THE
HOLBURNE
MUSEUM

THE HOLBURNE MUSEUM

FINANCIAL STATEMENTS

31 DECEMBER 2012

KEY HIGHLIGHTS OF THE YEAR

- 130,278 visitors: the highest number in a calendar year in the Museum's history
- 16 temporary exhibitions and displays including four major exhibitions and 5 contemporary commissions
- 13,578 adults and children participated in our learning programmes including school visits, workshops, family events, talks concerts and study days
- New 5 year partnership agreed with Bath Spa University from 2013 building on existing partnership working
- Awarded £1m through the DCMS/HLF Catalyst Endowment scheme subject to £ for £ match funding
- On course for full match funding by the end of 2013 thereby raising £2m. Aiming to raise a further £3m by the end of 2016
- Raised £619,323 (2012: £340,085) towards our annual revenue costs through grants, donations and other fundraising activities

THE HOLBURNE MUSEUM

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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THE HOLBURNE MUSEUM

REPORT FOR THE TRUSTEES

YEAR ENDED 31 DECEMBER 2012

STRUCTURE AND GOVERNANCE

Introduction

The Trustees submit their annual report and accounts for the year ended 31 December 2012. In preparing this report the Trustees have complied with the Charities Act 2011, the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) ('SORP'), applicable accounting standards, and the constitution of the Trust.

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 7 & 8, together with the names of directors of The Company who acted during the course of the year but are no longer directors at the date of this report. Relevant registration information is shown below:

▪ The Holburne Museum	Registered Charity Number:	**310288**
▪ Holburne Trading Company Limited	Company number:	**6954139**
▪ The Holburne Museum Trust Company	Company Number:	**4104120**
▪ Museums and Galleries Commission	Registered Museum Number:	**930**

The address of the principal offices and premises of The Museum, and of the registered office of The Company, is at Great Pulteney Street, Bath BA2 4DB. The names and addresses of The Museum's professional advisers and bankers are shown on page 9.

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, which was established in 2011 to operate the commercial activities of the Museum - being the café, shop, car park, commercial events and paying exhibitions.

- 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 contain up to five Representative Trustees of whom up to two may be nominated by The Council of the University of Bath, one by Bath & North East Somerset Council and one by the Friends of the Holburne Museum.
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.
The Museum's responsibilities and duties as a University Museum are governed by the Higher Education Strategy Board.

- Management

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

- Appointment of the Director
- Approval of the annual budget
- Approval of the Trustee's report and audited financial statements

To assist with the 'day to day' operational control of the Museum's affairs, the Trustees delegate business functions defined in its terms of reference to the *Finance and General Purposes Committee* which meets monthly. The Finance and General Purposes Committee comprises those Trustees identified on pages 7 & 8 together with the Director. Its meetings are open to any Trustee to attend.

The primary functions of the Finance and General Purposes Committee are to:

- Exercise supervisory controls over the operation of the Museum
- Assist the Director in formulating policy and with significant operational decisions
- Review management accounts against budget
- Risk management and
- Oversee the application of appropriate employment policies

The Trustees have examined the major risks to which the Museum is exposed and have developed a Risk Register which identifies the major risks to which the Museum and the Trustees are exposed. This register is maintained by the Treasurer and reviewed by the Finance and General Purposes Committee every six months. This brings the risks to the attention of the Trustees and enables them to establish strategies for dealing with them.

Objectives and activities for the public benefit

We believe enjoyment of the arts changes people's lives. Our aim is to encourage this enjoyment by:

- caring for, understanding, enhancing, displaying and interpreting our collection, our building and our unrivalled site
- reaching as wide a public as possible by providing a welcoming, intimate experience of the arts for people of all ages and abilities
- staging exhibitions, events and educational activities of outstanding quality and imagination
- being confident, adventurous and innovative.

The Museum's charitable objects for the public benefit as set out in its founders 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 applied arts.
- The extension, enhancement, conservation, storage and maintenance of the arts collection.
- Promotion of education in arts and allied subjects, and of the appreciation of art.

As a University Museum and as directed by the Museum's Higher Education Strategy Board, the Museum also seeks to:

- Develop and encourage the use of the Holburne's collection and the expertise of its staff as an educational resource.

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

2012 was the first full calendar year since the Museum's re-opening in May 2011. In June 2012, David Posnett OBE retired as Chairman of Trustees after 12 years, in the course of which he has overseen the complete transformation of the Museum and its fortunes. All Trustees extend their immeasurable thanks to David for his indefatigable work on the Museum's behalf during his time as Chairman. He is succeeded by Richard Fleck.

We are happy to report that we met our principal objectives for the year.

- To build on the Museum's successful re-opening: sustaining visitor numbers and meeting targets for visitor satisfaction and spend

  Visitor numbers continued to exceed predictions with 130,278 visitors to the Museum in 2012. Our visitor surveys continued to show very high levels of satisfaction with 98% finding their visit enjoyable or very enjoyable and 98% saying they would recommend a visit to a friend. Visitor spend per head (including exhibition ticket, shop, car-park, cafe and the donation box) was £5.17 incl. VAT, somewhat below our ambitious target for the year.

- To run a full and inspiring programme of high quality exhibitions, events and educational workshops in order to appeal to and engage as wide an audience as possible.

During the year we mounted an impressive 16 temporary exhibitions and displays including four major exhibitions in the Roper Gallery; five in the Wirth Gallery (exhibitions which included three new commissions by contemporary artists), two spectacular displays on our Ballroom table (including a new piece commissioned for the table by Bouke de Vries), two displays of contemporary ceramics around our café, a display of work by the students of Bath School of Art and Design and two popular immersive installations – Colourscape and Martin Richman's Light Labyrinth – in our garden. All our major exhibitions were favourably reviewed with *Presence: The Art of Portrait Sculpture* named one of the top five exhibitions of the year by the Observer.

13,578 adults and children were engaged in educational activities at the Museum including attendees at lectures, concerts, workshops and participatory events. There were 84 visits to the Museum by schools including 1,577 children with a further 1,165 pupils engaged through outreach workshops. 5,419 children participated in our Art for All programme which includes our Early Year provision and participatory events such as The Big Draw and our ever popular Lantern Procession. 271 students were taught by Museum staff. The Holburne Association of Homeless Artists (HaHa) continued to run throughout the year.

