

BIRMINGHAM MUSEUMS TRUST

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

BIRMINGHAM MUSEUMS TRUST
*Annual Report and Consolidated Financial Statements for the year ended
31 March 2022*

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31 March 2022

Company Details

Charity Name	Birmingham Museums Trust
Charity Registration Number	1147014
Company Registration Number	07737797
Registered Office	Birmingham Museum and Art Gallery Chamberlain Square Birmingham B3 3DH
Auditors	Cooper Parry Group Limited Cubo Birmingham Office 401, 4 th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	HSBC Bank plc 130 New Street Birmingham B2 4JU
Solicitors	Higgs & Sons LLP Waterfront Business Park 3 Brierley Hill Dudley DY5 1LX

BIRMINGHAM MUSEUMS TRUST

Annual Report and Consolidated Financial Statements for the year ended 31 March 2022

Report of the Trustees and Strategic Report

The Board is pleased to present their Annual Report and Consolidated Financial Statements for the year ended 31 March 2022. This includes the contents of a Strategic Report as required by the Companies Act 2006.

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 of Birmingham Museums Trust

The Trustees of Birmingham Museums Trust (who are also directors for the purposes of company law) served during the year and up to the date of this report are:

Mr Niels de Vos (Chair)
Mr Mohammed Ali MBE
Councillor Robert Alden
Mr Clive Bawden
Dr Louise Brooke-Smith OBE
Rt Hon Liam Byrne MP
Mr Liam Darbon (appointed 9 September 2021)
Cllr Phil Davis MBE
Mr John Diviney
Ms Sapreena Kumari
Mr Luke Southall (resigned 9 September 2021)
Mr Jonnie Turpie MBE
Mrs Claire Williamson
Ms Elly Porter
Mr Tony Simpson (appointed 19 January 2022)
Mr Eamon Mooney (resigned 19 January 2022)

In addition, the charity has two subsidiaries. It is the sole shareholder of Birmingham Museums Trading Limited and the sole member of Thinktank Trust.

Directors of these two companies who served during the year and up to the date of this report are:

Birmingham Museums Trading Limited

Ms Tracey Stephenson (Chair)
Mr Liam Darbon
Mr Zak Mensah (appointed November 2021)
Ms Sapreena Kumari (appointed 1 November 2021, resigned 22 August 2022)
Mr John Diviney (appointed 18 July 2022)

Thinktank Trust

Mr Niels de Vos
Mr Eamon Mooney (resigned 19 January 2022)

Legal status

Birmingham Museums Trust ("BMT") is a registered charity (number 1147014) and a private limited company limited by guarantee (number 07737797), incorporated on 11 August 2011, 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 £10.

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Report of the Trustees and Strategic Report (continued)

Achieving Objects and activities for the public benefit

In considering the strategies and policies of the charity, the trustees have had due regard for the public benefit guidance published by the Charity Commission, in accordance with the Charities Act 2011.

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

To advance education by the operation, maintenance, development and promotion of museums, galleries and libraries in Birmingham, together with associated facilities and related programmes of outreach and research, fostering knowledge and understanding, appreciation and enjoyment of the arts, history, science and technology by residents and visitors to the City of Birmingham.

We have reviewed the fundamental purpose of Birmingham Museums Trust (BMT) and our activities critically and systematically, from the management culture to our business and commercial strategies, and our creative and intellectual assets and ambitions. We have begun a process of change engaging our trustees, workforce, stakeholders, community partners and the wider public in our mission to rethink what a museum is. In January 2022 we reviewed our consultation and discussions to date and have formalised our strategic approach. The table below articulates the challenge we face, why we believe BMT is well-positioned to respond, and our purposeful vision or Cause.

PROBLEM	BELIEF	MISSION	PURPOSE	VISION
The challenge we face	The conviction that fuels our commitment	What we exist to do	Value and importance of what we do	How the world would be better if we succeed
Structural inequality is thwarting Birmingham's potential.	We acknowledge our history, its injustices and innovations as an ethical foundation for our work.	We harness all the people's collections, heritage and creativity to tell stories that make meaning.	This embraces Birmingham's super-diversity generating hope, building social trust and increasing belonging and solidarity.	We will empower people and communities to imagine and shape an ambitious, vibrant, creative, multicultural city.
Birmingham's huge potential as a vibrant, creative, convivial, multicultural city is greatly diminished by structural inequality, deprivation and social injustice. This hinders aspiration and hope, undermines trust in institutions, weakens civic pride and the connections between and within communities, and disempowers its citizens.	We will exercise intellectual and cultural leadership in addressing the issues of an increasingly polarised society, while also exploring historic injustices within an overall context of Birmingham as a city of belonging, capable of containing multiple identities and a plurality of views.	Audiences and communities will play a leading role in shaping Birmingham Museums through consultation, collaboration and coproduction. We will work with cultural and community partners and individuals, to reflect the stories and characters of the people and city today, their shared experiences and untold histories.	Birmingham Museums will be an ambitious, authentic expression of the best of the people of the city and the region. If interaction and understanding are sought diversity is a great strength. We will explore how cultural resources can be shared and cultural participation and expression can be enabled within a complex cultural ecosystem.	We will activate and amplify Birmingham's rich cultural inheritance and vibrant cultural life. We will renew/reinvent our buildings and programmes to redefine the museum so that it is a catalyst for active citizenship, democratic renewal and inclusive pride in Birmingham.
CAUSE				
Our Purposeful Vision				
We harness all the people's collections, heritage and creativity to tell stories that make meaning. This embraces Birmingham's super-diversity generating hope, building social trust and increasing belonging and solidarity. We will empower people and communities to imagine and shape an ambitious, vibrant, creative, multicultural city.				

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Report of the Trustees and Strategic Report (continued)

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 objects of the charity are achieved through capital developments and gallery redisplay, public programmes of exhibitions and events across the nine venues, formal and informal learning programmes for schools, families and adults, public access, including digital access, to the collection on display and in store, collections care, loans and commercial activities including retail, catering and event hire.

The charity's priorities are aligned with those of its major public funders, Birmingham City Council and Arts Council England.

Structure, Governance and Management

The Board of Trustees has responsibility for the on-going strategic direction of BMT overseeing its finances and approving the budget, working with the Co-CEOs and Senior Leadership Team in the development and implementation of policy to meet BMT's objects and to ensure that it fulfils its statutory duties. The Board meets at least four times a year.

Day to day management is delegated to Co-CEOs Sara Wajid and Zak Mensah. They are assisted by Richard Paterson, Director of Finance (until November 2021); Rachel Cockett, Director of Development; Toby Watley, Director of Collections; Janine Eason, Director of Engagement, and Alex Nicholson-Evans, Commercial Director (until September 2021).

Recruitment and Appointment of Trustees/Directors

The Articles provide that two directors shall be appointed who are members or officers of Birmingham City Council in accordance with the nomination of the City Council. Other directors may not be members or officers of the City Council and may only be appointed after a recommendation of the directors 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 people of Birmingham.

Trustee induction and training

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

Remuneration of management personnel

Remuneration for management personnel is set by comparison internally with similar posts when possible, benchmarking with similar external organisations and with reference to Croner's Salary Search.

Employment of people with disabilities

BMT is committed to the employment, support and training of people with disabilities. Employment policy is included in the staff handbook and is available to employees on the intranet.

Informing Employees

Keeping our workforce informed is important to us. Performance information is circulated monthly to all staff by email and by cascade via the management team. "All Staff Briefings" are held monthly which also provide opportunity for question and answer sessions.

Risk Management

The Trustees actively and regularly review the major risks to which BMT is exposed and have implemented procedures to manage and minimise any potential impact should any of the identified risks materialise. A Risk Framework, supported by a Risk Register, is maintained setting out an assessment of the likelihood and impact of risks, with required actions identified to manage the risk. This is reviewed and updated no less than quarterly. The Trustees are satisfied that there are clear lines of delegation and authority to staff regarding risk management, and that staff are aware of the need to address risks in their areas of activity.

BIRMINGHAM MUSEUMS TRUST

Annual Report and Consolidated Financial Statements for the year ended 31 March 2022

Report of the Trustees and Strategic Report (*continued*)

Key risks

- Rising costs (goods, services, energy, living wage) will limit ability to generate income and create uncertainty in budget forecasting.
- Largescale electrical rewiring programme at BCC Council House forcing closure of BMAG and reducing BMT's operational activity.
- Physical deterioration of Historic Properties and Museum Collections Centre; risk to buildings and collections; realisation could reduce physical access for staff and contractors as well as delivering poor visitor experience.
- Long term grants do not increase with inflation meaning real term reductions in core operating grants over the year.
- High Speed Rail – this could lead to disruption (vibration, noise and dust) for both Museum Collections Centre and Thinktank during the construction period, affecting both the collection and BMT's ability to generate income.
- Ability to meet obligations as they fall – BMT needs sufficient cash to meet its financial obligations going forward. BMT is working closely with its major partners to ensure cash doesn't become an issue.

Achievements & Performance 2021/22

2021 saw the reopening of three of our nine sites since they closed in March 2020 due to the COVID-19 pandemic.

Thinktank welcomed visitors back on 29 May with a new entrance, larger and improved shop, and a brand-new *Our Changing Planet* gallery looking at how humans have transformed the world and how these changes are affecting wildlife and the environment across the globe. Our Changing Planet was co-curated with our Youth Climate Forum of young people.

