

REGISTERED COMPANY NUMBER: 03203702  
REGISTERED CHARITY NUMBER: 1071244

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2018  
FOR  
HASLEMERE EDUCATIONAL MUSEUM**

Knox Cropper  
Office Suite 1  
Haslemere House  
Lower Street  
Haslemere  
Surrey  
GU27 2PE

**HASLEMERE EDUCATIONAL MUSEUM**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**HASLEMERE EDUCATIONAL MUSEUM**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of 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).

**OBJECTIVES AND ACTIVITIES**

**Strategies to achieve the year's objectives**

The five year plan is regularly reviewed and updated setting out the actions needed to achieve the agreed objectives. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The plan identified the continued promotion of the Museum as an educational and cultural centre and the engagement of as broad an audience as possible by a full and varied annual programme of events and activities. This is achieved by encouraging and supporting visits and visitors for events for both existing and new audiences.

On the learning and interpretation aspect relating to education, an extensive annual programme was identified leading to the promotion and use of the education room and grounds of the Museum and further expanding the number of schools and local organisations that use the facilities. This is achieved through a combination of the Museum's web-site, development of leaflets and promotional material as well as continued contact with schools and other organisations.

**Activities during the year**

The Museum has served the town and beyond since 1888, providing education and entertainment and is fully integrated into the fabric of the town, organising and supporting many of the activities which make Haslemere so special including the Christmas Market, the Food Festival, Gin Festival as well as the Charter Fair, and the Town Walks'. Visitor figures in the year to 31 December 2018 were 42,218 (2017: 39,547). Aside from the popular annual fund raising events such as the golf and tennis days, the Museum organised a number of special events during the year, including a number of open air theatre events and a special parade of the Haslemere Hares.

**Volunteers and Supporters**

The Museum continued to have the support of over 100 volunteers who are involved in almost every activity and provide invaluable help to the Museum.

**FINANCIAL REVIEW**

**Transactions and Financial position**

The net excess of expenditure over income of the Museum at 31 December 2018, before unrealized losses on investments was £87,919 (2017: £48,792).

As a result of difficult market conditions in the year, the unrealized loss on investments at 31 December 2018 was £46,498 (2017: unrealized gain £81,987).

Total funds carried forward at 31 December 2018 were £2,005,076 (2017: £2,139,493) of which £1,698,566 was represented by Unrestricted Funds (2017: £1,823,806).

The Museum depends on the income which its investments produce to assist in funding its core and continuing activities. The income from investments is a vital source of funds and assists the Museum in enabling it to cover its operating expenditure.

**HASLEMERE EDUCATIONAL MUSEUM**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**FINANCIAL REVIEW**

**Principal funding sources and expenditure in the year under review**

The Museum is reliant upon the income earned from various sources to meet its costs, including entry donations, room hire, membership subscriptions, special donations, bequests and grants from various bodies.

In early 2017 the 'Museum in a Million' fundraising initiative came to an end, however the legacy of this fund continues with the Museum continuing to raise funds and awareness through various events originating from this initiative.

The balance at the end of December 2018 of the MiM fund was £1,017,205 and this balance continues to be invested in COIF Investments for the future benefit of the Museum.

Despite the income generated from the Museum in a Million Fund and the prudent financial management exercised by the Trustees, the Museum had an operating deficit and is forecast to continue to do so on an annual basis. Fundraising to reduce future annual operating deficits therefore remains a priority.

The total income of the Museum in the year was £237,842 which is a reduction of £26,896 over the total income of £264,738 in 2017.

The total expenditure of the Museum in the year increased over 2017 by £12,231 with a large increase in the expenditure on premises repairs and maintenance as a result of the work carried out on the improvements to the pond and installation of a jetty.

The majority of the Museums investments are held in the Charities Investment Fund and the Charities Fixed Interest Fund of COIF. All COIF funds are managed by CCLA Fund Managers Limited.

**Investment policy and objectives**

The investment objectives are to generate a sustainable income stream which at least maintains its real value in future years and at least maintains the capital value over the long term. To reduce risk, assets should be invested widely, both in the UK and internationally as well as being diversified by asset class.

The Trustees have taken advantage of the features of common investment funds, as they concluded that these funds offer the most cost effective access to a well diversified portfolio that reasonably matches the Museum's requirements and objectives.