- To seek to increase the value of the Museum's endowment, if possible with the support of the DCMS/Heritage Lottery Fund's Catalyst Endowment Scheme.

  Our application to the Catalyst Endowment Scheme was successful, with the fund promising £1million towards our endowment if we can match it by raising an equivalent amount. Our campaign has been going well, greatly helped both by a major legacy and a pledge of £250,000 from an anonymous trust if matched by new donations. We hope to have achieved our £1million target by the end of 2013.

- To meet our revenue fundraising targets and to continue to manage the Museum's commercial operations to maximise revenue for the Museum.

  For the first time in many years the Museum exceeded its revenue fundraising target for the year, securing £619,323 through grants, sponsorship, individual donations and the support of our Friends and Patrons. As importantly, a number of important multi-year grants were secured giving the Museum confidence over the coming years as it seeks to build its Capital fund to support underlying core costs. All grants and donations are important for the Museum; but of particular significance were major grants over the next three years from the Monument Trust and the next four years from Iwan and Manuela Wirth, as well as a partnership agreement over the coming five years with Bath Spa University.

  The positive fundraising performance was somewhat tempered over the year by both higher than expected maintenance and utility costs and lower than budgeted commercial revenues. The Trustees continue to monitor commercial performance closely. Changes to shop management and layout have improved performance and having had 19 months continuous operation by the end of the year Trustees feel considerably more confident in their predictions for the coming year.

FINANCIAL REVIEW

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.

- **Review of the year**

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 as where stated in respect of all newly acquired or donated heritage assets.

The accounts reflect the first full year of operation after the completion of the new extension and refurbishment of the main museum building. The net cost of operating before transfers was £348,167 which has been funded in part by the growth on investments of £63,069 and the balance from our unrestricted designated Capital fund. The total donations and grants receivable were £1,004,268 (2011 £2,731,098 which included £1,069,299 for the development project).

Overall the unrestricted income funds (which comprise the Capital Fund, the Revaluation Fund and the General Fund) totalled £1,458,662 at the year end, a net decrease of £311,115 (2011 increase of £304,012) for the year. Investment income from dividends and interest was £24,135 (2011 £25,937). Our Catalyst Endowment Fund and Restricted Income Funds are discussed below.

At the end of 2012 the Museum`s total net assets had decreased by £88,518 to £12,109,663. The Trustees are satisfied that the Balance Sheet is in sound state showing sufficient resources for the short to medium term.
The Trustees' objective is to manage the Museum's annual operating costs to reduce any deficit on the General fund, whilst building a Capital fund which, together with the Catalyst Endowment fund, will generate returns from investments sufficient to fund [the Museum's core operating costs/any annual operational deficits] and so ensure the longer term stability of the Museum and its operations.
A significant step has been taken towards this with the successful application to the DCMS/HLF Catalyst Fund resulting in the challenge of raising £1,000,000 by 2016 in order to release a grant of £1,000,000 matched funds to be applied to the Endowment Fund. The first drawdown of £498,000 took place in April 2013. The Trustees hope to have achieved our £1million target by the end of 2013.

Details of Funds

The Trustees maintain the following five separate funds:

- **The General Fund** is the fund through which all the Trust's day-to-day operating transactions (other than those that relate solely to one or more of the other funds) are recorded. This fund operates routinely in deficit, and is subject to regular subsidy from the Capital fund.

- **The Capital Fund** is a designated but unrestricted fund which the Trustees intend to keep intact, and to grow in value in order to provide finance for the core operating costs relating to the on-going activities of the Museum. Total return income and gains from both the Catalyst Endowment Fund and the Special Acquisition Fund are held within this fund.

- **The Development Fund** is a restricted fund operated solely for funds donated and grants raised for the purpose of financing the Trustees' major development scheme (which for these purposes included the Gardener's Lodge development).

- **The Specific Purposes Fund**, also a restricted 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. It also contains the Special Acquisition Fund which is the proceeds of sale of an item from the collection in 2011. All these

transactions, both receipts and the use of the funding, are separately recorded and accounted for in the Trust's records.

- **The Catalyst Endowment Fund** is the grant from the DCMS/Heritage Lottery Fund's Catalyst Endowment Fund award together with the matched donations. These funds are required to be held intact for a minimum of 25 years from the date of the receipt. The aim is to build this fund to its maximum of £2 million by 2016 or earlier.

Investment policy and performance

The assets of the Endowment Fund and Special Acquisitions Fund have been invested

- Through a third party professional investment manager with a medium to low risk/capital preservation mandate in accordance with the powers given to the Trustee under the Trustee Investment Act 1961. Such funds totalled £1,066,047 at 31 December 2012; and
- With the Trojan Income Fund. Such funds totalled £781,584 at 31 December 2012.

Therefore the total market value of the investment portfolio totalled £1,847,631 at the end of the year.
The balance of the funds is held in cash and is invested at regular intervals as appropriate.

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 five year Business Plan has been prepared and is under constant review, the objective of which is to enable the Capital and Endowment funds to increase to a level at which the income generated will cover the core operating costs of the Museum.
It is the policy of the charity to maintain 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.

Pension Fund Deficit

The Museum`s participation in the defined benefit scheme for its employees in the Avon Pension Fund resulted in an increase in the net actuarial loss in 2012 of £50,000 (2011 £26,000).
The present value of funded obligations is £1,033,000 (2011 £869,000), giving rise to a net pension liability of £424,000 (2011 £357,000). This deficit represents the balance on the General Fund. This shows that the pension fund covers some 59% (2011 59%) of the projected liability that is expected to crystallise over a period of 20 years and may have to be funded from the charity`s resources in the future. The liability is reassessed by the Scheme`s actuary on a triennial basis. As the Trustees take the view that this liability is most unlikely to crystallise at one point in time, the focus should be on funding the annual costs of servicing the scheme. Any further increases in the net pension liability will be reflected in the General Fund.
In 2010 the Trustees closed the defined benefit scheme to new employees and offered them a defined contribution scheme which enables them to exercise some control over their entitlements. It is a Group Pension Scheme with Scottish Widows.

