

THINKTANK TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Company Registration Number: 03239119

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

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THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Company Details

| | |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Charity Name | Thinktank Trust |
| Charity Registration Number | 1061898 |
| Company Registration Number | 03239119 |
| Registered Office | Birmingham Museum and Art Gallery Chamberlain Square Birmingham B3 3DH |
| Auditor | Cooper Parry Group Ltd Park View One Central Boulevard Blythe Valley Park Solihull Birmingham B90 8BG |
| Banker | HSBC Bank plc 130 New Street Birmingham B2 4JU |
| Solicitors | Higgs & Sons LLP Waterfront Business Park, 3 Brierley Hill Dudley DY5 1LX |

THINKTANK TRUST

Report and Accounts for the Year Ended 31 March 2021

Report of the Trustees

The Board is pleased to present their Annual Report and Financial Statements for the year ended 31 March 2021.

The financial statements 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 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 2019).

Board of Trustees

Members of the Board of Trustees, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out below:

Eamon Mooney
Niels de Vos
Richard Paterson (Secretary)

The Trustees received no remuneration for their services.

Legal status

Thinktank Trust is a registered charity (number 1061898) and a private company limited by guarantee (number 03239119), incorporated on 19 August 1996, and is governed by its Articles of Association (Articles). In the event the charitable company is wound up members are required to contribute an amount not exceeding £1.

Objects and activities for the public benefit

The charity's objects as set out in its Articles of Association are:

To advance the education of the public by the operation, maintenance, expansion and development of museums in Birmingham and the increasing of public understanding of and opportunities for learning about history, science and technology.

The strategic aims of Birmingham Museums Trust (BMT) employed as a whole are to achieve the charitable group's objectives. Birmingham Museums Trust's strategic aims are:

1: Leading in excellence

- Teaching and supporting the next generation of museum professionals;
- Training, consultancy and publishing best practice;
- Leading and participating in cultural networks and festivals; and
- Influencing the future of the sector.

2: Developing the collection and venues

- Capital projects that deliver our purpose at Birmingham Museum and Gallery, the Big Store and Thinktank;
- A masterplan for each of the heritage sites;
- A research framework for the collection; and
- Improving digital and physical access to the collection.

3: Growing and diversifying audiences

- Putting visitors at the centre of our business;
- New approaches to collecting, programming, digital engagement and communications to reach the people and communities of the city and region;
- Positioning Birmingham Museums as a focal point for contemporary art;
- Supporting national health, wellbeing and educational policies; and
- National and International initiatives that contribute to the common good of Birmingham.

THINKTANK TRUST

Report and Accounts for the Year Ended 31 March 2021

Report of the Trustees (*continued*)

Objects and activities for the public benefit (*continued*)

4: Building a sustainable business

- An audit to determine the full costs and benefits of areas of Birmingham Museums Trust's operations and a plan to build sustainability;
- Entrepreneurial culture and innovative approach at all levels of the business;
- Support services that enable managers to take the necessary decisions to deliver our charitable aim; and
- Create a sustainable environment for our collection and buildings.

5: Investing in people

- Sound governance structures and continuous Board, staff and volunteer development;
- A diverse and highly trained workforce; and
- A framework of career preparation activities for young people.

The Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives in planning future activities. In particular, the Trustees have considered how planned activities will contribute to the strategic aims.

The Charitable group's priorities are aligned with those of its major public funders, Birmingham City Council and Arts Council England. For a full review of activities in the year, including the impact of the covid 19 pandemic, please refer to the parent charitable company Birmingham Museums Trust group accounts (see note 20).

Structure, Governance and Management

The Trustees of Thinktank Trust have continued to carry out the charitable activities through the parent, Birmingham Museums Trust. Birmingham Museums Trust combines the work of Thinktank Trust together with the principle activities of Birmingham Museums Trust.

The Board of Trustees oversees the development of the Trust and the work of the executive team of Birmingham Museums Trust in relation to Thinktank Trust's activities. The Trustees are responsible for ensuring and maintaining control over all activities and authorise all major transactions of the charitable company.

Day to day management was delegated to Dr Ellen McAdam, Director of Birmingham Museums Trust. Dr McAdam retired on 1 June 2020 and Birmingham Museum Trust have appointed Joint Chief Executive Officers, Sara Wajid and Zak Mensah who started on 16 November 2020.

