

Company Registration No. 3362107 (England and Wales)

Charity Registration No. 1062400

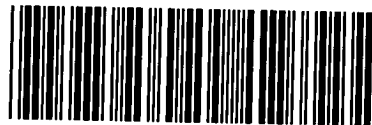
The Dorset Natural History and Archaeological Society

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

WEDNESDAY



ACFVYQMX

A11

08/11/2023

#180

COMPANIES HOUSE

The Dorset Natural History and Archaeological Society

Contents

Reference and Administrative Details	1
Report of the Trustees	2-12
Independent Auditors Report	13-15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash Flows	18
Notes to the Financial Statements	19-40

The Dorset Natural History and Archaeological Society

Reference and Administrative Details

Charity Name	The Dorset Natural History and Archaeological Society
Other Names	Dorset Museum
Trustees	T Chevalier D French S James (resigned December 2022) J Lang S Merriott T Parsons P Sharman (elected December 2022) J Smyllie L Southall (elected December 2022) S Welton M Wood
Registered Office	Dorset Museum 66 High West Street Dorchester DT1 1XA
Company Registration Number	3362107
Charity Registration Number	1062400
President	Susan, Lady Bradbury
Vice-Presidents	R Peers MA FSA FMA G Pitt Rivers OBE DL P Seaton Sir P Williams Bt. G Yarker BEM FSA
Auditors	Scott Vevers Ltd Chartered Accountants and Registered Auditors 65 East Street Bridport DT6 3LB
Bankers	Lloyds Bank plc 1-2 High West Street Dorchester DT1 1UG
Solicitors	Humphries Kirk 40 High West Street Dorchester DT1 1UR
Investment Advisors	Charles Stanley & Co Ltd Mey House Bridport Road Dorchester DT1 3QY

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

Introduction

The Trustees, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the Charity for the year ended 31 March 2023, which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS102).

Reference and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Dorset Natural History and Archaeological Society ("the Society", DNHAS") is an educational charity which is an incorporated charitable trust and a company limited by guarantee (Charity number: 1062400 Company number: 3362107). The Society and its Museum, Dorset Museum, is owned by its members. The members elect a Board of Trustees who are responsible for the overall strategy and governance of the Society and its Museum. The charity is variously referred to throughout this report as either "the Charity", "the Society" or "the Company".

The governance of the Society and its Museum is set out in Articles of Association approved by Companies House and the Charity Commissioners and registered on 7 December 2012. In addition, there is a set of 'Regulations' which were adopted by the Board of Trustees of the Society at a meeting held in July 2014 and further updated in February 2020 and January 2021. They are a revised version of the 'Rules of the DNHAS' adopted in March 1998. They reflect the Board's current understanding of the governing Articles of Association and provide supplementary details relevant to their practical application in the operation of the Society.

Directors and Trustees

The Directors of the Company are the Charity's Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year-end are as follows:

Tracy Chevalier (elected March 2021)

David French (elected March 2021)

Jean Lang (Chair) (elected March 2021)

Sian Merriott (elected December 2021, second term)

Tracey Parsons (elected March 2021)

Peter Sharman (elected December 2022)

Laura Southall (elected December 2022)

Jim Smylie (elected December 2021)

Sarah Welton (elected March 2021, second term)

Morag Wood (elected December 2021)

Dorset Council Representative and Trustee

Cllr S Bartlett

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

None of the Trustees has any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Ten of the Trustees are elected by members of the Society at the Society's Annual General Meeting following a call for nomination to members and external advertisement. These ten Trustees serve a three-year term with the option of offering themselves for a second three-year term. (Trustees who have served for six years are not eligible to stand for re-election without a period of at least one year out of office). The remaining two Trustees are the Executive Director and a Trustee appointed by the Dorset Council. New Trustees are introduced to the governance, objectives and activities of the Society by the Executive Director and Board Chair and provided with Charity Commission advisory documents.

The Board of Trustees has ultimate responsibility for the Society and its Museum. The Board sets overall strategy and makes decisions on all major policy and constitutional issues. It is responsible for the final approval of the annual budget and accounts, ensuring the solvency of the Society and safety of its assets. All Trustees sign a declaration of their eligibility to stand and record relevant details in a Conflict of Interest Register which is updated annually. The Board meets quarterly but keeps the frequency and effectiveness of its meetings under review. The Regular subcommittees and working groups of the Board are:

- The Personnel Committee of the Board, which keeps pay and remuneration for staff under review and proposes changes to the Board for its approval. The Committee uses publicly available pay data within the museum sector as a benchmark for this.
- The Marketing and Income Generation Committee, which oversees promotion, commercial income generation and fundraising and development.
- The Finance Committee of the Board, which monitors and helps set both revenue and capital budgets for the Society and its Museum. It also oversees and scrutinises matters relating to the Society's investments, pensions, reserves and financial policies.

The Society and its Museum are managed and developed by the Executive Director and the staff in accordance with the strategy, and within the budget, set by the Board. The Executive Director and staff are supported in delivering these activities by a large number of volunteers.

The Board and staff use the Museum Accreditation rules of the Arts Council of England (ACE) and the policies of the Museums' Association and Association of Independent Museums as guidelines in operating and developing the Museum. On completion of the Tomorrow's Museum for Dorset project, the Museum has returned to full Accreditation status with ACE.

The Museum is a member of the Wessex Museums Trust, which has been recognised as an ACE National Portfolio Organisation for the period 2022-2026. The Society is represented on the Wessex Museums Trust's board by the Interim Director.

Where applicable, new trustees are invited to meet key members of staff and volunteers, either in person or virtually, and encouraged to attend a meeting of each sub-committee. They are also briefed on their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, recent financial performance and the future financial and objective plans of the charity.

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

OBJECTIVES AND ACTIVITIES

The objectives of the Society are:

- The advancement of education for the general benefit of the public in the areas of archaeology, the natural sciences, natural history, literature, music, the fine and decorative arts, antiquities and local history relating more especially to the County of Dorset;
- The acquisition, preservation, conservation, exhibition and development (as far as possible) of collections relating to archaeology, the natural sciences, natural history, literature, music, the fine and decorative arts, antiquities and local history relating more especially to the County of Dorset.

To achieve these objectives for the public benefit the Society maintains and develops Dorset Museum and provides learning, teaching, information (including through public lectures, performances, and publications) and is a forum for debate about Dorset. The development of the collections over 150 years has provided a record of the story of Dorset from its geological roots 250 million years ago to the present. Continuing acquisition and management of the collections augments this rich heritage.

The Society uses its collections to curate permanent exhibitions in the Museum and so tell the story of Dorset and its people, explaining why it is like it is and its possible future. Together with activities for educational and other groups these exhibitions provide an accessible, inclusive and entertaining gateway to the natural and cultural heritage of Dorset for all. In addition, the collections are made available to researchers and other scholars for study and investigation either at the Museum or through loans. Items from the collections are also loaned to other museums for exhibition.

The success of these activities in achieving the Society's objectives is assessed in terms of numbers of visitors and of the users of the collections, and the qualitative feedback they give. The numbers of educational and other groups, the individuals involved and the feedback they provide, gives the Museum further quantitative and qualitative data, as does evaluation of the number attending events, such as lectures, and using publications. Where achievable, economic and other impacts on the community are assessed through targeted studies. The income generated from the activities compared with the expenditure needed to undertake them provides critical measures of financial short-term viability and long-term sustainability.

The Tomorrow's Museum for Dorset Project

To enhance these activities and enable a full range of sustainable operations, the Society completed a major re-development project – the Tomorrow's Museum for Dorset (TMD) project – which cost £16.3m. The project was supported by the National Lottery Heritage Fund and delivered new permanent displays, a temporary exhibition gallery, learning resources, collections storage facilities, a renewed public face with additional capacity for income generation from retail and catering activities, as well as a strengthened and improved staff and volunteer structure.