Aston Hall reopened on 7 July, with displays that re-told some of the stories of the Hall's four centuries of history and the *Black is Beautiful, Blackness without Apology*, an exhibition created by young people in collaboration with Don't Settle and BMT. A new family trail and a new menu at the Stable Yard Café broadened the visitor experience. The BBC Antiques Roadshow team filmed at the Hall as part of the 44th series of the programme.

Blakesley Hall, the Tudor house a few miles from the centre of Birmingham, reopened to visitors on 21 July. This Elizabethan house was built as a family home, and families were delighted to return, enjoying favourite events such as the Great British Apple Day celebration.

Sarehole Mill remained open through the year as a community shop, café and as an outdoor venue as restrictions allowed, continuing its operation since the previous year.

Across our sites we welcomed 232,235 visitors in the year. A further 3,107,350 visitors saw loans from Birmingham's civic museum collection on public display at venues across the world.

Birmingham Museum and Art Gallery (BMAG) remained closed for essential electrical upgrade work of Birmingham's Council House Complex. An inventory and decant of the collections, libraries, archives and offices space was implemented to enable the rewiring to take place. The decant included moving all 36,500 collection objects off-site into temporary storage. The electrical upgrade is an extensive and essential programme of work to future-proof the building and make it safe for staff and visitors while safeguarding Birmingham's collections for generations to come.

Museum of the Jewellery Quarter and Soho House also remained closed with exceptions for some events when restrictions allowed.

School groups returned after our sites reopened to a programme of inspiring educational sessions. 16,651 pupils visited our 4 open sites during the year. Alongside these on-site visits we continued to bring science and history to life in the classroom with our live stream interactive sessions, originally developed to support school learning during lockdown.

The majority of volunteer activity was suspended during the pandemic with most volunteers unable to return to their roles during the year. However, with our sites gradually reopening, volunteers were gradually able to return, including the Castle Keepers who look after the ruins of Weoley Castle. Between them, volunteers gave 423 days of their time to support the work of Birmingham Museums during the year.

Volunteering for Veterans, a new health and wellbeing project for ex-servicemen and women, helped four local veterans get back on the road to recovery by conserving vintage motorbikes from the city's collection held at the Museum Collection Centre.

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Report of the Trustees and Strategic Report (continued)

The programme supported former members of the local Armed Forces community by providing skills development opportunities alongside social and wellbeing activities. The project was made possible with funding from the Armed Forces Covenant and support from the Royal British Legion.

Life on Lockdown, a participatory project to capture the experiences of Birmingham during the Covid-19 crisis, launched with a display at Thinktank and on Birmingham Museum's YouTube channel. The project collected hundreds of digital images and recordings of first-hand experiences to reflect the lives of Birmingham people during lockdown as a record of the Covid-19 pandemic.

Freedom 50, a new outdoor exhibition celebrating 50 years of Bangladeshi independence opened in Birmingham's Centenary Square in May. Organised by Legacy West Midlands in collaboration with Birmingham Museums, the exhibition was on display until the end of August 2021.

The stories of Birmingham's Windrush generation were celebrated in a programme of events and activities commemorating the year's national Windrush Day including a vibrant live digital event celebrating the city's Caribbean community through music, storytelling and poetry. The programme was run in partnership with The Red Earth Collective and made possible with a grant from the Ministry of Housing, Communities and Local Government. Five personal testimonies from the Black Oral History Project Archive were transcribed and made accessible for the first time. Conducted between 1990 and 1992, these spoken history interviews with people in Birmingham who originated from the Caribbean and South Asia talk about memories including first impressions, religious experiences, education, experiences of racism, identity, as well as thoughts on the future. An education resource was developed to support pupils' learning about this time.

Birmingham Heritage Week 2021 took place from 9-19 September. Events included walks, talks, building tours and open days, dramatic performances and poetry readings, as well as exhibitions, hands-on workshops and online events. 72 local organisations, societies and friends' groups delivered 126 unique events. 15 new organisations taking part and over 400 volunteers welcomed supported the festival. Nearly 19,000 attended and online events drew nearly 6,000 views.

We launched Birmingham Museums On Demand, a new digital service making stories behind Birmingham's collections available online to watch anytime, anywhere in the world. This service gave people access to some of the stories behind our collections at a time when BMAG was closed. We launched Birmingham Museums' new online shop, with a unique range of products created by the very best local independent Birmingham makers alongside gifts inspired by Birmingham's past.

Funded by HS2, a 9-month programme delivered significant collections relocations and storage improvements within the Museum Collections Centre, while improvements to the building addressed security concerns.

A total of 3,571 objects were loaned on short or long term to venues including the Kunstmuseum Basel, The Frick in Pittsburgh US, Tate Modern, Victoria & Albert Museum, Royal Academy and National Gallery. In addition, BMT supported loans to regional venues as part of Coventry's City of Culture or in the run up to the Birmingham Festival 2022. BMT's international touring exhibition Victorian Radicals came to an end after attracting 167,806 visitors at 7 venues across the United States.

Acquisitions into the city's collection by leading artists included John Akomfrah's seminal work *Handsworth Songs*, Hew Locke's sculpture *Souvenir 9 (Queen Victoria)*, photographic works from Andrew Jackson's *A Small Island series*, a body of photographic work by Birmingham and regional artists capturing Black Lives Matter protests in the city, and local people's experiences of Lockdown. Acquisitions were supported by ACE/V&A Purchase Grant Fund, Art Fund, Tessa Sidey Acquisition Fund, The Friends of Birmingham Museums, and William A Cadbury Charitable Trust.

Climate Action

Our Climate Pledge (Sept 2021) makes a commitment to reducing the environmental impact of our activities and operating as sustainably as we can. Our ambition is to reach net zero by 2040. The Pledge forms part of the *Our Changing Planet* gallery at Thinktank.

Our Climate Action Plan 2022-26 sets out our BMT intends to lead the way in our approach to environmental responsibility. Since our establishment in 2012 we have taken considerable steps to reduce our waste and energy usage, change to green energy suppliers and reduce the negative impact of our operations on the climate and environment. Progress against our Action Plan is monitored quarterly.

Our Climate Action Plan recognises our role in public engagement on environmental action, as well as responding to public, partner, stakeholder and funder expectations. One of our major funders, Birmingham City Council has undertaken an Environment and Sustainability Assessment of our work to assess its impact on and understand how we are tackling Climate Change. As an Arts Council England National Portfolio Organisation we are required to improve our environmental performance, reduce carbon emissions and manage our collections sustainably, collecting data and submitted evidence annually to ACE's Sustainability Partner Julie's Bicycle.

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Report of the Trustees and Strategic Report (continued)

Fundraising

BMT actively pursues funding from grant makers (trusts, foundations and public funders), corporate supporters and individuals to fund our charitable activities. We work with others to increase our fundraising opportunities including academic partners, specialist sector organisations, charities who align with our purposes, community partners, and other museum and cultural organisations. A grant of £590k from Garfield Weston Fund allowed us to invest in our digital offer and technology infrastructure.

We use third-party website Just Giving to collect donations, and Donr to collect donations via SMS. We offer the option to gift-aid admission charges for entry, make a donation online with a ticket or shop purchase, or on-site at one of our museums.

We do not employ the services of professional or commercial fundraisers. We do not undertake street collections or telephone campaigns. Where we collect personal information, this is managed in line with our Data Protection Policy.

BMT is registered with the Fundraising Regulator, the independent regulator of charitable fundraising in England, Wales and Northern Ireland. We have received no complaints regarding our fundraising in 2021/22.

BMT's Safeguarding Policy makes specific reference to donors. BMT abide by the Fundraising Regulator's Code of Practice and uses the Institute of Fundraising guidance for Treating Donors Fairly (2021).

Key strategic priorities/objectives for BMT over the next 2-3 years

BMT's Business Plan 2022-26 states that our Co-CEO's Sara Wajid and Zak Mensah's brief is to lead a multi-year transformation towards a socially purposeful museum service rooted in the distinctive cultural heritage of this region. Radical transformation takes time and we are committed. 2022-23 will be the second year of our change programme and we are determined to emerge from the pandemic a more dynamic organisation that better contributes to our society. We will fulfil our cause by taking forward actions that meet our 10 Strategic Aims (below).

AIM 1. Democratise our governance

We believe ideas and leadership can and should come from anywhere. We will adapt and augment to create a more sustainable, agile and porous structure. We will create a democratic decision-making process and new groups of influence.

AIM 2. Nurture a creative, enabling internal culture

Deliberate coordinated method to change our culture collectively. Become an experimental learning organisation driven by evidence-based decision making.

AIM 3. Grow a rich workforce eco-system

Design a workforce with the capabilities to develop the service and deliver our Cause. Grow our own pipeline of talent through our programming and provision of career and skills development opportunities. Inclusive of the wider workforce of creatives, freelancers, contracted staff and partners.

AIM 4. Design a radical, sustainable new museum operating model

We will re-think what a museum is and its relationship to its city and environment. We believe that BMT is more than a collection of buildings and objects. We see our role not only as a guardian but as an agency of social change. We will explore new and different ways to manage, use and rationalise our estate and our physical and digital assets to identify the options that best support our future viability and resilience and that can best deliver our Cause.

AIM 5. Redefine the cultural value of collections

We will change how our collections are understood, accessed and used and we will reframe how we measure cultural value of our collections to Birmingham and its citizens. We will build new partnerships and develop new channels that enable people to play a fuller role in using, researching, borrowing, augmenting and interpreting our collections and curating their own. We will explore repatriation and deaccession for long-term sustainability.

