

REGISTERED CHARITY NUMBER: 1183526

Harpden and District Local History Society
Report of the Trustees and
Financial Statements for the Year Ended 31 December 2022

Harpenden and District Local History Society

Contents of the Financial Statements for the Year Ended 31 December 2022

	Page
Report of the Trustees	3
Report of the Independent Examiner	12
Statement of Financial Activities	13
Statement of Financial Position	14
Notes to the Financial Statements	15

Harpenden and District Local History Society

Report of the Trustees for the Year Ended 31 December 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

With effect from 22nd May 2019, the Society is now constituted as a Charitable Incorporated Organisation (CIO) (charity number 1183526) with the same charity by name as the previously constituted unincorporated charity (277169) The assets of the old charity were transferred to the new charity in early 2020 and the old charity was formally dissolved on 22nd July 2020., This report covers the activities of the new charity (1183526) to which the activities of the old charity were transferred with effect from 1st January 2020.

OBJECTIVES AND ACTIVITIES

The Society's objectives as per its registered constitution as a CIO (Association) are to educate the public in the local history of Harpenden and District and to undertake research into the origins and development of buildings, organisations, crafts, trades and other aspects of historical interest and to publish the results of such research.

Nothing in the new constitution shall authorise an application of the property of the CIO for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and section 2 of the Charities Act (Northern Ireland) 2008.

The Society's key objective has been, since losing its former museum premises attached to Harpenden Hall in 2003, to open a permanent Harpenden Museum. The Society holds a collection of artefacts and documents relating to Harpenden's history totalling 1000s of documents; 100s of OS maps of different dates and scales, 1000s of artefacts, large and small, well over 16000 photos and over 100 original paintings. Many of these items were collected for a future museum of Harpenden from the early 1900s. This collection is growing and will develop rapidly when Harpenden Museum opens.

The Society embraces its Mission Statement in all that it currently undertakes and the plan for opening a museum in the Eric Morecambe Centre in Rothamsted Park provides a major opportunity to achieving our key objective and to increase access to the collection thereby providing a greater knowledge of local history–

The Society's aims have not materially changed since the 2019 report and can be summarised as:

Aim 1: To make a valuable contribution to the cultural life of Harpenden and the surrounding area

Aim 2: To provide an accessible facility for local history available to all, without charge

Aim 3: To promote the Harpenden History website as a source for all types of learning for schools, groups, families and individuals

Aim 4: To encourage users to explore the archives for research. This will be greatly enhanced with the opening, of the museum

Aim 5: To encourage members and the public to be actively involved in all the Society's activities

Aim 6: To recruit and train volunteers to assist trustees in achieving the Society's aims, particularly helping run the Museum and its archives

Aim 7: To continue to care for, preserve, add to and document the collection, to develop a digital version of significant items in the collection and to publish articles and photos on the Society's website and in the Society's Newsletter.

Aim 8: To maintain long-term financial sustainability

ACTIVITIES and PERFORMANCE

The main activity of the year has been preparing for the fitting out of the Harpenden Museum in the Eric Morecambe Centre in Harpenden. David Keen, our curator has worked on cataloguing and transferring artefacts from Sandridgegate and Rosemary Ross with volunteers began the task of packing and moving archives from Park Hall to the adjoining Les Casey Archive Room, where roller-rack storage cabinets were installed in January. Additional space in a store-room alongside the main hall is available for storage of larger items. The museum space has been designed and fitted by Qwerk Ltd., with completion expected early in 2023, after which the curator and volunteers will arrange displays in the cabinets and wall-gallery, with a view to public opening later in the year.

We were pleased to be able to resume our programme of meetings, which all took place in the Function Room 1 of the Eric Morecambe Centre.