The majority of funds are invested with the COIF Charities Investment Fund. This fund is managed by CCLA Fund Managers Limited, one of the UK's largest charity fund managers. The Investment Fund is a mixed asset fund which comprises a diversified portfolio of assets with a substantial exposure to overseas equities with the aim of providing a good level of income and long term protection from inflation. Due to the threat of inflation, higher interest rates and the poor outlook for bond values, the Trustees significantly reduced the investment in the COIF Fixed Interest Fund during the year.

The Museum has a policy of maintaining liquid funds on bank deposit at a level to fund three years of budgeted annual operating deficits. The objective is to ensure that investment assets do not have to be realised at short notice or in unfavourable market conditions.

**HASLEMERE EDUCATIONAL MUSEUM**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**FINANCIAL REVIEW**

**Reserves Policy**

The Trustees have agreed a policy to hold unrestricted and undesignated reserves equivalent to at least one year's annual expenditure. These reserves are held in bank accounts or in readily realisable investments. But for the existence of the Museum in a Million Expendable Endowment Fund, the Trustees would have considered it necessary to agree a policy to hold unrestricted and undesignated reserves equivalent to at least five years annual expenditure.

The reasons why the Trustees consider reserves at this level are required are as follows:

1. Most of the Museum's expenditure comprises fixed costs which relate to the running of the Museum. The majority of this expenditure comprises non discretionary establishment and staff employment costs. Establishment costs are high as the Museum is located in an 18th century listed building set in large grounds.
- 2 The Museum is critically dependant upon volunteer workers in order to be able to maintain and run its activities. Annual expenditure would increase by around 50% if commercial rates were paid to individuals or outside agencies to carry out the work currently undertaken by volunteers.
3. With the exception of the investment income generated by the designated funds, only a small proportion of the Museum's annual income can be regarded as regular, recurring income.
4. Despite the Trustees keeping a tight control over expenditure, the Museum's budgets for both this and the coming years anticipate a significant operating deficit (an excess of expenditure over income) in each future financial year. This deficit is after taking account of the investment income generated by the expendable endowment fund.

The principal purpose of the Museum in a Million Expendable Endowment Fund is to generate income to assist in securing the Museum's future. The investment income generated from this Fund provides regular income which partly offsets the annual running costs of the Museum as well as reducing the Museum's annual deficit.

All unrestricted funds are held in a combination of investments, term deposit accounts and cash balances. This combination is designed to maximize long term capital growth and at the same time generate a good level of income to partly offset the Museum's operating deficit. In the absence of fund raising and other income, the cash balances and term deposits provide the Museum with the flexibility to pay all expenditure as it falls due.

**Reviewing the Reserves Policy**

The Board of Trustees will review the reserves policy when circumstances change and at least annually

**FUTURE PLANS**

The Museum continues to provide education facilities through the continued employment of a full-time education officer. The education officer is required to identify and run different workshops for schools and other age groups.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a company, limited by guarantee, as defined by the Companies Act 2006.

**HASLEMERE EDUCATIONAL MUSEUM**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Charity constitution**

The Museum was founded in 1888 by Sir Jonathan Hutchinson FRS, an eminent physician and surgeon.

In 1913 a Committee was established to run the Museum which in 1926 concluded an Agreement with the Hutchinson Trustees whereby the Museum was handed over to a new Board of Trustees. In 1934 these Trustees created a Committee of Management. The Trust Deed governing this arrangement was modified in 1990 with the agreement of the Charity Commissioners.

On 24th May 1996 the Museum was incorporated as a Company limited by Guarantee as Company No.3203702. As such it has its Board of Directors, and a Management Committee that reports to the Board. The Museum is registered with the Charity Commission as a Charity, No. 1071244, the Trustees of which are also the members of the Board of Directors of the Company.

The Company holds certain properties comprised in a conveyance dated 5th June 1925 and a deed dated 22nd March 1926 as a Trustee for a separate unincorporated charity No. 1054842 named 'Haslemere Museum Charity' whose objects are to lease or loan the property to the Company or any other charity for any educational or other charitable purpose in such manner as the Trustees see fit. Having regard to the complexity of the inter-relationship between the respective charities No. 1071244 and 1054842 it has been separately agreed by the Charity Commission that the Trustee's Report and the Accounts of the former may incorporate the affairs and financial transactions, if any, of the latter.

