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

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

REPORT OF THE TRUSTEES AND UNAUDITED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The date of this document is Tuesday 21 July 2026

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A. Trustees Annual Report for Financial Year Ended 31 December 2025

Introduction

The Trustees of the Waterworks Museum - Hereford, five of whom are also Directors for the purposes of the Companies Act 2006, present their annual report with the accounts of the charity for the financial year ended 31 December 2025.

The Trustees have adopted the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

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

Chair & Director's Report

2025 became a major milestone for the museum when one of our main benefactors, SR & PH Southall Trust, gave a significant financial gift to the museum to establish a Fund. This enables the museum to be more resilient and be able to make long term plans knowing it has a more solid financial basis. SR & PH Southall Trust has been making regular donations to the museum since its inception in 1974 and the engagement with the two daughters of founding member Stephen Southall in 2025 has led to this generous gift. The SR & PH Southall Trustees commented on "being delighted to have made this gift to the Waterworks Museum. This entirely volunteer run, energetic team is full of ideas for future displays: the museum is a valuable asset to the City and County of Hereford. Trustees hope that this endowment will grow through donations and bequests."

This financial gift provides the museum with both security and recognition of its long-term vision to: 'thrive and grow as a specialist museum, focused on the history of water supplies for public benefit, and be a prominent Herefordshire visitor attraction. The Museum aspires to bring the industrial heritage to life through the working engines, pumps, boilers and other artefacts it looks after.' To oversee the investment decisions concerning this gift the museum trustees appointed an Independent Financial Advisor to support the newly formed Financial Sub Committee made up of Directors and Trustees.

The museum was also fortunate in 2025 to gain a rare engine donation from a descendent of the innovative and highly respected, engineering Tangye family. This donation, along with a number of other Tangye artefacts and records helps to demonstrate how the museum volunteers are developing a strong and reputable contribution to our UK Industrial Heritage. In May 2025, James Tangye Parker, known as Jim, came to the museum in possession of a Tangye Pump and 4V steam engine. Spotted by Jim on eBay and saved from the possibility of a scrap heap, the engine was lovingly restored back to working order but using compressed air. It was this visit that cemented a relationship with Jim and with our museum volunteer's skill set and passion, proving that it was possible to drive this engine

once again under steam. Later in 2026, we will be holding an open event to celebrate this wonderful engine. It is thought that this particular engine is one of only three in the world with the other two out in Australia.

Having been used by Arts Council England as a video case study for Accreditation, we were approached by two other museums for advice and suggestions about governance. Both the Crofton Beam Museum and the Maritime Museum of Wales sent representatives to talk to our team about managing the museum, engaging with our communities as well as our support for a primary educational programme run by Dŵr Cymru Welsh Water during term time at the museum. It was a great chance to network within the museum sector.

The maintenance schedule during winter 2024-2025 proved to be really productive and many improvements were completed including wider gateways and ramps made in line with the recommendations from the Access audit report carried out in 2023. Trustees agreed to use external contractors to complete some work on the main Victorian Building. This included high areas of exterior paintwork including barge boards and putting back up one of the old cast iron drainpipes. This time was also well used to bring smaller engines into working condition to be displayed during our open season.

During the year, we have had two publications of 'Waterwords' with a smooth transition of editors. This important publication provides members and the public with a roundup of news, information and key events.

The Waterworks Museum is not without its challenges and Trustees have reviewed with vigour these challenges at regular meetings, through holding an awareness session to focus on the future 2025-2028 Forward Plan, undertaking additional training and seeking external relevant advice at times. Trustees have worked hard on the new Forward Plan which brings together consultation with volunteers and trustees on future projects and ideas as to what kind of museum we wish to leave as a legacy for the future. This led to one overall Project List which is being prioritised during 2026. A more focused approach to budgeting for each area has also been established and will be developed further. As part of this, a signage working group has been established to action these priorities with a focus on a more coherent approach to the visitor experience at the museum.

Our biggest challenge in 2025 was issues with the diesel boiler that creates the steam for our rare working engines. No one would have anticipated that having spotted an issue with two tubes in the boiler during a routine internal inspection, the museum would not be able to run steam again across two full opening seasons. Trustees made the decision to replace all 20 tubes in the boiler as they are all of the same age and would save considerable expense and time if further issues developed. The decision to change all the tubes is an investment in its future and this decision was taken after careful consideration of the various options.