AIM 6. Pioneer experiments in mass-participation

We will make a paradigm shift that moves BMT away from the dominant model of passive visitor-ship. In its place we will forge a new model of active engagement: experiments that enable non-visitors to share their heritage and creativity and share their stories and ours. We want to make the people's culture popular culture. We will devise new measures that evidence the impact on individual, community, civic and societal change.

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Report of the Trustees and Strategic Report (continued)

AIM 7. Reposition BMT as critical to the city's future

Reposition Birmingham Museums as a critical key driver of social, cultural, and economic creativity and innovation. Identify new audiences, advocates, partners, and stakeholders to help us deliver our Cause.

AIM 8. Build our own segmented mass channel

Use direct email to create our own channel to increase user engagement and participation. Underpinned by our website, CRM and ticketing systems and backed up by a social media strategy.

AIM 9. Cultivate connections

Become an anchor organisation in a vibrant city-wide network of organisations and individuals.

AIM 10. Diversify and increase our income

Respond to the changing markets and circumstances, adapting and evolving our trading opportunities to maximise income.

We will:

- Engage our existing relationship partners and seek new voices to reimagine our vision for BMT. The outcome will be a service direction that uses socially engaged practice. At our core will be a work programme that always focuses on the needs of our users.
- We will experiment with reaching new audiences through local, national, and international partnerships.
- Re-imagine who the buildings and collection are for and collaborate with the people and communities who are critical to the future of Birmingham Museums for the next 50 years and beyond.

BMT will demonstrate a commitment to increase educational/outreach work through:

- Without Walls, a programme to engage audiences online and offsite. Includes taking artworks and items from the collection into schools and communities, inviting Birmingham citizens to co-produce new displays for when BMAG reopens, sharing content through our digital platforms, and delivering outdoor exhibitions.
- New online services and activity taking the outcomes of our new Digital Strategy forward
- New public participation in shaping the direction of the organisation under the leadership of our Co-CEOs
- The change in approach envisions a shift with decreasing education and participation numbers onsite and increasing offsite and online attendance and participation.

BMT will continue to work closely with Birmingham City Council and will ensure we take all reasonable steps to protect the properties and collections we are responsible for. We have worked together to develop a set of condition surveys to aid prioritising essential maintenance, mechanical and electrical work across our properties. This work will support future applications to improve building infrastructure.

In addition to financial stabilisation and continuing to respond to the ever-changing landscape, there are a number of projects that will continue including

- The rewiring of BMAG, which will see the building partially open to the public in 2022 with phased re-opening of the rest of the galleries expected from 2024.
- Taking forward the feasibility study for a new Museum for Science and Industry, The City of Ideas Project.
- The next phase of the Museum Collection Store project.

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Report of the Trustees and Strategic Report (continued)

Financial Review / Key Financial Performance Indicators

The financial performance of the Museum for the year under review and the financial position at the Balance Sheet date are set out in this report. In particular the Statement of Financial Activities (SOFA), which includes both unrestricted and restricted funds, shows the performance of the group during the year.

Like the vast majority of charities, BMT was severely impacted by COVID-19 and national restrictions. The main financial impacts have been:

- Nationally museums saw between 25% to 50% less visitors nationally than pre-pandemic
- Facing significant loss of revenue, BMT prioritised expenditure that was critical to the delivery of its charitable objectives and looked at new ways of cost effective working
- Forecasting has been difficult sent against national restrictions and changing public sentiment
- Birmingham Museum & Art Gallery remained closed for the reporting period as part of electrical rewiring works across the building complex which traditionally attracted the majority of visitors and secondary spend

The cost of governance activities was £0.036m (2021: £0.022m). Direct governance costs have been included in accordance with the Charity SORP 2019 and include audit fees, legal fees and Trustee expenses.

Going Concern

The financial statements have been prepared on a going concern basis. The Trustees consider that there is a reasonable expectation that the charitable company and group have 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.

Reserves Statement

The Trustees have considered the level of reserves required to maintain sufficient working capital to operate the museums in the most effective manner and to meet unforeseen liabilities that may arise. The Trustees have therefore established a reserves policy that aims to protect the charity's activities from risk of disruption at short notice due to lack of funds.

They take the view that the nature of the BMT's consolidated cash flows is such that they can set as a medium-term objective to maintain unrestricted reserves, excluding defined benefit pension liabilities, at a level of one month's income, or around £1m.

At 31 March 2022 Restricted Funds stand at £3.092m (2021: £3.467m), Unrestricted Funds at £2.762m (2021: £2.033m) and a Pension Reserve deficit of £0.838m (2021: £4.114m). Free reserves as at the 31 March 2022 were £2.300m (2021: £1.279m).

The unrestricted reserves are in line with the charity's reserves policy.

Investment Policy

The Trustees have the power to invest funds not immediately required from operational purposes in such investments, securities or property as they see fit.

The underlying investment strategy is to accept only a low level of risk and therefore available funds 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 Party

Birmingham City Council, the sole member of the charitable company, has paid fees for services and has provided loan finance to Birmingham Museums Trust's subsidiary Thinktank Trust. Any conflicts of interest involving Trustees in this respect are declared where appropriate.

Auditor

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

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31 March 2022

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

The Trustees (some of whom are also the directors of Thinktank Trust and Birmingham Museums Trading Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, generally accepted accounting practice entails, the Trustees:

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

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

In so far as the Trustees are aware:

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

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

Approved by the Board of Trustees on 22 December 2022 and signed on their behalf by:



Mr Niels de Vos
Chair

BIRMINGHAM MUSEUMS TRUST
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31 March 2022

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

Opinion

We have audited the financial statements of Birmingham Museums Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows 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 group's and parent charitable company's affairs as at 31 March 2022, and of the group's 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees and Strategic Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BIRMINGHAM MUSEUMS TRUST
Annual Report and Consolidated Financial Statements for the year ended
31 March 2022

Independent Auditor's Report to the Members and Trustees of Birmingham Museums 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 and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 group's and parent 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 group or the parent 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 and employment legislation.

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

BIRMINGHAM MUSEUMS TRUST
Annual Report and Consolidated Financial Statements for the year ended
31 March 2022

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

- 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 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;
- reviewing meeting minutes of those charged with governance throughout the year; 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.

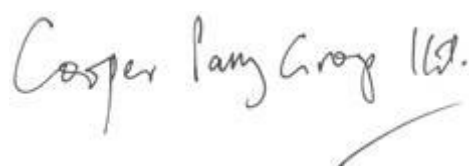
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 and the charitable company's members as a body and the charitable company's 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

Cubo Birmingham
Floor 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 22 December 2022

BIRMINGHAM MUSEUMS TRUST

Consolidated Statement of Financial Activities For the year ended 31 March 2022

	Note	Unrestricted Funds £	Restricted & Endowment Funds £	Pension Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and legacies		23,541	14,207	-	37,748	115,408
Investments						
Rental income		14,082	-	-	14,082	3,015
Interest receivable		729	-		729	-
Charitable activities						
Visitor admissions and outreach income		1,572,553	-	-	1,572,553	56,187
Grants receivable and other income		5,636,166	4,232,818	-	9,868,984	9,871,257
Other trading activities						
Income from trading activities of Subsidiary		797,234	-	-	797,234	414,764
Total Income	4	8,044,305	4,247,025	-	12,291,330	10,460,631
Expenditure on:						
Raising funds						
Expenses from trading activities of Subsidiary		(742,110)	-	-	(742,110)	(683,399)
Fundraising costs		(8,847)	-	-	(8,847)	(62,854)
Charitable activities						
Museum costs		(7,030,383)	(4,156,524)	262,000	(11,448,907)	(10,452,546)
Total Expenditure	5	(7,781,340)	(4,156,524)	262,000	(12,199,864)	(11,198,799)
Net (expenditure)/income		(262,965)	(90,501)	262,000	91,466	(738,169)
Transfers between Funds	14	465,549	(465,549)	-	-	-
Other recognised gains						
Return on Pension Fund Assets		-	-	1,232,000	1,232,000	(6,001,000)
Change in financial assumptions		-	-	2,306,000	2,306,000	3,527,000
Net movement on pension fund	22	-	-	3,538,000	3,538,000	(2,474,000)
Net movement in funds		728,514	(375,048)	3,276,000	3,629,466	(3,212,169)
Reconciliation of funds						
Fund balances brought forward		2,033,032	3,467,089	(4,114,000)	1,386,121	4,598,289
Fund balance carried forward		2,761,546	3,092,041	(838,000)	5,015,587	1,386,120

Restricted funds comprise both income and capital funds.

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.