January 25 th	Brian Legg	Heartwood Forest, a transformed landscape
February 22 nd	Steve Potter	Made in St Albans
March 22 nd	Ewan Murray	70 years On the Crest of a Wave: the History of Harpenden Gang Show
April 26 th the	John Morewood	Discover, Protect, Innovate, Inform – 175 years of 'Arc & Arc'
May 24 th	John and Pauline Ridgewell	Redbourn, 70 years ago, through the lens of John Heather
June 28 th	Sarah Keeling	St Albans Town Hall: the Making of a Museum and Gallery
September 27 th	Bob Redman	Elstree: Britain's Hollywood
October 25 th	Jean Yates	The Met Office at Dunstable and forecasting D-Day
November 22 nd	AGM and Member's Evening	

The membership secretary, Chris Brimblecombe, resigned as a Trustee in April 2022, and John Wassell became temporary membership secretary. John Wassell produced three issues of the Society's Newsletter. Diana Parrott continued to handle queries from the public, and assisted Rosemary Ross with managing the website, which continues to attract interest and comments.

Medium term objectives

The Society has developed and refined its long-term Business Plan which centres on the development of a museum in the Cultural Hub. The legacy receipt of £673k in 2019 from the estate of the late Leslie Casey underpins the financial requirements of the museum development project and appropriate resources will therefore be available, when required, to fund both its development and operation.

The Society signed a long-term lease and a Memorandum of Understanding in late 2021 with St Albans District Council for a museum display space, an archive room and a storage area in the Eric Morecambe Centre. (see Financial Review below)

During 2023 the Society aims to continue to develop these spaces into Harpenden Museum.

Longer term objectives include:

- Working towards regaining formal museum accreditation
- Developing on-line access to digital indexes of the Society's collections
- Transferring the digital indexes to a museum cataloguing database

Charitable status and public benefit

The Society continues to provide, within the current government COVID restrictions, many opportunities for the wider community to secure greater knowledge of local history and see this as a key part of our educational and heritage-protecting role. We also support and encourage our members to get involved with other local and national organisations operating in the local history sphere.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The trustees therefore consider that the Society is charitable both in its intention and practice and provides substantial public benefit to the local community and wider world.

Membership

There were 245 members at the end of the current year.

FINANCIAL REVIEW

Financial position

The financial results for the year are shown on pages 13 to 22.

The formation of the Society as a Charitable Incorporated Organisation (1183526) on 22nd May 2019 was registered with the Charity Commission in 2019 with a new constitution based on the model Charity Commission template.

Having converted to a CIO and, although gross income has not exceeded £250k in the year, trustees have chosen to prepare the accounts for the current year on an accruals basis. As the Society is no longer a 'larger charity' (income over £500k), annual accounts are accompanied by this Trustees Annual Report but not a cash flow statement as this is not now required. The accounts have been independently examined but no audit is required.

Total Income for the year amounted to £17,577 (2021 - £16,777) of which; £14,273 (2021 - £13,872) was generated by investment income (see note 4) and £3,170 from membership subscriptions (2021 - £2,799).

Realised gains on disposal of investments were £1,258 during the year (2021- £1,134) which, with the deficit on revaluation of investments at 31st December 2022 of £72,389 (2021 – surplus of £18,818), resulted in an overall net deficit on investments of £71,131 (2021 - surplus of £19,952) as shown on the Statement of Financial Activities.

Overall unrestricted expenditure for the year amounted to £14,365 (2021 - £9,107). Of this total, £3,744 (2021 - £4,059) related to investment management fees, £4,647 to the rent and service charges of the new Museum space and £2,572 to the depreciation of Museum assets. See Notes 6 and 7 for a further breakdown of costs expended.

Trustees are encouraged that, in spite of the adverse and continuing influences of the COVID restrictions and the impact of global economic pressures, the operational financial status of the Society has not deteriorated during 2022 with an operating surplus, albeit reduced, for the year of £3,212 (2021- £7,670). Memberships have improved slightly with new members joining and little membership loss. Expenditure has risen markedly (but as expected) by £5,258 with higher costs as the Society's normal activities re-commenced for a full year but, more importantly, the commencement of rent, service charges and depreciation costs as a result of entering into the new lease for the Museum. (see Note 6)

Most importantly and in line with the global reductions in investment valuations, our long term investments suffered a material fall in value over the year. Whilst concerning, trustees remain confident of the performance of our investment managers, Sarasin, but are monitoring the position more regularly. Performance certainly improved over the last quarter of 2022 and this improvement has continued in early 2023 but market conditions remain highly volatile

It is to be noted that to date, investment income generated by the longer term portfolios has been re-invested but,

by mid 2023, the Society will need to drawdown this income to help pay for the fixed costs of the Museum. Additionally, small and manageable amounts of capital will need to be drawn down to ensure that the new expenditures can be financed. Sarasin are comfortable with these underlying assumptions which will be embodied in a new long-term finance plan to be discussed by trustees in the early part of 2023.