The remuneration of key personnel and Directors is met wholly by the parent, Birmingham Museums Trust, which also provides indemnity for the Directors.

Recruitment and Appointment of Trustees/Directors

Trustees are appointed by the Directors of the parent, Birmingham Museums Trust, after they have considered the desirability of:

- making such a recommendation after the advertisement of the vacancy and the response to such an advertisement;
- a board of directors with a range of skills experience and abilities relevant to the objects and activities of the charity; and
- a board of directors' representative of the diverse community within the City of Birmingham

Trustee Induction and Training

All Trustees are provided with an induction to the organisation on appointment.

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Report of the Trustees (continued)

Funds Statement at 31 March 2021

The Trustees have considered the level of reserves required to maintain sufficient working capital and to meet unforeseen liabilities that may arise.

At 31 March 2021, Thinktank Trust had unrestricted reserves deficit of £1.269m (2020: £0.977m) and restricted reserves surplus of £0.683m (2020: £1.102m). Total reserves at 31 March 2021 were £0.586m deficit (2020: £0.124m surplus).

Thinktank Trust receives grant directly linked to expenditure, therefore it is not in a position to build or hold unrestricted funds. The deficit on unrestricted funds represents unavoidable expenditure incurred in 2020-21. Thinktank Trust continues to be supported by its parent, Birmingham Museums Trust.

The restricted funds were created when assets were purchased for continuing use by Thinktank utilising restricted funds. They represent depreciation to be charged in future periods.

Going Concern

Covid-19 has had a significant global impact and placed unique challenges on charities in 2020-21.

However, due to the nature of the business of Thinktank Trust, the Trustees consider that there is a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future and for this reason they have adopted the going concern basis in preparing the financial statements.

Investment policy

The company maintains bank accounts with HSBC plc. In order to maximise the return on available funds, these are invested in low risk short-term deposits with HSBC plc, a bank which operates in the United Kingdom and which is subject to regulation under the Financial Services Act 2012.

Related parties

Birmingham Museums Trust is the sole member of the company. Birmingham Museums Trading Limited is also a related party through being wholly owned by Birmingham Museums Trust. Any conflicts of interest involving Trustees in these respects are declared where appropriate.

The accounts include an intercompany creditor with the parent company of £1.452m (2020: £1.095m). A grant of £1.417m (2020: £1.417m) was received from Birmingham City Council contributing to the rent, service charge and rates

Plans for Future Periods

The Trustees of Thinktank Trust plan to continue to carry out the charitable activities through the parent company, Birmingham Museums Trust.

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Statement of Trustees' Responsibilities

Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies for the charitable company's financial statements and then apply them consistently;
- 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 company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at time when this Trustees' report is approved has confirmed that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

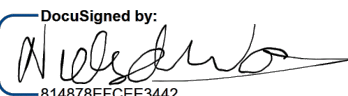
Auditor

The Auditor, Cooper Parry Group Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions

Approved by the Board of Trustees on 27 January 2022 and signed on their behalf by:

DocuSigned by:

 814878EFCCE3442...
Niels de Vos
 Trustee

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Independent Auditor's Report to the Members and Trustees of Thinktank Trust

Opinion

We have audited the financial statements of Thinktank Trust ("the Charitable Company") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its 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 requirements of the Companies Act 2006 and 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 charitable company in accordance with the ethical requirements 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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. The trustees are responsible for the other information contained within the annual report.

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Independent Auditor's Report to the Members and Trustees of Thinktank Trust (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

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 strategic report or the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 5, 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 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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Our assessment focussed on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection and anti-bribery legislation

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Independent Auditor's Report to the Members and Trustees of Thinktank Trust (continued)

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

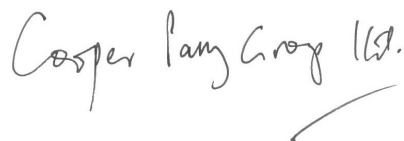
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 at the Financial Reporting Council's ("FRC's") website at: <https://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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body, and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA
Senior Statutory Auditor

For and on behalf of:
Cooper Parry Group Limited
Chartered Accountants & Statutory Auditors

