

# **BIRMINGHAM MUSEUMS TRUST**

## **ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

***BIRMINGHAM MUSEUMS TRUST***  
***Annual Report and Consolidated Financial Statements for the year ended***  
***31 March 2023***

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*BIRMINGHAM MUSEUMS TRUST*

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**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 <sup>th</sup> 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***

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## **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 2023. 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 (resigned 29 December 2022)  
 Councillor Robert Alden  
 Mr Clive Bawden  
 Dr Louise Brooke-Smith OBE  
 Rt Hon Liam Byrne MP (resigned 28 December 2022)  
 Mr Liam Darbon  
 Cllr Phil Davis MBE  
 Mr John Diviney  
 Ms Sapreena Kumari  
 Mr Jonnie Turpie MBE  
 Mrs Claire Williamson (resigned 29 March 2023)  
 Ms Elly Porter  
 Mr Tony Simpson  
 Ms Tracey Stephenson (appointed 29 March 2023)  
 Ms Jess Rose Phillips (appointed 26 July 2023)

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  
 Ms Sapreena Kumari (resigned 22 August 2022)  
 Mr John Diviney (appointed 18 July 2022)

### Thinktank Trust

Mr Niels de Vos

## **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.
<b>CAUSE</b> <b>Our Purposeful Vision</b>				
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 Toby Watley, Direct of Collections, Rachel Cockett, Director of Development (until March 2023), and Janine Eason, Director of Engagement.

### **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.

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## 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 2022/23

2022-23 has been a transitional year for Birmingham Museums Trust as the removal of COVID-19 restrictions saw us increase our public facing activities, while some impactful building-centred projects continued to focus our efforts.

2022 saw the partial re-opening of Birmingham Museum & Art Gallery (BMAG) in April, to coincide with the Birmingham 2022 Festival and Commonwealth Games. To mark this milestone we handed the museum over to a number of creatives, with a co-curated programme that included working with Don't Settle and Beatfrecks on We Are Birmingham, a contemporary re-display of the Round Room. In the Industrial Gallery, Birmingham Music Archive C.I.C. curated the In The Que display, SaVÅge K'lub created Vā TAMATEA, Kalaboration Arts worked in partnership with BMT to create Blacklash, and Flatpack worked in partnership with BMT to create Wonderland. Additional displays by BMT teams included Collection Stories and Unprecedented Times. Meanwhile the Gas Hall hosted the Found Cities, Lost Objects: Women in the City touring exhibition, curated by Lubaina Himid CBE in partnership with Arts Council Collection.

Evaluation showed that in 2022 BMAG attracted a younger more ethnically diverse audience. With BMAG seeing 409,784 visitors during its limited reopening.

BMAG closed again in Nov 2022 for the completion of the phase 2 electrical works and to also undertake essential roof repairs, heating improvements and lift replacements having been awarded just under £5m (BCC as grant recipient) of Arts Council England MEND funding to address long-standing and critical building issues.

In order to focus on the major work at Birmingham Museum & Art Gallery, we introduced a formal loans moratorium from May 2022, which meant that we lent to fewer venues in 2022-23, with a total of 65 objects lent to short term exhibitions, although 873 objects or groups of objects remained on long-term loan. However, a number of 'star' loans were displayed in major venues, including *The Rest on the Flight to Egypt* at the National Gallery, and more locally, *Erminia and the Shepherd*, *The Last of England*, and *Christ as the Man of Sorrows* at The Barber Institute, continuing to support the reach of the City's museum collection, contributing to almost 10 million visitors seeing loans from the collection at venues worldwide.

Elsewhere across BMT's sites we opened Phase 2 of Aston Hall's 'Aston Retold' programme in February 2023, with five new room displays. An Aston link also fed through at Thinktank, where exhibition sponsors National Grid supported the display of a new acquisition, part of the very large and well-known Windsor Street Gasholders. At Soho House, Blood and Fire, an evocative display of images by photographer Vanley Burke was staged in the Visitor Centre involving guest curators as a co-commissioned Birmingham Festival 2022 project.