BIRMINGHAM MUSEUMS TRUST

Consolidated Statement of Financial Activities For the year ended 31 March 2021

	Notes	Unrestricted Funds £	Restricted & Endowment Funds £	Pension Fund £	Total 2021 £
Income and endowments from:					
Donations and legacies		115,408	-	-	115,408
Investments					
Rental income		3,015	-	-	3,015
Interest receivable		-	-	-	-
Charitable activities					
Visitor admissions and outreach income		56,187	-	-	56,187
Grants receivable and other income		8,114,774	1,756,483	-	9,871,257
Other trading activities					
Income from trading activities of subsidiary		414,764	-	-	414,764
Total Income	4	8,704,148	1,756,483	-	10,460,631
Expenditure on:					
Raising funds					
Expenses from trading activities of subsidiary		(683,399)	-	-	(683,399)
Fundraising costs		(62,854)	-	-	(62,854)
Charitable activities					
Museum costs		(7,148,526)	(2,707,020)	(597,000)	(10,452,546)
Total Expenditure	5	(7,894,779)	(2,707,020)	(597,000)	(11,198,799)
Net (expenditure)		809,369	(950,537)	(597,000)	(738,168)
Transfers between Funds		(69,045)	69,045	-	-
Other recognised gains/(losses)					
Return on Pension Fund Assets		-	-	(6,001,000)	(6,001,000)
Change in financial assumptions		-	-	3,527,000	3,527,000
Net movement on pension fund		-	-	(2,474,000)	(2,474,000)
Net movement in funds		740,324	(881,492)	(3,071,000)	(3,212,168)
Reconciliation of funds					
Fund balances brought forward		1,292,708	4,348,581	(1,043,000)	4,598,289
Fund balance carried forward		2,033,032	3,467,089	(4,114,000)	1,386,121

Restricted funds comprise both income and capital funds.

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.

BIRMINGHAM MUSEUMS TRUST

Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible assets	9a	1,907,217	2,794,703
Intangible assets	9b	47,279	96,782
		<u>1,954,496</u>	<u>2,891,485</u>
Current Assets			
Stock	10	164,809	150,365
Debtors: amounts falling due in one year	11	1,925,340	1,401,706
Debtors: amounts falling due after more than one year	11	414,768	506,276
Cash at bank and in hand		<u>3,970,896</u>	<u>3,259,467</u>
		6,475,813	5,317,814
Creditors: amounts falling due within one year	12	(1,636,954)	(2,202,902)
Net Current Assets		<u>4,838,859</u>	<u>3,114,912</u>
Total Assets less Current Liabilities		6,793,355	6,006,397
Creditors: amounts falling due after more than one year	12	(414,768)	(506,276)
Provisions for liabilities and charges	25	(525,000)	-
Defined benefit scheme pension liability	22	(838,000)	(4,114,000)
NET ASSETS		<u>5,015,587</u>	<u>1,386,121</u>
Funds			
Unrestricted	14	2,761,546	2,033,032
Restricted	14	2,204,660	2,576,209
Endowment	14	887,381	890,880
Pension	14	(838,000)	(4,114,000)
TOTAL FUNDS		<u>5,015,587</u>	<u>1,386,121</u>

The notes on pages 19 to 41 form part of these accounts.

These financial statements were approved and authorised for issue by the Board of Trustees on 22 December 2022 and were signed on its behalf by:



Mr Niels de Vos
Chair

Registered No: 07737797

BIRMINGHAM MUSEUMS TRUST

Company Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible assets	9a	1,627,357	2,099,463
Intangible Assets	9b	47,279	96,782
		<u>1,674,636</u>	<u>2,196,245</u>
Current Assets			
Debtors: amounts falling due in one year	11	4,173,508	3,090,898
Debtors: amounts falling due after more than one year	11	509,530	676,848
Cash at bank and in hand		<u>3,233,927</u>	<u>3,058,247</u>
		7,916,965	6,825,993
Creditors: amounts falling due within one year	12	(1,535,109)	(2,180,836)
Net Current Assets		<u>6,381,856</u>	<u>4,645,157</u>
Total Assets less Current Liabilities		8,056,492	6,841,402
Creditors: amounts falling due after more than one year	12	(414,768)	(506,276)
Provisions for liabilities and charges	25	(525,000)	-
Defined benefit scheme pension liability	22	(838,000)	(4,114,000)
NET ASSETS		<u>6,278,724</u>	<u>2,221,126</u>
Funds			
Unrestricted	15	4,296,876	3,550,910
Restricted	15	1,932,467	1,893,335
Endowment	15	887,381	890,881
Pension	15	(838,000)	(4,114,000)
TOTAL FUNDS		<u>6,278,724</u>	<u>2,221,126</u>

The notes on pages 19 to 41 form part of these accounts.

These financial statements were approved and authorised for issue by the Board of Trustees on 22 December 2022 and were signed on its behalf by:



Mr Niels de Vos
Chair

Registered No: 07737797

BIRMINGHAM MUSEUMS TRUST

Consolidated Cash Flow Statement For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash used in operating activities	a	768,096	1,637,601
Cash flows from investing activities	b	(56,665)	(261,222)
Increase in cash during the year		711,431	1,376,379

(a) Cash used in operating activities

	2022 £	2021 £
Net incoming / (outgoing) resources	91,466	(738,168)
Adjustments for non-cash items:		
Depreciation and amortisation	993,655	988,325
Pension fund provision	262,000	597,000
(Increase)/decrease in stocks	(14,444)	44,369
(Increase)/decrease in debtors	(523,634)	(35,965)
(Decrease)/Increase in creditors	(565,947)	782,040
(Decrease)/increase in provision	525,000	-
Net cash inflow from operating activities	768,096	1,637,601

(b) Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(56,665)	(261,222)
Purchase of intangible fixed assets	-	-
Net cash outflow from investing activities	(56,665)	(261,222)

(c) Analysis of movements in cash and cash equivalents

	2022 £	2021 £
Increase in cash and cash equivalents in the year	711,431	1,376,379
Cash and cash equivalents at the beginning of the year	3,259,46	1,883,088
Total cash and cash equivalents at the end of the year	3,970,898	3,259,466

(d) Analysis by cash and debt

	As At April 2021 £	Cashflows £	As at March 2022 £
Cash at Bank and in hand	3,259,467	711,431	3,970,898
Debt due after one year	506,276	(91,508)	414,768
Debt due within one year	97,034	-	97,034
	3,862,777	619,923	4,482,700

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements

1. General information

Birmingham Museum trust is a charitable company limited by guarantee, incorporated and domiciled in England and Wales (Company number 07737797, Charity number 1147014). The Trust has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

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

2. Statement of principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Basis of accounting

The financial statements have been prepared under the Companies Act 2006 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) (effective 1 January 2019) – (charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are prepared in sterling, to the nearest £1, which is the functional currency of the group and the charity.

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 charity's accounting policies (see note 3).

The financial statements have been prepared on a going concern basis. The Directors 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.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements of Birmingham Museums Trust include the financial statements of the charitable company, its subsidiary trading company Birmingham Museums Trading Limited, and its subsidiary charity Thinktank Trust. The results of the subsidiaries, as disclosed in note 17 are consolidated on a line by line basis within the consolidated statement of financial activities.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The results of the standalone charity are summarised in note 17.

Statement of financial activities

The incoming resources and resources expended by the Birmingham Museums Trust are detailed below, together with respective accounting treatments.

Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, receipt is probable, and the amount 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.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

2. Statement of principal accounting policies (*continued*)

Donations and gifts

Cash donations are included when received.

Legacies

Income is recognised on an accruals basis to the extent that Birmingham Museums Trust has been notified that it is a beneficiary, receipt is probable and there is a clear indication of the amounts involved.

Grants receivable including government grants

Grants are recognised in the consolidated statement of financial activities when the conditions for receipt have been complied with.

Trading income

Turnover from the staging of events, retail shops and catering outlets operated by Birmingham Museums Trading Limited represents the value of goods sold net of VAT.

Income from investments

Investment income is accounted for on an accruals basis.

Sponsorship in kind

Sponsorship in kind includes provision of commercial services. Such incoming resources are included in the Consolidated 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 charity of the service received, being the price, the charity 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 receivable which are allocated by the donor for specific purposes. Within restricted funds, endowment funds represent donations receivable which on the instruction of the donor are to be set aside and along with the income applied for a specific purpose. The aim and use of such funds are set out in the notes to the financial statements.

Unrestricted funds

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

Pension funds

Pension funds represent funds relating to the West Midlands Defined Benefit Pension Scheme. 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 Birmingham Museums 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.

Raising funds

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 the Birmingham Museums and Art Gallery.

Governance Costs

Governance costs comprise direct costs involving Birmingham Museum's Trust's strategic management and its compliance with legal, constitutional and statutory requirements. These costs include costs related to statutory audit and legal fees.

Redundancy Costs

All redundancy costs and termination payments are recognised in the year.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

2. Statement of principal accounting policies (*continued*)

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 Birmingham Museums Trust and support departments have been allocated to other functions based on the time they consume in pursuing the objectives of Birmingham Museums 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 Consolidated Statement of Financial Activities in the year in which they arise.

Pension costs

The charitable company operates a stakeholder compliant Group Personal Pension Scheme open to all employees.

Certain former staff of Birmingham City Council are members of the West Midlands Pension Scheme which is a defined benefit scheme based on final pensionable salary.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Consolidated Statement of Financial Activities.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in profit or loss.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that BMT has a legal or constructive obligation to settle the liability.

The assets of the scheme are held separately from those of the Trust in an independently administered fund.

Taxation

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

In the subsidiary financial statements, the policy is to distribute all taxable profits to Birmingham Museums Trust via gift aid.

Stocks

Stocks are valued at the lower of cost and net realisable value.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

2. Statement of principal accounting policies (*continued*)

Tangible and intangible fixed assets

Operating assets

Operating assets are stated at cost less depreciation/amortisation.

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
Hardware	3 to 5 years
Software	3 to 5 years

Depreciation commences in April following the year of purchase.

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.

Fixed asset investments

Investments are held at cost less any permanent diminution in value.

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 with the exception of loans which are subsequently measured at amortised cost using the effective interest method.