Park View, One Central Boulevard
Blythe Valley Park
Solihull
Birmingham
B90 8BG

Date: 27 January 2022

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Statement of Financial Activities
(Incorporating an Income and Expenditure Account) for the year ended 31 March 2021

| | <i>Note</i> | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|--------------------------------------|-------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Income and endowments from: | | | | | |
| Charitable activities | 4 | - | 1,417,000 | 1,417,000 | 1,417,000 |
| Total | | - | 1,417,000 | 1,417,000 | 1,417,000 |
| Expenditure on: | | | | | |
| Charitable Activities | 5 | (291,741) | (1,835,849) | (2,127,590) | (2,212,566) |
| Total | | (291,741) | (1,835,849) | (2,127,590) | (2,212,566) |
| Net movement in funds | | (291,741) | (418,849) | (710,590) | (795,566) |
| Fund balances brought forward | 14 | (977,448) | 1,101,722 | 124,274 | 919,840 |
| Fund balances carried forward | 14 | (1,269,189) | 682,873 | (586,316) | 124,274 |

The incoming resources, resources expended and resulting net movement in funds arise from continuing operations and includes all gains and losses recognised in the year.

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Statement of Financial Activities
(Incorporating an Income and Expenditure Account) for the year ended 31 March 2020

| | <i>Note</i> | Unrestricted funds £ | Restricted funds £ | Total 2020 £ |
|--------------------------------------------------------------|-------------|-------------------------------------|-----------------------------------|-----------------------------|
| Income and endowments from: | | | | |
| Charitable activities | 4 | - | 1,417,000 | 1,417,000 |
| Total | | - | 1,417,000 | 1,417,000 |
| Charitable Activities | 5 | (376,717) | (1,835,849) | (2,212,566) |
| Total | | (376,717) | (1,835,849) | (2,212,566) |
| Net movement in funds | 14 | (376,717) | (418,849) | (795,566) |
| Fund balances brought forward | 14 | (600,731) | 1,520,571 | 919,840 |
| Fund balances after transfers carried forward | 14 | (977,448) | 1,101,722 | 124,274 |

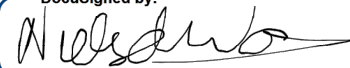
The incoming resources, resources expended and resulting net movement in funds arise from continuing operations and includes all gains and losses recognised in the year.

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Balance Sheet as at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|--------------------------------------------|-------------|--------------------|-------------------|
| Fixed Assets | | | |
| Tangible assets | 9 | 682,873 | 1,101,722 |
| | | 682,873 | 1,101,722 |
| Current Assets | | | |
| Debtors | 10 | 161,859 | 56,161 |
| Cash at bank and in hand | 11 | 20,493 | 73,600 |
| | | 182,352 | 129,761 |
| Creditors: amounts falling due in one year | 12 | (1,451,541) | (1,107,209) |
| Net Current Assets | | (1,269,189) | (977,448) |
| Net Assets | | (586,316) | 124,274 |
| Funds | | | |
| Restricted funds | 14 | 682,873 | 1,102,722 |
| Unrestricted funds | 14 | (1,269,189) | (977,448) |
| Total funds | 14 | (586,316) | 124,274 |

These financial statements were approved and authorised for issue by the Board of Trustees on 27 January 2022 and were signed on its behalf by:

DocuSigned by:

 814878EFCCE3442...

Niels de Vos
Trustee

The notes on pages 12 to 19 form integral part of these accounts.

Company Registration Number: 03239119

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Notes to the Financial Statements

1. General information

Thinktank Trust is a charitable company limited by guarantee, incorporated and domiciled in England and Wales (Company number 03239119, Charity number 1061898). The Trust has no share capital. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

The registered office is Birmingham Museum & Art Gallery, Chamberlain Square, Birmingham, B3 3DH.

2. Statement of principal accounting policies

Basis of Accounting

The financial statements have been prepared under the Charities Act 2011 on a going concern basis and under the historical cost convention. 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 (FRS 102), Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

Thinktank Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value, unless otherwise stated in the relevant account policy notes.

The financial statements are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Trust's accounting policies (see note 3).

Going concern

Covid-19 has had a significant global impact and placed unique challenges on the charitable company in 2020-21. The Trustees believe the charitable company is well placed to trade through the uncertain times caused by the pandemic due to the quality of its offer and the loyalty of its customers. More so, the charitable company's parent, Birmingham Museums Trust, is able to offer short-term working capital loans should they be required.