Soho House itself remained closed to visitors during 2022-23, as did the Museum of the Jewellery Quarter, although both were featured as part of The Museum of Us, which also saw us loan items

Sarehole Mill remained open with the bakehouse continuing, while Blakesley Hall, the Tudor house a few miles from the centre of Birmingham, opened for the Summer season. Public access also returned at the Museum Collection Centre from March 2022. Along with Thinktank, this took our total visitors to 707,193 during the year.

An international co-consultancy project, Solidarity in Action Network, was established, where 10 BMT staff members, 10 local Birmingham partners, and 20 international partners from Greece, South Africa, Denmark,

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

Germany and Poland came together to understand over 5 sessions how we can work better with non-museum partners to tackle global issues through solidarity.

We were supported by 341 volunteers in FY 2022-2023. We launched, with Culture Central, the West Midlands Volunteer Futures project in collaboration with Creative Black Country, Stoke Creates and Open Theatre. Our Volunteering for Veterans project, a health and wellbeing project for ex-servicemen and women, who participated in the conservation of vintage motorcycles at the Museum Collection Centre, was brought to a close. The close of 2022-23 also saw the successful appointment of a new volunteer manager, who will ensure that volunteers will be re-engaged, and volunteering revitalised in 2023-24.

There were several key acquisitions during the year, including items from the *Eagle & Tun* pub – of UB40 'Red Red Wine' fame – that was demolished by HS2 as part of their Curzon St works. We also worked with significant speed and flexibility to ensure that BMT could acquire a range of items from the Commonwealth Games, including medals, participant outfits, and items from the opening and closing ceremonies. Purchases during the year included a number of works by artist Arpita Shah through Birmingham-based GRAIN Projects.

Balancing our acquisitions into the collection, as part of a sound and ethical approach to the management of the City's collection, we have normalised our approach to deaccessioning as a positive aspect of how we care for the collection, with 18 objects in irreparable poor condition deaccessioned this year. We also developed a pragmatic approach to disposing of items that are not formally part of the collection. Sharing our work on this within the sector, our Collections team has worked with the Museums Association in their review of museum disposals, with updated guidance due in 2023.

At the Museum Collection Centre, the Collections Care teams continued to undertake storage improvements, with an urgency dictated by the need to accommodate collections moved across from Birmingham Museum & Art Gallery. Investment into the improved storage of Natural Sciences material collated material, improved storage conditions, and created significant space. As part of this work, we also – for the first time – centralised all paper based collections documentation in a drive to make it more accessible to both staff and researchers, which was enabled by the move of the material from the basement of BMAG to the Museum Collection Centre.

The site also saw a denser period of HS2 related activity with the conclusion of enabling works by Severn Trent Water, diverting the drainage pipe that runs through the courtyard. We were particularly pleased that these works concluded largely without incident, leading to the handover to HS2's main works contractor, BBV, who prepared for their own works to commence.

This year also saw us develop a transformational programme of collections work, entitled Dynamic Collections, which we took to several funders. The programme is intended to democratise our use and management of the collection, creating opportunities for public participation, while ultimately moving us to a position where we can share publicly our collections information and images. Three strands of work, with funding from Arts Council England through our NPO Application, Esmée Fairbairn, and Fidelity, will allow three strands of work that contribute to this programme in 2023-24.

We continue to support BCC in the management of its Public Art portfolio and were particularly delighted this year to have been able to reassemble and relocate the Gas Workers War Memorial, now incorporated into a new Cadent facility (the successor company to the Gas Board). We also supported BCC in the return to the Public Realm of *Iron: Man of River and Youth* (the sculptural elements of the Victoria Square Fountain), and of *Boulton, Mudock and Watt*.

June 2022 saw the completion of the 'Birmingham: City of Ideas' Feasibility Study for a possible new science museum (and delivery model) in Birmingham since Thinktank's lease comes to an end in 2029. Working with project partners BCC, the Science Museum Group, and support from Greater Birmingham & Solihull LEP, the Study included a site options appraisal, masterplan and business case for a potential new flagship museum of science and industry alongside a dispersed and ongoing participation programme of STEM and cultural engagement across neighbourhoods co-created with Birmingham people.

### 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.



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

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.