With this affecting our ability to make steam, the decision was taken to reduce admission fees to the Tuesday maintenance day prices. This has meant our admission income was lower than predicted and our visitor numbers have fallen. This drop in numbers is sector wide across all types of museums, but we are making every effort to collect data to ensure we can see trends and take advantage of our position as one of the top Herefordshire visitor attractions.

We are developing regular visits from various community groups, and it was great to be asked to be a partner with the Herefordshire Wildlife Trust application for lottery funding entitled Hereford - River City. This bid was successful so we shall be involved in the project

as it develops in 2026. Visits from groups in 2025 included our first visit from National College for the Blind & National Star School along with regulars like Hereford Painting Club and Limitless Travel. The museum was delighted to receive a Gold Member Plaque from Eat, Sleep Love Herefordshire, having been involved in the scheme for ten years.

The museum continues to attract new volunteers who offer a range of attributes and skills many of these being broader than in the past. There is a growth of volunteers who work behind the scenes developing technical support, administration, finance, gardening as well as a growth in dealing with the public and the visitor's experience. These volunteers are ensuring we are letting the public know of our open days and events and encouraging engagement on non-operational days as well as operational days. Recruitment and retention of volunteers is a sector issue but here at the Waterworks Museum it is good to see we have a wide range of volunteer roles being fulfilled and a growing, younger profile.

I would like to encourage all members to come along with family and friends, meet our volunteers and see the wonderful range of engines, pumps and artefacts on site and support our vision for a museum for future communities. Preserving our industrial heritage plays an important role in today's modern world, as not only does it shape our past, but it also provides inspiration for the future encouraging young enthusiasts to take up engineering as a lifelong skill. So many of our visitors mention the friendly atmosphere created by the volunteers. It is wonderful to see on a weekly basis, the passion for the engines and artefacts shown in conversations between visitors and volunteers across all ages and between the volunteers themselves. The museum is truly its volunteers.

How the Museum is Governed and Operated

The museum's charitable purpose is:

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

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

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

We will drive our vision forward by following our VALUES:

A. **Safe, friendly & welcoming** environment for visitors, volunteers & users of the Museum, 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.

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

The day-to-day management of the museum is delegated to a smaller group of Trustees who are elected annually to serve as Directors, and who collectively oversee the activities of the museum's volunteers. The current Chair, Jill Phillips was appointed on 16 May 2022. Our Chief Engineer is our Health & Safety Officer, and the designated Safeguarding Lead is the Governance Director. The Directors at the date of this report, and who served throughout the financial year ended 31 December 2025, are:

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

There are 14 Trustees at the date of this report; 5 Directors shown above and 9 other museum trustees: Paul Allen; Neil Atkins; Kevin Burrows; Adrian Eyre; Carole Franklin; Peter Heaton; Graham Prosser; Chris Santry and Neil Turner. In 2025, the following took place:

- Chris Santry & Shane Ball became Trustees on 7 Jan 2025 & 13 May 2025 respectively.
- Richard Curtis resigned as Company Secretary on 11 February 2025
- Keith Munn & Liam Kirkham both resigned as Trustees on the 8 July 2025
- Michelle Impanni resigned as a Trustee on the 23 September 2025

The Trustees made the following annual appointments, renewed for the financial year January to December 2025:

Accreditation Mentor: Katherine Andrew, 59 The Common, Abberley, Worcs 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: Thomson & Bancks, 34 Church Street, Tewkesbury Gloucestershire GL20 5SN

The Council of Management met in 2025 on: 11 Feb, 11 March, 13 May, 23 Sept & 2 Dec plus an extraordinary meeting and the Annual General Meeting were held on 8 July 2025.

Regulation, Compliance & Risk Management

AGM: This year's Annual General Meeting (AGM) has been convened for 21 July 2026. All resolutions at this meeting will be matters of routine business, that is to approve the year ending 31 December 2025 Trustees Report and Accounts and resolutions for the annual re-appointment of each Trustee, the Accreditation Mentor and Independent Examiner. For awareness, the resolutions passed at the previous AGM, held at the Museum on 8 July 2025 were all items of routine business (as described above).