Plans for future periods

Looking forward to 2013 and beyond, the priorities for the Trustees as set out in the Museum's Forward Plan are:

- To maintain and manage the Museum's building, site and collection to the highest possible standards and to continue to improve access to the collection.

- To sustain or increase visitor numbers while seeking to broaden the Museum's audience through the development of the Museum's Audience Development Plan while ensuring that all visitors are treated as well as possible.

- To deliver ambitious, varied, high quality and sustainable exhibitions, events and learning programmes to meet the needs of our different audiences; attract new visitors to the Museum and encourage repeat visits; enhance the Museum's reputation and contribute to the understanding and enjoyment of the arts.

- To become financially secure through meeting fundraising targets, increasing the endowment with the help of the HLF Catalyst scheme and maximising commercial revenues in order to become less reliant on grant funding for core activities.

- To reintegrate the Museum's garden with a restored and reinvigorated Sydney Gardens, through working with Bath and North East Somerset Council towards a successful bid to the Heritage Lottery Fund's Parks for People grant programme.

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 volunteers and staff 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 1822.

This report was approved by The Trustees and signed on their behalf on 13 June 2013 by:

Richard Fleck CBE	**Antony Constantinidi**
Chairman	**Treasurer**

THE HOLBURNE MUSEUM

OFFICERS AND MANAGEMENT

YEAR ENDED 31 DECEMBER 2012

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

Richard Fleck [1,2]
CHAIRMAN
Solicitor and Partner with Herbert Smith 1980 – 2009
Director, Financial Reporting Council, 2004 to date
(Appointed AGM June 2012)

David Posnett OBE [1]
CHAIRMAN
Former Chairman, The Leger Galleries, London
Former Chairman, The Society of London Art Dealers
(Retired AGM June 2012)

Prof. Brian Allen
VICE CHAIRMAN
Director of Studies at the Paul Mellon Centre

Anthony Wilkinson CA
Chartered Accountant
Former Partner, Coopers & Lybrand, Hong Kong
(Retired AGM June 2012)

The Countess of Oxford – Clare Asquith
Writer and lecturer

Malcolm Baldwin
Chairman, Mondo Foods Ltd
Local Chairman, Clydesdale Bank
(Retired AGM June 2012)

Tessa Coleman [2]
Artist
Former Investment Banker with Fleming Investment Management London and Invesco Mim Tokyo and London
(Retired April 2012)

Cllr. Nicholas Coombes [3]
Nominated Trustee, Bath and North East Somerset Councillor for Bathwick

Antony Constantinidi [1,2]
HON.TREASURER
Chartered Accountant
Former tax partner, PricewaterhouseCoopers

Patrick Despard [1]
CHAIRMAN, FINANCE & GENERAL PURPOSES COMITTEE
Associate of The Royal Institute of Chartered Surveyors.
Formerly Chief Executive of City & West End Property Group. London W1

David Embleton [1,2]
Chairman, Sulis Fund, a seed investment fund for the Universities of Bath, Bristol and Southampton
Co-Founder of Eden Ventures, Bath
Former Pro-Chancellor of the University of Bath, 1996-2003

THE HOLBURNE MUSEUM

OFFICERS AND MANAGEMENT

YEAR ENDED 31 DECEMBER 2012

Prof. Vaughan Hart
Nominated Trustee, Professor of Architecture at Bath University

Antonia Johnson [4]
Nominated Trustee, The Friends of The Holburne Museum

Michael King
Chairman of Stone King LLP solicitors

Trevor Osborne FRICS FRSA [1]
Chairman of the Trevor Osborne Property Group Limited 1973 to present
Court Member and visiting Fellow, Oxford Brookes University (Architecture and Planning)
Trustee of The Royal Fine Art Commission Trust

Brian Roper MBE [1]
Chairman, Roper Rhodes Ltd
(Retired AGM June 2012)

Desmond Shawe-Taylor
Surveyor of the Queen's Pictures

Prof. Christina Slade
Vice Chancellor of Bath Spa University
(Appointed December 2012)

Adrian Tinniswood [1]
Architectural historian, author, lecturer and broadcaster.
A consultant with The National Trust and formally Chairman of the HLF committee for the South West.

Notes
[1] Member of Finance & General Purpose Committee*
[2] Member of Investment Committee
[3] Nominee of Bath and North East Somerset
[4] Nominee, The Friends of The Holburne Museum
[*Formally the Executive Committee]

Director of The Holburne Museum
Dr Alexander Sturgis

THE HOLBURNE MUSEUM

PROFESSIONAL ADVISORS AND BANKERS

Solicitors
Thrings
2 Queen Square
Bath BA1 2HQ

Withy King
Midland Bridge House
Midland Bridge Road
Bath BA2 3FP

Auditors
Moore Stephens
Chartered Accountants & Statutory Auditors
30 Gay Street
Bath BA1 2PA

Investment managers and advisors
Ruffer LLP
80 Victoria Street
London SW1E 5JL

Capita Financial Managers Ltd
2 The Boulevard
City West One Office Park
Gelderd Road
Leeds LS12 6NT

Insurance Brokers
Bluefin Insurance Services Ltd
Castlemead
Lower Castle Street
Bristol BS1 3AG

Aon Limited
8 Devonshire Square
London EC2M 4PL

Bankers
CafBank Ltd
PO Box 289
West Malling
Kent ME19 4TA

THE HOLBURNE MUSEUM

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE HOLBURNE MUSEUM

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of The Holburne Museum for the year ended 31 December 2012 which comprise the group Statement of Financial Activities, the group and the charity Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, 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 members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 151 of the Charities Act 2011 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on the financial statements

As detailed in the accounting policies, the trustee has decided to exclude from the financial statements all newly acquired or donated heritage assets, on the grounds that inclusion of such assets from the Museum's collection is inconsistent with the treatment of the majority of the Museum's collection which was a legacy from the Holburne family. Consequently the financial statements do not recognise these assets as is required by the Financial Reporting Standard for Smaller Entities and the Statement of Recommended Practice, Accounting and Reporting by Charities 2005 (SORP 2005).