Towards end of 2022, the Blackrock short term deposit was liquidated and the funds transferred to the Lloyds current account to finance the remaining costs of the Museum Fit-Out.

At the end of the year, a transfer of £40,000 was made from the Museum Development Fund to the General Fund to ensure that there are sufficient free liquid reserves at 31st December 2022 to satisfy our reserves ratio (see below)

The overall deficit for the year was £67,918 (2021- surplus £27,622).

Reserves policy

The Society's Financial Reserves Policy deals with the unrestricted General Fund. Other Funds, detailed in these accounts, but which do not form part of Reserves for purposes of measurement of the Financial Reserves Policy below are:

Museum Development Fund (Designated)

Balances and movements (including transfers) on all these Funds are shown in Note 18.

1. General Fund

As a charity with a considerable range of activities, the Society aims to hold sufficient liquid reserves in the unrestricted General Fund to cover up to six month's expenditure of a non-discretionary nature (excluding depreciation). Any significant reduction in gross income, that the trustees considered likely to be permanent, will activate cost reduction measures. Trustees remain comfortable with a policy that establishes a range of cover between 25% and 50% of the annual expenditure levels as defined above.

In framing this policy, trustees are mindful of establishing the correct balance between financial prudence and properly expending funds raised for the Society's charitable objectives.

Forward forecasting is very difficult at present due to ongoing global uncertainties but the Society is currently, as mentioned above, preparing a new longer term finance plan which trustees are confident will show that the Society is more than capable, by using its considerable reserves, of ensuring that the forward liabilities under the new Museum lease can and will be satisfied.

At 31 December 2022, the unrestricted General Fund balance (after transfers) at £22,438 (see note 18), is in line with that required by the Financial Reserves Policy having transferred £40,000 to the General Fund from the Museum Development Fund as at 31st December 2022

3. Designated Funds

As mentioned above, the Society is committed, during 2022 and 2023, to developing and then opening a modern and exciting museum in the new Eric Morecambe Centre.

At 31st December 2022, the Society has circa £522,388 (2021 - £719,887) of longer term investments, short term liquid investments and free cash reserves, having expended £126,791 on the acquisition of tangible fixed assets during the year.

Whilst further expenditure in 2023 on tangible fixed assets are covered by the Museum Development Fund, consideration is being given by trustees to applying for external grants and an appeal has been made to the membership for financial support towards the remaining capital and revenue costs of developing the museum. It is acknowledged that the membership's support is vital in providing volunteers to run the new operation. Grant and membership funding will be primarily sought for specific augmentation projects.

The support of the museum community, such as Herts Association of Museums and the St Albans Museum Service, will be important in assisting the Society in the process of establishing the museum.

Longer term security over 25 year lease term has now been secured from SADC to ensure protection of the Society's capital investment and the ongoing service provision to the Town.

Ongoing revenue funding

As mentioned above, the now agreed 'occupancy charges' for the museum reflect the 'community value' of the new facility and the Society is confident in committing to such a level of annual charges by utilising the Museum Development Fund.

Crucially, the balance of liquid resources from the 2019 legacy prompted the introduction of an Investment Policy. Annual returns in the region of 3% (gross of charges) are anticipated in the longer term from the remaining investments having paid for the Museum Fit-out. It is believed that this is realistic based on targets agreed with our investment managers.

Investment Policy

The bequeathed funds have now been secured and their application has been needed in 2022 and onwards to finance the remaining initial capital costs of developing the Museum but also funding the ongoing additional revenue obligations of the Museum. The receipt of these funds in 2019 required the Society to develop an Investment Policy to secure appropriate returns on the capital not immediately required but with a similarly appropriate level of investment risk.

The developed and approved policy is as follows:

The constitution of the Society, as a Charitable Incorporated Organisation, states that the trustees have the power to: -

- (i) deposit or invest funds;
- (ii) employ a professional fund manager; and
- (iii) arrange for investments or other property of the charity to be held in the name of a nominee.