On this basis, the Trustees are confident that the charitable company has adequate resources to continue in operation and have adopted the going concern basis in preparing these financial statements.

The following principal accounting policies have been applied:

Incoming Resources

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature are recognised once Thinktank Trust has an entitlement to the resources and it is probable that the resources can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Donations

Such voluntary income is accounted for on the date when it becomes receivable.

Legacies

Income is recognised on an accruals basis to the extent that Thinktank Trust has been notified that it is a beneficiary and it is probable that monies will be received.

Grants receivable

Grants are recognised in the Statement of Financial Activities when the conditions for receipt have been complied with.

Income from investments

Investment income is accounted for on a receivable basis.

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Notes to the Financial Statements (continued)

2. Statement of principal accounting policies (continued)

Sponsorship in kind

Sponsorship in kind includes provision of commercial services. Such incoming resources are included in the Statement of Financial Activities where the benefit to the charity is reasonably quantifiable and measurable. The value placed on these resources is the estimated value to the charitable company of the service received; being the price the charitable company estimates it would pay in the open market for an equivalent service.

Fund accounting

The charitable company maintains three types of funds as follows:

Restricted funds

Restricted funds represent grants and donations received which are allocated by the donor for specific purposes.

Unrestricted funds

Unrestricted funds represent funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

Designated funds represent unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of such funds are set out in the notes to the financial statements.

Resources Expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing Thinktank Trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating voluntary income

These costs are incurred in relation to staff members and consultants who are engaged directly in fundraising and also include the costs of campaigns for raising donations.

Charitable activities

Charitable expenditure includes expenditure associated with the operation of Thinktank.

Basis of allocation of costs

All 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 on a basis consistent with the use of resources. Costs relating to the management of Thinktank Trust and support departments have been allocated to other functions based on the time they consume in pursuing the objectives of Thinktank Trust.

Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Foreign currency translation

Transactions in foreign currencies are translated into Sterling at the rates of exchange current at the dates of the transactions. Foreign currency liabilities in the balance sheet are translated into Sterling at the rates of exchange ruling at the year end except where hedged. Resulting exchange gains and losses are taken to the Statement of Financial Activities in the year in which they arise.

Taxation

Thinktank Trust is exempt from taxation on its income and gains where they are applied for charitable purposes.

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Notes to the Financial Statements (continued)

2. Statement of principal accounting policies (continued)

Tangible Fixed Assets

Operating assets

Operating assets are stated at cost less depreciation.

Depreciation is provided on a straight-line basis using rates calculated to write down the cost of each asset to its estimated residual value over its anticipated useful life as follows:

| | |
|------------------------|------------------------------|
| Leasehold improvements | over the period of the lease |
| Plant and equipment | 3 to 10 years |
| Fixtures and fittings | 3 to 10 years |
| Computer equipment | 3 to 5 years. |

Assets in the course of construction are not depreciated until completion where upon they are transferred to the appropriate fixed asset category and depreciated as above.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Operating lease commitments

The Trust has entered into commercial property leases as a lessee on its property portfolio and as a lessee it obtains use of property, plant and equipment. The classification of such leases as an operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. The trustees consider there is no value to be recognised in the commercial leases held by Thinktank Trust. Leasehold improvements are recognised as assets when it is appropriate to do so.

The following are the Trust's key sources of estimation uncertainty:

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Trust performs impairment tests based on fair value less costs to sell, or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices.

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Report and Accounts for the Year Ended 31 March 2021

Notes to the Financial Statements (continued)

4. Analysis of Income from Charitable Activities

| | 2021 £ | 2020 £ |
|-----------------------------------------|------------------|------------------|
| Restricted funds | | |
| Grant to cover rent and service charges | 1,417,000 | 1,417,000 |
| Total incoming resources | 1,417,000 | 1,417,000 |

5. Analysis of Expenditure from Charitable Activities

| Costs directly allocated to activities | Fundraising £ | Museum Costs £ | Governance £ | 2021 £ | 2020 £ |
|----------------------------------------------|------------------|----------------------|-----------------|------------------|------------------|
| Other operating expenditure | - | 1,708,741 | - | 1,708,742 | 1,793,718 |
| Depreciation | - | 418,849 | - | 418,849 | 418,848 |
| Direct costs total | - | 2,127,590 | - | 2,127,591 | 2,212,566 |
| Support costs allocated to activities | - | - | - | - | - |
| Total costs | - | 2,127,590 | - | 2,127,591 | 2,212,566 |

6. Trustees' expenses

No expenses were paid either directly to Trustees or on their behalf in the current or preceding financial years.