Forward Plan: The strategic and operational direction of the museum is managed using a 3 year Forward Plan. Approved by the Trustees in September 2025 saw the transition from the 2022-2025 into the 2025-2028 Forward Plan so a clear direction is set for the future. It is reviewed by Directors regularly with updates presented periodically to, or available at, Trustee meetings. The Chair's annual report provides an update on the continuing challenges and pressures facing volunteers at the museum.

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Accreditation: The museum completed the Arts Council England re-accreditation process in Nov 2023 and gained Full Accreditation status. This gives confidence that the Museum is well managed and governed effectively. In 2025 the recommendation from the re-accreditation process for improvements to the Emergency Handbook have been completed.
Health & Safety: There were no reported safety incidents in the year ending 31 Dec 2025.
Data Protection: The museum continues to meet its data protection/privacy requirements and continues to strengthen its governance to ensure safe keeping of museum records.
Policy Update: Museum policies are reviewed & approved by Trustees as part of a rolling governance programme. To help it operate better in the digital world a new Social Media Policy and a Cyber Security Policy were approved in March 2025, and a refreshed Emergency Procedures Handbook was also approved.
Training: Volunteers are kept up to date via regular, normally monthly, face to face briefings and training continues with subjects like Health & Safety (eg ladder safety/working from heights) and Safeguarding (a Trustee session and two volunteer sessions). At the date of this report one volunteer has a First Response Certificate and one volunteer plus two trustees hold First Aid Certificates. Volunteers, Directors & Trustees have benefitted from on–line external training courses such as Risk Assessments/Governance/Finance/Audience Development & Unlocking Collections/Understand users and non-users and a How to measure carbon footprint workshop.
External Links: In 2025, the Chair sat on the Museum Development Midlands (MDM) Oversight Board. It has oversight of Arts Council England funding and provides advice on how MDM meets the needs of the Midlands museum sector. The Chair joined a local Museum of Herefordshire Forum re-established after a three-year break to support the local museum sector and has provided an outreach session to the Hereford Dementia Group as part of a community engagement.
Risk Management: The main business as usual risks, managed by the Council of Management are typical of a small, independently funded & volunteer run charity. They are:

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

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

Collection & Archives
The Museum collection in 2025 grew by 97 catalogue entries. This included a substantial donation of Tangye related artefacts and records. The donations also included several books, one entitled 'Indicator Diagrams and Engine & Boiler Testing' dated 1895. A focus has also been given for the completion of an inventory of items in the historic 'Old Workshop'. This has resulted in over 675 tools and artefacts photographed and linked to an individual record to support the main catalogue listing. This has enabled the museum to re-open the exhibit space to visitors which is now being looked after by a dedicated volunteer. In addition, work has been carried out to refresh and increase the shelving in the Archive room, and our attention is now on improving the heat and humidity controls.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing an annual report and the accounts in accordance with: (i) applicable charity law, and (ii) the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

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

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

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

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

Signed on behalf of the Charities Trustees by:

Jill Phillips

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

Date: 7 July 2026

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B. FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

This Report covers the 12-month financial period ended 31st December 2025. 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 which distinguishes everyday Operations and Maintenance activities from those devoted to specific Projects.

A welcome and most significant financial event was the Southall Trust's decision to make an outright gift to establish a Fund. This capital fund is intended to provide an annual income equivalent to the annual donations given in previous years by the Trust. This provides the Museum with long-term financial stability.

After 2024's disappointment of a major electrical fault postponing the full programme of events, it was hoped we would run a full programme in 2025. However, the discovery of two leaking tubes in our steam-raising boiler curtailed our steam days from mid-June onwards. At the end of 2025, the boiler was still under repair, with an accrual recorded covering the quoted costs for replacing the two leaking tubes to be paid in 2026.

Operations: Although we opened on Sundays as planned, admissions revenue was down from both reduced visitor numbers, and a lower entrance price. Fortunately, discretionary spend per visitor in the café was healthy, and the lack of steam considerably reduced our fuel costs. Administrative overheads continued to decline through careful procurement.

Projects: Projects fall into two categories, 'Designated' or 'Restricted' which are carefully distinguished in the accounts to meet Charity Commission requirements. 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), 35% of expenditure was project based – double that of 2024's and in line with historic patterns.