In addition the trustee has decided not to disclose the summary of transactions relating to Heritage assets as is recommended in the SORP 2005 information sheet 3.

Opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2012 and of the groups incoming resources and application of resources 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.

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 report of the Trustees is inconsistent in any material respect with the financial statements.
- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Vince
Senior Statutory Auditor

For and on behalf of Moore Stephens, Statutory Auditor
30 Gay Street
Bath
Somerset
BA1 2PA

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

13th June 2013

THE HOLBURNE MUSEUM OF ART

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR YEAR ENDED 31 DECEMBER 2012

	Note	Unrestricted Funds General Funds	Unrestricted Funds Capital Funds	Restricted Funds	Endowment fund	Total Funds 2012	Total Funds 2011
		£	£	£	£	£	£
INCOMING RESOURCES							
Incoming resources from generating funds:							
Voluntary income	1	273,591	-	549,144	181,533	1,004,268	2,731,098
Activities for generating funds	2	282,417	-	-	-	282,417	202,910
Investment income	3	665	21,153	2,317	-	24,135	25,937
Incoming resources from charitable activities	4	99,258	-	-	-	99,258	106,686
TOTAL INCOMING RESOURCES		655,931	21,153	551,461	181,533	1,410,078	3,066,631
RESOURCES EXPENDED							
Fundraising trading: cost of goods sold and other costs	5	64,099	-	-	-	64,099	65,576
Investment management costs	6	-	8,890	-	-	8,890	8,518
On charitable activities	7/8	884,709	-	498,677	-	1,383,386	1,161,812
Governance costs	9	55,290	-	-	-	55,290	42,084
TOTAL RESOURCES EXPENDED		1,004,098	8,890	498,677	-	1,511,665	1,277,990
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	11	(348,167)	12,263	52,784	181,533	(101,587)	1,788,641
TRANSFERS BETWEEN FUNDS	12	(362,808)	374,528	(11,720)	-	-	-
NET INCOMING/(OUTGOING) RESOURCES AFTER TRANSFERS		(710,975)	386,791	41,064	181,533	(101,587)	1,788,641
OTHER RECOGNISED GAINS AND LOSSES							
Gain/(Loss) on investment assets	15a	-	63,069	-	-	63,069	13,471
Actuarial loss on defined benefit pension scheme	20	(50,000)	-	-	-	(50,000)	(26,000)
Pension scheme deficit		-	-	-	-	-	-
NET MOVEMENT IN FUNDS		(760,975)	449,860	41,064	181,533	(88,518)	1,776,112
FUND BALANCES BROUGHT FORWARD		336,975	1,432,802	10,428,404	-	12,198,181	10,422,069
FUND BALANCES CARRIED FORWARD		(424,000)	1,882,662	10,469,468	181,533	12,109,663	12,198,181

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.

THE HOLBURNE MUSEUM OF ART

BALANCE SHEET

31 DECEMBER 2012

	Note	Unrestricted Funds General Funds	Unrestricted Funds Capital Funds	Restricted Funds	Endowment Fund	Total Funds 2012	Total Funds 2011
		£	£	£	£	£	£
FIXED ASSETS							
Heritage assets		-	-	-	-	-	-
Tangible fixed assets							
The Museum	14	-	550,000	8,525,246	-	9,075,246	9,251,478
Others	14	12,637	-	981,150	-	993,787	992,345
Investments	15	100	781,584	1,066,047	-	1,847,731	1,045,042
TOTAL FIXED ASSETS		12,737	1,331,584	10,572,443	-	11,916,764	11,288,865
CURRENT ASSETS							
Bookshop stock	16b	2,500	-	-	-	2,500	2,500
Debtors	17b	394,825	-	-	-	394,825	638,754
Bank balances and cash in hand		(165,015)	551,127	330,296	181,533	897,941	1,782,347
		232,310	551,127	330,296	181,533	1,295,266	2,423,601
CREDITORS: Amounts falling due within one year	18b	(245,047)	-	(183,271)	-	(428,318)	(907,236)
NET CURRENT ASSETS/(LIABILITIES)		(12,737)	551,127	147,025	181,533	866,948	1,516,365
CREDITORS: Amounts falling due after more then one year	19	-	-	(250,000)	-	(250,000)	(250,000)
NET ASSETS/(LIABILITIES) BEFORE PENSION DEFICIT		-	1,882,711	10,469,468	181,533	12,533,712	12,555,230
Pension scheme deficit	20	(424,000)	-	-	-	(424,000)	(357,000)
NET ASSETS/(LIABILITIES)		(424,000)	1,882,711	10,469,468	181,533	12,109,712	12,198,230
ENDOWMENT FUND	22	-	-	-	181,533	181,533	-
RESTRICTED FUNDS	23						
Specific Purposes Fund: Revenue		-	-	42,443	-	42,443	14,991
Specific Purposes Fund:Capital		-	-	22,548	-	22,548	22,548
Special Acquisitions Fund		-	-	1,000,000	-	1,000,000	1,000,000
Development Fund		-	-	9,404,477	-	9,404,477	9,390,865
		-	-	10,469,468	-	10,469,468	10,428,404
UNRESTRICTED FUNDS							
Designated funds:							
Revaluation fund	24b	-	550,000	-	-	550,000	550,000
Capital Fund	24b	-	1,332,711	-	-	1,332,711	882,802
		-	1,882,711	-	-	1,882,711	1,432,802
General fund		-	-	-	-	-	694,024
Less: Pension reserve deficit	20	(424,000)	-	-	-	(424,000)	(357,000)
	24b	(424,000)	1,882,711	-	-	1,458,711	1,769,826
		(424,000)	1,882,711	10,469,468	181,533	12,109,712	12,198,230

The financial statements were approved by the Trustees at their meeting on and are signed on their behalf on 13.6.13 by:

Chairman *Treasurer*

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

THE HOLBURNE MUSEUM OF ART

CONSOLIDATED BALANCE SHEET

31 DECEMBER 2012

	Note	Unrestricted Funds General Funds	Unrestricted Funds Capital Funds	Restricted Funds	Endowment Fund	Total Funds 2012	Total Funds 2011
		£	£	£	£	£	£
FIXED ASSETS							
Heritage assets		-	-	-	-	-	-
Tangible Fixed assets							
The Museum	14	-	550,000	8,525,246	-	9,075,246	9,251,478
Others	14	12,637	-	981,150	-	993,787	992,345
Investments	15a	-	781,584	1,066,047	-	1,847,631	1,044,942
TOTAL FIXED ASSETS		12,637	1,331,584	10,572,443	-	11,916,664	11,288,765
CURRENT ASSETS							
Stock	16a	46,802	-	-	-	46,802	47,006
Debtors	17a	221,421	-	-	-	221,421	496,695
Bank balances and cash in hand		6,095	551,078	330,296	181,533	1,069,002	1,897,464
		274,318	551,078	330,296	181,533	1,337,225	2,441,165
CREDITORS: Amounts falling due within one year	18a	(286,955)	-	(183,271)	-	(470,226)	(924,749)
NET CURRENT ASSETS/(LIABILITIES)		(12,637)	551,078	147,025	181,533	866,999	1,516,416
CREDITORS: Amounts falling due after more then one year	19	-	-	(250,000)	-	(250,000)	(250,000)
NET ASSETS/(LIABILITIES) BEFORE PENSION DEFICIT		-	1,882,662	10,469,468	181,533	12,533,663	12,555,181
Pension scheme deficit	20	(424,000)	-	-	-	(424,000)	(357,000)
NET ASSETS/(LIABILITIES)		(424,000)	1,882,662	10,469,468	181,533	12,109,663	12,198,181
ENDOWMENT FUND	22	-	-	-	181,533	181,533	-
RESTRICTED FUNDS	23						
Specific Purposes Fund: Revenue		-	-	42,443	-	42,443	14,991
Specific Purposes Fund:Capital		-	-	22,548	-	22,548	22,548
Special Acquisitions Fund		-	-	1,000,000	-	1,000,000	1,000,000
Development Fund		-	-	9,404,477	-	9,404,477	9,390,865
		-	-	10,469,468	-	10,469,468	10,428,404
UNRESTRICTED FUNDS							
Designated Funds:							
Revaluation Fund	24a	-	550,000	-	-	550,000	550,000
Capital Fund	24a	-	1,332,662	-	-	1,332,662	882,802
		-	1,882,662	-	-	1,882,662	1,432,802
General fund		-	-	-	-	-	693,975
Less: Pension reserve deficit	20	(424,000)	-	-	-	(424,000)	(357,000)
	24a	(424,000)	1,882,662	-	-	1,458,662	1,769,777
		(424,000)	1,882,662	10,469,468	181,533	12,109,663	12,198,181

The financial statements were approved by the Trustees at their meeting on 13.16.13 and are signed on their behalf on by:

Chairman *Treasurer*

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

THE HOLBURNE MUSEUM

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2012

Basis of accounting
The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Charities Act 2011.

Revenue recognition
Donations, grants, sponsorship and legacies are credited to income only when it has become reasonably certain that they will be received and the amount can be measured with sufficient reliability.

Revenue grants and donations are shown in the Statement of Financial Activities in the year to which they relate and when the conditions for receipt have been satisfied. Where the grant has to be matched to a different period the deferred element is deducted from incoming resources and carried forward to the relevant period as deferred income.

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.

Incoming resources
Voluntary income includes all gifts, donations and related gift aid, grants which provide core funding and patrons' subscriptions.

Activities for generating funds are the trading and other fundraising activities primarily to generate incoming resources to undertake charitable activities.

Incoming resources 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 Museum's financial statement are:

a) Exhibitions and display
b) Education
c) Events (lectures and concerts etc.), room hire and lettings

Resources expended
Expenditure is recognised when incurred, and is reported gross of related income on the following bases:

a) Costs of generating 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) Charitable expenditure 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.

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.

Investment assets and income
Dividends and interest from investments are credited to income on receipt.
Investments are shown in the Balance Sheet at their mid-market price as quoted on the London Stock Exchange. Gains and losses on the revaluation and realisation of investments are debited or credited to the designated Endowment Fund and taken or charged to income in the Statement of Financial Activities.

Taxation
No provision is made for Corporation Tax as the charity is able to claim full statutory exemption subject to the proper application of all its charitable resources. 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. The Trustee has designated the Endowment Investment Fund as a separate unrestricted fund from the General Fund for the future development and maintenance of the Museum's buildings and collection.

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 fund
The charity's endowment fund is a Heritage grant of £1 million from the DCMS/Heritage Lottery Fund which, together with 1:1 matched funding, will be 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
Freehold property is shown in the Balance Sheet at a pre development valuation of £550,000 plus subsequent costs of development of £8,811,623.

Since re opening in May 2011, depreciation has been provided on the Museum's building.

Expenditure on fixed assets is capitalised where material (defined as in excess of £1,000 for any single item). Where capitalised, assets are stated at cost less subsequent depreciation unless otherwise stated. Other (not material) fixed asset expenditure 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 so as 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 (SL)
Fixtures and fittings - pre development, 20% reducing balance - post development, 15 to 30 years SL
Leasehold property - over the period of the lease

Stock
Stock in the Museum shop is included in the financial statements at the lower of its 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.

Pension costs
The charity operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

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, net of related deferred tax.

Heritage Assets

The value of the Museum's collection has not been capitalised as the majority of the collection is the legacy of the Holburne family. Significant costs would be involved in valuing the collection that, in the opinion of the Trustee, would not provide sufficient additional benefit to users of the accounts in assessing the Trustees stewardship of the assets to justify the expenses. The Trustee also considers that the cost far outweighs any benefits of obtaining the information that is recommended by the SORP Information Sheet 3 to be disclosed in the accounts.