**Organisational management**

The Board of Directors and the Charity Trustees are legally responsible for the overall management and control of the Museum. Full board meetings are held six times a year scheduled in advance held in alternate months beginning in January of each year. The day to day activities of the charity are handled through a management committee consisting of the appointed Chairman, Curator, the Honorary Treasurer and Honorary Secretary, and the management committee normally meets every two months and reports to the Board. In addition a sub-committee has been formed to review Health and Safety. Other committees are convened when it is considered necessary, to address matters arising.

**Objectives and policies**

The 1934 Deed defined the objects of the Museum as being 'to forward and advance the study of Science, Literature and the Fine Arts by means of a well equipped Museum of Natural History and objects of art and of a scientific literary and historical nature'. These are embodied unchanged in the Company's Memorandum of Association.

From its establishment in 1888 the emphasis has been on education and life long learning, particularly of young people - in 1898 it became the first institution of its kind in the country to provide regular lessons and practical demonstrations to visiting school parties. The Agreement of 1926 referred to above required that the Museum retained the name 'Haslemere Educational Museum' and the educational function continues to be at the forefront of the Museum's activities. In furtherance of this function a full-time Education Officer was appointed, and has been in place since the beginning of 2001.

While admission is free, visitors are encouraged to make a donation. Access to the Museum by all members of the public is important to the charity in promoting the importance of education for everyone.

**HASLEMERE EDUCATIONAL MUSEUM**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Appointment, induction and training of Trustees**

Trustees are appointed for an initial period of three years, after which there is the possibility of re-appointment for a second three year term, subject to approval. After this second period of appointment, Trustees must stand down and may not be appointed again for a period of at least 12 months.

New Trustees are provided with an information pack including the charity's governing document giving explanations of the charitable objectives, together with copies of the financial statements and other relevant information, to allow them to understand and be aware of the activities of the charity.

Trustees are appointed from a broad cross section of the surrounding area and bring with them knowledge and skills which help with the management and directional leadership of the museum.

**Employment Policy**

The Museum places importance on the involvement of its employees and there are regular meetings with them. Where training for improved job performance is required every effort is made to ensure it is provided.

Work experience is offered to students, particularly if they are interested in a career in museums.

**Risk assessment**

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that policies and systems are in place to mitigate exposure.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03203702

**Registered Charity number**

1071244

**Registered office**

78 High Street  
Haslemere  
Surrey  
GU27 2LA

**Trustees**

B Coe MA FRGS

M Odell MBE

A Perry

C Ashton-Jones

S Bain

- resigned 25.9.18

J Clayton

Sir J Rose CBE FRSA

C J Reay

R Sabin

- appointed 3.1.18

**Company Secretary**

Mrs J Laver LL.B

**HASLEMERE EDUCATIONAL MUSEUM**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent examiner**

James Holland Leader ACA  
ICAEW  
Knox Cropper  
Office Suite 1  
Haslemere House  
Lower Street  
Haslemere  
Surrey  
GU27 2PE

**Bankers**

Lloyds TSB Bank plc  
12 High Street  
Haslemere  
Surrey  
GU27 2JG

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 24 September 2019 and signed on its behalf by:

  
C J Reay - Trustee \_\_\_\_\_



**HASLEMERE EDUCATIONAL MUSEUM**  
**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The trustees (who are also the directors of Haslemere Educational Museum for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper 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 financial statements 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.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
HASLEMERE EDUCATIONAL MUSEUM**

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**Independent examiner's report to the trustees of Haslemere Educational Museum ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2018.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

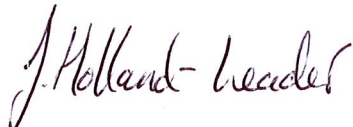
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached



James Holland Leader ACA  
ICAEW  
Knox Cropper  
Office Suite 1  
Haslemere House  
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Haslemere  
Surrey  
GU27 2PE

