficit against the Special Acquisitions Fund, should the Trustees wish to adopt this treatment. In previous years the whole of the deficit was offset - this year, following the improvement in Museum finances, it has been agreed that 50% of the deficit will be offset, the remaining 50% being offset against Unrestricted Funds.

Specific Purposes Fund are amounts received for specific purposes or projects

	Balance at 31 Dec 2019 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2020 £
<b>Development funds</b>					
The Holburne Museum development project	7,990,186	-	(227,438)	-	7,762,748
<b>Heritage Asset Funds</b>					
Funding for purchase of assets - Note 14	761,000	-	-	-	761,000
<b>Special Acquisitions Fund</b>					
Balance outstanding	920,000	-	-	-	920,000
Less: Pension fund deficit offset -50% of total	(827,000)	-	-	235,000	(592,000)
	93,000	-	-	235,000	328,000
<b>Specific purposes funds</b>					
National Lottery Comm Fund: Pathways	59,026	79,790	(71,489)	-	67,327
Clore - for redecoration	20,000	-	-	-	20,000
Ellerman Found / Traverse Trust - Curator funding	3,893	38,477	(23,039)	-	19,331
Neighbourhood Postcode Lottery	-	9,959	-	-	9,959
Conservation (various small amounts)	9,263	-	-	-	9,263
Cayzer Trust - for removal of table	-	8,000	-	-	8,000
Funding for Exhibitions	-	25,184	(20,184)	-	5,000
Stumpwork	2,500	1,000	-	-	3,500
Learning	1,332	-	(1,332)	-	-
Coronavirus Job Retention Scheme funding	-	114,500	(114,500)	-	-
Art Fund 'Respond and Reimagine' project	-	13,778	(13,778)	-	-
National Lottery Comm.Fund: Create @ Home	-	11,000	(11,000)	-	-
	96,014	301,688	(255,322)	-	142,380
	8,940,200	301,688	(482,760)	235,000	8,994,128

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**21. Unrestricted Funds**

	Balance at start of period £	Incoming resources £	Outgoing resources £	Gains, losses and transfers	Balance at end of period £
The Group	992,912	1,434,477	(964,688)	(727,434)	735,267
The Charity	992,901	939,953	(470,264)	(727,434)	735,156

**22. Related Parties**

The nominee of the University of Bath, Jamie Eastman, sits on the Board of Trustees of the Museum. During the year the University made grants totalling £11,667 (2019 £20,000) to the Museum, and provided 'in kind' support (payroll, IT and security services) with an estimated value of £30,000 (2019 £30,000).

The nominee of Bath Spa University, Dr Andrew Salmon, also sits on the Board of Trustees of the Museum. During the year the University made grants totalling £35,000 (2019 £60,000) to the Museum.

**23. Pensions and Other Post Retirement Benefits**

In 2011 the Museum set up a defined contribution group pension scheme with Scottish Widows. This is available to all staff if they wish but as at 31 December 2020 no one had taken up the scheme.

The Museum also participates in a multi-employer defined benefit scheme which has some 65,000 members. The assets of the scheme are held in the Avon Pension Fund, administered by Bath & North East Somerset Council. The Avon Pension Fund scheme was closed to new members in September 2010. The last actuarial valuation was undertaken as at 31 March 2019. The amounts recognised in the statement of financial activities are as follows:

	2020 £	2019 £
<i>Total operating charge in resources expended:</i>		
Current service cost	16,000	22,000
Past service cost	1,000	48,000
<b>Total operating charge</b>	<b>17,000</b>	<b>70,000</b>
<i>Amounts included in other finance cost:</i>		
Expected return on scheme assets	(24,000)	(32,000)
Interest on scheme liabilities	41,000	50,000
<b>Other finance cost</b>	<b>17,000</b>	<b>18,000</b>
<i>Amounts included in other recognised gains and losses:</i>		
Actuarial loss/(gain)	358,000	161,000
<b>Total charge/(credit) to the statement of financial activities</b>	<b>392,000</b>	<b>249,000</b>
Employers' contributions	(35,000)	(41,000)
<b>Increase/(decrease) in net liability</b>	<b>357,000</b>	<b>208,000</b>

The total operating charge and other finance cost are recognised in the following line items in the statement of financial activities:

	£	£
Costs of generating funds	16,000	22,000
Governance costs	17,000	18,000
<b>Total</b>	<b>33,000</b>	<b>40,000</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 23. Pensions and Other Post Retirement Benefits (continued)

The amounts recognised in the balance sheet are as follows:

	Movement in the year	2020 £	2019 £
Present value of funded obligations	(411,000)	(2,351,000)	(1,940,000)
Fair value of scheme assets	54,000	1,167,000	1,113,000
Net pension liability	(357,000)	(1,184,000)	(827,000)

Changes in the present value of the defined benefit obligation scheme are as follows:

	£	£
Opening defined benefit obligation	1,940,000	1,671,000
Current service cost	16,000	22,000
Past service cost	1,000	48,000
Interest on scheme liabilities	41,000	50,000
Contributions by scheme participants	3,000	6,000
Benefits paid	(17,000)	(17,000)
Remeasurements liabilities - gain on assumptions	367,000	160,000
<b>Closing defined benefit obligation</b>	<b>2,351,000</b>	<b>1,940,000</b>

Changes in the fair value of scheme assets are as follows:

	£	£
Opening fair value of scheme assets	1,113,000	1,052,000
Expected return on scheme assets	24,000	32,000
Contributions by employer	35,000	41,000
Contributions by scheme participants	3,000	6,000
Benefits paid	(17,000)	(17,000)
Remeasurements assets	9,000	(1,000)
<b>Closing fair value of scheme assets</b>	<b>1,167,000</b>	<b>1,113,000</b>

Pension contributions rates from 1 April 2020 were 21.5% of salary plus a fixed contribution of £30,400; from April 2021 the rates will be 21.5% plus a fixed contribution of £31,400 for the financial year to 31 March 2022.

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

Equities	40.6%	47.4%
Government bonds	12.1%	9.6%
Other bonds	9.0%	2.8%
Property	4.4%	9.9%
Cash	8.3%	2.3%
Other assets	25.6%	28.0%

The principal actuarial assumptions as at the balance sheet date were:

Discount rate	1.4%	2.1%
Rate of increase in salaries	3.8%	3.6%
Rate of increase in pensions in payment	2.4%	2.2%
Inflation	2.3%	2.1%

Total deficit for the current and previous four periods are as follows:

	2020 £	2019 £	2018 £	2017 £	2016 £
Defined benefit obligation	(2,351,000)	(1,940,000)	(1,671,000)	(1,742,000)	(1,672,000)
Fair value of scheme assets	1,167,000	1,113,000	1,052,000	1,031,000	887,000
Deficit in the scheme	(1,184,000)	(827,000)	(619,000)	(711,000)	(785,000)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**24a. Previous Year Comparatives – Consolidated Statement of Financial Activities**

	Unrestricted Funds £	Restricted Funds £	Endowment fund £	Total Funds 2019 £
<b>INCOME AND ENDOWMENTS</b>				
Donations and legacies	577,108	71,965	-	649,073
Income from charitable activities	375,951	71,837	-	447,788
Other trading activities	300,295	-	-	300,295
Income from investments	315	-	2,798	3,113
Other income	(5,000)	-	-	(5,000)
<b>TOTAL INCOME AND ENDOWMENTS</b>	<b>1,248,669</b>	<b>143,802</b>	<b>2,798</b>	<b>1,395,269</b>
<b>EXPENDITURE</b>				
Expenditure on raising funds	(100,493)	-	-	(100,493)
Investment management costs	-	-	(38,708)	(38,708)
Expenditure on charitable activities	(1,253,502)	(389,327)	-	(1,642,829)
<b>TOTAL EXPENDITURE</b>	<b>(1,353,995)</b>	<b>(389,327)</b>	<b>(38,708)</b>	<b>(1,782,030)</b>
<b>NET INCOME/ (EXPENDITURE)</b>	<b>(105,326)</b>	<b>(245,525)</b>	<b>(35,910)</b>	<b>(386,761)</b>
<b>TRANSFERS BETWEEN FUNDS</b>	<b>355,766</b>	<b>(28,544)</b>	<b>(327,222)</b>	<b>-</b>
<b>NET INCOME/(EXPENDITURE) AFTER TRANSFERS</b>	<b>250,440</b>	<b>(274,069)</b>	<b>(363,132)</b>	<b>(386,761)</b>
(Loss)/gain on investments	-	-	321,706	321,706
Actuarial loss on defined benefit pension scheme	-	(161,000)	-	(161,000)
<b>NET MOVEMENT IN FUNDS</b>	<b>250,440</b>	<b>(435,069)</b>	<b>(41,426)</b>	<b>(226,055)</b>
<b>FUND BALANCES BROUGHT FORWARD</b>	<b>742,472</b>	<b>9,375,269</b>	<b>1,729,242</b>	<b>11,846,983</b>
<b>FUND BALANCES CARRIED FORWARD</b>	<b>992,912</b>	<b>8,940,200</b>	<b>1,687,816</b>	<b>11,620,928</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**24b. Previous Year Comparatives – Consolidated Balance Sheet**