The basic principle governing trustees' decisions about investing the Society's funds is that a prudent approach must be taken and that trustees seek to strike the right balance between: -

1. providing an income to help the Society to carry out its purposes effectively in the short term to medium term and
2. maintaining and, if possible, enhancing, the value of the invested funds, so as to enable the Society to effectively carry out its purposes in the longer term.

The approved investment policy seeks to address the following considerations: -

1. the need for enough resources for the Society to carry out its present and future activities effectively;
2. the level of acceptable risk and how to manage it

The Society wishes to maintain financial resources that provide a stable foundation for its current and future operational activities and support the related cash flow requirements. In addition, the Society has requirements from time to time for capital for ad-hoc projects that fall within its strategic objectives.

It is to be noted that the Society entered into a discretionary client agreement with Sarasin Partners in July 2019 to appoint Sarasin to manage the bulk of the Society's investments in accordance this investment policy, Trustees undertake regular reviews with Sarasin to ensure that the agreed investment parameters are being met over the longer term.

Short-term funds (up to 2 years)

Financial resources should be maintained in cash or equivalents at a level equivalent to the working capital required for the current year.

The Treasurer will normally prepare a revenue/capital budget and cash flow calculation in December prior to the start of each financial year, based on relevant operational and financial information developed by the trustees; with due regard to any higher risk forecast cash flows. This calculation will cover unrestricted (including designated) activities for the period. As mentioned above, a new long term finance plan is being prepared but a rudimentary forward appraisal does not expose any material financial risks that cannot be adequately covered by the Society's existing financial resources.

Having drawn down the funds in the Blackrock ICS Sterling Liquidity Fund, the Society holds £62,677 of bank deposits at 31st December 2022 (2021 - £27,415. See notes 13 and 15.

Medium-term funds (2-5 years)

Funds required for the medium-term is to be held primarily in bonds/gilts or investment vehicles designed to hold medium term funds.

The medium-term requirements are to be reviewed on at least an annual basis by trustees to ensure that sufficient funds are in place to meet strategic plans and to ensure a level of buffer for risks considered by the Society as part of its regular review of risks.

£225,000 of the monies received from the estate of the late Leslie Casey were placed, in August 2019, into the Sarasin Income and Reserves Fund, which has investment parameters matching those outlined above. Current investment value £165,861 (31st December 2021 - £ 195,734 - see note 12) having transferred £50,000 to the longer-term Endowment Fund during 2021. This material drop in investment value (15.3%) mirrors what is happening in the global bond markets but is being very closely monitored by trustees.

Long-term funds (5+ years)

Remaining financial resources should be invested in a spread of asset classes (primarily equities) to generate an income for the Society plus a level of capital appreciation in the longer term.

These financial reserves would be exposed to volatility in the financial markets. However, as they would not be required in the short to medium-term, the Society will not be forced into a sale in a difficult market.

£225,000 of the monies received from the estate of the late Leslie Casey was placed, in August 2019, into the Sarasin Endowment Fund which has investment parameters matching those outlined above. The current investment value is £293,850 (31st December 2021 - £325,8088 -see note 12) having received, during 2021, a transfer of £50,000 from the Sarasin Income and Reserves Fund and £45,000 from the Blackrock ICS Sterling Liquidity Fund.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its new constitution as Charitable Incorporated Organisation (Association).

Organisational structure and management

Its current correspondence address is c/o C. Bristow, Secretary, 5 Tuffnells Way, Harpenden, Herts, AL5 3HJ

Trustees are appointed and re-appointed by the Annual General Meeting as required by the constitution.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees regularly examine the principal areas of the Society's operations and consider the major risks faced in each of these areas.

The Society believes that it has addressed the four key areas of risk and sustainability:

- Funding of the capital and revenue costs of the new facility
- Succession planning for key personnel
- Volunteer development more generally
- Increased access to the collection by the community without charge, particularly younger residents.