### 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 2022/23.

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.

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

### **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.

### **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 and essential building repairs at BMAG continues. There was a partial reopening of BMAG in summer 2022 before it reclosed due to capital works. The museum will have a phased re-opening from 2025.
- Taking forward the feasibility study for the Birmingham: City of Ideas project which includes the development of a new flagship museum for science and industry to replace Thinktank.
- The next development phase of the Museum Collection Store, to ensure longer term sustainability of and access to the building and the collections

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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 continued to be 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 fully or partially closed for the majority of 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 £0.034m (2022: £0.036m). 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 announcement on 5 September 2023 of a Section 114 by Birmingham City Council may have implications for Birmingham Museums Trust going forward. The group's current funding agreement with BCC remains in force until 31 March 2026 and the official statements from BCC outline that existing contracts will continue to be honoured. However, as BCC continues to look at areas of cost saving in its budget setting process for the 2024/25 year onwards, the extent of the financial impact on the group is unknown at this stage.

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 2023 Restricted Funds stand at £2.285m (2022: £3.092m), Unrestricted Funds at £2.255m (2022: £2.762m) and a Pension Reserve of £NIL (2022: £0.838m deficit). Free reserves as at the 31 March 2023 were £1.654m (2022: £2.300m).

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. 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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## **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.

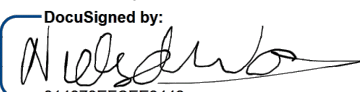
The Trustees are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for 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 15 December 2023 and signed on their behalf by:

DocuSigned by:  
  
814678F0CFE3442  
**Mr Niels de Vos**  
**Chair**

# ***BIRMINGHAM MUSEUMS TRUST***

## **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 2023 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 2023, 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***

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## **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 including fraud, but was not limited to, the following:

# ***BIRMINGHAM MUSEUMS TRUST***

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## **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 of fraud 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, 4<sup>th</sup> Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Date: 19 December 2023

# BIRMINGHAM MUSEUMS TRUST

## Consolidated Statement of Financial Activities For the year ended 31 March 2023

	Note	Unrestricted Funds £	Restricted & Endowment Funds £	Pension Funds £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and legacies		22,260	-	-	22,260	37,748
Investments						
Rental income		10,000	-	-	10,000	14,082
Interest receivable		13,305	-	-	13,305	729
Charitable activities						
Visitor admissions and outreach income		1,816,520	-	-	1,816,520	1,572,553
Grants receivable and other income		4,996,446	2,849,363	-	7,845,809	9,868,984
Other trading activities						
Income from trading activities of Subsidiary		1,607,196	-	-	1,607,196	797,234
<b>Total Income</b>	4	<b>8,465,727</b>	<b>2,849,363</b>	<b>-</b>	<b>11,315,090</b>	<b>12,291,330</b>
<b>Expenditure on:</b>						
Raising funds						
Expenses from trading activities of Subsidiary		(1,479,797)	-	-	(1,479,797)	(742,110)
Fundraising costs		-	-	-	-	(8,847)
Charitable activities						
Museum costs		(7,505,572)	(3,643,737)	(188,000)	(11,337,309)	(11,448,907)
<b>Total Expenditure</b>	5	<b>(8,985,369)</b>	<b>(3,643,737)</b>	<b>(188,000)</b>	<b>(12,817,106)</b>	<b>(12,199,864)</b>
<b>Net (expenditure)/income</b>		<b>(519,642)</b>	<b>(794,374)</b>	<b>(188,000)</b>	<b>(1,502,016)</b>	<b>91,466</b>
<b>Transfers between Funds</b>	14	<b>12,735</b>	<b>(12,735)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains</b>						
Actuarial (loss)/gain on scheme assets		-	-	(7,262,000)	(7,262,000)	1,232,000
Actuarial (loss)/gain on scheme liabilities		-	-	8,288,000	8,288,000	2,306,000
Net movement on pension fund	22	-	-	1,026,000	1,026,000	3,538,000
<b>Net movement in funds</b>		<b>(506,907)</b>	<b>(807,109)</b>	<b>838,000</b>	<b>(476,016)</b>	<b>3,629,466</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward		2,761,546	3,092,041	(838,000)	5,015,587	1,386,121
<b>Fund balance carried forward</b>		<b>2,254,639</b>	<b>2,284,932</b>	<b>-</b>	<b>4,539,571</b>	<b>5,015,587</b>

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.