In accordance with this policy and in the interests of consistency, no monetary value in respect of newly donated or acquired Heritage Assets is recorded in the accounts and no disclosures in respect of Heritage Assets are included in the accounts. The Trustee acknowledges that this treatment is not in accordance with the provisions of the SORP Accounting and Reporting by Charities or with Financial Reporting Standard for Smaller Entities.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

THE HOLBURNE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. Voluntary income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2012 £	Total Funds 2011 £
Donations					
Development fund	–	231,287	–	231,287	1,620,695
Designated endowment fund	–	–	–	–	600,000
Specific purposes revenue fund	–	277,705	–	277,705	101,255
General donations and grants	155,305	–	–	155,305	158,107
Patrons' subscriptions and donations	56,774	–	–	56,774	50,963
Friends of the Holburne Museum	5,000	27,000	–	32,000	109,353
Endowment donations	–	–	181,533	181,533	–
University grants	51,667	–	–	51,667	71,665
Education	4,845	13,152	–	17,997	19,060
	273,591	549,144	181,533	1,004,268	2,731,098

2. Incoming Resources from activities for generating funds

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Corporate Sponsorship and membership	27,875	27,875	36,633
Other activities for generating funds	220,550	220,550	151,153
Museum room hire and lettings	33,992	33,992	15,124
	282,417	282,417	202,910

3. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Income from UK listed investments	19,311	–	19,311	17,666
Bank interest receivable	2,507	2,317	4,824	8,271
	21,818	2,317	24,135	25,937

4. Incoming resources from charitable activities

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Exhibition admissions	65,894	65,894	70,233
Education lectures, concerts, workshops etc.	33,364	33,364	36,453
	99,258	99,258	106,686

5. Fundraising trading: cost of goods sold and other costs

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Other costs of generating funds	64,099	64,099	65,576

6. Investment management costs

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Investment management fees	8,890	8,890	8,518

7. Costs of charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Museum activities	315,142	457,477	772,619	709,436
Education activities	115,070	–	115,070	118,284
Exhibition activities	132,919	35,177	168,096	61,416
Support costs	321,578	6,023	327,601	272,676
	884,709	498,677	1,383,386	1,161,812

8. Costs of charitable activities by activity type

	Staff costs £	Other direct costs £	Support costs £	Total Funds 2012 £	Total Funds 2011 £
Museum activities	311,536	461,083	242,266	1,041,885	839,080
Education activities	67,041	48,029	68,268	183,338	161,194
Major development project	–	–	17,067	17,067	100,122
Exhibition activities	29,592	138,504	–	168,096	61,416
	408,169	647,616	327,601	1,383,386	1,161,812

9. Governance costs

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Salaries and wages	4,560	4,560	4,638
Premises costs	6,822	6,822	6,264
Audit fees	10,000	10,000	12,430
Trustees' expenses	15,223	15,223	4,148
Net finance costs in respect of defined benefit pension schemes	13,000	13,000	12,000
Other administrative costs	5,685	5,685	2,604
	55,290	55,290	42,084

10. Analysis of support costs

	Museum activities £	Education activities £	Major development project £	Total 2012 £	Total 2011 £
Staff costs	63,845	18,241	4,560	86,646	103,166
Premises	95,512	27,289	6,822	129,623	119,012
Other administrative costs	82,909	22,738	5,685	111,332	50,498
	242,266	68,268	17,067	327,601	272,676

11. Net (outgoing)/incoming resources for the year

This is stated after charging:

	2012	2011
	£	£
Depreciation	228,769	143,092
Auditors' remuneration:		
- audit of the financial statements	10,000	12,430

12. Fund transfers

The fund transfer between restricted and unrestricted funds of £11,720 represents the funding from restricted funds of charitable activity costs in Education. The transfer between general and designated funds is explained in note 24.

13. Staff costs and emoluments

Total staff costs were as follows:

	2012	2011
	£	£
Wages and salaries	474,190	405,088
Social security costs	34,624	29,753
Other pension costs	46,000	52,000
	554,814	486,841

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs (see note 20).

Particulars of employees:
The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2012	2011
	No	No
Curatorial	3	3
Education	2	2
Exhibitions	1	1
Shop	1	1
Administration & finance	2	2
Development	–	1
Fundraising	2	1
Communications	1	1
Facilities	1	1
Front of House	3	2
	16	15

The number of employees whose remuneration for the year fell within the following bands, were:

	2012	2011
	No	No
£60,000 to £69,999	1	1

During the year, the following number of employees earning more than £60,000:

	2012	2011
	No	No
Accrued benefits under defined benefit pension schemes	1	1

13. Staff costs and emoluments *(continued)*

Trustees

No remuneration is payable to the sole trustee of the Museum, or to any of the directors of that company. Expenses totalling £3,223 (2011 £4,148) were reimbursed to a director of the Trustee company for expenses incurred on travel and entertaining in the course of the fund raising activities.

14. Tangible Fixed Assets
The group and the charity

	Freehold property £	Fixtures & Fittings £	Leasehold Property £	Total £
COST				
At 1 January 2012	9,361,623	985,402	85,079	10,432,104
Additions	-	53,979	-	53,979
At 31 December 2012	9,361,623	1,039,381	85,079	10,486,083
DEPRECIATION				
At 1 January 2012	110,145	47,838	30,298	188,281
Charge for the year	176,232	48,283	4,254	228,769
At 31 December 2012	286,377	96,121	34,552	417,050
NET BOOK VALUE				
At 31 December 2012	9,075,246	943,260	50,527	10,069,033
At 31 December 2011	9,251,478	937,564	54,781	10,243,823

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.

During 2011 the Development project was completed and the total cost of £8,811,623 reanalysed as freehold property.

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 2012 the building was valued at just over £13m 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 leasehold property is 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.