Progress on continuing to implement these programmes will be constantly monitored by Trustees

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1183526

Principal address

C/o C Bristow (Secretary)
5 Tuffnells Way
Harpenden, Herts,
AL5 3HJ

Principal Officers

Gavin Ross	Chairman
Christine Bristow	Secretary
John Bristow	Treasurer

The details of principal officers are shown above. Those who served as trustees during the year and to the date of this report are as follows:

Trustees

G Ross	Chairman
C Bristow	Secretary
J Bristow	Treasurer
D Keen	Curator
C Brimblecombe	Membership Secretary (resigned 25 th April 2022)
J Keen	Programme Secretary
J Wassell	Newsletter Editor and acting Membership Secretary
R Ross	Archive and Website Administrator

Bankers

Lloyds Bank
Business Banking
BX1 1LT

Investment Managers

Sarasin Partners LLP
Juxon House
100, St. Paul's Churchyard
London
EC4M 8BU

TRUSTEES RESPONSIBILITY STATEMENT

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 21st February 2023 and signed on its behalf by:



G Ross - Trustee

Report of the Independent Examiner to the Trustees of Harpenden and District Local History Society

I report to the trustees on my examination of the accounts of the Harpenden and District Local History Society for the year ended 31 December 2022.

As the trustees of the charity, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Society's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

The charity's gross income did not exceed £250,000 in the period but I can confirm that I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants of Scotland

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

1. the accounting records were not kept in respect of the Society as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Signed:



Name: Harry Stalker Downie
Institute of Chartered Accountants of Scotland:
Address: 66, Eastmoor Park
Harpenden,
Herts
AL5 1BW

Harpenden and District Local History Society

Statement Of Financial Activities for the Year Ended 31 December 2022

	Notes	31/12/2022 Total Unrestricted funds £	31/12/2021 Total Unrestricted funds £
Income and endowments from:			
Donations and legacies	2	3,170	2,799
Other trading activities	3	134	106
Investment Income and Interest	4	14,273	13,872
Other income		-	-
Total incoming resources		<u>17,577</u>	<u>16,777</u>
Expenditure on Charitable Activities			
Charitable activities	5	14,365	9,107
Total expenditure		<u>14,365</u>	<u>9,107</u>
Net income/(expenditure) for the period		<u>3,212</u>	<u>7,670</u>
Net gains/(losses) on investments	14	(71,131)	19,952
Net income/(expenditure)		<u>(67,918)</u>	<u>27,622</u>
Reconciliation of funds:			
Total funds brought forward		762,744	735,122
Total funds carried forward		<u>694,826</u>	<u>762,744</u>

The statement of financial activities includes all gains and losses recognised in the period.

All of the above relate to continuing activities

The notes on pages 16 to 23 form part of these statements.


Harpenden and District Local History Society

Statement Of Financial Activities for the Year Ended 31 December 2022

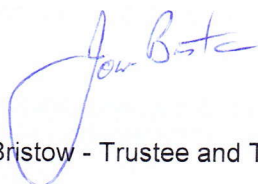
	Notes	31/12/2022 Total Unrestricted funds £	31/12/2021 Total Unrestricted funds £
Fixed assets			
Tangible assets	11	168,006	43,787
Heritage assets		-	-
Investments held for more than one year	12	459,711	521,542
Total fixed assets		627,717	565,329
Current assets			
Debtors	16	5,516	499
Investments held for less than one year	13	0	170,930
Cash at bank and in hand	15	62,677	27,415
Total current assets		68,193	198,844
Creditors: amounts falling due within one year	17	1,084	1,429
Net current assets/(liabilities)		67,109	197,415
Total assets less current liabilities		694,826	762,744
Funds of the Charity			
Unrestricted funds	18	694,826	762,744
Total funds		694,826	762,744

The notes on pages 15 to 22 form part of these statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 21st February 2023 and were signed on its behalf by:



G Ross - Trustee and Chairman



N J Bristow - Trustee and Treasurer

Harpenden and District Local History Society

Notes to the Financial Statements for the Period ended 31 December 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Harpenden and District Local History Society was registered with the Charity Commission of England and Wales on 22nd May 2019 as a Charitable Incorporated Organisation – Association (No. 1183526) and these accounts are prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1st January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention. Harpenden and District Local History Society is a public benefit entity under FRS 102.

Income and expenditure

Income is accounted in the accounting period to which it relates providing that any unpaid income at the end of each accounting period is considered by Trustees to be fully recoverable.