Date: 25<sup>th</sup> September 2019

**HASLEMERE EDUCATIONAL MUSEUM**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	81,785	21,000	102,785	118,099
<b>Charitable activities</b>					
Charitable Objectives		12,519	-	12,519	11,727
Other trading activities	3	56,617	11,211	67,828	72,731
Investment income	4	54,710	-	54,710	62,181
<b>Total</b>		<b>205,631</b>	<b>32,211</b>	<b>237,842</b>	<b>264,738</b>
<b>EXPENDITURE ON</b>					
<b>Raising funds</b>					
Other trading activities		18,928	-	18,928	17,881
		18,928	-	18,928	17,881
<b>Charitable activities</b>					
Charitable Objectives		260,659	46,174	306,833	295,649
<b>Total</b>		<b>279,587</b>	<b>46,174</b>	<b>325,761</b>	<b>313,530</b>
Net gains/(losses) on investments		(46,498)	-	(46,498)	81,987
<b>NET INCOME/(EXPENDITURE)</b>		<b>(120,454)</b>	<b>(13,963)</b>	<b>(134,417)</b>	<b>33,195</b>
<b>Transfers between funds</b>	13	<b>(4,786)</b>	<b>4,786</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(125,240)</b>	<b>(9,177)</b>	<b>(134,417)</b>	<b>33,195</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>1,823,806</b>	<b>315,687</b>	<b>2,139,493</b>	<b>2,106,298</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,698,566</b>	<b>306,510</b>	<b>2,005,076</b>	<b>2,139,493</b>

The notes form part of these financial statements

HASLEMERE EDUCATIONAL MUSEUM

BALANCE SHEET  
AT 31 DECEMBER 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	8	12,270	280,732	293,002	313,830
Investments	9	1,493,098	-	1,493,098	1,559,596
		<u>1,505,368</u>	<u>280,732</u>	<u>1,786,100</u>	<u>1,873,426</u>
<b>CURRENT ASSETS</b>					
Stocks	10	1,118	2,597	3,715	4,981
Debtors	11	6,575	1,842	8,417	11,867
Cash at bank and in hand		198,299	21,339	219,638	279,168
		<u>205,992</u>	<u>25,778</u>	<u>231,770</u>	<u>296,016</u>
<b>CREDITORS</b>					
Amounts falling due within one year	12	(12,794)	-	(12,794)	(29,949)
		<u>193,198</u>	<u>25,778</u>	<u>218,976</u>	<u>266,067</u>
<b>NET CURRENT ASSETS</b>					
		<u>1,698,566</u>	<u>306,510</u>	<u>2,005,076</u>	<u>2,139,493</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>1,698,566</u>	<u>306,510</u>	<u>2,005,076</u>	<u>2,139,493</u>
<b>NET ASSETS</b>					
		<u><u>1,698,566</u></u>	<u><u>306,510</u></u>	<u><u>2,005,076</u></u>	<u><u>2,139,493</u></u>

The notes form part of these financial statements

**HASLEMERE EDUCATIONAL MUSEUM**

**BALANCE SHEET - CONTINUED  
AT 31 DECEMBER 2018**

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>FUNDS</b>	13				
Unrestricted funds:					
General fund				325,760	293,582
AE Orchard Education Legacy				349,042	349,042
Premises				6,559	6,559
Museum in a Million				1,017,205	1,174,623
				<u>1,698,566</u>	<u>1,823,806</u>
Restricted funds:					
Haslemere Town Council/Visitor Information Centre				286	286
Museum Development				269,732	288,384
Education				14,127	14,652
Care of Collection				2,597	2,597
Premises				19,768	9,768
				<u>306,510</u>	<u>315,687</u>
<b>TOTAL FUNDS</b>				<u><u>2,005,076</u></u>	<u><u>2,139,493</u></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 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 provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 24 September 2019 and were signed on its behalf by:



C J Reay -Trustee

The notes form part of these financial statements

**HASLEMERE EDUCATIONAL MUSEUM**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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 with the exception of investments which are included at market value.

**Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Museum has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Museum's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Critical accounting judgements and key sources of estimation uncertainty**

There are no significant judgements in relation to the following accounting policies that have a material impact on the accounts.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Donations, Legacies and Collections**

Grants are accounted for when Haslemere Educational Museum is notified of its legal entitlement and the amount due is probable.