15a. INVESTMENTS

The group and the charity

Movement in market value

	2012	2011
	£	£
Market value at 1 January 2012	1,044,942	1,042,104
Acquisitions at cost	1,043,465	185,376
Disposals at opening book value	(303,845)	(196,009)
Net gains on revaluations in the year ended 31 December 2012	63,069	13,471
Market value at 31 December 2012	1,847,631	1,044,942
Historical cost at 31 December 2012	1,692,931	927,073

Analysis of investments at 31 December 2012 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2012 £	Total Funds 2011 £
Listed investments					
UK Quoted Shares	781,584	311,543	-	1,093,127	600,280
Non-UK Quoted Shares	-	734,790	-	734,790	391,629
	781,584	1,046,333	-	1,827,917	991,909
Other investments					
UK Cash held as part of Portfolio	-	19,714	-	19,714	53,033
	-	19,714	-	19,714	53,033
	781,584	1,066,047	-	1,847,631	1,044,942

Individual holdings in excess of 5% of the total portfolio are as follows:

Trojan income fund - 'S' accumulation shares	£781,584
1.25% Treasury index-linked 2017	£110,250

The charity

	2012	2011
	£	£
Investment in subsidiary	100	100

15b. SUBSIDIARY UNDERTAKING

The charity owns the whole of the issued share capital of Holburne Trading Company Limited, a company registered in England. 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:

	2012	2011
	£	£
Profit and loss account		
Turnover	340,319	247,020
Cost of sales	(165,194)	(124,548)
Gross profit	175,125	122,472
Administrative expenses	104,372	91,182
Operating profit	70,753	31,290
Interest receivable	247	108
Transfer to Holburne Museum under gift aid	(71,000)	(31,446)
Result for the financial year	-	(48)
Balance sheet		
Assets	249,823	210,467
Liabilities	(249,771)	(210,415)
Retained reserves	52	52

16a. STOCKS
The group

	2012	2011
	£	£
Stock	46,802	47,006

16b. STOCKS
The charity

	2012	2011
	£	£
Stock	2,500	2,500

17a. DEBTORS
The group

	2012	2011
	£	£
Trade debtors	91,923	47,126
Grant receivable	-	219,522
Other debtors	47,912	-
Prepayments	81,586	230,047
	221,421	496,695

17b. DEBTORS
The charity

	2012	2011
	£	£
Trade debtors	64,228	9,180
Amounts owed by group undertakings	199,563	176,019
Grant receivable	–	219,522
Other debtors	55,539	16,784
Prepayments	75,495	217,249
	394,825	638,754

18a. CREDITORS: Amounts falling due within one year
The group

	2012	2011
	£	£
Trade creditors	304,757	806,885
Taxation and social security	–	164
Other creditors	16,247	7,636
Accruals	149,222	110,064
	470,226	924,749

18b. CREDITORS: Amounts falling due within one year
The charity

	2012	2011
	£	£
Trade creditors	296,389	792636
Other creditors	2,375	7,736
Accruals	129,554	106,864
	428,318	907,236

19. CREDITORS: Amounts falling due after more than one year
The group and charity

	2012	2011
	£	£
Other long term loans	250,000	250,000

20. PENSIONS AND OTHER POST RETIREMENT BENEFITS
The group and the charity

Defined contribution scheme
In 2011 the Holburne Museum set up a defined contribution pension scheme. It is with Scottish Widows and is a group pension scheme. As at 31 December 2012 no one had taken up the scheme. This is available to all staff if they wish.

Defined benefit 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 scheme was closed to new members in September 2010. The last actuarial valuation was undertaken as at 31 March 2010.
As set out below there is a net pension liability of £424,000 at the end of the year in respect of this scheme. The net liability increased by £67,000 which is set out in this note.

20. PENSIONS AND OTHER POST RETIREMENT BENEFITS cont.

The group and the charity

The amounts recognised in the statement of financial activities are as follows:

	2012 £	2011 £
Total operating charge in resources expended:		
Current service cost	**46,000**	52,000
Total operating charge	**46,000**	52,000
Amounts included in other finance cost:		
Expected return on scheme assets	**(30,000)**	(31,000)
Interest on scheme liabilities	**43,000**	43,000
Other finance cost	**13,000**	12,000
Amounts included in other recognised gains and losses:		
Actuarial loss	**50,000**	26,000
Amounts included in non-operating exceptional items:		
Other recognised losses	**50,000**	26,000
Charge to the statement of financial activities	**109,000**	90,000
Less employer's contribution	**(42,000)**	(41,000)
Increase in net liability	**67,000**	49,000

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

	2012 £	2011 £
Costs of generating funds	**46,000**	52,000
Governance costs	**13,000**	12,000
	59,000	64,000

The amounts recognised in the balance sheet are as follows:

	2012 £	2011 £
Present value of funded obligations	**(1,033,000)**	(869,000)
Fair value of scheme assets	**609,000**	512,000
Net pension liability	**(424,000)**	(357,000)

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

	2012 £	2011 £
Opening defined benefit obligation	**869,000**	791,000
Current service cost	**46,000**	52,000
Interest on scheme liabilities	**43,000**	43,000
Actuarial loss	**70,000**	–
Contributions by scheme participants	**18,000**	19,000
Benefits paid	**(13,000)**	(36,000)
Closing defined benefit obligation	**1,033,000**	869,000

20. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

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

	2012	2011
	£	£
Opening fair value of scheme assets	**512,000**	483,000
Expected return on scheme assets	**30,000**	31,000
Contributions by employer	**42,000**	41,000
Contributions by scheme participants	**18,000**	19,000
Actuarial gain/(loss)	**20,000**	(26,000)
Benefits paid	**(13,000)**	(36,000)
Closing fair value of scheme assets	**609,000**	512,000

The pension contributions rates for the year were 10% of salary plus a fixed contribution of £14,700. This is expected to change to 10% plus a fixed contribution of £15,300 for the year commencing 1 April 2013.

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

	2012	2011
	%	%
European equities	**62**	57
European bonds	**12**	16
North American bonds	**9**	9
Property	**7**	7
Cash	**2**	2
Other assets	**8**	9

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

	2012	2011
	%	%
Discount rate	**5**	5
Rate of increase in salaries	**4**	4
Rate of increase in pensions in payment	**2**	2
Inflation	**2**	2

Amounts for the current and previous four periods are as follows:

	2012	**2011**	**2010**	**2009**	**2008**
	£	**£**	**£**	**£**	**£**
Defined benefit obligation	**(1,033,000)**	(869,000)	(791,000)	(208,000)	(33,000)
Fair value of scheme assets	**609,000**	512,000	483,000	92,000	(10,000)
Deficit in the scheme	**(424,000)**	(357,000)	(308,000)	(116,000)	(43,000)

21. COMMITMENTS UNDER OPERATING LEASES

At 2012 the group and the charity had annual commitments under non-cancellable operating leases as set out below.