The Society has a new Forward Plan that is committed to the following key aims:

Aim 1: To reach larger audiences and encourage deeper engagement with our collections

- 1.1 Increase Visitor Figures
- 1.2 Increase repeat visits
- 1.3 Offer opportunities for people who face economic barriers to visit the Museum
- 1.4 Strengthen our reputation for excellent temporary exhibitions
- 1.5 Increase engagement with formal learners
- 1.6 Continue to develop and expand visitor offer for families and under-5s
- 1.7 Increase opportunities for young people to engage with our collections
- 1.8 Deliver activities for Roman Town House
- 1.9 Increase and improve access provision across the Museum and its activities

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

- 1.10 Use our collections to increase community wellbeing
- 1.11 Consult, reach and work more with underserved groups
- 1.12 Strengthen and broaden our public events programme
- 1.13 Increase opportunities to engage with our collections digitally
- 1.14 Better understand and respond to our audiences

AIM 2: To tell Dorset's stories in bigger and bolder ways

- 2.1 Complete outstanding interpretation/installation from the TMD project
- 2.2 Complete the refurbishment of the Victorian Hall
- 2.3 Increase understanding and awareness of our collections and stories
- 2.4 Develop temporary exhibitions that draw on our collections and stories
- 2.5 Develop key knowledge and awareness of the collections across the staff and volunteer teams
- 2.6 Develop subject expertise of our collections and learning staff
- 2.7 Wessex in 100 objects project
- 2.8 Support and facilitate other museums/heritage organisations in the county to tell Dorset's stories
- 2.9 Identify gaps within the Museum's collection and the stories we tell and work to fill them

AIM 3: To properly care for our collections and to collect for the future, and for visitors to understand the work we do with our collections

- 3.1 All our collections to be moved to a fit for purpose home
- 3.2 All our collections to be documented to inventory level
- 3.3 Increase digitisation of the collection
- 3.4 Develop the collection to better represent Dorset's living communities
- 3.5 Develop framework for assessing disposals
- 3.6 Increase access to the collection
- 3.7 Offer more opportunities for visitors to see behind the scenes
- 3.8 Offer opportunities for local people to work with collection through volunteering
- 3.9 Maintain and disseminate Emergency Plan for collections
- 3.10 Maintain preservation of conservation measures across collection
- 3.11 Identify collections requiring remedial conservation

AIM 4: To be a financially and operationally sustainable museum

- 4.1 Ensure that the Museum is in a robust and secure financial position
- 4.2 Develop and maintain a robust and profitable venue hire business to supplement the Museum's income
- 4.3 Develop and maintain a robust and profitable weddings business
- 4.4 Continue to develop an attractive and profitable retail offer
- 4.5 Continue to provide an attractive and high quality café and catering offer
- 4.6 Develop and increase income from the Museum's Picture Library service
- 4.7 Develop and maintain a robust and realistic strategy for fundraising and development
- 4.8 Develop membership offer and increase number of members joining per annum
- 4.9 Maintain a secure, dedicated and healthy workforce
- 4.10 Retain and develop our volunteer team and increase reputation as a premier provider of volunteer
- 4.11 Maintain and improve governance of the Museum
- 4.12 Contribute to the physical, cultural and economic life of Dorchester and the wider county
- 4.13 Maintain and develop the Museum's EDI plan
- 4.14 Ensure that the Museum building and external stores continue to be maintained and secure
- 4.15 Ensure Health and Safety and fire evacuation procedures in place and properly maintained
- 4.16 Ensure safeguarding procedure in place and maintained via trained Safeguarding Officers
- 4.17 Ensure IT infrastructure is in place and upgrades accounted for in budget
- 4.18 Develop a framework with WMP partners to become carbon neutral by 2050 and to tackle the climate and environmental emergency

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

ACHIEVEMENTS AND PERFORMANCE

Overview

Claire Dixon, Executive Director and Jean Lang, Chair of the Board of Trustees

Dorset Museum has now experienced a full financial year of opening, gaining a better understanding of seasonal footfall and opportunities for growth. We know from postcode data, that the initial increase in visitors the Museum experienced when we re-opened, was largely due to local footfall and this is not sustainable. The lack of a national press campaign and ongoing marketing beyond local audiences, means that we have struggled to reach those visiting the County or those living across the UK and globally who might travel to experience the museum and engage with our exhibition programme.

In addition to this, we face new economic challenges that have led to reduced footfall and rising costs for museums and attractions across the UK, caused by the war in Ukraine, the impact of Brexit on tourism and the cost-of-living crisis.

Positive highlights include the gradual return of schools and community groups to Museums, enabling us to deliver a rich and varied programme of workshops and activities. Events are also well attended, with many lectures welcoming almost 100 people and late-night openings, sleepovers, science and archaeology days all welcoming large numbers of visitors, again recognizing that this remains a largely local audience. We are also continuing to receive excellent feedback about the Museum and our exhibitions, from those that do visit. However, their surprise at the quality of our offer reflects the fact that we need to better market and present ourselves, through digital marketing, our website and the visual impact at the front entrance. We are also hugely proud to have scored 93% when assessed by the Visit England Visitor Attraction Quality Scheme Report, up from 90% in 2022, which will mean the Museum is nominated for a 'Visit England Gold accolade', with sectional scores also seeing the Museum nominated for 'Best Told Story' and 'Quality Food and Drink' accolades.

The financial crisis we reported on last year continues and worsens, we completed the sale of St Peters Institute and other properties to make a contribution to reducing the loan to Dorset Council. Re-payment of the remainder has been put on hold, but interest continues to be added and we have not come close to realising a surplus, with which to pay this back or invest in the future of the Museum. Footfall growth has been insignificant compared to last year and audiences remain largely local, due to an insufficient marketing budget and lack of digital presence for the Museum. We continue to focus on footfall growth and diversification of income through new commercial activity. The securing of a wedding license enabled us to secure new income but an insufficient pricing model has impacted our ability to generate a profit.

What these issues do highlight is that there is a clear opportunity to turn the museum around if we can increase our marketing spend, improve our digital profile to reach tourist markets, as well as increase our commercial prices.

Collections Management

All Saints

Whilst significant progress has been made with the movement of collections into the new CDC, we recognise that any ambition to move all collections out of All Saints and the commercial storage units was never realistic. Whilst we fully accept and acknowledge that the conditions in All Saints in particular, are completely inappropriate and compromising the collections, there is no obvious immediate solution. A new, sizeable building with appropriate conditions has not yet been sourced and it is not envisaged we will find this in the next few years. We also have to acknowledge that any costs associated with the purchase or rent of a new building alongside costs to install appropriate storage facilities and environmental controls, given that All Saints is provided free of charge, will be difficult to sustain. If a suitable location is found and funded, the removal of collections is estimated to be a 3-year process due to the scale of what is in store.

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

The crisis relating to All Saints is an urgent priority and we are moving as much of the collection into our other storage areas as we can, whilst also looking into alternatives such as underground storage, which would provide appropriate care for the artefacts, but limit access for research. All possible solutions are being sought and Dorset Council are working with us to assist with potential options. We welcome any suggestions for potential locations and funding and will ensure members are kept up to date with our progress.

Collections Discovery Centre

Tours of the CDC took place for staff and volunteers and have been launched and are taking place regularly for visitors, to give them a better understanding of behind the scenes work going on in the CDC. All artworks stored in the Old School store have now been moved to the CDC and relevant archaeological items were then moved from All Saints to Old School, where a team of volunteers have been working on them. The move of the costume and textiles collection from Old School store to CDC has been completed, along with all social history objects. Following the completion of the Elisabeth Frink cataloguing, the team is working with volunteers to catalogue the Elizabeth Muntz collection and the metalwork team has received training on workflow for incoming treasure items and they have been working on cataloguing new Treasure items. Cataloguing of Natural History collection following its move to the CDC has continued, being documented by volunteers. All human remains have now been moved into the CDC, as has the Herbarium collection. The cataloguing of the Elisabeth Frink collection is now complete and the cataloguing of the remainder of the sculpture collection has progressed, with the remainder of the art collection having also moved from the Old School store into the CDC. A funding application to Section 106 contributed to the costs of new shelving in the CDC, laptops for volunteer work, photography equipment for digitization of collections, a new showcase outside the CDC, and packing and conservation supplies.