**Investment and Investment Income**

Investments are stated at market value-bid price. The income element of any accumulation shares is shown as income with the corresponding amount shown as an addition to the investments.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

## HASLEMERE EDUCATIONAL MUSEUM

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Buildings Improvements	- 2% on cost
Galleries Improvements	- 5% on cost and not provided
Plant and machinery	- 20% on cost
Fixtures & Fittings	- 20% on cost
Computer equipment	- 25% on cost

Tangible fixed assets comprising the freehold land and buildings at High Street, Haslemere are used to meet the charitable objectives. The original Museum buildings are grade II listed property and, as such, are considered to be 'Heritage Assets'. As permitted by the SORP, these buildings have not been capitalized, but expenditure on the improvement of the buildings and the galleries has been capitalized.

The Museum Collection has not been capitalized as the Trustees consider that it is impractical to ascertain either a cost or a market value. Consistent with this, object purchases and acquisition expenses are written off via the Statement of Financial Activities, in the year of acquisition.

Certain of the freehold land and buildings and the artefacts in the collection are held by the company as a Trustee for a separate charity named Haslemere Museum Charity (Charity No. 1054842) whose objectives are to lease or loan such property to the Company or any other charity for any educational or other charitable purpose and to benefit the Museum or any of the educational or other charitable purposes in such manner as the Trustees see fit.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Shop stocks are stated at the lower of cost and net realisable value.

##### **Taxation**

As a non-profit making body, the Charity believes that it is exempt from all forms of taxation other than value added tax.

HASLEMERE EDUCATIONAL MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES - continued

**Fund accounting**

Funds held by the Charitable Company are:

**Unrestricted Funds**

General funds which can be used for the Museum's ordinary purposes.

**Designated Funds**

Part of the unrestricted fund which the Trustees have, at their discretion, set aside for a designated purpose. Designated funds are also used where donors have expressed a preference without imposing a trust. The funds so designated remain unrestricted since the Trustees can remove the designation at any time.

**Restricted funds**

Restricted funds are those funds which may only be applied to purposes specified by the donor. Details of restricted funds are set out in Note 13 to the financial statements. Costs charged against restricted funds include both direct costs of meeting each funds objectives and also, where the restrictions do not prohibit it, a proportion of the Charity's overhead costs.

**Debtors: amounts falling due within one year**

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

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

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

**Cash Accounting Policy**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	78,910	28,584
Gift aid	-	4,171
Legacies	10,000	14,353
Grants	2,504	61,765
Subscriptions	9,501	6,926
Patrons	1,870	2,300
	<u>102,785</u>	<u>118,099</u>



HASLEMERE EDUCATIONAL MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018

3. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Special events & exhibitions	47,151	45,951
Shop sales	20,677	20,389
MiM events and activities	-	6,391
	<u>67,828</u>	<u>72,731</u>

4. INVESTMENT INCOME

	2018	2017
	£	£
COIF income dividends	47,697	35,245
COIF fixed interest dividends	4,797	25,195
Deposit account interest	2,216	1,741
	<u>54,710</u>	<u>62,181</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	24,717	22,772
Pension Costs	2,111	1,491
Audit fee	-	2,550
Independent Examination fee	<u>1,900</u>	<u>-</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2018 nor for the year ended 31 December 2017.

**HASLEMERE EDUCATIONAL MUSEUM**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. STAFF COSTS**

	<b>2018</b>	2017
	<b>£</b>	£
Wages and salaries	<b><u>137,694</u></b>	<u>136,540</u>

Key management personnel is defined as the Trustees, Museum Management Committee and Julia Tanner as curator.

Total emoluments paid to Key Management Personnel in the year amounted to £32,152 (2017: £31,000)

The average monthly number of employees during the year was as follows:

<b>2018</b>	2017
<b><u>7</u></b>	<u>6</u>

The following staff costs were incurred in the year:

Salaries £130,895 (2017: £137,222)

Shop salaries £8,425 (2017: £7,107) included in Shop purchases and salaries

Social Security Costs £4,687 (2017: £4,613)

Pension Costs £2,111 (2017: £1,491)

Total Staff Costs £146,118 (2017: £143,326)

The number of employees whose emoluments amounted to over £60,000 in the year were nil (2017: nil).