Income from interest and dividends is included in the accounts when certain and the amount receivable can be measured reliably. Income from gains and losses includes any realised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the accounting period

Expenditure is accounted for on an accruals basis.

Income tax is recoverable from the HM Revenue and Customs on Gift Aided donations, and is accounted for on an accruals basis.

Expenditure

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

The trustees have reviewed the disclosure of charitable activities costs in the accounts. In their opinion, the Society has only one overall activity for accounts disclosure purposes.

Allocation of costs

Costs are allocated to the specific fund to which they relate.

Tangible fixed assets (see note 11)

Museum Leasehold Property

The Society has entered into a long-term lease for 25 years with St Albans District Council commencing on 24th November 2021 for 1100 square feet of space in the Eric Morecambe Centre in Rothamsted Park, Harpenden. The initial rent under this lease is £17,500 per annum until the first review in November 2031 at which time the rent will increase by a maximum of 3%. A rent-free period was negotiated covering the first 12 months of the lease term so rent first became payable in November 2022. Additionally, an annual service charge is payable, from November 2021, under the terms of the lease commencing at £2,500 with annual reviews capped at no more than the increase in CPI over the preceding year.

Expenditure incurred during 2022 on acquiring and improving the leasehold premises has been capitalised in the sum of £38,258. Depreciation on leasehold premises is being provided at 4% per annum on a straight-line basis

Harpenden and District Local History Society

Notes to the Financial Statements for the Period ended 31 December 2022 (Continued)

1 ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets (continued)

Fixtures, fittings and equipment

Expenditure on fixtures and fittings is being capitalised and, in 2021, £5,676 was expended being the deposit payment for the installation of a roller racking system in the Archive Room for the Museum. The balance of £11,369 for this equipment, contracted in 2021, was expended in early 2022 (see Note 19 below).

Expenditure on Museum Equipment relates to storage and computer equipment and is being depreciated over 10 years on a straight-line basis

During the year and into 2023 the Society will be expending £139,975 on the fitting out of the Museum and, to date, £122,026 has been exceeded on this project. Depreciation on these fixtures and fittings is being provided at 4% per annum on a straight-line basis from the date the asset comes into use expected to be January 2023.

Taxation

The Society's surpluses are derived from, and are applied towards, the maintenance of charitable activities and as such are not subject to taxation.

Fund accounting

Details of the nature and purpose of each fund is set out in note 18.

Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued initially at cost and subsequently at market value at the year end.

Investments held for resale and cash or cash equivalents with a maturity date of less than one year are listed as current asset investments.

Harpenden and District Local History Society

Notes to the Financial Statements for the Period ended 31 December 2022 (Continued)

	Notes	31/12/2022 Total Unrestricted funds £	31/12/2021 Total Unrestricted funds £
2. DONATIONS AND LEGACIES			
Membership subscriptions		2,202	2,032
Income tax refunds		533	475
Gifts and donations		435	292
Legacies received		-	-
		3,170	2,799
Gifts and donations			
		31/12/2022 Total Unrestricted funds	31/12/2021 Total Unrestricted funds
3. OTHER TRADING ACTIVITIES			
Sales of literature and publications		134	106
		134	106
		31/12/2022 Total Unrestricted funds £	31/12/2021 Total Unrestricted funds £
4. INVESTMENT INCOME			
Interest receivable on Sarasin Endowment Fund	12	53	1
Interest receivable on Sarasin Income and Reserves Fund	12	37	1
Interest receivable on Blackrock Liquidity Income	13	41	1
Bank deposit interest		34	135
Dividends and other investment income - Sarasin long term funds	12	14,108	13,735
		14,273	13,872
5. CHARITABLE ACTIVITIES COSTS			
	Direct Costs note 6 £	Support Costs Note 7 £	Total Costs £
Charitable Activities	9,472	4,892	14,365
	9472	4892	14365

The notes on pages 15 to 22 form part of these statements.

