

DRAFT

Saffron Walden Museum Society Limited

Annual Report and Accounts

For the year ending 31st March 2015

Company registration number 6469141

Registered Charity Number 1123209

Saffron Walden Museum Society Limited

Directors

E. Anthony Watson - Chairman
Cllr. K. L. Eden
Mrs S. B. Hollingworth
D. Laing F. C. A.
R. J. Priestley B. A.
P. S. Salvidge

Company Secretary and Treasurer

D. Laing F. C. A.

Secretary

Mrs. S. B. Hollingworth

Principal Office

Saffron Walden Museum
Museum Street
Saffron Walden
Essex CB10 1JL

Registered Charity Number

1123209

Investment Advisers and Custodians

Charles Stanley and Company Limited
Richmond House
16-20 Regent Street
Cambridge CB2 1DB

Bankers

CAF Bank Limited
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Independent Examiner

Peter Walker
10, Beck Road
Saffron Walden
Essex CB11 4EH

Saffron Walden Museum Society Limited

Directors' Report

The directors present their report and financial statements for the year ending 31st March 2015.

Status

The company was incorporated as a company limited by guarantee on 10th January 2008 and was registered as a charity by the Charity Commission on 14th March 2008.

The company was formed to take over the assets, liabilities and operations of Saffron Walden Museum Society, a registered charity. The Society was dissolved on 8th August 2009 and no transactions took place within the company until after that date.

Aims

The aims of the Company are to promote the study and extend the knowledge of natural history and human history in all their branches and to further these aims to carry on the museum at Saffron Walden, to arrange lectures, demonstrations and other activities from time to time both within the museum and elsewhere.

The company has continued to provide lectures and outings to relevant places of interest for members of the company; these have all been available to the general public also. There have been five major additions to the collection this year, including the acquisition of an important early medieval gold finger ring purchased with substantial assistance from the Victoria and Albert Collections Fund, the Art Fund, the Headley Trust, the Essex Heritage Fund and much local support.

The Company's freehold and leasehold property, museum specimens and objects are let to Uttlesford District Council rent-free. Under the terms of the lease and a separate management agreement Uttlesford District Council are responsible for the day to day running of the museum including meeting the salary costs of the curator and other staff, the maintenance of the fabric of the property and the responsibility for the collection of income. This income and expenditure is therefore not reflected in the attached accounts.

Management

The day to day management of the company is the responsibility of the directors acting under the Articles of Association of the company. Under these Articles, the directors were advised and aided by a Management Committee, the members of which were elected by the Members at the annual general meeting. At the Annual General Meeting held 2nd August 2013, it was agreed that the Management Committee be stood down and that the delegation of powers of the Management Committee be transferred to two new committees, the Museum Support Committee and the Society Administration Committee. The Directors have power to appoint members to these Committees under rules made under powers given by clause 52 of the Articles of Association. The Directors hold regular meetings with representatives of Uttlesford District Council to review and advise on the running of the Saffron Walden Museum.

The Rules adopted under the Constitution creates the positions of up to four Honorary Vice Presidents to acknowledge the distinguished service given to the Society by a member, they are: Mr E. Planterose, Mrs A. J. Glover, and Mr N. B. Newman M.B.E..

The persons who acted as directors during the period were:

Cllr K. L. Eden – (appointed 10th January 2008)

Mrs S. B. Hollingworth – (elected 2nd August 2013)

D. Laing – (elected 2nd August 2013)

A. J. Penman (appointed 1st (?) January 2015, resigned 19th May 2015)

R. J. Priestley – (elected 27th July 2012)

P. S. Salvidge - (elected 15th August 2014).

E. Anthony Watson – (elected chairman 27th July 2012)

Saffron Walden Museum Society Limited

Directors' Report (continued)

The directors retiring by rotation are: Mr R. J. Priestley and Mr E. Anthony Watson who, being eligible, offer themselves for re-election.

:

The Board appointed Mrs Christine Sharpe to be Membership Officer on 13th September 2013..

The Museum Society's investments are held by custodian trustees, Charles Stanley and Company Ltd.

Financial Review

The principal activities of the Society during the year are set out in the attached statement of financial activities and the directors intend to continue and develop these activities.