Acquisitions

- A decorated gold sheet of Bronze Age date from Burton and Winkton, Dorset
- A silver gilt iconographic finger ring from Little Bredy, Dorset
- Gold and rock crystal pendant from Milton Abbas, Dorset
- Silver hawking vervel Gold and rock crystal ring
- Iron Age bullet staters
- Jeremy Gardiner painting 'August evening, Lyme Regis'
- Richard Battenham ceramics
- Askerswell hoard
- Amanda Chambers artworks (five ceramic pieces that were created in response to her research using the Sylvia Townsend Warner and Valentine Ackland archive in 2014)
- First proof with handwritten corrections of her upcoming Dorset dialect poem *Orlam* from Dorset-born singer, songwriter and musician and winner of two Mercury Music Awards PJ Harvey, as well as an exclusive signed photograph of the artist wearing Dorset buttons
- A cushion used by Elisabeth Frink in her studio at Woolland
- Gold and rock crystal pendant found at Milton Abbas

Loans In

- John Gordon Memorial
- Five Elisabeth Frink pieces
- Three small bronze sculptures and two candlesticks by Elisabeth Frink
- *A Village Choir*, an 1847 oil painting by Thomas Webster as part of the Hardy's Wessex exhibition
- Thomas Gainsborough portrait arrived at the Museum on 18 November 2022 and was hung in the Artists Dorset gallery, it will transfer as a gift after three years

Loans Out

- Hambledon Hill/Maiden Castle human remains – Exeter University
- Gussage All Saints and Maiden Castle infant human remains - University of Reading
- Various archaeological objects - Corfe Castle Town Trust, Dorset

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

- Elisabeth Frink's *Tribute III* - Shire Hall Historic Courthouse Museum
- Elisabeth Frink's *Self-Portrait* - Royal West Of England Academy
- The 'Waddon skull' - UWE

Special exhibitions programme

Temporary Gallery:

- Until 1 May 2022 - Scene through Wood: A Century of Modern Wood engraving
- May – October 2022 - *Hardy's Wessex: The Landscapes that Shaped a Writer*
- December to February 2023 - *I Grew Up 1980s*
- March – June 2023 - *ARTISTS ROOMS: Louise Bourgeois*

Community Gallery:

- Until June 2022 - A Virus a Day: Textile Art by Antje Rook
- July – September 2022 - *Plastic is not fantastic*
- October – January 2023 – *Unmasked*
- Feb – June 2023 - *Dorchester Camera Club - 'Art of Seeing'*

Learning and Engagement

Schools Programme

The formal schools programme was initially quiet but picked up from November 2022, including enquiries from SEND schools, which points towards the accessibility of the offer. During this year of reporting, the team reached 2,055 pupils, delivering 60 school sessions and engaging 320 pupils through the loans boxes. In addition, the Learning Team completed the first year of the Urban Nature Project with Natural History Museum.

Community Engagement Projects

During the year of reporting, 2,252 people were reached through our community engagement work and 54 community sessions were delivered. Highlights include:

- 'Sensing the past project' which was a partnership project between Dorset Museum, Dorset Blind Association and Charmouth Heritage Centre.
- 'Quilt project' involved collecting quilt pieces that could be stitched together for a future exhibition in the Museum's Community Space, engaging with Dorchester mosque, Weymouth rainbows group, families who take part in our Sunday art and craft activities and Charminster WI.
- Bridging the Gap work placement
- Black Writer residencies that led to the creation of new blog posts, as part of a partnership with the Bridport Prize.

Public Engagement activities

- **Heritage Open Days:** The Museum opened free to visitors on 18 September as part of a Dorchester-wide event. Around 650 people attended with tours of the CDC running throughout the day and family art and craft activities in the Learning Base.
- **Monthly lecture series:** Our monthly lecture series continued to perform well, with sold out lectures in September (Tom Sharpe – Mary Anning) and October (Dr Susan Greaney – Neolithic Dorchester).
- **After Dark – October 2022:** This event in collaboration with Shire Hall and Keep Military Museum enabled visitors to explore all three museums during Halloween weekend on a combined ticket.
- **Gallery tours:** A regular programme of weekly volunteer-led covered a mix of subjects.
- **Festival of Archaeology:** A range of events included lectures, and a town-wide event at Maumbury Rings
- **Quilt project:** Alex Briggs has been informally developing a celebration quilt project for the Museum. So far this has involved the participation of members of the Start recovery group. We've also been offered around 20 quilt squares by 20 volunteers and members of public. The Museum

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

will submit an application for WMP NPO funding for work with under-served communities to take this project further and in a more structured manner in early 2023, with the possibility of the quilt being exhibited in our Community Space.

- **Songlines project:** An event to mark the culmination of *Songlines*, a partnership project between Dorchester Arts, Dorset Museum and Dorchester Area Schools Partnership. The piece of music composed by local composer Geof Edge and inspired by the Museum's Natural Dorset gallery was performed by the Dorchester schools, accompanied by adult community choirs.
- **Teachers' evening:** A teachers' event demonstrated to schools what the Museum has to offer and encourage future bookings.
- 'Relaxed opening' for families, designed to support autistic and neurodiverse children and families took place in February and a 'Quiet opening' took place for adults in March as well as a BSL deaf-led tour.

Fundraising

- £86,328: DCC grants
- £68,270: Specific grants and donations for named projects
- £67,718: Last Arts Council payment of Capital project grant
- £109,805: Wessex Museums Partnership
- £50,000: Lulworth donation
- £43,463: Specific grants to support acquisitions
- £321,857: Large bequests

FINANCIAL REVIEW

Financial Report

The accounts which are highlighted within this report show a trading period of the financial year running 1 April 2022 – 31 March 2023.

Total income received for the year ending 31 March 2023 was £1,221,734 compared with £1,442,790 in 2022.

Total unrestricted income for the year ending 31 March 2023 was £1,221,734 with expenditure and net loss on investment of £644,345. This included depreciation amount of £15,668 and a profit on disposal of the property fixed assets of £482,176. Unrestricted income therefore shows a surplus of £577,389 before funds transfer.

Restricted fund income for the year ending 31 March 2023 was £nil with expenditure of £1,673,707. This was offset by project grants and donations, with the exception of a depreciation amount of £1,457,195 which is related to the capital project.

Total funds carried forward as at the end of this fiscal year are £12,967,156 which consists of both fixed assets and current liabilities.

As noted elsewhere in the report and in the accounting policies the charity has developed forecasts and budgets that demonstrate its inability to repay the loans that are classified as due in April 2024.

Regarding the ongoing operational financial stability of the charity, projections of income and expenditure are underway, to demonstrate the levels of footfall and income required, to enable the Museum to operate viably. It is anticipated that this can be achieved by 2026, accepting that we will need to manage negative cashflow during that period. Our investment portfolio which is managed by our agent Charles Stanley, is continually monitored under strict guidelines therefore protecting our investments and reserves during this volatile time.

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

RISKS

Risk logs for the Society are maintained and kept under regular review. The main risks for each that were managed during 2022-2023, along with their status at the final year end, were as follows:

Society / Museum Risks	Risk Management Status
Prolonged closure of Museum due to external factors	Ongoing monitoring, action as required
Further delays and impacts due to Covid-19	Ongoing monitoring, action as required
Failure to achieve visitor targets / decline in membership	Ongoing monitoring, action as required
Energy / Insurance price rises	Ongoing monitoring, action as required
Major building / infrastructure failure	Ongoing monitoring, action as required
Major catastrophe	Ongoing monitoring, action as required
Loss of key staff	Ongoing monitoring, action as required
Failure to address operational readiness planning	Ongoing monitoring, action as required
Theft / vandalism to buildings / collections	Ongoing monitoring, action as required

RESERVES

The reserves of the Society consist of all unrestricted funds that are not linked to fixed assets or required for specific purposes. These unrestricted funds are reduced by the pension fund deficit. The Trustees continue to monitor the pension liabilities and the reserves of the Society closely and are aware of the need to match variable income against fixed commitments, with day-to-day working needs being met by careful management of short-term liquid resources.

The main Museum building was gifted to The Dorset Natural History and Archaeological Society.