Harpenden and District Local History Society

Notes to the Financial Statements for the Period ended 31 December 2022 (Continued)

	31/12/2022 Total Unrestricted funds £	31/12/2021 Total Unrestricted funds £
6. DIRECT COSTS OF CHARITABLE ACTIVITIES		
Museum operating costs (including rent and service charges)	4,647	408
Museum assets depreciation	2,572	147
Meetings expenses	1,476	502
Website costs	240	2,569
Costs of maintaining the collection	-	260
Publications costs	-	-
Newsletter costs	537	494
	<u>9,472</u>	<u>4,381</u>

7. SUPPORT COSTS

	Admin.	Finance	Investment Management	Support Costs £
Charitable activities	401	748	3,744	4,892
	<u>401</u>	<u>748</u>	<u>3,744</u>	<u>4,892</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

No trustee received any remuneration or benefits during the period

There were no trustees' expenses paid during the period

9. STAFF COSTS

There were no employees during the period

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

As funds are all unrestricted, comparative figures are shown on the face of the statement of financial activities above

The notes on pages 15 to 22 form part of these statements.

Harpenden and District Local History Society

Notes to the Financial Statements for the Period ended 31 December 2022 (Continued)

11. TANGIBLE FIXED ASSETS

	Leasehold Property	Museum Equipment	Fixtures & Fittings	Total
COST				
at 1st January 2022	38,258	-	5,676	43,934
Additions	40	10,401	116,350	126,791
at 31st December 2022	<u>38,298</u>	<u>10,401</u>	<u>122,026</u>	<u>170,725</u>
DEPRECIATION				
at 1st January 2022	147	-	-	147
Charge for the year	1532	1040	-	2,572
at 31st December 2022	<u>1679</u>	<u>1040</u>	<u>-</u>	<u>2719</u>
NET BOOK VALUE				
at 31st December 2022	<u>36,619</u>	<u>9,361</u>	<u>122,026</u>	<u>168,006</u>
at 31st December 2021	<u>38,111</u>	<u>-</u>	<u>5,676</u>	<u>43,787</u>

The Society entered into a lease with St Albans District Council on 24th November 2021 for a period of 25 years at an initial rent of £17,500 per annum plus an initial service charge of £2,500. The rental payment will next be reviewed in November 2031 and any increase limited to 3%. A rent free period of 12 months was agreed with the landlord so rental liabilities commenced on 24th November 2022 and are now being paid. The service charge will be reviewed annually to an agreed formula linked to national inflation rates.

Expenditure on leasehold property represents the costs financed by the Society of improvements to the premises plus the legal fees incurred in completing the transaction. These costs are being depreciated over the term of the lease.

Expenditure on Museum Equipment relates to storage and computer equipment and this is being depreciated over ten years

During the year and into 2023, the Society will be financing the Fit-Out of the Museum and to date £122,026 has been expended but the asset so developed was not in use at 31st December 2022. When the Fit-Out is complete, the assets will be capitalised as Fixtures and Fittings and will be depreciated over the term of the lease mentioned above

12. INVESTMENTS HELD FOR MORE THAN 1 YEAR

	31/12/2022 Sarasin Endowment Fund £	31/12/2022 Sarasin Income & Reserves £	31/12/2022 Sarasin Total Funds £	31/12/2021 Sarasin Total Funds £
Opening valuation	325,808	195,734	521,542	446,390
Transfer to Blackrock ICS Sterling Fund (Note 13)	-	-	-	44,990
Investment charges levied	(2,285)	(1,355)	(3,640)	(3,514)
Interest received	53	37	90	1
Realised Gain/Losses (see note 14)	-	-	-	1,134
Investment income	8,374	5,734	14,108	13,735
Surplus on valuation (see note 14)	(38,100)	(34,289)	-	18,806
Closing valuation at market value	<u>293,850</u>	<u>165,861</u>	<u>459,711</u>	<u>521,542</u>

The notes on pages 15 to 22 form part of these statements.