Related party transactions

Birmingham Museums Trust is the parent undertaking within a group that prepares consolidated financial statements. Related party transactions are disclosed at note 20.

3. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Operating lease commitments

The group 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 group 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. We consider there is no value to be recognised in the peppercorn leases held by Birmingham Museum Trust or the commercial lease held by Thinktank Trust. Leasehold improvements are recognised as assets when it is appropriate to do so.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

3. Judgements and key sources of estimation uncertainty (*continued*)

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

Pension and other post-employment benefits

The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Future salary increases and pension increases are based on expected future inflation rates. Further details are given in note 22.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the group 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.

Impairment of debtors

The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management consider them individually reviewing the ageing profit of the balance and the historical experience.

Obsolete stock provision

At each balance sheet date, stocks are reviewed for impairment. If stock is impaired the carrying value is reduced. The provision is based upon a percentage reduction linked to the age of the stock item and its sales history.

4. Analysis of incoming resources

	2022	2021
	£	£
General Restricted Funds		
Aston Hall Refurbishment	3,500	-
Bangladesh 50	-	19,090
BMOSI	150,000	-
Commonwealth Games	28,950	-
Esmée Fairbairn Collections Fund	-	30,000
HS2 SA Strategy	379,256	-
Millennium Point Trust	98,750	200,000
Minibrum	77,292	122,345
Museums for Birmingham	-	(133,094)
Portable Antiquities Scheme	97,239	88,710
Rent and Service Charge Grant	1,417,000	1,417,000
Rewiring Project	1,276,523	-
Sarehole Bakehouse	-	10,750
The Big Store	-	(54,374)
Wildlife Photographer of the Year	-	18,031
WCF - 97011	590,000	-
Other	128,515	38,025
	4,247,025	1,756,483
Endowment Fund	-	-
Total Restricted Funds	4,247,025	1,756,483
Designated Funds (Unrestricted)		
Arts Council England (National Portfolio Organisation)	1,026,107	1,026,107

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

4. Analysis of incoming resources (*continued*)

	2022 £	2021 £
General Unrestricted Funds		
Other Grants Receivable and Other Income	434,754	874,134
Furlough Income	72,193	1,108,783
CRF Grant	820,841	1,872,750
Donations	23,541	115,408
Birmingham City Council Fees	3,283,000	3,233,000
Visitor Admissions and Outreach Income	1,572,553	56,187
Rental Income	14,082	3,015
Trading Activities	797,234	414,764
	7,018,198	7,678,041
Total Unrestricted Funds	8,044,305	8,704,148
Total Incoming Resources	12,291,330	10,460,631

Total furlough income received in 21-22 was £0.098m (20-21 £1.357m) of which £0.026m related to the Birmingham Museums Trading Limited and is shown above in Trading Activities.

5. Analysis of total resources expended

	Fundraising £	Museum Costs £	Governance £	2022 £	2021 £
Costs directly allocated to activities					
Staff costs	8,847	3,101,838	-	3,110,685	3,321,436
Marketing	-	159,402	-	159,402	143,207
Maintenance	-	442,169	-	442,169	389,449
Finance and Administration	-	10,790	36,437	47,227	32,332
Other operating expenditure	-	5,845,640	-	5,845,640	4,339,465
Depreciation / Amortisation	-	993,655	-	993,655	988,326
Direct Costs Total	8,847	10,538,494	36,437	10,583,778	9,214,215
Support costs allocated to activities					
Staff costs	-	1,143,367	-	1,143,367	1,207,344
Finance and Administration	-	190,230	-	190,230	133,459
Professional fees	-	20,489	-	20,489	46,782
Pension Fund charges	-	262,000	-	262,000	597,000
Support Costs Total	-	1,616,086	-	1,616,086	1,984,585
Total Costs	8,847	12,154,580	36,437	12,199,864	11,198,799

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

6. Analysis of total resources expended (*continued*)

Total resources expended include:

	2022 £	2021 £
Depreciation	944,151	927,540
Amortisation	49,503	60,785
Provision for liabilities and charges (note 25)	525,000	-
Auditor's remuneration – audit of these financial statements	31,450	21,625
Auditor's remuneration – audit of financial statements of subsidiaries	-	-
Auditor's remuneration – non-audit services	10,550	-
Operating lease charges: land and buildings	635,496	619,451
Operating lease charges: other than land and buildings	12,870	8,104

7. Key management remuneration and Trustees' expenses

The key management personnel of the parent company, the Trust, comprise the Trustees and the senior management team as defined in the Trustees' Report. The total employee benefits of the key management personnel of the Trust were £460k (2021: £469k).

The key management personnel of the group comprise those of the Trust and its wholly owned subsidiaries Thinktank Trust and Birmingham Museums Trading Limited. The key management personnel are responsible for the group as a whole and it is not possible to split their employee benefits between each individual entity.

An amount of £9,520 (2021: £1,680) was paid in respect of Trustees and Officers Liability Insurance. The Trustees received no remuneration in the year other than reimbursement of expenses. A total of £Nil (2021: Nil) was reimbursed (2021: Nil) to trustees in respect of expenses mainly related to travel.

8. Employee numbers and costs

a. Average number of persons employed

	Number 2022	Number 2021
Fundraising	1	2
Museum	120	147
Support and administration	26	31
	147	180

b. Full Time Equivalent employed

	FTE 2022	FTE 2021
Fundraising	0	2
Museum	100	121
Support and administration	20	26
	120	149

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

8. Employee numbers and costs (*continued*)

c. Employee costs	2022	2021
	£	£
Wages and Salaries	3,772,708	3,977,353
Social Security costs	278,466	301,169
Pension costs	202,878	250,258
	4,254,052	4,528,780

Included within wages and salaries figure is an amount of £384k (2021: £111k) in respect of temporary staff costs, £108k (2020: £154k) in respect of casual staff and £36k in respect of redundancy and settlement costs, of which £19k of redundancy costs was funded by the Cultural Recovery Fund.

d. Higher paid employees

The number of employees whose emoluments, including pension contributions, fell within the following bands are:

	2022	2021
	Number	Number
£100,000 to £109,999	-	-
£90,000 to £99,999	-	-
£80,000 to £89,999	1	1
£70,000 to £79,999	-	-
£60,000 to £69,999	3	3

e. Birmingham Museums Trading Limited

Included in the above staff costs, the subsidiary Birmingham Museums Trading Limited was recharged for 22 staff members (2020: 58 staff) whose costs are wholly or partly included within the results of the subsidiary given at note 17.

The employment costs incurred by Birmingham Museums Trading Limited were:

	2022	2021
	£	£
Wages and Salaries	393,225	449,087
Social Security costs	22,946	28,446
Pension costs	5,798	9,254
	421,969	486,787

Included within wages and salaries above is an amount of £45k (2021: £4k) in respect of temporary staff.

None of the Directors of Birmingham Museums Trading Limited received any remuneration in their capacity as Directors.

f. General volunteers

Over 346 (2020: 1,119) volunteers supported BMT, giving us over 3,530 hours (2020: 24,221 hours) of their time across all venues. Volunteers welcomed and engaged visitors to our venues, conservation cleaned objects and our sites, supported family activities, worked with our curators, gardened and assisted with our documentation.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

9. Fixed Assets

a) Tangible Fixed Assets

Group	Leasehold Improvements £	Plant and Equipment £	Fittings £	Equipment £	Total £
Cost					
At 1 April 2021	5,843,831	800,142	8,241,575	864,139	15,749,687
Additions	56,665	-	-	-	56,665
Disposals	-	-	-	-	-
At 31 March 2022	5,900,496	800,142	8,241,575	864,139	15,806,352
Depreciation					
At 1 April 2021	5,374,409	596,061	6,254,386	730,127	12,954,983
Charge for the year	54,443	83,973	746,641	59,095	944,152
At 31 March 2022	5,428,852	680,034	7,001,027	789,222	13,899,135
Net Book Value At 31 March 2022	471,644	120,108	1,240,548	74,917	1,907,217
Net book Value At 31 March 2021	469,419	204,081	1,987,189	134,013	2,794,704

All fixed assets are held for charitable purposes.

Capital expenditure contracted for, but not provided in the financial statements, was £Nil (2021: £Nil.).

Company	Leasehold Improvements £	Plant and Equipment £	Fittings £	Computer Equipment £	Total £
Cost					
At 1 April 2021	634,965	625,483	3,007,303	725,027	4,992,778
Additions	56,665	-	-	-	56,665
Disposals	-	-	-	-	-
At 31 March 2022	691,630	625,483	3,007,303	725,027	5,049,443
Depreciation					
At 1 April 2021	165,543	433,768	1,702,987	591,015	2,893,313
Charge for the year	54,443	79,275	335,960	59,095	528,773
At 31 March 2022	219,986	513,043	2,038,947	650,110	3,422,086
Net Book Value At 31 March 2022	471,644	112,440	968,356	74,917	1,627,357
Net Book Value At 31st March 2021	469,422	191,715	1,304,316	134,012	2,099,465

All fixed assets are held for charitable purposes.