The main Museum buildings, which are made up of the Crickmay Building (including part of the Victorian galleries), Williams House and the Brawne Extension, have not been capitalized in the Balance Sheet, as reliable cost information is not available and it is not considered beneficial to the users of the Financial Statements to attempt to establish an estimated valuation. However, the property is insured for £30.7m.

In the event of the Charity being wound up, these assets would be sold to cover any financial deficits.

PLANS FOR FUTURE PERIODS

The focus of the Society's plans in the immediate future, having delivered the Tomorrow's Museum for Dorset project, is the sustainability of the Museum. Primary workstreams which must be achieved over the coming years are:

- ☐ New Marketing Strategy to drive footfall.
- ☐ Revised commercial strategy to ensure all activity generates sufficient profits.
- ☐ Review of Health and Safety procedures and documentation in response to the audit report.
- ☐ Review of HR procedures to ensure open and fair recruitment, effective people management, positive training and development programme as well as focused objectives for staff who manage capacity, protect wellbeing and support income growth.

The Dorset Natural History and Archaeological Society

Trustees' Report (Including Director's Report) Year Ended 31 March 2023

- ☐ Continual development of the exhibition and events programmes to encourage footfall and income growth.
- ☐ New fundraising strategy to encourage support for the Museum's future
- ☐ Expenditure review to ensure costs support income growth and core work

Our Forward Plan and Activity Plan are set out in detail and managed by the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of The Dorset Natural History and Archaeological Society for the purpose of company law) are responsible for preparing the Trustees' Report (incorporating the Executive Directors' report) and the financial statement in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they 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 the period. In preparing these financial statements, the Trustees are required to:

- ☐ select suitable accounting policies and then apply them consistently;
- ☐ observe the methods and principles in the Charities SORP 2019 (FRS 102);
- ☐ make judgments and accounting estimates that are reasonable and prudent;
- ☐ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ☐ prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at anytime the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and henceforth taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- ☐ There is no relevant audit information of which the charitable company's auditor is unaware; and
- ☐ The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Scott Vevers Ltd, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

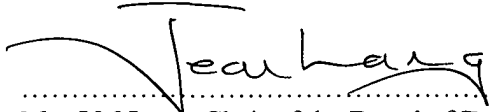
The Dorset Natural History and Archaeological Society

**Trustees' Report (Including Director's Report)
Year Ended 31 March 2023**

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Jean Lang', written over a dotted line.

Mrs J M Lang, Chair of the Board of Trustees

Date: 3rd November 2023

The Dorset Natural History and Archaeological Society

Independent Auditors' Report to the Trustees Year Ended 31 March 2023

Opinion

We have audited the financial statements of The Dorset Natural History and Archaeological Society for the year ended 31 March 2023 set out on pages 16 to 40. 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), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part four of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2023 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

The Dorset Natural History and Archaeological Society

Independent Auditors' Report to the Trustees Year Ended 31 March 2023

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

The Dorset Natural History and Archaeological Society

**Independent Auditors' Report to the Trustees
Year Ended 31 March 2023**

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company'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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.


.....

Scott Vevers Ltd
Chartered Accountants & Statutory Auditors
65 East Street
Bridport
Dorset
DT6 3LB

Date: 07/11/23

Scott Vevers Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Dorset Natural History and Archaeological Society

Statement of Financial Activities (Including Income and Expenditure Account)
Year Ended 31 March 2023

	Note	Unrestricted £	Restricted £	Endowment £	Total 2023 £	Total 2022 £
Income and Endowments from:						
Donations and legacies	3	743,381	-	-	743,381	1,030,067
Charitable activities	4	304,849	-	-	304,849	275,907
Other trading activities	5	164,784	-	-	164,784	127,669
Investments	6	8,720	-	-	8,720	9,147
Total income and endowments		<u>1,221,734</u>	<u>-</u>	<u>-</u>	<u>1,221,734</u>	<u>1,442,790</u>
Expenditure on:						
Raising funds	7	38,249	32,163	-	70,412	25,956
Trading activities	8	219,205	-	-	219,205	104,838
Charitable activities	9	349,259	1,641,544	-	1,990,803	2,698,811
Total expenditure		<u>606,713</u>	<u>1,673,707</u>	<u>-</u>	<u>2,280,420</u>	<u>2,829,605</u>
Net gains/ (losses) on investments	17 & 18	(37,632)	-	-	(37,632)	7,047
Net income/ (expenditure)		<u>577,389</u>	<u>(1,673,707)</u>	<u>-</u>	<u>(1,096,318)</u>	<u>(1,379,768)</u>
Transfers between funds	24	(1,207)	1,207	-	-	-
Corporation Tax		82,894	-	-	82,894	(4,338)
Other recognised gains/ (losses):						
Remeasurement gain / (loss) on defined benefit pension plan	29	649,000	-	-	649,000	209,000
Net movement in funds		<u>1,308,076</u>	<u>(1,672,500)</u>	<u>-</u>	<u>(364,424)</u>	<u>(1,175,106)</u>
Reconciliation of funds:						
Total funds brought forward		(688,489)	14,019,569	500	13,331,580	14,506,686
Total funds carried forward		<u>619,587</u>	<u>12,347,069</u>	<u>500</u>	<u>12,967,156</u>	<u>13,331,580</u>

All income and expenditure derive from continuing activities, with the exception of the sale of freehold and investment properties & receipt of legacies.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 19 to 40 form part of these financial statements.

The Dorset Natural History and Archaeological Society

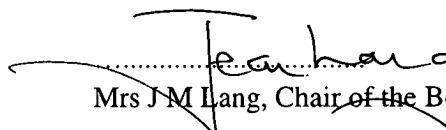
Balance Sheet as at 31 March 2023

(Registration number: 3362107)	Note	Total 2023 £	Total 2022 £
Fixed assets			
Tangible assets	14	13,221,886	14,779,740
Heritage assets	15	1,092,053	1,034,917
Investments	16	162,998	427,260
		<u>14,476,937</u>	<u>16,241,917</u>
Current assets			
Stocks	20	11,000	11,000
Debtors	21	114,840	37,461
Cash at bank and in hand		491,598	175,736
		<u>617,438</u>	<u>224,197</u>
Creditors: amounts falling due within one year	22	(102,219)	(1,191,201)
Net current (liabilities)/ assets		<u>515,219</u>	<u>(967,004)</u>
Total assets less current liabilities		<u>14,992,156</u>	<u>15,274,913</u>
Creditors: amounts falling due after more than one year	23	(1,815,000)	(1,122,333)
Net assets excluding pension liability		<u>13,177,156</u>	<u>14,152,580</u>
Defined benefit pension liability	29	(210,000)	(821,000)
Net assets		<u><u>12,967,156</u></u>	<u><u>13,331,580</u></u>
Charity Funds			
Endowment funds	24	500	500
Restricted funds	24	12,347,069	14,019,569
Unrestricted funds	24	829,587	132,511
Pension reserve	24	(210,000)	(821,000)
Total charity funds		<u><u>12,967,156</u></u>	<u><u>13,331,580</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and in accordance with FRS102 SORP. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 in respect of accounting records and preparation of accounts.

Whilst the company is exempt from audit under Section 477 of the Companies Act 2006 relating to small companies and the members have not required an audit under section 476 of the Act, the company is subject to audit under the Charities Act 2011.

The financial statements were approved and authorised for issue by the Board on 3rd November 2023


Mrs J M Lang, Chair of the Board of Trustees

The notes on pages 19 to 40 form part of these financial statements.