Designated Projects: There was one 'Designated' project during the year, the redecoration of the Museum exterior that was contracted out to professional decorators as it involved working at height and replacing rotten timbers. **Restricted Projects**: A past Chair kindly made a donation to cover the cost of a new gearbox for the Tangye engine in Tangye House. A fund was created to contribute to the boiler repairs which attracted some specific public donations. We successfully applied for a grant from Museum Development Midlands to pay for legal and financial advice regarding the financial gift from Southall Trust.

Conclusion: Despite a second year of reduced admissions, other income streams continue to be strong. The external decoration was of high quality, so should last several years and day-to-day project work focussed on use of volunteers' time rather than capital expenditure and external contractors. We have a healthy operating profit to roll forward, even after an allowance for replacement of two boiler tubes. None of this would be possible without the support given by benefactors, members, volunteers and friends of the museum.

Post balance sheet event: Early 2026, it was decided by Trustees to make a prudent decision to completely re-tube the boiler rather than just the two identified tubes that needed replacing. The additional costs of their replacement and associated testing will impact 2026's finances.

Mike Harries
Financial Director and Honorary Treasurer
Waterworks Museum - Hereford
Date: 23rd June, 2026



Waterworks Museum – Hereford
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Independent Examiner's Report

To the Directors of Waterworks Museum – Hereford

Unaudited accounts for the financial year ended 31 December 2025

I report on the accounts of the charitable company for the **financial year ended 31 December 2025,** which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of Trustees and Independent Examiner

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

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

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

Basis of Independent Examiner's report

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

Independent Examiners' statement

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

1. which gives me reasonable cause to believe that, in any material respect, the requirements
   - to keep accounting records in accordance with s386 and 387 of the Companies Act 2006; and
   - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Edward Richards Edward Richards.
Thorne & Co (Accountants)
1 St. Mary's Street, Ross-on-Wye. HR9 5HT
Date: 29th June 2026

Waterworks Museum – Hereford
Company Number No: 01820495
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Statement of Financial Activities
(Income and Expenditure Account)
For the financial year ended 31 December 2025

	Note	Unrestricted funds	Restricted funds	Endowment funds	2025 Total	2024 Total
Income from						
Grants, fees and donations	3	28,690	8,951	450,000	487,641	31,957
Activities for generating funds	3	27,014			27,014	27,718
Investments	3	2,331		3,706	6,037	1,612
Total income		58,035	8,951	453,706	520,692	61,287
Expenditure on						
Generating funds	4	9,955		-	9,955	8,810
Charitable objectives	4	40,492	24,486	-	64,978	49,387
Total expenditure		50,447	24,486	-	74,933	58,198
Net income/expenditure		7,588	(15,535)	453,706	445,758	3,089
Gross transfer between funds		1,885	1,821	(3,706)	-	-
Net movement in funds		9,473	(13,714)	450.000	445,758	3,089
Total funds brought forward		92,094	600,017		692,112	689,023
Total funds carried forward		101,567	586,303	450,000	1,137,870	692,112

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Balance Sheet
As at 31 December 2025

	Note	Unrestricted funds	Restricted funds	Endowment funds	2025 Total	2024 Total
Fixed Assets (tangible fixed assets only)	7	8,569	584,932		**593,501**	607,395
Current Assets						
Stock	8	1,499			**1,499**	1,703
Debtors and prepayments	9	581	787		**1,368**	2,200
Cash at bank and in hand		98,730	584	450,000	**549,314**	82,628
Total current assets		100,810	1,371	450,000	**552,181**	86,530
Current Liabilities						
Creditors falling due within one year	10	1,326			**1,326**	1,376
Net Current Assets		99,484	1,371	450,000	**550,855**	85,155
Provision for liabilities	10	6,486			**6,486**	438
Net Assets		101,567	586,303	450,000	**1,137,870**	692,112
Income Funds	11/12					
Unrestricted Funds		101,567			**101,567**	92,094
Restricted Funds			586,303		**586,303**	600,017
Endowment Funds				450,000	**450,000**	
		101,567	586,303	450,000	**1,137,870**	692,112

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2025.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2025 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

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

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

Signed on behalf of the Trustees by:

Jill f Phillips

Jill Phillips, Chair of Trustees and Governance Director
Waterworks Museum - Hereford
Date: 23/06/26.

Date Approved by the Trustees: 30/06/26.