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

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

9. Fixed Assets (*continued*)

b) Intangible Fixed Assets

Group and Company	Software £
Cost	
At 1 April 2021	232,627
Additions	-
At 31 March 2022	232,627
Depreciation	
At 1 April 2021	135,845
Charge for the year	49,503
At 31 March 2022	185,348
Net Book Value At 31 March 2022	47,279
Net Book Value At 31 March 2021	96,782

10. Stocks

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Goods for resale	164,809	-	150,365	-

Stock recognised as expense during the year was £241k (2021: £102k)

11. Debtors

Amounts due in one year

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Trade debtors	361,316	263,338	802,007	689,068
Amounts owed by group companies	-	2,615,828	-	1,922,530
Tax and social security	-	44,599	393,598	229,066
Other debtors	158,356	99,143	16,496	4,769
Prepayments and accrued income	1,314,160	926,423	92,572	92,572
Amounts owed by group companies - Loan	-	132,669	-	56,859
Loan from BCC	91,508	91,508	97,034	97,034
	1,925,340	4,173,508	1,401,707	3,090,898

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

11. Debtors (*continued*)

Amounts due after more than one year:

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Birmingham City Council	414,768	414,768	506,276	506,276
Inter Company Loan	-	94,762	-	170,572
	414,768	509,530	506,276	676,848

12. Creditors

Amounts due within one year:

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Trade creditors	1,325,719	1,321,441	826,063	825,034
Tax and social security	140,182	70,246	60,497	60,497
Loan from Birmingham City Council	91,508	91,508	97,034	97,034
Other creditors	7,768	7,768	47,527	43,427
Accruals and deferred income	71,777	44,146	1,171,782	1,154,844
	1,636,954	1,535,109	2,202,902	2,180,836

Amounts due after more than one year:

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Loan from Birmingham City Council	414,768	414,768	506,276	506,276

Deferred income (group and company)

Deferred income comprises grants received in advance of expenditure.

	Group £	Company £
Balance as at 1 April 2021	939,333	939,333
Amount released to income from Charitable Activities	(939,333)	(939,333)
Amount deferred in year	10,668	10,668
Balance as at 31 March 2022	10,668	10,668

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

13. Financial instruments

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through statement of financial activities	3,970,898	3,233,927	3,259,467	3,058,247
Financial assets that are debt instruments measured at amortised cost	1,138,046	3,491,683	1,718,376	3,407,568
	5,108,944	6,725,610	4,977,843	6,465,815

Financial liabilities

Financial liabilities measured at amortised cost	1,971,119	1,939,208	1,570,333	1,548,267
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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, other taxation and social security, amounts owed to group undertakings, accruals and a loan from Birmingham City Council as explained below.

Birmingham City Council Loan

The loan falls due for repayment as follows:

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Within one year	91,508	91,508	97,034	97,034
In 1-2 years	85,136	85,136	91,507	91,507
In 2-5 years	207,591	207,591	232,540	232,540
Over 5 years	122,041	122,041	182,229	182,229
	506,276	506,276	603,310	603,310

The above unsecured loan is held by Birmingham Museums Trust. The loan was approved by Birmingham City Council in March 2012 with interest charged at 4.5% per annum and is repayable commencing 1 April 2012 and terminating on 1 January 2031. The loan was made to Thinktank Trust then transferred to Birmingham Museums Trust in April 2012.

In addition, Birmingham City Council has identified a source of funding and will not less than 5 business days in advance of each interest payment date grant aid to BMT a sum equivalent to the amount of interest and capital required to be paid by BMT to Birmingham City Council, to be held on trust by BMT and hypothecated to the payments of the loan as they fall due.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

14. Funds Analysis - consolidated

Restricted funds in the consolidated and charity accounts comprise the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

	Balance at 1 April 2021 £	Incoming Resources £	Outgoing Resources £	Funds Transfer £	Other Gain (Loss) £	Balance at 31 March 2022 £
General Restricted Funds						
Aston Hall Refurbishment	28,281	3,500	(22,113)	-	-	9,668
Bangladesh 50	11,440	-	(8,735)	(2,705)	-	-
BMOSI	-	150,000	139,281	-	-	10,719
Commonwealth Games	-	28,950	(17,250)	-	-	11,700
Esmée Fairbairn Collections Fund	25,701	-	-	(25,701)	-	-
HS2	(2,461)	379,256	(360,318)	(16,477)	-	-
Islamic Art & Material Culture	7,229	-	(7,624)	395	-	-
Made in Birmingham	307,994	-	(170,313)	-	-	137,681
Millennium Point Trust	96,167	98,750	(169,692)	-	-	25,225
Minibrium	1,379,323	77,292	(339,270)	-	-	1,117,345
Portable Antiquities Scheme	35,807	97,239	(87,321)	-	-	45,725
Rent and Service Charge Grant	-	1,417,000	(1,417,000)	-	-	-
Rewiring Project	(10,135)	1,276,523	(831,167)	(420,000)	-	15,221
Science for all Seasons	374,879	-	(240,368)	-	-	134,511
Spitfire Gallery	22,193	-	(12,419)	-	-	9,774
Staffordshire Hoard Gallery	159,831	-	(106,519)	-	-	53,312
Tessa Sidey Bequest	88,375	-	2,454	-	-	85,921
Welcome All	1,636	-	(409)	-	-	1,227
WCF-97011	-	590,000	(141,850)	-	-	448,150
Other	49,948	128,515	(78,921)	(1,061)	-	98,481
	2,576,208	4,247,025	(4,153,024)	(465,549)	-	2,204,660
Endowment Fund	890,881	-	(3,500)	-	-	887,381
Total Restricted Funds	3,467,089	4,247,025	(4,156,524)	(465,549)	-	3,092,041
Designated Funds						
Arts Council England – (National Portfolio Organisation)	394,064	1,026,107	(543,619)	(875,624)	-	928
CRM / Ticketing	-	-	-	-	-	-
	394,064	1,026,107	(543,619)	(875,624)	-	928
General Unrestricted Funds						
General Fund	1,887,658	6,220,964	(6,495,611)	1,341,173	-	2,954,184
Trading Reserve	(248,690)	797,234	742,110	-	-	(193,566)
	1,638,968	7,018,198	(7,237,721)	1,342,173	-	2,760,618
Total Unrestricted Funds	2,033,032	8,044,305	(7,781,340)	465,549	-	2,761,546
Pension Deficit	(4,114,000)	-	(262,000)	-	3,538,000	(838,000)
Total Funds	1,386,121	12,291,330	(12,199,864)	-	3,538,000	5,015,587

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

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

14. Funds analysis - consolidated (*continued*)

Restricted capital funds represent monies received for the purchase of specific assets. The funds will be expended over the life of the related asset.

Restricted funds

The restricted funds held at the year-end are to be applied for the purposes of the specific projects (as shown under the headings above) to develop:

- a. Aston Hall Refurbishment - the project will, over a number of years, improve the storytelling and interpretation at Aston Hall so it's more representative and enables BMT to increase footfall to the site.
- b. British Council - Digital Collaboration Fund, partnership with the Bengal Foundation to create an artistic programme marking the 50th anniversary of Bangladeshi independence.
- c. Commonwealth Games - Birmingham 2022 Cultural Festival, We Are Birmingham (BMAG) Black British History: A Journey through the Life of Vanley Burke (Soho House). Exhibitions supported by Birmingham Organising Committee for the 2022 Commonwealth Games Limited.
- d. Esmée Fairbairn Collections Fund (MuseumStream) - a new programme combining digital resources, live streaming and museum objects to create an engagement experience for schools and communities.
- e. HS2 – Implementation of the sensitive artefact strategy to safeguard the collections held at the Museums' Collection Centre during the HS2 construction works
- f. Islamic Art and Material Culture - A subject specialist network; grant from Arts Council England.
- g. Made in Birmingham - Gallery at Thinktank; this fund is being released as the asset depreciates.
- h. Millennium Point Trust - Grant to support programmes and projects at Thinktank, Birmingham Science Museum.
- i. Minibrum – New gallery and education programme, grants from Inspiring Science Fund co-funded by the Department for Business, Energy & Industrial Strategy (BEIS), UK Research and Innovation (UKRI) and Wellcome, Garfield Weston Foundation, Stavros Niarchos Foundation, The Wolfson Foundation, The 29th May 1961 Charity, Grimmitt Trust, Rowlands Trust and other donors.
- j. Portable Antiquities Scheme - Recording archaeological objects found by members of the public in England and Wales; DCMS grant support, administered by the British Museum.
- k. Rent and Service Charge Grant - Grant support from Birmingham City Council at Thinktank.
- l. Rewiring Project – BCC funding for the collections and non-collections packing, decant, and temporary storage as well as re-installation due to rewiring of the Council House complex including BMAG
- m. Science for All Seasons - The Science Garden at Thinktank was completed prior to 2012 and this fund will be released as the asset is depreciated.
- n. Spitfire Gallery - Opened at Thinktank in March 2015; grants (various funders) and public donations. This fund will be released as the asset is depreciated.
- o. Staffordshire Hoard Gallery - Opened at the Museum & Art Gallery in October 2014; grant support (various funders and public donations) for the gallery refurbishment, and Hoard replicas and conservation. This fund will be released as the asset is depreciated.
- p. Tessa Sidey Bequest – A bequest in the will of Tessa Sidey (1955-2011) a curator at BMAG (1983-2011) to "buy major print acquisitions".
- q. Welcome All - project to improve access at the Museum & Art Gallery; grant support from DCMS/Wolfson Museum & Art Galleries Improvement Fund 2011-16, Friends of Birmingham Museums Trust and City of Birmingham Museums & Galleries Development Trust, and Arts Council England Major Partner Museum funding 2015-18. This fund will be released as the asset is depreciated.
- r. WCF-97011 – Garfield Weston fund to invest in our digital offer and technology infrastructure.