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



# 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 £
<b>Income and endowments from:</b>						
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
<b>Total Income</b>	4	8,044,305	4,247,025	-	12,291,330	10,460,631
<b>Expenditure on:</b>						
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)
<b>Total Expenditure</b>	5	(7,781,340)	(4,156,524)	(262,000)	(12,199,864)	(11,198,799)
<b>Net (expenditure)/income</b>		<b>262,965</b>	<b>90,501</b>	<b>(262,000)</b>	<b>91,466</b>	<b>(738,169)</b>
<b>Transfers between Funds</b>	14	<b>465,549</b>	<b>(465,549)</b>	-	-	-
<b>Other recognised gains</b>						
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)
<b>Net movement in funds</b>		<b>728,514</b>	<b>(375,048)</b>	<b>3,276,000</b>	<b>3,629,466</b>	<b>(3,212,169)</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward		2,033,032	3,467,089	(4,114,000)	1,386,121	4,598,289
<b>Fund balance carried forward</b>		<b>2,761,546</b>	<b>3,092,041</b>	<b>(838,000)</b>	<b>5,015,587</b>	<b>1,386,120</b>

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.

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

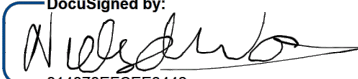
# BIRMINGHAM MUSEUMS TRUST

## Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed Assets</b>			
Tangible assets	9a	1,540,153	1,907,217
Intangible assets	9b	-	47,279
		<u>1,540,153</u>	<u>1,954,496</u>
<b>Current Assets</b>			
Stock	10	150,889	164,809
Debtors: amounts falling due in one year	11	1,308,536	1,925,340
Debtors: amounts falling due after more than one year	11	329,632	414,768
Cash at bank and in hand		<u>2,639,861</u>	<u>3,970,896</u>
		4,428,918	6,475,813
<b>Creditors: amounts falling due within one year</b>	12	(1,099,868)	(1,636,954)
<b>Net Current Assets</b>		<u>3,329,050</u>	<u>4,838,859</u>
<b>Total Assets less Current Liabilities</b>		<b>4,869,203</b>	<b>6,793,355</b>
Creditors: amounts falling due after more than one year	12	(329,632)	(414,768)
Provisions for liabilities and charges	25	-	(525,000)
Defined benefit scheme pension liability	22	-	(838,000)
<b>NET ASSETS</b>		<u><b>4,539,571</b></u>	<u><b>5,015,587</b></u>
<b>Funds</b>			
Unrestricted	14	2,254,639	2,761,546
Restricted	14	1,400,531	2,204,660
Endowment	14	884,401	887,381
Pension	14	-	(838,000)
<b>TOTAL FUNDS</b>		<u><b>4,539,571</b></u>	<u><b>5,015,587</b></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 15 December 2023 and were signed on its behalf by:

DocuSigned by:  
  