HASLEMERE EDUCATIONAL MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018

8. TANGIBLE FIXED ASSETS

	Buildings Improvements £	Land & Buildings £	Galleries Improvements £	
<b>COST</b>				
At 1 January 2018	18,464	353,585	231,620	
Additions	-	-	-	
At 31 December 2018	<u>18,464</u>	<u>353,585</u>	<u>231,620</u>	
<b>DEPRECIATION</b>				
At 1 January 2018	3,695	113,287	183,534	
Charge for year	1,846	7,072	11,581	
At 31 December 2018	<u>5,541</u>	<u>120,359</u>	<u>195,115</u>	
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>12,923</u>	<u>233,226</u>	<u>36,505</u>	
At 31 December 2017	<u>14,769</u>	<u>240,298</u>	<u>48,086</u>	
	<b>Plant and machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 January 2018	9,433	20,356	15,534	648,992
Additions	-	-	3,889	3,889
At 31 December 2018	<u>9,433</u>	<u>20,356</u>	<u>19,423</u>	<u>652,881</u>
<b>DEPRECIATION</b>				
At 1 January 2018	6,490	12,622	15,534	335,162
Charge for year	1,206	2,036	976	24,717
At 31 December 2018	<u>7,696</u>	<u>14,658</u>	<u>16,510</u>	<u>359,879</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>1,737</u>	<u>5,698</u>	<u>2,913</u>	<u>293,002</u>
At 31 December 2017	<u>2,943</u>	<u>7,734</u>	-	<u>313,830</u>

HASLEMERE EDUCATIONAL MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018

9. FIXED ASSET INVESTMENTS

	COIF Charities Investment Fund £	COIF Charities Fixed interest Fund £	Totals £
<b>MARKET VALUE</b>			
At 1 January 2018	1,410,155	149,441	1,559,596
Additions	49,999	-	49,999
Disposals	-	(70,000)	(70,000)
Reclassification/transfer	(41,107)	(5,390)	(46,497)
At 31 December 2018	<u>1,419,047</u>	<u>74,051</u>	<u>1,493,098</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>1,419,047</u>	<u>74,051</u>	<u>1,493,098</u>
At 31 December 2017	<u>1,410,155</u>	<u>149,441</u>	<u>1,559,596</u>

There were no investment assets outside the UK.

10. STOCKS

	2018 £	2017 £
Shop stock	<u>3,715</u>	<u>4,981</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
VAT	16	-
Prepayments	<u>8,401</u>	<u>11,867</u>
	<u>8,417</u>	<u>11,867</u>

HASLEMERE EDUCATIONAL MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	6,915	12,653
Social security and other taxes	304	2,076
VAT	-	8,865
Other creditors	318	292
Accrued expenses	5,257	6,063
	<u>12,794</u>	<u>29,949</u>

13. MOVEMENT IN FUNDS

	At 1.1.18	Net movement in funds	Transfers between funds	At 31.12.18
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	293,582	(120,457)	152,635	325,760
AE Orchard Education Legacy	349,042	-	-	349,042
Premises	6,559	-	-	6,559
Museum in a Million	1,174,623	3	(157,421)	1,017,205
	<u>1,823,806</u>	<u>(120,454)</u>	<u>(4,786)</u>	<u>1,698,566</u>
<b>Restricted funds</b>				
Haslemere Town Council/Visitor Information Centre	286	(4,786)	4,786	286
Museum Development	288,384	(18,652)	-	269,732
Education	14,652	(525)	-	14,127
Care of Collection	2,597	-	-	2,597
Premises	9,768	10,000	-	19,768
	<u>315,687</u>	<u>(13,963)</u>	<u>4,786</u>	<u>306,510</u>
<b>TOTAL FUNDS</b>	<u>2,139,493</u>	<u>(134,417)</u>	<u>-</u>	<u>2,005,076</u>

HASLEMERE EDUCATIONAL MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	205,631	(279,590)	(46,498)	(120,457)
Museum in a Million	-	3	-	3
	<u>205,631</u>	<u>(279,587)</u>	<u>(46,498)</u>	<u>(120,454)</u>
<b>Restricted funds</b>				
Haslemere Town Council/Visitor Information Centre	11,211	(15,997)	-	(4,786)
Education	1,000	(1,525)	-	(525)
Premises	20,000	(10,000)	-	10,000
Museum Development	-	(18,652)	-	(18,652)
	<u>32,211</u>	<u>(46,174)</u>	<u>-</u>	<u>(13,963)</u>
<b>TOTAL FUNDS</b>	<u><u>237,842</u></u>	<u><u>(325,761)</u></u>	<u><u>(46,498)</u></u>	<u><u>(134,417)</u></u>