This has been a year of substantial change for the Company. As forecast in the last Report the sale of 40 Castle Street was completed in August and the funds received from that sale, together with existing funds raised for the purpose have enabled the purchase of a 999 year lease on a new purpose built storage facility at Shire Hill, Saffron Walden, from Uttlesford District Council. Much of this calendar year has been used in preparing the artefacts for their move from the Newport store, and from storage within the museum building, to the new facility. This work has been carried out by the museum staff and a number of volunteers from members of the Company. It is anticipated that the actual removal will commence in the early autumn, but more details of this will be reported at the Annual General Meeting. The Company wishes to place on record its thanks to the Members and Officials of Uttlesford District Council for their invaluable help in all these transactions.

Turning to the financial results, a substantial deficit is shown on the General Account due mainly to one-off costs in the preparation of a revised Management Agreement with Uttlesford District Council, following the changes to the position of 40, Castle Street, and the acquisition of the Shire Hill store, also a one-off payment reflecting the loss of income from 40 Castle Street. We acknowledge with thanks the two legacies amounting to £5,200 received during the year. A legacy to the Company is both beneficial to the Company and reduces the donor's liability to Inheritance Tax. The transfer from Restricted funds to General funds represents the transfer of the sums raised for the building of the Resource Centre, now represented by the Shire Hill store, and which forms part of the General Assets of the Company.

Our thanks are also due to The Gibson Walden Fund which continues to support the Company. Their donation this year has been devoted to help with the fitting-out of the offices at the new store.

Details of movements on all the Restricted Funds are shown in note 6 to the accounts; some highlights are noted below:

In the Report for 2014 it was noted that it was proposed to reduce the number of director authorised Restricted Funds to a Collections Fund and a Building Fund. The necessary alteration to the Rules of the Company having been made, the changes and the results of this are shown in Note 6. At the same time it was decided that all Fixed Assets other than Heritage Assets would be held in the General Fund and the effect of this is also shown in the Note.

The dividends that make up the major element of the income for the Collections Fund are substantially reduced as it was anticipated in the early part of the year that the purchase of the lease of Shire Hill would precede the sale of 40 Castle Street and a realisation of Investments was made to ensure sufficient funds for this purchase. The surplus resulting from these transactions has now largely been re-invested and it is expected that the remainder will be invested before the Annual General Meeting.

During the year Charles Stanley revised their methods of charging against sale and purchase transactions in the Company's portfolio, and the choices offered to the company were either a higher percentage commission, which is included in the total cost or realisation of an investment, and no management charge, or a lower commission and a management charge. On the figures submitted to the Directors it was agreed

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Directors' Report (continued)

Financial Review (continued)

that the better option for the Company was the lower commission charge and the accompanying management charge, hence the increased costs shown in the outgoings. A contribution of £6,000 was made to conservation expenses from the Collections Fund.

The only movement on the Buildings fund was interest of £632.

Employees and remuneration

The company has no employees other than the directors, who are unremunerated, and, therefore, there are no employees with remuneration in excess of £60,000.

The company is dependent upon the services of a considerable number of unpaid volunteers who give up their time freely in connection with the Society's activities.

The directors consider the state of the Company's affairs to be satisfactory.

Investment Powers

These are governed by the Articles of Association which permits the investment of any surplus monies in any investments authorised by law for the investment of trust funds and to the transposition or variation of any existing or future investments held by or on behalf of the Company.

Reserves Policy

It is the policy of the charity to maintain unrestricted funds which are the free reserves of the charity, at a level which equates to approximately five years unrestricted expenditure (at current levels). This provides sufficient funds to cover management, administration and support costs, and also provide a cushion for any unexpected expenditure that might arise. Unrestricted funds were maintained at this level throughout the financial year.

Risk Management

The trustees have examined the major strategic, business and operational risks which the charity faces and are satisfied that the regular reports they receive enable them to ensure that all risks to the Society are minimised.

Statement of Director's Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those 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 and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and

prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

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Directors' Report (continued)

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2012. They are also responsible for safeguarding the assets of the charity and hence for taking steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

The Board wish to express their thanks to the Independent Examiner, Mr Peter Walker who has agreed to take on this vital post.

On behalf of the Board

Signed:

Chairman

Date: 2015

Independent Examiner's Report to the Directors of Saffron Walden Museum Society Limited

I report on the accounts of the Saffron Walden Museum Society Limited for the year ended 31st March 2015 which are set out on pages 8 to 14.

Relative responsibilities of trustees and examiner

The directors of Saffron Walden Museum Society are responsible for the preparation of the accounts.

The directors of Saffron Walden Museum Society Limited consider that an audit is not required for this year under section 144 of the Charities Act 2012 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

examine the accounts (under section 145 of the Charities Act)

to follow procedures laid down in the General Directions given by the Charity Commission (under section 145(5) (b) of the Charities Act, and

to state whether particular matters have come to my attention.