 814878EFCFE3442...  
**Mr Niels de Vos**  
**Chair**

Registered No: 07737797

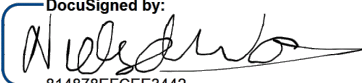
# BIRMINGHAM MUSEUMS TRUST

## Company Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed Assets</b>			
Tangible assets	9a	1,537,183	1,627,357
Intangible Assets	9b	-	47,279
		<u>1,537,183</u>	<u>1,674,636</u>
<b>Current Assets</b>			
Debtors: amounts falling due in one year	11	4,262,530	4,173,508
Debtors: amounts falling due after more than one year	11	348,584	509,530
Cash at bank and in hand		<u>1,496,062</u>	<u>3,233,927</u>
		6,107,176	7,916,965
<b>Creditors: amounts falling due within one year</b>	12	(1,072,490)	(1,535,109)
<b>Net Current Assets</b>		<u>5,034,686</u>	<u>6,381,856</u>
<b>Total Assets less Current Liabilities</b>		<b>6,571,869</b>	<b>8,056,492</b>
Creditors: amounts falling due after more than one year	12	(329,632)	(414,768)
Provisions for liabilities and charges	25		(525,000)
Defined benefit scheme pension liability	22		(838,000)
<b>NET ASSETS</b>		<u><b>6,242,237</b></u>	<u><b>6,278,724</b></u>
<b>Funds</b>			
Unrestricted	15	3,957,305	4,296,876
Restricted	15	1,400,531	1,932,467
Endowment	15	884,401	887,381
Pension	15	-	(838,000)
<b>TOTAL FUNDS</b>		<u><b>6,242,237</b></u>	<u><b>6,278,724</b></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 15 December 2023 and were signed on its behalf by:

DocuSigned by:  
  
 814878EFC EE3442...  
**Mr Niels de Vos**  
**Chair**

Registered No: 07737797

# BIRMINGHAM MUSEUMS TRUST

## Consolidated Cash Flow Statement For the year ended 31 March 2023

	Note	2023 £	2022 £
Cash used in operating activities	a	(1,031,154)	768,096
Cash flows from investing activities	b	(299,884)	(56,665)
<b>Decrease / Increase in cash during the year</b>		<b>(1,331,038)</b>	<b>711,431</b>

### (a) Cash used in operating activities

	2023 £	2022 £
<b>Net incoming / (outgoing) resources</b>	(1,502,016)	91,466
<b>Adjustments for non-cash items:</b>		
Depreciation and amortisation	714,227	993,655
Pension fund provision	188,000	262,000
(Increase)/decrease in stocks	13,920	(14,444)
(Increase)/decrease in debtors	616,801	(523,634)
(Decrease)/Increase in creditors	(537,086)	(565,947)
(Decrease)/increase in provision	(525,000)	525,000
<b>Net cash inflow from operating activities</b>	<b>(1,031,154)</b>	<b>768,096</b>

### (b) Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(299,884)	(56,665)
Purchase of intangible fixed assets	-	-
<b>Net cash outflow from investing activities</b>	<b>(299,884)</b>	<b>(56,665)</b>

### (c) Analysis of movements in cash and cash equivalents

	2023 £	2022 £
<b>Decrease / Increase in cash and cash equivalents in the year</b>	(1,331,038)	711,431
Cash and cash equivalents at the beginning of the year	3,970,898	3,259,466
<b>Total cash and cash equivalents at the end of the year</b>	<b>2,639,860</b>	<b>3,970,898</b>

### (d) Analysis by cash and net debt

	As At April 2022 £	Cash flows £	Other non- cash flows £	As at March 2023 £
Cash at Bank and in hand	3,970,898	(1,331,038)	-	2,639,860
Debt due after one year	414,768	-	(85,136)	329,632
Debt due within one year	91,508	-	(6,372)	85,136
	<b>4,477,174</b>	<b>(1,331,038)</b>	<b>(91,508)</b>	<b>3,054,629</b>

# *BIRMINGHAM MUSEUMS TRUST*

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## **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 announcement on 5 September 2023 of a Section 114 by Birmingham City Council may have implications for Birmingham Museums Trust going forward. However, as BCC continues to look at areas of cost saving in its budget setting process for the 2024/25 year onwards, the extent of the financial impact on the group is unknown at this stage.

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*

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## **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 10 years
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

	2023	2022
	£	£
<b>General Restricted Funds</b>		
Aston Hall Refurbishment	-	3,500
BMOSI	-	150,000
Commonwealth Games	22,950	28,950
HS2 SA Strategy	-	379,256
Millennium Point Trust	160,000	98,750
Minibrum	33,363	77,292
Portable Antiquities Scheme	120,224	97,239
Rent and Service Charge Grant	1,417,000	1,417,000
Rewiring Project	945,999	1,276,523
Reset and Innovation	46,490	-
WCF - 97011	-	590,000
Vanley Burke Exhibition	29,120	-
Other	74,217	128,515
	<b>2,849,363</b>	<b>4,247,025</b>
<b>Endowment Fund</b>	-	-
<b>Total Restricted Funds</b>	<b>2,849,363</b>	<b>4,247,025</b>
 <b>Designated Funds (Unrestricted)</b>		
Arts Council England (National Portfolio Organisation)	<b>1,026,107</b>	<b>1,026,107</b>