	2012		2011	
	Land and buildings	**Other items**	Land and buildings	Other items
	£	**£**	£	£
Operating leases which expire:				
Within 1 year	-	-	3,200	686

22. ENDOWMENT FUNDS

The group and the charity

	Incoming resources £	Balance at 31 December 2012 £
Endowments		
Catalyst endowment fund	**181,533**	**181,533**

The charity's endowment fund is a Heritage grant of £1 million from the DCMS/Heritage Lottery Fund which, together with 1:1 matched funding, will be received and 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 transferred to the capital fund and used to support the operations of the Museum.

23. RESTRICTED INCOME FUNDS

The group and the charity

	Balance at 1 Jan 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2012 £
Development Fund					
Gardener's lodge	54,781	–	(4,254)	–	50,527
Development project	9,336,084	240,604	(222,738)	–	9,353,950
Specific purposes:					
-Capital Funds					
Assets	8,270	–	–	–	8,270
Cash	14,278	–	–	–	14,278
-Revenue Funds					
Education	–	13,152	–	(11,720)	1,432
Railings	3,872	–	–	–	3,872
Conservation	5,727	9,633	(6,225)	–	9,135
Adopt a Treasure	4,342	100	–	–	4,442
D E B Pike for conservation	(1,097)	–	–	–	(1,097)
Commercial and Marketing Manager	–	40,000	(40,000)	–	–
Exhibitions	–	94,987	(94,987)	–	–
Collections for Music Fund	1,084	–	(377)	–	707
Curator	1,063	137,985	(126,880)	–	12,168
Content Management System	–	15,000	(3,216)	–	11,784
Special Acquisitions Fund	1,000,000	–	–	–	1,000,000
	10,428,404	551,461	(498,677)	(11,720)	10,469,468

The Development project fund is monies received specifically to finance the Museum's development project. The Special Acquisitions Fund holds £1m received from the sale of an item in the collection and under the charity's constitution is required to be held and applied for the further purchase of other works of art for the collection.

24a. UNRESTRICTED INCOME FUNDS
The group

	Balance at 1 Jan 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2012 £
Capital Fund	882,802	84,222	(8,890)	374,528	1,332,662
Revaluation Fund	550,000	–	–	–	550,000
Total Capital Funds	1,432,802	84,222	(8,890)	828,779	1,882,662
Major development Fund	828,779	–	–	(828,779)	-
General Funds	(491,804)	655,931	(1,054,098)	465,971	(424,000)
	1,769,777	740,153	(1,062,988)	11,720	1,458,662

During the year the Directors of the Trustee company approved transfer of £828,779 from the Major development project fund to the Designated fund. This reversed the transfer made during the course of the development project in 2010 from the Designated fund to the Major development fund. Now the development is complete the Trustees have closed this fund.

24b. UNRESTRICTED INCOME FUNDS
The charity

	Balance at 1 Jan 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2012 £
Capital Fund	882,802	84,222	(8,890)	374,577	1,332,711
Revaluation Fund	550,000	–	–	–	550,000
Total Capital Funds	1,432,802	84,222	(8,890)	828,779	1,882,711
Major development Fund	828,779	–	–	(828,779)	-
General Funds	(491,804)	485,205	(883,372)	465,971	(424,000)
	1,769,777	569,427	(892,262)	11,769	1,458,711

During the year the Directors of the Trustee company approved transfer of £828,779 from the Major development project fund to the Designated fund. This reversed the transfer made during the course of the development project in 2010 from the Designated fund to the Major development fund. Now the development is complete the Trustees have closed this fund.

THE HOLBURNE MUSEUM

MANAGEMENT INFORMATION

YEAR ENDED 31 DECEMBER 2012

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 10 to 11.

THE HOLBURNE MUSEUM
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
INCOMING RESOURCES		
VOLUNTARY INCOME		
Development fund	231,287	1,620,695
Designated endowment fund	-	600,000
Specific purposes revenue fund	277,705	101,255
General donations and grants	155,305	158,107
Patrons' subscriptions and donations	56,774	50,963
Friends of the Holburne Museum	32,000	109,353
Endowment donations	181,533	-
University grants	51,667	71,665
Education	17,997	19,060
	1,004,268	2,731,098
ACTIVITIES FOR GENERATING FUNDS		
Corporate Sponsorship and membership	27,875	36,633
Other activities for generating funds	220,550	151,153
Museum room hire and lettings	33,992	15,124
	282,417	202,910
INVESTMENT INCOME		
Income from UK listed investments	19,311	17,666
Bank interest receivable	4,824	8,271
	24,135	25,937
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
Exhibition admissions	65,894	70,233
Education lectures, concerts, workshops etc.	33,364	36,453
	99,258	106,686
TOTAL INCOMING RESOURCES	1,410,078	3,066,631
RESOURCES EXPENDED		
FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS		
Office expenses - Other	64,099	65,576
INVESTMENT MANAGEMENT COSTS		
Investment management fees	8,890	8,518
CHARITABLE ACTIVITIES		
Staff costs - Wages & Salaries	487,423	440,999
Establishment - Other	129,623	119,012
Depreciation	228,769	143,092
Museum other costs	211,338	297,362
Museum support costs - admin	82,909	24,402
Education other costs	46,805	49,433
Education support costs - admin	22,738	7,829
MDP support costs - admin	5,685	18,267
Other costs	168,096	61,416
	1,383,386	1,161,812

DONORS AND PATRONS OF THE HOLBURNE MUSEUM 2012

The Holburne Museum is an independent charity and receives no regular government or council funding. Every donation helps us stay free-to-enter as Bath's Art Museum for Everyone.

Thank you to all our supporters listed here, those who give anonymously, the Friends of the Holburne and to all our volunteers who give their time so generously.

The Annual Fund
Support salaries, care of the collection, learning and the Museum's daily operational costs.

Viscount Amory's Charitable Trust
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Bath & North East Somerset Council
University of Bath
The Ken Biggs Charitable Trust
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The Cobalt Trust
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The Joyce Fletcher Charitable Trust
The Friends of the Holburne Museum
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Exhibitions and Events
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Alastair Laing

THE HOLBURNE MUSEUM

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YEAR ENDED 31 DECEMBER 2012

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