7. Staff Costs

No staff were employed by the company in the current or preceding financial years. The former Thinktank Trust staff transferred to the employment of Birmingham Museums Trust from 1 April 2012.

No remuneration was paid to Trustees in the current or preceding financial year. Key management personnel are remunerated through the parent company, Birmingham Museums Trust.

8. Net movement in funds

Net movement in funds is stated after charging the following:

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Depreciation | 418,849 | 418,848 |
| Auditor's remuneration | - | 1,000 |

The auditor's remuneration was paid by the parent entity, Birmingham Museums Trust.

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Report and Accounts for the Year Ended 31 March 2021

Notes to the Financial Statements *(continued)*

9. Fixed Assets

| | Leasehold Improvements £ | Plant and Equipment £ | Fixtures and Fittings £ | Computer Equipment £ | Total £ |
|--------------------------------------------|--------------------------------|-----------------------------|-------------------------------|----------------------------|-------------------|
| Cost | | | | | |
| At 1 April 2020 | 5,208,866 | 64,889 | 5,234,272 | 139,112 | 10,647,139 |
| Additions | - | - | - | - | - |
| At 31 March 2021 | 5,208,866 | 64,889 | 5,234,272 | 139,112 | 10,647,139 |
| Depreciation | | | | | |
| At 1 April 2020 | 5,208,866 | 64,889 | 4,132,550 | 139,112 | 9,545,417 |
| Charge for the year | - | - | 418,849 | - | 418,849 |
| At 31 March 2021 | 5,208,866 | 64,889 | 4,551,399 | 139,112 | 9,964,266 |
| Net Book Value At 31 March 2021 | - | - | 682,873 | - | 682,873 |
| At 31 March 2020 | - | - | 1,101,722 | - | 1,101,722 |

All fixed assets are held for charitable purposes.

Capital expenditure contracted for, but not provided in the financial statements, was £nil (2020: £nil).

10. Debtors

| | 2021 £ | 2020 £ |
|----------------|----------------|---------------|
| VAT receivable | 161,859 | 56,161 |
| | 161,859 | 56,161 |

11. Cash and Cash Equivalent

| | 2021 £ | 2020 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 20,493 | 73,600 |

12. Creditors

| | 2021 £ | 2020 £ |
|---------------------------------------------|------------------|------------------|
| Amounts falling due within one year: | | |
| Amounts owed to group companies | 1,451,541 | 1,095,302 |
| Accruals and deferred income | - | 11,907 |
| | 1,451,541 | 1,107,209 |

THINKTANK TRUST
Report and Accounts for the Year Ended 31 March 2021

Notes to the Financial Statements *(continued)*

13. Financial Instruments

| | 2021 £ | 2020 £ |
|-----------------------------------------------------------------------------------|------------------|------------------|
| Financial assets | | |
| Financial assets measured at fair value through statement of financial activities | 20,493 | 73,600 |
| Financial assets that are debt instruments measured at amortised cost | 161,859 | 56,161 |
| | 182,252 | 129,761 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 1,451,541 | 1,107,209 |

Financial assets are measured at fair value through statement of financial activities comprises cash held at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprises trade and other debtors, other taxation and social security and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprises Trade and other creditors, amounts owed to group undertakings and accruals.

14. Funds Analysis

| | Balance as 1 April 2020 £ | Incoming Resources £ | Outgoing Resources £ | Balance at 31 March 2021 £ |
|-------------------------------|------------------------------------|----------------------------|----------------------------|-------------------------------------|
| Restricted Funds | | | | |
| Science for all Seasons | 622,198 | - | (247,318) | 374,880 |
| Made in Birmingham | 479,524 | - | (171,531) | 307,993 |
| Building rent | - | 1,417,000 | (1,417,000) | - |
| Total Restricted Funds | 1,101,722 | 1,417,000 | (1,835,849) | 682,873 |
| Unrestricted Funds | (977,448) | - | (291,741) | (1,269,189) |
| TOTAL | 124,274 | 1,417,000 | (2,127,590) | (586,316) |

Restricted funds

- Science for All Seasons - The Science Garden was completed prior to 2012 and this fund is being released as the asset depreciates.
- Made in Birmingham - This fund is being released as the asset depreciates.
- Building Rent - Grant support from Birmingham City Council.