Endowment fund

This represents the Ivan Witton legacy income.

Designated funds

National Portfolio Organisation - Grant funding from Arts Council England to deliver an agreed programme in support of ACE's goals. This grant represents the third year of a four year agreement for 2018-22.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

14. Funds analysis - consolidated (*continued*)

Restricted funds in the consolidated and charity accounts comprise the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

Prior Year

	Balance at 1 April 2020 £	Incoming Resources £	Outgoing Resources £	Funds Transfer £	Other Gain (Loss) £	Balance at 31 March 2021 £
General Restricted Funds						
Aston Hall Refurbishment	37,116	-	(8,835)	-	-	28,281
Collecting Birmingham	359	-	(359)	-	-	-
Bangladesh 50	-	19,090	(7,650)	-	-	11,440
Esmée Fairbairn Collections Fund	-	30,000	(4,299)	-	-	25,701
HS2	-	-	(2,461)	-	-	(2,461)
Islamic Art & Material Culture	27,443	-	(20,214)	-	-	7,229
Made in Birmingham	479,524	-	(171,531)	-	-	307,993
Millennium Point Trust	120,527	200,000	(224,360)	-	-	96,167
Minibrum	1,543,880	122,345	(286,902)	-	-	1,379,323
Museums for Birmingham	79,594	(133,094)	-	53,500	-	-
NAWM Graduate Showcase	25,160	-	-	(25,160)	-	-
Portable Antiquities Scheme	29,347	88,710	(82,250)	-	-	35,807
Rent and Service Charge Grant	-	1,417,000	(1,417,000)	-	-	-
Rewiring Project	-	-	(10,135)	-	-	(10,135)
Sarehole Mill Conservation	-	10,750	(20,804)	10,054	-	-
Science for all Seasons	622,197	-	(247,318)	-	-	374,879
Spitfire Gallery	34,864	-	(12,671)	-	-	22,193
Staffordshire Hoard Gallery	268,291	-	(108,460)	-	-	159,831
Tessa Sidey Bequest	88,375	-	-	-	-	88,375
The Big Store	54,374	(54,374)	-	-	-	-
Wildlife Photographer	(18,260)	18,031	(17,737)	17,966	-	-
Welcome All	31,913	-	(30,277)	-	-	1,636
Other	25,996	38,025	(26,757)	12,685	-	49,949
	3,450,700	1,756,483	(2,700,020)	69,045	-	2,576,208
Endowment Fund	897,881	-	(7,000)	-	-	980,881
Total Restricted Funds	4,348,581	1,756,483	(2,707,020)	69,045	-	3,467,089
Designated Funds						
Arts Council England – (National Portfolio Organisation)	55,215	1,026,107	(687,258)	-	-	394,064
CRM / Ticketing	-	-	-	-	-	-
	55,215	1,026,107	(687,258)	-	-	394,064
General Unrestricted Funds						
General Fund	1,217,548	7,263,277	(6,524,122)	(69,045)	-	1,887,658
Trading Reserve	19,945	414,764	683,399	-	-	(248,690)
	1,237,493	7,678,041	(7,207,521)	(69,045)	-	1,638,968
Total Unrestricted Funds	1,292,708	8,704,148	(7,894,779)	(69,045)	-	2,033,032
Pension Deficit	(1,043,000)	-	(597,000)	(2,474,000)	(4,114,000)	
Total Funds	4,598,289	10,460,631	(11,198,799)	-	(2,474,000)	1,386,121

A detailed review of fund balances was undertaken and adjustments made, shown as funds transfers. The carry forward balance reflects the net book value of assets in the relevant fund balance.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

15. Funds analysis - Company

The charity holds restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

	Balance at 1 April 2021 £	Incoming Resources £	Outgoing Resources £	Funds Transfer £	Other Gain (Loss)	Balance at 31 March 2022 £
Restricted Funds						
Aston Hall Refurbishment	28,281	3,500	(22,113)	-	-	9,667
Bangladesh 50	11,440	-	(8,735)	(2,705)	-	-
BMOSI	-	150,000	139,281	-	-	10,719
Commonwealth Games	-	28,950	(17,250)	-	-	11,700
Esmée Fairbairn Collections Fund	25,701	-	-	(25,701)	-	-
Islamic Art & Material Culture 2015-18	7,229	-	(7,624)	(395)	-	-
HS2	(2,461)	379,256	(360,318)	(16,477)	-	-
Millennium Point Trust	96,167	98,750	(169,692)	-	-	25,225
MiniBrum	1,379,323	77,292	(339,270)	-	-	1,117,346
Portable Antiquities Scheme	35,807	97,239	(87,321)	-	-	45,726
Rewiring Project	(10,135)	1,276,523	(831,168)	(420,000)	-	15,220
Spitfire Gallery	22,193	-	(12,419)	-	-	9,773
Staffordshire Hoard Gallery	159,831	-	(106,518)	-	-	53,312
Tessa Sidey Bequest	88,375	-	2,454	-	-	85,921
Welcome All	1,636	-	(409)	-	-	1,227
WCF-97011	-	590,000	(141,850)	-	-	448,150
Other	49,949	128,515	(78,921)	(1,061)	-	98,479
	1,893,335	2,830,024	(2,325,344)	(465,549)	-	1,932,467
Endowment Funds						
Ivan Witton Legacy (including interest receivable)	890,881		(3,500)	-	-	887,381
Total Restricted Funds	2,784,216	2,830,024	(2,328,844)	-	-	2,819,848
Designated Funds						
Arts Council England (Major Partner Museums 2015-18)	394,064	1,026,107	(543,618)	(875,624)	-	928
Unrestricted Funds	3,156,846	6,220,965	(6,423,038)	1,341,173	-	4,295,948
Total Unrestricted Funds	3,550,910	7,247,072	(6,996,656)	465,549	-	4,296,875
Pension Deficit	(4,114,000)	-	(262,000)	-	3,538,000	(838,000)
Total	2,221,126	10,077,097	(9,557,500)	-	3,538,000	6,278,724

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

15. Funds analysis - company (*continued*)

Prior Year

	Balance at 1 April 2020 £	Incoming Resources £	Outgoing Resources £	Funds Transfer £	Other Gain (Loss)	Balance at 31 March 2021 £
Restricted Funds						
Arts Council Collection National Partners Fund	-	-	-	-	-	-
Aston Hall Refurbishment	37,116	-	(8,835)	-	-	28,281
Collecting Birmingham	358	-	(358)	-	-	-
Bangladesh 50	-	19,090	(7,650)	-	-	11,440
Esmée Fairbairn Collections Fund	-	30,000	(4,299)	-	-	25,701
Islamic Art & Material Culture 2015-18	27,443	-	(20,214)	-	-	7,229
HS2	0	-	(2,461)	-	-	(2,461)
Millennium Point Trust	120,527	200,000	(224,360)	-	-	96,167
MiniBrum	1,543,881	122,345	(286,902)	-	-	1,379,324
Museums for Birmingham	79,594	(133,094)	-	53,500	-	-
NAWM Graduate Showcase	25,160	-	-	(25,160)	-	-
Portable Antiquities Scheme	29,348	88,710	(82,250)	-	-	35,809
Rewiring Project	-	-	(10,135)	-	-	(10,135)
Sarehole Mill Conservation	-	10,750	(20,804)	10,054	-	-
Spitfire Gallery	34,864	-	(12,671)	-	-	22,193
Staffordshire Hoard Gallery	268,291	-	(108,460)	-	-	159,831
Tessa Sidey Bequest	88,375	-	-	-	-	88,375
The Big Store	54,374	(54,374)	-	-	-	-
Wildlife Photographer	(18,260)	18,031	(17,737)	17,966	-	-
Welcome All	31,913	-	(30,277)	-	-	1,636
Other	25,995	38,025	(26,757)	12,685	-	49,948
	2,348,979	339,483	(864,171)	69,045	-	1,893,335
Endowment Funds						
Ivan Witton Legacy (including interest receivable)	897,881	-	(7,000)	-	-	890,881
Total Restricted Funds	3,246,860	339,483	(871,171)	69,045	-	2,784,216
Designated Funds						
Arts Council England - (Major Partner Museums 2015-18)	55,215	1,026,107	(687,258)	-	-	394,063
Unrestricted Funds	2,194,996	7,263,278	(6,232,382)	(69,045)	-	3,156,846
Total Unrestricted Funds	2,250,211	8,289,384	(6,919,640)	(69,045)	-	3,550,910
Pension Deficit	(1,043,000)	-	(597,000)	-	(2,474,000)	(4,114,000)
Total	4,454,070	8,628,867	(8,387,811)	-	(2,474,000)	2,221,126

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

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

16. Analysis of net assets between funds - consolidated

	Restricted £	Pension £	Unrestricted £	Total £
Fixed Assets	1,468,742	-	485,754	1,954,496
Net Current Assets	1,623,300	-	3,215,559	4,838,859
Creditors (amounts falling due after more than one year)	-	(838,000)	(414,768)	(1,25,768)
Provision for liabilities and charges			525,000	525,000
Total as At March 2022	3,092,042	(838,000)	3,761,545	5,015,587
Fixed Assets	2,222,499	-	668,986	2,891,485
Net Current Assets	1,244,588	-	1,870,325	3,114,912
Creditors (amounts falling due after more than one year)	-	(4,114,000)	(506,276)	(4,620,276)
Total as At March 2021	3,467,087	(4,114,000)	2,033,034	1,386,121