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2019 £
<b>FIXED ASSETS</b>				
Tangible fixed assets:				
The Museum	550,000	7,437,121	-	7,987,121
Other assets	57,238	627,732	-	684,970
Heritage assets	-	761,000	-	761,000
Investments	224,424	920,000	1,687,816	2,832,240
<b>TOTAL FIXED ASSETS</b>	<b>831,662</b>	<b>9,745,853</b>	<b>1,687,816</b>	<b>12,265,331</b>
<b>CURRENT ASSETS</b>				
Bookshop stock	21,239	-	-	21,239
Debtors	204,340	-	-	204,340
Bank balances and cash in hand	238,229	21,347	-	259,576
	463,808	21,347	-	485,155
<b>CREDITORS: Amounts falling due within one year</b>	<b>(302,558)</b>	<b>-</b>	<b>-</b>	<b>(302,558)</b>
<b>NET CURRENT ASSETS</b>	<b>161,250</b>	<b>21,347</b>	<b>-</b>	<b>182,597</b>
<b>NET ASSETS BEFORE PENSION DEFICIT</b>	<b>992,912</b>	<b>9,767,200</b>	<b>1,687,816</b>	<b>12,447,928</b>
<b>Pension scheme deficit</b>	<b>-</b>	<b>(827,000)</b>	<b>-</b>	<b>(827,000)</b>
<b>NET ASSETS</b>	<b>992,912</b>	<b>8,940,200</b>	<b>1,687,816</b>	<b>11,620,928</b>
<b>ENDOWMENT FUND</b>	<b>-</b>	<b>-</b>	<b>1,687,816</b>	<b>1,687,816</b>
<b>RESTRICTED FUNDS</b>				
Specific Purposes Fund: Revenue	-	96,014	-	96,014
Specific Purposes Fund:Capital	-	-	-	-
Specific Purposes Fund:Heritage assets	-	761,000	-	761,000
Special Acquisitions Fund	-	920,000	-	920,000
Less: Pension scheme deficit offset	-	(827,000)	-	(827,000)
Development Fund	-	7,990,186	-	7,990,186
	-	8,940,200	-	8,940,200
<b>UNRESTRICTED FUNDS</b>				
General fund	992,912	-	-	992,912
	992,912	8,940,200	1,687,816	11,620,928

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**24c. Previous Year Comparatives – Endowment and Restricted Funds**

	Balance at 1 Jan 2019	Incoming Resources	Outgoing Resources	Gains, losses & transfers	Balance at 31 Dec 2019
<b>Endowment Funds</b>					
Catalyst Fund	1,679,242	2,798	-	5,776	1,687,816
Learning Fund	50,000	-	-	(50,000)	-
	<b>1,729,242</b>	<b>2,798</b>	<b>-</b>	<b>(44,224)</b>	<b>1,687,816</b>
<b>Restricted Funds</b>					
<b>Development funds</b>					
Gardener's lodge	22,065	-	(4,699)	-	17,366
Major development project	8,195,558	-	(222,738)	-	7,972,820
	<b>8,217,623</b>	<b>-</b>	<b>(227,437)</b>	<b>-</b>	<b>7,990,186</b>
<b>Specific purposes funds</b>					
Assets	8,270	-	(8,270)	-	-
Cash	14,278	-	(14,278)	-	-
Learning	1,685	5,000	(5,353)	-	1,332
Contemporary Curator fund	30,447	-	(26,554)	-	3,893
Railings	2,412	-	(2,412)	-	-
Conservation	6,316	-	-	-	6,316
Adopt a Treasure	1,202	-	(1,202)	-	-
D E B Pike for conservation	1,447	-	-	-	1,447
Stumpwork	-	2,500	-	-	2,500
Fan conservation	-	1,500	-	-	1,500
Collections for Music Fund	2,382	-	(2,382)	-	-
Pathways	34,986	66,837	(42,797)	-	59,026
Exhibitions	221	-	(221)	-	-
Cafe TV screen	-	5,500	(5,500)	-	-
Feasibility survey report	-	17,044	(17,044)	-	-
Pavilion project	-	17,421	(17,421)	-	-
Clore redecoration	-	20,000	-	-	20,000
	<b>103,646</b>	<b>135,802</b>	<b>(143,434)</b>	<b>-</b>	<b>96,014</b>
<b>Heritage asset funds</b>					
Atherley acquisition	420,000	-	-	-	420,000
Ivory Fan	5,000	-	-	-	5,000
Bead basket	78,000	-	-	-	78,000
Cabinet	250,000	-	-	-	250,000
Various etchings	-	8,000	-	-	8,000
	<b>753,000</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>761,000</b>
<b>Special Acquisitions Fund</b>					
Balance outstanding	920,000	-	-	-	920,000
Less: Pension fund deficit offset	(619,000)	-	(47,000)	(161,000)	(827,000)
	<b>301,000</b>	<b>-</b>	<b>(47,000)</b>	<b>(161,000)</b>	<b>93,000</b>
	<b>9,375,269</b>	<b>143,802</b>	<b>(417,871)</b>	<b>(161,000)</b>	<b>8,940,200</b>

## THANK YOU

Holburne is an independent charity and every year we have to fundraise over half a million pounds to support our exhibition and learning programmes, and to help us care for our collection and Grade I listed building. Every donation we receive helps us to achieve our mission of '*Changing Lives Through Art*'.

We are very grateful to everyone who donated to support the Holburne in 2020, and would like to extend special thanks to:

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