The Dorset Natural History and Archaeological Society

**Statement of Cash Flows
Year Ended 31 March 2023**

	Note	Total 2023 £	Total 2022 £
Cash flow from operating activities	26	(433,692)	332,789
Tax recoverable / (paid)		82,894	(4,338)
Net cash flow from operating activities		<u>(350,798)</u>	<u>328,451</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(91,502)	(556,273)
Receipts from sales of tangible fixed assets		601,533	-
Payments to acquire investments		(13,501)	(22,845)
Receipts from sales of investments		240,212	22,435
Interest received		1,942	14
Dividends received		4,490	4,153
Rents received from investment properties		2,288	4,980
Net cash flow from investing activities		<u>745,462</u>	<u>(547,536)</u>
Cash flow from financing activities			
Interest paid		(78,721)	(64,763)
Net cash flow from financing activities		<u>(78,721)</u>	<u>(64,763)</u>
Net increase / (decrease) in cash and cash equivalents		315,943	(283,848)
Cash and cash equivalents at 1 April 2022		176,585	460,433
Cash and cash equivalents at 31 March 2023		<u>492,528</u>	<u>176,585</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		491,598	175,736
Short term deposits		930	849
Cash and cash equivalents at 31 March 2023		<u>492,528</u>	<u>176,585</u>

The notes on pages 19 to 40 form part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Charity status

The Dorset Natural History and Archaeological Society is incorporated in England within the United Kingdom and is a charity limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Report.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Accounting convention

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which 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 notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from donations and legacies is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from charitable activities includes membership and admissions income. Membership income is accounted for, in full, in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income relating to sales booked online is recognised in the period in which the customer visits the museum. Any income received where the customer has not yet visited is deferred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Raising funds is expenditure incurred in respect of trading activities carried out by the charity.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Grants payable are at the discretion of the Trustees. Governance costs are those costs associated with the governance arrangements of the charity and relate to the general running of the charity as opposed to the costs associated with charitable activities.

Support costs allocations

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the proportion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Tangible fixed assets, including heritage assets

Tangible fixed assets and heritage assets, held for continuing use by the charitable company, are recorded at original cost, or in the case of donated assets, at valuation.

It is the policy of the charity not to capitalise heritage assets belonging to the Museum, where a reliable estimate cannot be made of the asset's fair value or the information on cost or value is not available and which cannot be obtained at a cost which is commensurate with the benefits to the users of the financial statements. These are in effect inalienable, held in perpetuity, and are mostly irreplaceable. Any financially based valuation would be misleading to the value and significance of the material culture involved. The charity has a clear duty of care for these assets and to make them available for the enjoyment and education of the public as far as is possible, commensurate with their long-term care and preservation. The highest possible standards of collection management are applied, and the catalogues are made available as widely as possible to facilitate all enquiries and requests for information, subject to appropriate security and data protection guidelines.

No depreciation is charged on freehold land and buildings as the trustees have a policy of regular repair and maintenance to ensure they are maintained to the highest standard and their residual value will be in excess of cost, meaning any depreciation charge would be immaterial.

Depreciation of other fixed assets is provided in order to write off the cost valuation less residual value of each asset evenly over its estimated useful life as follows:

Freehold property	Not depreciated
Land and buildings	10 years straight line, once complete
Fixtures, fittings and equipment	15% reducing balance, 25% straight line
Collections	Not depreciated

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate, determined annually by the directors. The directors use market prices where possible, adjusted if necessary for any differences in the nature, location or condition of the specific asset. Changes in fair value are recognised through the SoFA.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value, with all realised and unrealised gains passing through the SoFA.

Stock

Stock consists of shop stock for resale and publication stocks. Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving stock where appropriate. Any impairments are calculated based on the likely selling value, compared to cost.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Cash at bank and in hand

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.

Operating leases

The trustees classifies the lease of properties as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

Defined contribution pension

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior years.

Contributions to defined contribution plans are recognised as staff pension expense through the SoFA, when they are due.

Defined benefit pension obligation

The minority of employees of the charity are members of the Local Government Pension Scheme (LGPS) managed by Dorset County Council.

This is a funded defined benefit scheme where the assets are held separately from those of the charity, in separate Trustee administered funds. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of the plan assets. The defined benefit obligation is measured using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised immediately in other gains and losses.

The net liability in the schemes at the date of the transfer of the employees from the respective councils is shown as a separate item in the SoFA.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The trustees makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Critical accounting estimates and areas of judgement (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors, that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include discount rate. Any changes in these assumptions, which are disclosed in Note 29, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transactions. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for similar debt instruments.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Grants					
Dorset County Council*	85,078	-	-	85,078	84,294
Arts Council England	67,718	-	-	67,718	380,318
Wessex Museum Trust	106,771	-	-	106,771	33,855
Roberts Trust	30,000	-	-	30,000	-
College bursaries	-	-	-	-	14,197
Other	80,490	-	-	80,490	66,853
	<u>370,057</u>	<u>-</u>	<u>-</u>	<u>370,057</u>	<u>579,517</u>
Development appeal fund					
Heritage Lottery Fund*	-	-	-	-	381,357
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,357</u>
Other					
Donations (including gift aid)	51,467	-	-	51,467	59,698
Legacies	321,857	-	-	321,857	6,750
	<u>373,324</u>	<u>-</u>	<u>-</u>	<u>373,324</u>	<u>66,448</u>
Exceptional government funding					
Coronavirus Job Retention Scheme (CJRS) grant*	-	-	-	-	2,745
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,745</u>
	<u>743,381</u>	<u>-</u>	<u>-</u>	<u>743,381</u>	<u>1,030,067</u>

The charity has been eligible to claim additional funding in the year from government support schemes, in response to the coronavirus pandemic. The funding received is shown above under Exceptional government funding.

*Government grants

4 Charitable activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Membership subscriptions	68,103	-	-	68,103	53,625
Museum admission fees	235,004	-	-	235,004	217,311
Events and exhibitions	1,742	-	-	1,742	2,471
Income from lending assets	-	-	-	-	2,500
	<u>304,849</u>	<u>-</u>	<u>-</u>	<u>304,849</u>	<u>275,907</u>

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Shop and online sales	64,074	-	-	64,074	68,705
Bookings income	82,434	-	-	82,434	43,482
Café rental income	15,813	-	-	15,813	13,927
Royalties and sundry income	2,463	-	-	2,463	1,555
	<u>164,784</u>	<u>-</u>	<u>-</u>	<u>164,784</u>	<u>127,669</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Dividends and interest	4,490	-	-	4,490	4,153
Interest on cash deposits	1,942	-	-	1,942	14
Rental income	2,288	-	-	2,288	4,980
	<u>8,720</u>	<u>-</u>	<u>-</u>	<u>8,720</u>	<u>9,147</u>

7 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Fundraising fees	36,611	-	-	36,611	13,573
Heritage Lottery Fund Delivery Plan	-	32,163	-	32,163	10,684
Investment management fees	1,638	-	-	1,638	1,699
	<u>38,249</u>	<u>32,163</u>	<u>-</u>	<u>70,412</u>	<u>25,956</u>

8 Expenditure on trading activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Shop consumables	30,667	-	-	30,667	29,089
Employment costs	164,869	-	-	164,869	61,296
Event consumables	12,869	-	-	12,869	-
Establishment costs	10,800	-	-	10,800	14,453
	<u>219,205</u>	<u>-</u>	<u>-</u>	<u>219,205</u>	<u>104,838</u>

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

9 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Staff costs (including travel)	352,604	112,356	-	464,960	663,996
Direct costs	273,653	1,519,428	-	1,793,081	1,841,124
Support costs	(285,923)	9,760	-	(276,163)	186,266
Governance costs	8,925	-	-	8,925	7,425
	<u>349,259</u>	<u>1,641,544</u>	<u>-</u>	<u>1,990,803</u>	<u>2,698,811</u>

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
<u>Direct costs:</u>					
Exhibitions, events and collections	20,543	62,053	-	82,596	76,656
General repairs	32,976	-	-	32,976	34,966
Depreciation	15,668	1,457,195	-	1,472,863	1,471,296
Establishment costs	147,205	-	-	147,205	158,802
Marketing and promotion	53,717	180	-	53,897	90,085
Credit card charges	3,565	-	-	3,565	5,372
Bad debts recoverable	(240)	-	-	(240)	263
General expenses	219	-	-	219	3,684
	<u>273,653</u>	<u>1,519,428</u>	<u>-</u>	<u>1,793,081</u>	<u>1,841,124</u>

Support costs:

Office and administration costs	63,498	-	-	63,498	63,420
(Profit) / loss on disposal of tangible fixed assets	(482,176)	-	-	(482,176)	11,902
Loan interest	78,721	-	-	78,721	64,763
Other finance charges	3,417	-	-	3,417	1,253
Printing, postage and stationery	18,068	-	-	18,068	18,301
Professional fees	32,549	9,760	-	42,309	26,627
	<u>(285,923)</u>	<u>9,760</u>	<u>-</u>	<u>(276,163)</u>	<u>186,266</u>

Governance costs:

Auditor's remuneration	8,925	-	-	8,925	7,425
	<u>8,925</u>	<u>-</u>	<u>-</u>	<u>8,925</u>	<u>7,425</u>

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

10 Net income / (expenditure) for the year

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

	2023 £	2022 £
Depreciation of tangible fixed assets	1,472,863	1,471,296
(Profit) / loss on disposal of investments	26,963	3
(Profit) / loss on disposal of tangible fixed assets	(482,176)	11,902
Operating lease rentals	24,695	34,563
(Profit) / loss on fair value movement of investments	10,669	(7,050)
Auditor's remuneration:		
Audit services	5,975	4,975
Other services	2,950	2,450
	<u>1,472,863</u>	<u>1,471,296</u>

11 Trustees' and key management personnel remuneration and expenses

During the year the charity made the following transactions with trustees:

No trustees, nor any persons connected with them, have received any remuneration, expenses or benefits from the charity during the year, in their capacity as a trustee.

The total amount of employee benefits received by key management personnel is £93,315 (2022: £120,646). The trustees considers its key management personnel comprise the Executive Director, the Commercial Director, and the Director of Collections.

No trustees are accruing pension arrangements (2022: no trustees).

12 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year/period was as follows:

	2023 FTE	2022 FTE	2023 Number	2022 Number
Raising funds	0.4	0.4	1.0	1.0
Charitable activities	14.2	15.0	22.0	22.0
Governance	0.6	0.6	1.0	1.0
	<u>15.2</u>	<u>16.0</u>	<u>24.0</u>	<u>24.0</u>

The total staff costs and employee benefits were as follows:

	2023 £	2022 £
Wages and salaries	521,022	578,230
Social security	31,687	37,006
Defined contribution pension costs	19,586	19,939
Defined benefit pension costs	57,534	74,115
	<u>629,829</u>	<u>709,290</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Interest payable and similar expenses

	2023 £	2022 £
Bank loans and overdrafts	3,417	1,253
Loan interest	78,721	64,763
	<u>82,138</u>	<u>66,016</u>

14 Tangible fixed assets

	Freehold Properties £	Land and Buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation:				
At 1 April 2022	387,235	15,777,735	123,849	16,288,819
Additions	-	27,510	6,856	34,366
Disposals	(119,357)	-	-	(119,357)
At 31 March 2023	<u>267,878</u>	<u>15,805,245</u>	<u>130,705</u>	<u>16,203,828</u>
Depreciation:				
At 1 April 2022	-	1,462,415	46,664	1,509,079
Charge for the year	-	1,456,650	16,213	1,472,863
Eliminated on disposals	-	-	-	-
At 31 March 2023	<u>-</u>	<u>2,919,065</u>	<u>62,877</u>	<u>2,981,942</u>
Net book value:				
At 31 March 2023	<u>267,878</u>	<u>12,886,180</u>	<u>67,828</u>	<u>13,221,886</u>
At 31 March 2022	<u>387,235</u>	<u>14,315,320</u>	<u>77,185</u>	<u>14,779,740</u>

Freehold properties are functional assets insured for £326,180. At the year end, these comprise the properties of The Old School House and the Craft Market site. Whilst the trustees consider that their market value is higher than the carrying value of these assets, it is impractical to measure their fair value.

The main Museum buildings, which are made up of the Crickmay Building (including part of the Victorian galleries), Williams House and the Brawne Extension, have not been capitalised in the Balance Sheet, as reliable cost information is not available and it is not considered beneficial to the users of the Financial Statements to attempt to establish an estimated valuation. However, the property is insured for £30.7m.

The main Museum buildings were gifted to The Dorset Natural History and Archaeological Society and therefore do not form part of the net book value above. There is a float charge over this property with The Trustees of the National Heritage Mortgage Fund and a second charge to Dorset County Council.

During the year, the Charity sold the properties, St Peters Institute and 4-5 Colliton Street. The proceeds received, after disbursements, were £601,533.

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Heritage assets

	Collections £	Total £
Cost or valuation:		
At 1 April 2022	1,034,917	1,034,917
Additions	57,136	57,136
At 31 March 2023	<u>1,092,053</u>	<u>1,092,053</u>
Depreciation:		
At 1 April 2022	-	-
At 31 March 2023	<u>-</u>	<u>-</u>
Net book value:		
At 31 March 2023	<u>1,092,053</u>	<u>1,092,053</u>
At 31 March 2022	<u>1,034,917</u>	<u>1,034,917</u>

Collections acquired since 1 January 2021 have been capitalised at cost. Where assets have been donated and a reliable estimate cannot be made of the asset's fair value or the cost of valuation is likely to exceed the benefit provided by the information, the asset has not been recognised in the Financial Statements. Please see the Trustees' Report for more information on the assets donated in the year.

Heritage assets acquired before 1 January 2021 have not been recognised due to the significant cost that would be involved in valuing the Museum's diverse collections and other assets. This would be onerous compared with the additional benefit that would be derived by the users of the Financial Statements in assessing the trustees' stewardship of these assets.

No depreciation is charged on collections or galleries in the course of construction.

Five year summary of additions and disposals:

	2023 £	2022 £	2021 £	2020 £	2019 £
Purchased additions					
Assets held at cost	57,136	2,278	136,270	27,405	46,670
Total additions	<u>57,136</u>	<u>2,278</u>	<u>136,270</u>	<u>27,405</u>	<u>46,670</u>
Impairment					
Assets held at cost	-	-	-	-	-
Total impairment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value Disposals					
Assets held at cost	-	-	-	-	141,178
Total NBV disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,178</u>

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

16 Investments

	2023	2022
	£	£
Investment properties (note 17)	-	250,000
Quoted investments (note 18)	162,067	176,410
Unquoted investments (note 19)	1	1
Cash held by investment manager	930	849
	<u>162,998</u>	<u>427,260</u>

17 Investment property

	2023	2022
	£	£
Fair value at 1 April 2022	250,000	250,000
Disposal proceeds	(225,000)	-
Realised loss on disposal	(25,000)	-
Fair value at 31 March 2023	<u>-</u>	<u>250,000</u>
Cost at 31 March 2023	<u>-</u>	<u>250,000</u>

The investment property consisted of 3 Colliton Street which was acquired in 2019-20, as part of the development works. The property was sold on 25 August 2022.

18 Quoted investments

	2023	2022
	£	£
Fair value at 1 April 2022	176,410	168,953
Additions	13,501	22,845
Disposals	(15,212)	(22,435)
Realised gains/(losses) on disposal	(1,963)	(3)
Unrealised gains/(losses) on revaluation	(10,669)	7,050
Fair value at 31 March 2023	<u>162,067</u>	<u>176,410</u>
Cost at 31 March 2023	<u>149,633</u>	<u>151,808</u>

The share portfolio was valued by Charles Stanley & Co. Limited based on the mid market price at 31 March 2023.

19 Unquoted investments

	2023	2022
	£	£
Dorset Museum Trading Company Limited - 1 ordinary share of £1 each (at cost)	<u>1</u>	<u>1</u>

The company is incorporated in England and has an authorised and issued share capital of 1 ordinary share of £1 each. The principal activity of the company will be retail. It has remained dormant since incorporation.