17. Financial performance of undertakings

Company Statement of Financial Activities

The consolidated statement of financial activities includes the results of the company's subsidiaries, Birmingham Museums Trading Limited and Thinktank Trust. The summary financial performance of the company alone is:

	2022 £	2021 £
Income	10,077,097	8,628,867
Gift Aid from subsidiary company	-	-
Total Income	10,077,097	8,628,867
Expenditure on Charitable Activities	(9,557,500)	(8,387,811)
Net Income	519,596	241,056
Other recognised gains/(losses)	3,538,000	(2,474,000)
Net Movements in funds	4,057,596	(2,232,944)
Total funds brought forward	2,221,126	4,454,070
Total Funds carried forward	6,278,724	4,221,126
Represented by:		
Unrestricted income funds	4,296,875	3,550,910
Restricted funds	2,819,849	2,784,217
Pension	(838,000)	(4,114,000)
Net Funds	6,278,724	2,221,126

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

17. Financial performance of undertakings (*continued*)

The summary financial performance of the wholly owned subsidiaries are as follows:

Birmingham Museums Trading Limited

Registered Company Number: 04221635

Registered Address: Chamberlain Square
Birmingham
B3 3DH

	2022 £	2021 £
Profit & Loss Account		
Turnover	797,234	414,764
Cost of Sales	(267,754)	(148,270)
Gross Profit	529,480	266,494
Administrative expenses	(474,356)	(535,129)
Profit on ordinary activities before Gift Aid	55,124	(268,635)
Gift Aid to parent undertaking	-	-
Retained Profit / (Loss) for the year	55,124	(268,635)
The aggregated assets and liabilities of the subsidiary were		
Assets	897,087	493,621
Liabilities	(1,090,653)	(742,311)
Net Funds	(193,566)	(248,690)

Thinktank Trust

Registered Company Number: 03239119

Registered Address: Chamberlain Square
Birmingham
B3 3DH

	Unrestricted funds £	Restricted funds £	Total funds £
Total incoming resources	-	1,417,000	1,417,000
Total resources expended	(72,573)	(1,827,681)	(1,900,254)
Net incoming / (outgoing) resources	(72,573)	(1,827,681)	(483,254)
Transfer between funds	-	-	-
Net movement in funds	(72,573)	(410,681)	(483,254)
Fund balances brought forward	(1,269,189)	682,873	(586,316)
Fund balances carried forward	(1,341,762)	272,192	(1,069,570)

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

18. 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.

19. Financial Commitments

Debentures and charges

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 2022 the group's net receivable in respect of VAT was £70k (2021: receivable £394k).

20. Related Party Transactions

During the year, the Company conducted the following transactions with its two subsidiaries, ThinkTank Trust and Birmingham Museums Trading Limited, and had the following debt positions with these subsidiaries at 31 March 2022.

Birmingham Museums Trading Limited

The Company levied a management charge on Birmingham Museums Trading Limited for the year ended 31 March 2022 amounting to £422k (2021: £486k). The management charge for both years includes the recharge of staff by the Company to Birmingham Museum Trading as disclosed in Note 8e to the consolidated financial statements.

Birmingham Museums Trading Limited made a gift aid donation to the Company of £nil for the year ended 31 March 2022 (2021: Nil) as disclosed in Note 17 to the consolidated financial statements.

At 31 March 2022, the Company was due an amount of £1,018k from Birmingham Museums Trading Limited (2021: £695k).

Thinktank Trust

The Company levied a management charge on Thinktank Trust for the year ended 31 March 2022 amounting to Nil.

At 31 March 2022, the Company was due an amount of £1,820k (2021: £1,452k) from Thinktank Trust.

At 31 March 2022, Birmingham Museums Trading Limited was due an amount of £15k from Thinktank Trust (2021: Nil)

Birmingham City Council (BCC)

In addition to the above listed related party transactions, the following transactions took place with BCC, the sole member of the Company, during the year.

BCC received services from the Company and contractual payments received in the year by the Company for services undertaken amounted to a fixed fee of £3.283m (2021: £3.233m) and variable performance payments amounting to £1.573m (2021: £0.056m).

The Company has an outstanding loan with BCC as disclosed in Notes 11 and 12.

BCC funded £831k for the rewiring project and provided compensation of £420k for loss of earnings.

In addition, Thinktank Trust received a grant from BCC of £1.417m during the year (2021: £1.417m) to assist in the provision of lease payments on Thinktank to Millennium Point Property Ltd.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

21. Members

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 £10 in the event of the company being wound up. At 31 March 2022 Birmingham City Council was the sole member of Birmingham Museums Trust.

22. Pension Schemes

The company operates Defined Benefit and Defined Contribution Schemes.

Defined Benefit Scheme

The defined benefit pension scheme is accounted for in accordance with applicable accounting standards within the United Kingdom. As a consequence, a liability of £838k (2021: £4,114k) is shown in BMT's consolidated balance sheet. However, in accordance with the terms and conditions of the Local Government Pension Scheme, any liability is reversed over time through an increase in the contribution from current members to the scheme, on a mutualised basis across the whole of Local Government Pension Scheme, and BMT is not required to specifically fund the deficit that relates to its current and deferred members.

The major assumptions used by the actuary were (in nominal terms):		At 31 March 2022	At 31 March 2021
Rate of increase in salaries		4.15%	3.85%
Rate of increase to pensions		3.15%	2.85%
Discount rate		2.75%	2.00%
Inflation assumption – CPI		2.95%	2.85%
Assumed life expectations on retirement at age 65 are:		At 31 March 2022	At 31 March 2021
Retiring today	Males	21.2	21.6
	Females	23.6	23.9
Retiring in 20 years' time	Males	22.9	23.4
	Females	25.4	25.8

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and appropriate risk margins.

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March 2022 £000	Fair value at 31 March 2021 £000
Equities	14,812	12,073
Gilts	-	2,041
Bonds	4,864	787
Property	1,547	1,481
Cash	884	1,225
Other	-	2,887
Fair value of plan assets	22,107	20,494
The actual return on assets over the year was		1,684
		10

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

22. Pension Schemes (*continued*)

Defined Benefit Scheme (*continued*)

The amounts recognised in the balance sheet are as follows

	2022	2021
	£000	£000
Present value of scheme liabilities	(22,945)	(24,608)
Fair value of scheme assets	22,107	20,494
Net pension liability	(838)	(4,114)

Analysis of the amount charged to Statement of Financial Activities:

Current service cost	364	340
Administration cost	-	12
Interest on the defined liability/(asset)	22	22
Total	386	374

Analysis of the amount recognised in other recognised gains and losses:

Actuarial (loss)/gain on scheme assets	1,232	(6,000)
Actuarial (loss)/gain on scheme liabilities	2,306	3,527
Actuarial (loss)/gain recognised	3,538	(2,474)

Changes to the present value of the defined benefit obligation:

Opening defined benefit obligations	24,608	18,153
Current service cost	364	340
Interest cost	493	425
Contributions by scheme participants	48	89
Actuarial loss/(gain)	(2,184)	6,233
Benefits paid	(352)	(202)
Past service cost	47	-
Changes in demographic assumptions	(122)	(232)
Experience loss/(gain) on defined benefit obligation	43	(198)
Closing defined benefit obligations	22,945	24,608

Changes in the fair value of plan assets

Opening plan assets	20,494	17,110
Interest on assets	409	403
Return on assets less interest	1,275	2,904
Other actuarial gains/(losses)	-	-
Administration expenses	-	(12)
Contributions by employers	233	202
Contributions by scheme participants	48	89
Benefits paid	(352)	(202)
Closing plan assets	22,107	20,494

The pension cost charge represents contributions payable by the trust and amounted to £250k (2021: £266k) for the defined benefit scheme.

BIRMINGHAM MUSEUMS TRUST

Notes to the Financial Statements (*continued*)

22. Pension Schemes (*continued*)

Defined Contribution Scheme

The charitable company operates a stakeholder compliant Group Personal Pension Scheme run by Standard Life PLC open to all employees. The Trust makes matching contributions to this scheme for employees making contributions, subject to a minimum contribution of 3% per month per employee.

23. Lease Commitments

Land and Building Leases

At 31 March 2022 the group had future minimum lease payments, in relation to land and building leases for Thinktank Trust at Millennium Point, under non-cancellable operating leases as follows:

	2022	2021
	£	£
Within one year	647,338	630,994
Between two to five years	2,755,282	2,685,718
More than five years	2,060,277	2,772,329
Total	5,462,847	6,089,042

The company had no leases in respect of land and buildings.

Other Operating Leases

At 31 March 2022 the group and company had future minimum lease payments, in relation to other operating leases, under non-cancellable operating leases as follows:

	Group	Company	Group	Company
	2022	2022	2021	2021
	£	£	£	£
Within one year	12,870	12,870	8,400	8,400
Between two to five years	12,904	12,904	10,500	10,500
More than five years	-	-	-	-
Total	25,775	25,775	18,900	18,900

24. Post Balance Sheet Events

There have been no post balance sheet events

25. Provisions for liabilities and charges

A provision has been made in respect of an ongoing HMRC VAT enquiry in relation to the calculation of the charitable group's partial exemption recovery rate.

The provision provides for underpaid VAT of £525k for the period October 2018 to March 2022. This estimate is based on a methodology that has, in principle, been agreed with HMRC. The timing of payments will become known once the enquiry formally concludes.