**HASLEMERE EDUCATIONAL MUSEUM**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**13. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.17 £
<b>Unrestricted Funds</b>				
General fund	238,631	41,372	13,579	293,582
AE Orchard Education Legacy	349,042	-	-	349,042
Premises	7,000	(441)	-	6,559
Museum in a Million	1,186,022	2,180	(13,579)	1,174,623
	<u>1,780,695</u>	<u>43,111</u>	<u>-</u>	<u>1,823,806</u>
<b>Restricted Funds</b>				
Haslemere Town Council/Visitor Information Centre	-	286	-	286
Museum Development	307,423	(19,039)	-	288,384
Education	15,583	(931)	-	14,652
Care of Collection	2,597	-	-	2,597
Premises	-	9,768	-	9,768
	<u>325,603</u>	<u>(9,916)</u>	<u>-</u>	<u>315,687</u>
<b>TOTAL FUNDS</b>	<u><u>2,106,298</u></u>	<u><u>33,195</u></u>	<u><u>-</u></u>	<u><u>2,139,493</u></u>

**HASLEMERE EDUCATIONAL MUSEUM**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**13. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains and losses £</b>	<b>Movement in funds £</b>
<b>Unrestricted funds</b>				
General fund	199,919	(240,534)	81,987	41,372
Premises	12,250	(12,691)	-	(441)
Museum in a Million	6,401	(4,221)	-	2,180
	<u>218,570</u>	<u>(257,446)</u>	<u>81,987</u>	<u>43,111</u>
<b>Restricted funds</b>				
Haslemere Town Council/Visitor Information Centre	17,166	(16,880)	-	286
Education	9,230	(10,161)	-	(931)
Premises	19,772	(10,004)	-	9,768
Museum Development	-	(19,039)	-	(19,039)
	<u>46,168</u>	<u>(56,084)</u>	<u>-</u>	<u>(9,916)</u>
<b>TOTAL FUNDS</b>	<u><u>264,738</u></u>	<u><u>(313,530)</u></u>	<u><u>81,987</u></u>	<u><u>33,195</u></u>



HASLEMERE EDUCATIONAL MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2018

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13. MOVEMENT IN FUNDS - continued

**DESIGNATED FUNDS**

Part of the Unrestricted Funds have been designated by the Trustees for specific future purposes.

**The AE Orchard Educational Fund**

This fund is designated to underpin and strengthen the educational resources of the Museum.

**Premises Fund**

The Trustees periodically designate certain amounts to ensure sufficient funds are available to complete major tasks on the building.

**The Museum in a Million Fund**

This is an expendable endowment fund and is designed to highlight the achievements of the appeal and is reflected in the fixed asset investment fund which is used to generate income to assist in securing the future of the Museum for generations to come.

**RESTRICTED FUNDS**

**Museum Development Fund**

This balance represents the amount spent on building improvements to the Museum and the refurbishment of the galleries less annual depreciation. The cost was met mainly by Lottery funding and the balance is shown in tangible assets in the Balance Sheet, represented by Land and Buildings and Galleries Improvements, and is subject to annual depreciation.

**Premises Fund**

A grant from Tesco Groundworks and a sizeable donation received in the year were used toward the pond repairs carried out during the year.

**Education**

Funds received are used specifically for educational projects such as the ongoing dementia outreach project and HYPE.

**Haslemere Town Council / Visitor Information Centre Fund**

Funds are received from Haslemere Town Council in support of the work carried out by the Visitor Information Centre.

**Care of Collection**

The funds represent grants and donations received specifically to be used in storing and maintaining the museum artefacts.

14. RELATED PARTY DISCLOSURES

During the year, the Museum paid £565 (2017: £565) to Mrs M Odell MBE (Trustee) in respect of professional services provided to them for computer support.

Donations amounting to £10,000 were received from Trustees in the year. (2017: £nil)