The carry forward balance reflects the net book value of assets in the relevant fund balance.

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Report and Accounts for the Year Ended 31 March 2021

Notes to the Financial Statements *(continued)*

14. Funds Analysis *(continued)*

| | Balance at 1 April 2019 £ | Incoming Resources £ | Outgoing Resources £ | Balance at 31 March 2020 £ |
|-------------------------------|---------------------------------|----------------------------|----------------------------|-------------------------------------|
| Restricted Funds | | | | |
| Science for all Seasons | 869,515 | - | (247,317) | 622,198 |
| Made in Birmingham | 651,056 | - | (171,532) | 479,524 |
| Building rent | - | 1,417,000 | (1,417,000) | - |
| Total Restricted Funds | 1,520,571 | 1,417,000 | (1,835,849) | 1,101,722 |
| Unrestricted Funds | (600,731) | - | (376,717) | (977,448) |
| TOTAL | 919,840 | 1,417,000 | (2,212,566) | 124,274 |

15. Analysis of net assets between funds

| | Restricted £ | Unrestricted £ | Total £ |
|-------------------------------|------------------|--------------------|----------------|
| Fixed Assets | 682,873 | - | 682,873 |
| Net Current Assets | - | (1,269,189) | (1,269,189) |
| Total as at March 2021 | 682,873 | (1,269,189) | 586,316 |
| Fixed Assets | 1,101,772 | - | 1,101,772 |
| Net Current Assets | - | (977,448) | (977,448) |
| Total as at March 2020 | 1,101,772 | (977,448) | 124,274 |

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Report and Accounts for the Year Ended 31 March 2021

Notes to the Financial Statements (continued)

16. Lease commitments

At 31 March 2021 the trust had future minimum lease payments under non-cancellable operating leases as follows:

| | 2021 £ | 2020 £ |
|---------------------------|------------------|------------------|
| Within one year | 630,994 | 615,720 |
| Between two to five years | 2,685,718 | 2,620,707 |
| More than 5 Years | 2,772,329 | 3,469,482 |
| | 6,089,041 | 6,705,909 |

17. Taxation

The charitable company's income is exempt from taxation under section 505 of the Income and Corporation Taxes Act 1988 and its chargeable gains are exempt under section 256 of the Taxation of Capital Gains Act 1992.

18. Financial Commitments

Debentures and charges

The Thinktank Trust has granted a first mortgage charge over certain of its assets to the Millennium Commission to secure all monies owing to the Commission by the Trust under the terms of a grant agreement dated 10 December 2004.

The Thinktank Trust has granted a mortgage charge over certain of its assets to the National Heritage Memorial Fund under the terms of an agreement date 20 April 2011.

Value Added Tax

As a result of group registration arrangements for Value Added Tax (VAT), the charitable company is jointly and severally liable with other members of the group for any VAT due by the representative member of the group. At 31 March 2021 the group liability in respect of VAT was £393k (2020: recoverable £80k).

19. Related party transactions

Birmingham City Council (BCC)

Thinktank Trust received a grant from BCC of £1.417m during the year (2020: £1.417m) to assist in the provision of lease payments on Thinktank to Millennium Point Property Limited.

Key management personnel are remunerated through the parent company. As such details of their remuneration are disclosed in the consolidated financial statements of Birmingham Museum Trust.

20. Member and ultimate controlling party

The charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the charitable company being wound up. At 31 March 2021 Birmingham Museums Trust was the sole member of Thinktank Trust. Birmingham Museums Trust, a charitable company (company number 07737797, charity number 1147014) incorporated in England and Wales and limited by guarantee, is controlled by Birmingham City Council who is the sole member of Birmingham Museums Trust.

Consolidated accounts are available from Birmingham Museums Trust, Birmingham Museum & Art Gallery, Chamberlain Square, Birmingham, B3 3DH.