

LOWEWOOD MUSEUM

Lowewood
MUSEUM

TREASURER UPDATE

Lowewood Museum CIO 2023 AGM

Financial Summary FYE March 2023

Starting Position

We opened the year with **£62.3k** in funds. This included £20k of restricted grants that were to be specifically used towards the Jubilee Exhibition and funding of a part-time Curator (Helen Giles).

Income:

Over the course of the financial year the Trust brought in **£70k**.

This comprised the £32.1k core funding from our Borough of Broxbourne Council SLA grant, with an additional £26k drawn down from our £143k NLHF "Your Heritage, Your Museum" grant.

Shop sales of £4.4k created a net contribution of £1.5k to the museum. Donations of £2.5k were 25% up on the previous year alongside £3k of local councillor grants.

Expenditure:

We spent **£95.1k** in over the course of the financial year.

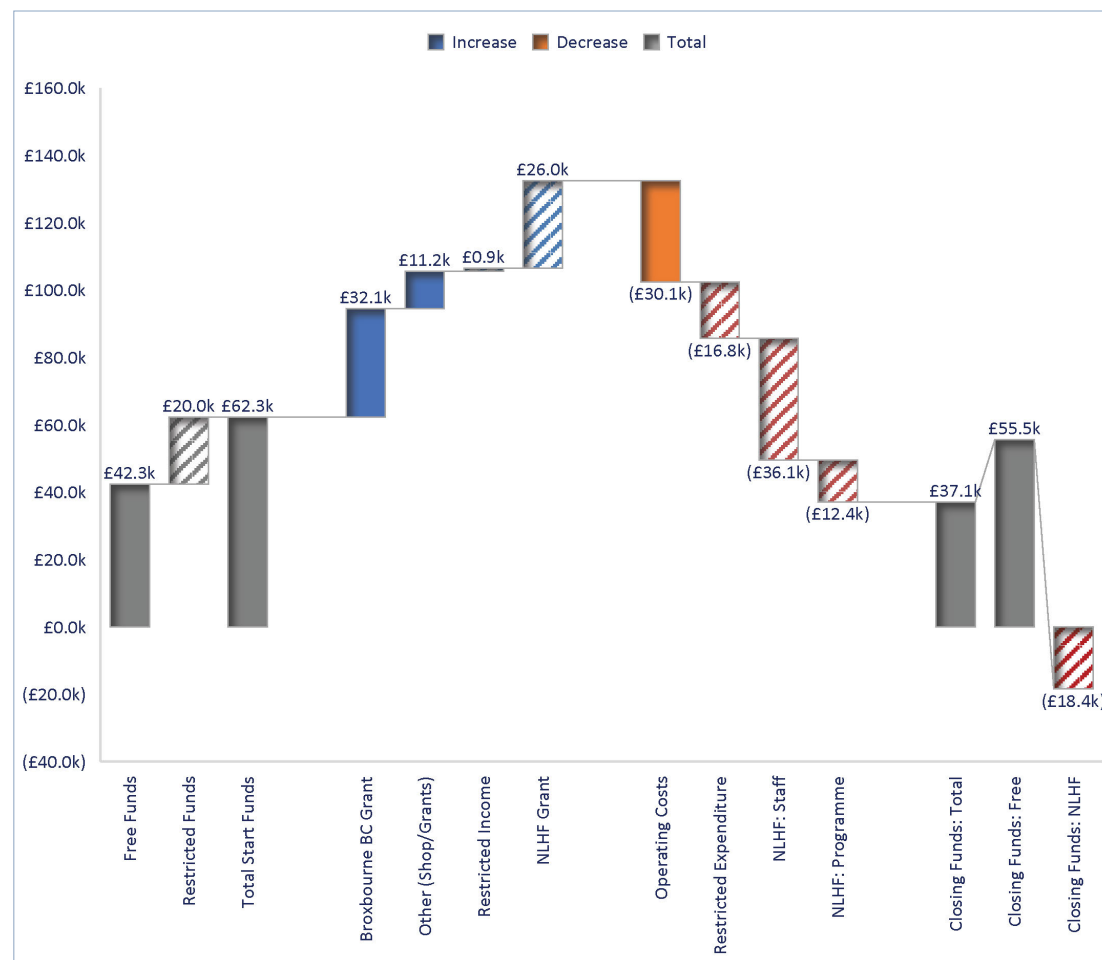
£32k related to the day-to-day operation of the museum (Rates, Utilities, Exhibitions, Shop expenditure, Insurance etc). Utility bills were up markedly at £8.8k.

We spent £16.8k of our restricted funds (£15k was towards part-time curator).

£48.5k was related to the NLHF "Your Heritage, Your Museum" of which the majority (£36.1k) was staff salaries with the remainder supporting events and initiatives.

Overall:

We ended the year with **£37.1k**, which included a £18.4k deficit from our restricted funds (NLHF funds are paid in arrears).



Reserves Summary & Forecast

Contingency Reserve Assumptions

Financial Year Ending Mar-23	March 2023	March 2024	March 2025
Months to Support Core	3	3	3
Months to Support NLHF	3	3	3
Core Monthly Run Rate	£2,507	£4,416	£3,510
NLHF Monthly Run Rate	£4,044	£5,115	£6,754
Critical Committed Expenditure (Salary, Rates, Utilities etc.)	£5,745	£7,826	£6,845

Free Reserves Required

Core	£7,522	£13,248	£10,531
NLHF	£12,131	£15,346	£20,263
Total	£19,653	£28,594	£30,793
Critical Committed Expenditure	£17,236	£23,479	£20,534
Current Forecast YE Total Cash Balance	£37,090	£35,518	£29,573
Current Forecast YE Free Cash Balance (exc Restricted)	£56,006	£48,836	£51,215

Free Reserves Target Achieved?	Yes	Yes	Yes
Shortfall/Surplus	£36,353	£20,242	£20,422
Critical Expenditure Target Achieved	Yes	Yes	Yes
Shortfall/Surplus	£19,854	£12,039	£9,039

Cash Flow Test

Financial Year Ending Mar-23	March 2023	March 2024	March 2025
Max Monthly Balance	£72,680	£72,236	£57,963
Min Monthly Balance	£37,090	£35,518	£29,573

Notes: Critical Expenditure includes: Curatorial Support, Cleaning, Insurance, Utility Bills, Rates, Salaries and Subscriptions.

Reserves Overview

We remain in a good position from a cashflow perspective, with adequate reserves in place to protect against most reasonable cash flow shocks.

The main pressure relates to the difference in timing between incurring NLHF costs and reclaiming them. This can create a c.£20k cashflow challenge which highlights the importance of prudent reserves policy.

Our current practice of setting reserves to cover 3 months of committed cashflow is at the lighter end of guidance (traditionally 3 to 12 months is recommended) but this reflects the stability of our core funding (Broxbourne Borough Council Grant).

Our business plan looking forward for the next 2 years also maintains a surplus above the 3 months.