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

20 Stocks

	2023	2022
	£	£
Goods for resale	11,000	11,000

21 Debtors

	2023	2022
	£	£
Trade debtors	27,567	24,653
Prepayments and accrued income	1,709	2,840
Other debtors	85,564	9,968
	<u>114,840</u>	<u>37,461</u>

22 Creditors: amounts falling due within one year

	2023	2022
	£	£
Loans	-	992,667
Trade creditors	21,188	22,690
Accruals and deferred income	67,112	161,425
Taxation and social security	9,055	4,338
Other creditors	4,864	10,081
	<u>102,219</u>	<u>1,191,201</u>

23 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Loans	<u>1,815,000</u>	<u>1,122,333</u>

The payment terms and interest rate were renegotiated this year as follows:

A new loan agreement was reached with Dorset County Council in August 2022. The loan repayments have been paused until April 2024. Interest is charged on the loan at 3.83% and is repayable over 20 years to 31 March 2044. The loan is secured against a second charge on the freehold property known as Dorset Museum being 65 and 65A High Street, Dorchester, DT1 1XA.

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

24 Funds reconciliation

Unrestricted funds

	Balance at 01.04.2022	Income	Expenditure	Transfers	Gains / losses	Balance at 31.03.2023
	£	£	£	£	£	£
Unrestricted						
General fund	(917,792)	1,191,734	(474,442)	(1,207)	(37,632)	(239,339)
Designated funds						
Collections	1,034,916	-	-	-	-	1,034,916
Life membership	9,446	-	-	-	-	9,446
Dugdale Trust	941	-	-	-	-	941
Lift	5,000	-	-	-	-	5,000
Roberts Trust	-	30,000	(11,377)	-	-	18,623
	<u>132,511</u>	<u>1,221,734</u>	<u>(485,819)</u>	<u>(1,207)</u>	<u>(37,632)</u>	<u>829,587</u>
Pension reserve	(821,000)	-	(38,000)	-	649,000	(210,000)
	<u>(688,489)</u>	<u>1,221,734</u>	<u>(523,819)</u>	<u>(1,207)</u>	<u>611,368</u>	<u>619,587</u>

	Balance at 01.04.2021	Income	Expenditure	Transfers	Gains / losses	Balance at 31.03.2022
	£	£	£	£	£	£
Unrestricted						
General fund	(872,951)	837,849	(887,460)	(2,277)	7,047	(917,792)
Designated funds						
Collections	1,032,639	-	-	2,277	-	1,034,916
Life membership	9,446	-	-	-	-	9,446
Dugdale Trust	941	-	-	-	-	941
Lift	5,000	-	-	-	-	5,000
	<u>175,075</u>	<u>837,849</u>	<u>(887,460)</u>	<u>-</u>	<u>7,047</u>	<u>132,511</u>
Pension reserve	(979,000)	-	(51,000)	-	209,000	(821,000)
	<u>(803,925)</u>	<u>837,849</u>	<u>(938,460)</u>	<u>-</u>	<u>216,047</u>	<u>(688,489)</u>

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

24 Funds reconciliation (continued)

Restricted funds

	Balance at 01.04.2022 £	Income £	Expenditure £	Transfers £	Gains / losses £	Balance at 31.03.2023 £
Tomorrow's Museum for Dorset:						
Heritage Lottery Fund	9,938,589	-	(1,612,441)	-	-	8,326,148
Other funding	3,943,911	-	-	-	-	3,943,911
Dewlish Mosaic Public Appeal	50,025	-	(50,025)	-	-	-
Dorset Archaeological Committee	48,856	-	-	-	-	48,856
Jurassic Coast Gallery	9,974	-	(9,974)	-	-	-
Monograph Fund	8,042	-	-	-	-	8,042
Museum Makers	(1,207)	-	-	1,207	-	-
Gentleman's Magazine	3,001	-	-	-	-	3,001
WDDC Social Inclusion	885	-	(885)	-	-	-
Funds under £1,000	835	-	-	-	-	835
Barnes - Dugdale portrait	382	-	(382)	-	-	-
Treasure Acquisitions	3,256	-	-	-	-	3,256
Museums Partnership	8,020	-	-	-	-	8,020
The Ann James Fine Art Acquisition	5,000	-	-	-	-	5,000
	<u>14,019,569</u>	<u>-</u>	<u>(1,673,707)</u>	<u>1,207</u>	<u>-</u>	<u>12,347,069</u>

Endowment funds

Charles Hansford	500	-	-	-	-	500
	<u>14,020,069</u>	<u>-</u>	<u>(1,673,707)</u>	<u>1,207</u>	<u>-</u>	<u>12,347,569</u>
Total funds	<u>13,331,580</u>	<u>1,221,734</u>	<u>(2,197,526)</u>	<u>-</u>	<u>611,368</u>	<u>12,967,156</u>

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

24 Funds reconciliation (continued)

Restricted funds

	<i>Balance at 01.04.2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains / losses</i>	<i>Balance at 31.03.2022</i>
	£	£	£	£	£	£
<i>Tomorrow's Museum for Dorset:</i>						
<i>Heritage Lottery Fund</i>	11,279,178	554,816	(1,895,405)	-	-	9,938,589
<i>Other funding</i>	3,943,911	-	-	-	-	3,943,911
<i>Dewlish Mosaic</i>	-	50,025	-	-	-	50,025
<i>Public Dorset Archaeological Committee</i>	48,856	-	-	-	-	48,856
<i>Jurassic Coast</i>	9,974	-	-	-	-	9,974
<i>Monograph Fund</i>	8,042	-	-	-	-	8,042
<i>Museum Makers</i>	(1,207)	-	-	-	-	(1,207)
<i>Gentleman's Magazine</i>	3,001	-	-	-	-	3,001
<i>WDDC Social</i>	885	-	-	-	-	885
<i>Funds under £1,000</i>	813	100	(78)	-	-	835
<i>Barnes - Dugdale portrait</i>	382	-	-	-	-	382
<i>Treasure Acquisitions</i>	8,256	-	-	(5,000)	-	3,256
<i>Museums Partnership</i>	8,020	-	-	-	-	8,020
<i>The Ann James Fine Art Acquisition</i>	-	-	-	5,000	-	5,000
	<u>15,310,111</u>	<u>604,941</u>	<u>(1,895,483)</u>	<u>-</u>	<u>-</u>	<u>14,019,569</u>

Endowment funds

<i>Charles Hansford fund</i>	500	-	-	-	-	500
	<u>15,310,611</u>	<u>604,941</u>	<u>(1,895,483)</u>	<u>-</u>	<u>-</u>	<u>14,020,069</u>
<i>Total funds</i>	<u>14,506,686</u>	<u>1,442,790</u>	<u>(2,833,943)</u>	<u>-</u>	<u>216,047</u>	<u>13,331,580</u>

Notes to the Financial Statements for the Year Ended 31 March 2023

24 Funds reconciliation (continued)

Unrestricted funds

- The general fund represents the free funds which are not designated by the Board, for particular purposes.
- Designated funds represent money set aside for specific purposes at the discretion of the Board.
- The collections designated funds represents the net book value of the collections held within heritage assets.
- The pension reserve represents the notional funding deficit calculated under FRS102 in respect of the charitable company's pension scheme advised by the scheme actuary.
- The revaluation reserve is required under the Companies Act 2006 and represents the difference between the historic cost and market value of investments, at the Balance Sheet date.

Restricted funds

- The Dorset Archaeological Committee fund represents money received specifically for the committee.
- The treasure acquisition fund represents monies raised to purchase specific artefacts.
- Where funding is agreed in advance, but only paid on receipt of invoices, funds may go into deficit temporarily.
- Where funds are raised for a particular asset, a transfer is made to the relevant fund when the asset is capitalised.
- Archaeology gallery fund represents funds raised from the public, members and trusts towards the archaeology redevelopment.
- Tomorrow's Museum for Dorset:
 - Heritage Lottery Fund represents the funds received towards the museum redevelopment and equals the net book value of property improvements capitalised using Heritage Lottery Funds.
 - Other funding represents the funds received towards the museum redevelopment and equals the net book value of property improvements capitalised using Heritage Lottery Funds.
 - Development appeal fund represents unspent funds raised from the public, members and trusts towards the museum redevelopment.
- Other funds represent monies raised for a particular purpose or project.
- Museums Partnership fund represents a grant towards collections assistants salaries.
- Dewlish Mosaic Public Appeal are funds towards the purchase of Dewlish Mosaic which proved to be successful.
- The Ann James Fine Art Acquisition Fund was a legacy from the late Mrs Ann James and is dedicated to the purchase of fine art for the museum to a total value of £5,000.