Basis of the independent examiner's report

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

Independent Examiner's Statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

to keep proper accounting records are kept in accordance with section 130 of the Charities Act; and

to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Date: 2015

Saffron Walden Museum Society Limited

Statement of financial activities for the year ending 31st March 2015

	General Unrestricted	Restricted funds	Total funds	2014 Total funds
	£	£	£	£
Incoming resources				
Subscriptions	3,073	-	3,073	2,879
Donations and bequests	6,775	1,308	8,083	55,794
Dividends	-	7,740	7,740	10,846
Interest	240	1,129	1,369	1,106
Lecture and outing income	1,242	-	1,242	846
Total incoming resources	11,330	10,177	21,507	71,471
Resources expended				
Administration	1,469		1,469	644
Insurance	227		227	227
Lecture and outing expenses	1,696		1,696	748
Museum season tickets	575		575	655
Investment charges	-	1,546	1,546	238
Other expenditure	17,873	6,000	23,873	10,270
Depreciation	5,285	-	5,285	5,533
Total resources expended	27,125	7,546	34,671	18,315
Net incoming resources before transfers	-15,795	2,631	-13,164	53,156
Transfers between funds	165,882	-165,882	0	0
Net incoming/ outgoing resources before other recognised gains	150,087	-163,251	-13,164	53,156
Other recognised gains				
Realised on fixed assets	524,166	2,035	526,201	-
Realised on investments		-4,449	-4,449	22,310
Unrealised	-	26,278	26,278	(11,501)
	524,166	23,864	548,030	10,809
Net movement in funds				63,965
Fund balances brought forward	24,134	810,091	834,225	770,260
Fund balances carried forward	698,387	670,704	1,369,091	834,225
	=====	=====	=====	=====

All amounts relate to continuing activities. There were no recognised gains or losses other than those included above. The attached notes on pages 10 to 14 form part of these financial statements.

Saffron Walden Museum Society Limited

Balance Sheet as at 31st March 2015

	2015		2014	
	£	£	£	£
Fixed Assets				
Tangible fixed assets - Note 2		386,282		10,722
Heritage assets Note 3		241,764		237,215
Investments Note 4		363,884		278,446
		<u>991,930</u>		<u>526,383</u>
Current Assets				
Debtors	237		1,100	
Cash at bank and in hand	405,939		314,420	
	<u>406,176</u>		<u>315,520</u>	
Creditors	28,138		6,786	
Subscriptions in advance	877		892	
Net current assets		<u>377,161</u>		<u>307,842</u>
		<u>,369,091</u>		<u>834,225</u>
		=====		=====
Income funds				
Restricted funds		670,704		810,091
Unrestricted funds		698,387		24,134
		<u>1,369,091</u>		<u>834,225</u>
		=====		=====

In approving these financial statements as directors of the company we confirm:

- (a) that for the period stated above the company was entitled to the exemption from audit conferred by Section 477 of the Companies Act 2006;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31st March 2015 and

Saffron Walden Museum Society Limited

Balance Sheet as at 31st March 2015 (continued)

(c) that we acknowledge our responsibilities for;

- (i) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
- (ii) preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its surplus or deficit for the period then ended in accordance with the provisions of the Companies Act 2006 relating to financial statements so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board on
And signed on its behalf by:

Signed:

Chairman:

Date:

The attached notes on pages 11 to 14 form part of these financial statements.
Saffron Walden Museum Society Limited

Notes on the Accounts for the Period Ended 31st March 2015

1. Accounting Policies

- a) Basis of preparation -The accounts have been prepared under the historical cost convention, with the exception that investments are valued at market value. The accounts are in accordance with applicable accounting standards, the Charities SORP (Accounting and Reporting by Charities, and comply with the Charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 1993.
- b) Freehold property - Depreciation is not provided on freehold property on the basis that the market value of the property is greater than cost and the effect is not material to the result for the year.
- c) Fixtures, Fittings and Equipment – Fixtures, fittings and equipment are capitalised and depreciated over their useful economic life. Items of less than £1,000 are expensed in full in the year of acquisition.
- d) Museum collections and displays - The charity regards the museum collection and displays as Heritage Assets. Newly purchased assets are capitalised at cost. Assets acquired in the past that were previously expensed, would be difficult and costly to attribute a cost or value to. The trustees believe that the costs of the valuation process outweigh the potential benefits to the accounts' users. Therefore no cost value has been assigned to the historic assets. Because of the length of life of these assets, no depreciation is charged on them.
- e) Investments - Investments held for long-term to generate income or capital growth are carried at market value as fixed assets,
- f) Incoming resources – All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. No amounts are included in the financial statements for services donated by volunteers.
- g) Expenditure – All expenditure is accounted for on an accruals basis and allocated to expense headings on a direct cost basis.
 - h) Fund Accounting – General funds are unrestricted funds that are available for use at the discretion of the directors in furtherance of the general objectives of the charity and have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the note to the financial statements.