Harpenden and District Local History Society

Notes to the Financial Statements for the Period ended 31 December 2022 (Continued)

13. INVESTMENTS HELD FOR LESS THAN 1 YEAR

	31/12/2022 Blackrock ICS Sterling Fund £	31/12/2021 Blackrock ICS Sterling Fund £
Opening valuation	170,930	246,318
Transfer to Sarasin Funds (see Note 12)	-	(44,990)
Transfer to Lloyds Bank current account	(171,918)	(30,000)
Interest received (see note 4)	41	1
Charges taken from fund	(312)	(410)
Realised gains/(losses)	1,258	-
Surplus on valuation (see note 14)	-	12
Closing valuation at market value	0	170,930

14. NET/GAINS/(LOSSES) ON INVESTMENTS

	31/12/2022 Total Unrestricted funds £	31/12/2021 Total Unrestricted funds £
Surplus on valuation at 31/12/2021 for long term funds (gross of charges)	(72,389)	18,806
Surplus on valuation at 31/12/2021 for short term funds	-	12
Realised gains/(losses) from long term funds	-	1,134
Realised gains/(losses) from short term funds	1,258	-
	(71,131)	19,952

15. CASH AT BANK AND IN HAND

	31/12/2022 Total Funds £	31/12/2021 Total Funds £
Shawbrook Bank 60 day notice account - Issue 2	0	7,123
Lloyds Bank current account	62,677	20,292
	62,677	27,415

16. DEBTORS:AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/2022 Total Funds £	31/12/2021 Total Funds £
Prepayments	5,516	499
	5,516	499

17. CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/2022 Total Funds £	31/12/2021 Total Funds £
Accruals and deferred income	1,084	1,429
	1,084	1,429

The notes on pages 15 to 25 form part of these statements.

Harpenden and District Local History Society

Notes to the Financial Statements for the Period ended 31 December 2022 (Continued)

18. MOVEMENT IN FUNDS	at 01.01.22	Net Movement in Funds	Transfers between funds	at 31.12.22
Unrestricted Funds				
General Fund	50,357	(67,918)	40,000	22,438
Designated Fund - Museum Development	712,387	-	(40,000)	672,387
Total Unrestricted Funds	<u>762,744</u>	<u>(67,918)</u>	<u>0</u>	<u>694,826</u>

Net movements in funds, included in the above are as follows

Unrestricted Funds	Incoming Resources	Resources Expended	Movement in Funds
General Fund	(53,554)	(14,365)	(67,918)
Designated Fund - Museum Development	<u>0</u>	<u>0</u>	<u>0</u>
Total Unrestricted Funds	<u>(53,554)</u>	<u>(14,365)</u>	<u>(67,918)</u>

Comparatives for movements in funds

	at 01.01.21	Net Movement in Funds	Transfers between funds	at 31.12.21
Unrestricted Funds				
General Fund	62,735	27,622	(40,000)	50,357
Designated Fund - Museum Development	672,387	-	40,000	712,387
Total Unrestricted Funds	<u>735,122</u>	<u>27,622</u>	<u>0</u>	<u>762,744</u>

Net movements in funds, included in the above are as follows

Unrestricted Funds	Incoming Resources	Resources Expended	Movement in Funds
General Fund	36,729	(9,107)	27,622
Designated Fund - Museum Development	-	-	0
Total Unrestricted Funds	<u>36,729</u>	<u>(9,107)</u>	<u>27,622</u>

The Museum Development Fund was established in 2019 by transferring, during the previous period, the £659,437 received from the Estate of L Casey (deceased 25/11/2017) in relation to the sale of the house bequeathed to the Society on his death plus £12,950 being the Museum Development Fund established in the old Society unincorporated charity and transferred hereto in 2019. It will be used to finance the initial and (where required) ongoing costs of the new Museum in the Eric Morecambe Centre and transfer will be made annually as required

The notes on pages 15 to 22 form part of these statements.

Harpenden and District Local History Society

Notes to the Financial Statements for the Period ended 31 December 2022 (Continued)

19. CAPITAL COMMITMENTS

A contract was formalised, in December 2021, with Rackline Limited for the provision of a roller racking filing system for the Archive Room in the Museum to be developed by the Society in 2022. The total cost of this element of the Fit-Out project for the Museum is £17,045, of which a deposit payment of £5,676 was made in December 2021 and the remaining £11,369 was paid, on installation, in January 2022.

A contract was formalised, in November 2022, with Qwerk Limited for the fitting out of the Museum Display Area in the sum of £139,975 of which instalments totalling £104,981 were paid in 2022. The remaining instalment of £34,994 will be paid on Practical Completion in early 2023.

There are no other liabilities, contingent or otherwise, that are not provided in these accounts.

20. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

The notes on pages 15 to 22 form part of these statements.