Endowment funds

- The Charles Hansford fund, which is permanent endowment fund, represents a bequest made in 1910. Interest arising from the investment, which is restricted, is to be utilised towards the maintenance and benefit of the museum and library.
- Heritage assets are capital assets held for conservation and preservation purposes and are therefore shown as expendable endowment. The balance of collections has been transferred to designated funds and the museum and gallery improvements have been transferred to restricted funds during 2020; as the purposes of the funds did not meet the requirement of an endowment fund.

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

25 Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total
	2023	2023	2023	2023
	£	£	£	£
Fixed assets	1,589,520	12,887,417	-	14,476,937
Cash and current investments	491,098	-	500	491,598
Other current assets / liabilities	563,969	(540,348)	-	23,621
Creditors more than one year	(1,815,000)	-	-	(1,815,000)
Provisions / pensions	(210,000)	-	-	(210,000)
	<u>619,587</u>	<u>12,347,069</u>	<u>500</u>	<u>12,967,156</u>
	Unrestricted	Restricted	Endowment	Total
	2022	2022	2022	2022
	£	£	£	£
Fixed assets	1,924,815	14,317,102	-	16,241,917
Cash and current investments	175,236	-	500	175,736
Other current assets / liabilities	(845,207)	(297,533)	-	(1,142,740)
Creditors more than one year	(1,122,333)	-	-	(1,122,333)
Provisions / pensions	(821,000)	-	-	(821,000)
	<u>(688,489)</u>	<u>14,019,569</u>	<u>500</u>	<u>13,331,580</u>

26 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2023	2022
	£	£
Net income / (expenditure) for the year	(1,096,318)	(1,379,768)
Dividends received	(4,490)	(4,153)
Rents received from investment properties	(2,288)	(4,980)
Interest receivable	(1,942)	(14)
Interest payable	78,721	64,763
Depreciation and impairment of tangible fixed assets	1,472,863	1,471,296
(Gains) / losses on investments	10,669	(7,050)
(Profit) / loss on disposal of tangible fixed assets	(482,176)	11,902
(Profit) / loss on disposal of fixed asset investments	26,963	3
Post-employment benefits less payments	38,000	51,000
(Increase) / decrease in stock	-	(11,000)
(Increase) / decrease in debtors	(77,379)	1,117,423
Increase / (decrease) in creditors	(396,315)	(976,633)
	<u>(433,692)</u>	<u>332,789</u>

Notes to the Financial Statements for the Year Ended 31 March 2023

27 Related party transactions

There were no related party transactions during the year.

28 Contingent liability

Grants received from the National Heritage Memorial Fund amounting to £12,898,957 (total received so far) as at 31 March 2023 may become subject to partial repayment in the event that the assets built, with the funds provided, are sold (2023: £12,537,756). The amounts potentially repayable are secured by a legal charge in favour of the National Heritage Memorial Fund.

29 Pensions and other post-retirement benefits

Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £19,586 (2022: £19,939).

Defined benefit pension plans

The charity operates a defined benefit pension plan for qualifying employees providing benefits based on career average revalued earnings. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

It is the Dorset County Pension Fund, a Local Government Pension Scheme, which is a contracted-out defined benefit multi-employer pension scheme.

The assets of the defined benefits scheme are held separately from those of the charitable company. The scheme is funded by contributions from the employees and participating employers, in accordance with the recommendations of independent qualified actuaries on the basis of triennial valuations.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2022.

At the year end there were contributions due to the scheme totalling £90 (2022: £2,916) which are included in creditors.

The scheme is a funded defined benefit pension scheme, with assets held in separate Trustee administered fund. The total contributions made for the year ended 31 March 2023 were £23,753 (2022: £29,298), of which the employer contributions totalled £19,534 (2022: £23,115) and employees' contributions totalled £4,219 (2022: £6,183). The current rates for future years are 18.3% (2022: 18.1%).

The total cost recognised in the period was as follows:

	2023 £'000	2022 £'000
Current service cost	36	54
Net interest income / expense	21	19
Administration expenses	1	1
Recognised in net income / expenditure	58	74
Recognised in other gains / losses	-	-
Total cost recognised	58	74

Notes to the Financial Statements for the Year Ended 31 March 2023

29 Pensions and other post-retirement benefits (continued)

Defined benefit pension plans (continued)

Amounts recognised in the balance sheet were as follows:

	2023 £'000	2022 £'000
Present value of funded obligations	1,372	2,054
Fair value of plan assets	(1,162)	(1,233)
	<u>210</u>	<u>821</u>

The pension expenditure for the year was £38,000 (2022: £51,000). The remeasurement gain on the defined benefit pension plan was £649,000 (2022: £209,000).

Changes in the present value of the defined benefit obligations were as follows:

	2023 £'000	2022 £'000
Opening defined benefit obligation	2,054	2,109
Current service cost	36	54
Past service cost	-	-
Interest expense	53	42
Actuarial (gains) / losses	-	-
Change in financial assumptions	(896)	(123)
Change in demographic assumptions	(49)	-
Experience gain/ loss on defined benefit obligation	209	5
Contributions by scheme participants	4	6
(Estimated) benefits paid (net of transfers in)	(39)	(39)
Closing defined benefit obligation	<u>1,372</u>	<u>2,054</u>

Changes in the fair value of the pension plan assets were as follows:

	2023 £'000	2022 £'000
Opening plan assets	1,233	1,130
Interest income	32	23
Actual return on plan assets (excluding interest income)	(89)	91
Other actuarial gains / (losses)	2	-
Administration expenses	(1)	(1)
Contributions by charity (included unfunded)	20	23
Contributions by scheme participants	4	6
(Estimated) benefits paid (plus unfunded net of transfers in)	(39)	(39)
Closing plan assets	<u>1,162</u>	<u>1,233</u>

The total return of the fund assets for the year to 31 March 2023 was a loss of £57,000 (2022: surplus of £114,000).

Notes to the Financial Statements for the Year Ended 31 March 2023

29 Pensions and other post-retirement benefits (continued)

Defined benefit pension plans (continued)

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2023 £'000	2022 £'000
Equity instruments	724	656
Debt instruments (bonds)		
Gilts	6	153
Other bonds	76	62
Property	94	115
Other assets		
Cash	19	25
Diversified Growth Fund	78	81
Infrastructure	88	84
Multi Asset Credit	77	57
	<u>1,162</u>	<u>1,233</u>

The principal actuarial assumptions used were as follows:

	2023 %	2022 %
Discount rate	4.80	2.60
Expected rates of salary increases	3.85	4.20
Expected rates of pension increases	2.85	3.20
Expected rate of inflation - RPI	n/a	n/a
Expected rate of inflation - CPI	2.85	3.20

The mortality assumptions used for longevity (in years) on retirement at age 65 are:

	2023 years	2022 years
Retiring at the balance sheet date		
- Males	22.2	23.1
- Females	24.2	24.7
Retiring in 20 years		
- Males	23.5	24.4
- Females	25.6	26.1

The Dorset Natural History and Archaeological Society

Notes to the Financial Statements for the Year Ended 31 March 2023

30 Leases

Total future minimum lease payments under non-cancellable operating leases

	2023 £	2022 £
Not later than one year	41,834	42,722
Later than one year but not later than five years	3,757	26,479
	<u>45,591</u>	<u>69,201</u>

31 Financial instruments

The carrying amounts of the charity's financial instruments measured at fair value through net income / expenditure are as follows:

	2023 £	2022 £
Financial assets		
Measured at fair value through net income / expenditure:		
- Fixed asset investments	162,998	427,260
Measured at amortised cost		
- Debt instruments	604,729	210,357
	<u>767,727</u>	<u>637,617</u>
Financial liabilities		
- Measured at amortised cost	<u>1,917,219</u>	<u>2,313,534</u>

The income, expenses, net gains and net losses attributable the charity's financial instruments are summarised as follows:

Income and expense		
Financial assets measured at fair value through net income / expenditure	4,490	4,153
Net gains and losses		
Financial assets measured at fair value through net income / expenditure	(12,632)	7,047