Investment income and gains are allocated to the appropriate fund.

2. Tangible fixed assets

The Society owns the freehold of the Museum, the Schoolroom; of these, the Schoolroom is held at cost and the Museum is held at nil value. This reflects the low historic costs and the value of the lease held by Uttlesford District Council.

During the year yhe Society has acquired a 999 year lease on The Store, Shirehill, Saffron Walden.

Notes on the Accounts for the Period Ended 31st March 2015 – continued

2. Tangible Fixed Assets – continued

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost of Assets				
Balance at beginning of year	3,671	-	27,354	31,025
Additions	-	380,845	-	380,845
Balance carried forward	<u>3,671</u>	<u>380,845</u>	<u>27,354</u>	<u>411,8710</u>
Depreciation				
Balance at beginning of year	-	-	20,303	20,303
Charge for the period	-	191	5,094	5,285
Balance carried forward	<u>-</u>	<u>191</u>	<u>25,397</u>	<u>25,588</u>
Net book value 2015	<u>3,671</u>	<u>380,654</u>	<u>1,957</u>	<u>386,282</u>
Net book value 2014	=====	=====	=====	=====
	3,671	-	7,051	10,722
	=====	=====	=====	=====

3. Heritage Assets

Balance at beginning of year	237,215
Additions	4,549
	<u>241,764</u>
	=====

4. Investments

	At Cost		Market Value	
	2015 £	2014 £	2015 £	2014 £
Listed investments	282,671	215,575	351,536	271,485
Cash awaiting reinvestment	-	-	12,348	6,961
	<u>282,671</u>	<u>215,575</u>	<u>363,884</u>	<u>278,446</u>
	=====	=====	=====	=====

Notes on the Accounts for the Year Ended 31st March 2015 – continued

4. Investments - continued

	Market Value	
	2015	2014
	£	£
Value at beginning of year	271,485	318,074
Less: disposals at opening book value	(93,396)	(99,823)
Add: acquisitions at cost	147,835	64,735
Net profit/ (loss) on revaluation at the end of the year	25,612	(11,501)
	<u>351,536</u>	<u>271,485</u>
	=====	=====

	£	£
5. Debtors		
Income tax recoverable	237	1,060
Other		40
	<u>237</u>	<u>1,100</u>
	=====	=====

6. Restricted Funds

	Balance at beginning of year	Movement in Incoming	Investment Resources Outgoing	gains (losses)	Balance at Transfers year	end of year
	£	£	£	£	£	£
Acquisition and Display fund	626,739	-	-	-	(626,739)	-
Moorcroft	17,336	-	-	-	(17,336)	-
Tapestry	64	-	-	-	(64)	-
Ceramics gallery	130	-	-	-	(130)	-
Collections fund	-	11,581	7,547	21,829	637,898	663,761
Great Hall fund	11,378	-	-	-	(11,378)	-
Heritage Quest Centre fund	154,444	-	-	-	(154,444)	-
Buildings fund	-	632	-	-	6,311	6,943
	<u>810,091</u>	<u>12,213</u>	<u>7,547</u>	<u>21,829</u>	<u>(165,882)</u>	<u>670,704</u>
	=====	=====	=====	=====	=====	=====

The Rules of the Company provide for two restricted funds set up by the Directors. The Collections Fund is for the acquisition, maintenance and display of any or all of the artefacts owned by the Company and has been made up from the previous funds created by the directors as shown above. The Buildings Fund is for such of the maintenance of the fabric of the buildings as is the Company's responsibility, and for any appeals that may be made for future developments that the Company may decide to undertake.

Notes on the Accounts for the Year Ended 31st March 2015 – continued

7. Analysis of Net Assets between funds

	Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Restricted funds				
Collections fund	241,764	363,884	58,113	663,761
Buildings fund	-	-	6,943	6,943
	<hr/>	<hr/>	<hr/>	<hr/>
	241,764	363,884	65,056	670,704
Unrestricted funds				
General fund	386,282	-	312,105	698,387
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	628,046	363,884	377,161	1,369,091
	=====	=====	=====	=====