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Notes to the Unaudited Accounts for the financial year ended 31 December 2025

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. This year's gift from the Southall Trust is held in a capital Endowment fund. 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**

	2025 Unrestricted	2025 Restricted	2025 Endowment	2025 Total	2024 Total
From fees, donations and grants					
Membership fees	1,877			**1,877**	1,987
Donations	1,411	3,164		**4,575**	3,813
Gifted Regular Income				**0**	-
Gift aid refund	593	787		**1,379**	1,464
Grant - Southall Trust	12,000		450,000	**462,000**	11,000
Grant - Dŵr Cymru Welsh Water	12,810			**12,810**	12,411
Other grants/awards		5,000		**5,000**	1,282
	28,690	8,951	450,000	**487,641**	31,957
From activities for generating funds				**0**	
Admission fees	14,025			**14,025**	15,283
Refreshments	10,973			**10,973**	11,017
Retail sales	994			**994**	1,093
Museum products	184			**184**	206
Premises hire				**0**	-
	26,176	0	0	**26,176**	27,599
Investment income				**0**	
Bank interest	2,331		3,706	**6,036**	1,612
				0	
Other income				**0**	
Asset disposals	839			**839**	120

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

	2025 Unrestricted	2025 Restricted	2025 Endowment	2025 Total	2024 Total
For generating funds					
Refreshments	2,443			**2,443**	2,058
Sale material	1,683			**1,683**	836
Special events				**0**	
Hardware and Consumables	1,531			**1,531**	2,312
Advertising/publicity	4,113			**4,113**	3,401
WaterWords	185			**185**	204
	9,955	0	0	**9,955**	8,810
For charitable purposes					
Fuel	2,577			**2,577**	4,935
Machine maintenance	14,637	5,537		**20,174**	8,021
Premises maintenance	17,633			**17,633**	13,965
Display/signage/artefacts	369			**369**	1,712
Insurance	1,477			**1,477**	1,406
Education/publications	170			**170**	12
Depreciation	180	13,714		**13,894**	13,894
Museum activities	566			**566**	1,110
Office/computer/telecom/postage/travel	1,100	6		**1,106**	2,024
Project professional fees				**0**	480
Rent	59			**59**	59
Subscriptions to external bodies	704			**704**	632
Audit professional fees	438	5,218		**5,656**	438
Bank charges	582	10		**592**	701
	40,492	24,486	0	64,978	49,387

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**

	Boiler	Museum Buildings	Total
Cost			
At 31 December 2024	42,507	806,972	849,479
Additions	0	0	0
At 31 December 2025	**42,507**	**806,972**	**849,479**
Depreciation			
At 31 December 2024	25,201	216,882	242,083
Charge for year	1,729	12,165	13,894
At 31 December 2025	**26,930**	**229,047**	**255,977**
Net book value			
At 31 December 2024	17,306	590,089	607,395
At 31 December 2025	**15,577**	**577,924**	**593,501**

		2025	2024
8	**Stock**		
	Fuel and oil	**614**	1,070
	Materials and spare parts	**602**	319
	Goods for resale	**283**	314
		1,499	1,703
9	**Debtors and prepayments**	**1,368**	2,200
		1,368	2,200
10	**Creditors (amounts falling due within one year)**		
	Trade creditors	**331**	395
	Membership Fees in Advance	**995**	981
	Accruals	**6,486**	438
		7,812	1,814

Accruals include the quoted cost of replacing 2 boiler tubes.

11 **Restricted funds**: The Restricted Income Fund represents capital grants provided by various funding bodies, including for the purposes of providing Tangible Fixed Assets in the form of the new museum buildings, the Rotherwas Engine House and boiler shown in Note 7 to the accounts. These Restricted Income Funds will be released to the Statement of Financial Activities on the same basis as the Depreciation Policy. New restricted funds were created for the boiler retubing, Tangye gearbox replacement, marking the 50th anniversary of the Museum and legal and financial consultancy associated with setting up the Southall Endowment Fund. The Endowment Fund consists of £450,000 of expendable endowment capital.

12 **Movement in funds**

	Unrestricted income funds	**Restricted income funds**	**Endowment funds**
Income	58,035	8,951	453,706
Expenditure	50,447	24,486	
	7,588	(15,535)	453,706
Gross transfer between funds	1,885	1,821	(3,706)
Net movement	9,473	(13,714)	450,000
At 31 December 2024	92,094	600,017	
At 31 December 2025	**101,567**	**586,303**	**450,000**