# BIRMINGHAM MUSEUMS TRUST

## Notes to the Financial Statements (*continued*)

### 4. Analysis of incoming resources (*continued*)

	2023 £	2022 £
<b>General Unrestricted Funds</b>		
Other Grants Receivable and Other Income	701,644	434,754
Furlough Income	-	72,193
CRF Grant	-	820,841
Donations	22,260	23,541
Birmingham City Council Fees	3,282,000	3,283,000
Visitor Admissions and Outreach Income	1,816,520	1,572,553
Rental Income	10,000	14,082
Trading Activities	1,607,196	797,234
	<b>7,439,620</b>	<b>7,018,198</b>
<b>Total Unrestricted Funds</b>	<b>8,465,727</b>	<b>8,044,305</b>
<b>Total Incoming Resources</b>	<b>11,315,090</b>	<b>12,291,330</b>

Total furlough income received in 22-23 was £NIL (21-22 £0.098m).

### 5. Analysis of total resources expended

	Fundraising £	Museum Costs £	Governance £	2023 £	2022 £
<b>Costs directly allocated to activities</b>					
Staff costs	-	3,649,539	-	3,649,539	3,110,685
Marketing	-	205,717	-	205,717	159,402
Maintenance	-	366,279	-	366,279	442,169
Finance and Administration	-	9,155	34,113	43,268	47,227
Other operating expenditure	-	6,348,199	-	6,348,199	5,845,640
Depreciation / Amortisation	-	714,226	-	714,226	993,655
<b>Direct Costs Total</b>	<b>-</b>	<b>11,293,115</b>	<b>34,113</b>	<b>11,327,228</b>	<b>10,583,778</b>
<b>Support costs allocated to activities</b>					
Staff costs	-	1,051,678	-	1,051,678	1,143,367
Finance and Administration	-	232,858	-	232,858	190,230
Professional fees	-	17,342	-	17,342	20,489
Pension Fund charges	-	188,000	-	188,000	262,000
<b>Support Costs Total</b>	<b>-</b>	<b>1,489,878</b>	<b>-</b>	<b>1,489,878</b>	<b>1,616,086</b>
<b>Total Costs</b>	<b>-</b>	<b>12,782,993</b>	<b>34,113</b>	<b>12,817,106</b>	<b>12,199,864</b>

# BIRMINGHAM MUSEUMS TRUST

## Notes to the Financial Statements (*continued*)

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

Total resources expended include:

	2023 £	2022 £
Depreciation	666,948	944,151
Amortisation	47,279	49,503
Provision for liabilities and charges (note 25)	-	525,000
Auditor's remuneration – audit of these financial statements	35,000	31,450
Auditor's remuneration – audit of financial statements of subsidiaries	-	-
Auditor's remuneration – non-audit services	59,099	10,550
Operating lease charges: land and buildings	651,384	635,496
Operating lease charges: other than land and buildings	12,170	12,870

### 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 £391k (2022: £460k).

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 (2022: £9,520) 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 (2022: £Nil) was reimbursed (2022: Nil) to trustees in respect of expenses mainly related to travel.

### 8. Employee numbers and costs

#### a. Average number of persons employed

	Number 2023	Number 2022
Fundraising	-	1
Museum	106	120
Support and administration	25	26
	<b>131</b>	<b>147</b>

#### b. Full Time Equivalent employed

	FTE 2023	FTE 2022
Fundraising	-	-
Museum	92	100
Support and administration	22	20
	<b>114</b>	<b>120</b>

# BIRMINGHAM MUSEUMS TRUST

## Notes to the Financial Statements (*continued*)

### 8. Employee numbers and costs (*continued*)

<b>c. Employee costs</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	4,097,084	3,772,708
Social Security costs	332,595	278,466
Pension costs	269,385	202,878
	<b>4,699,064</b>	<b>4,254,052</b>

Included within wages and salaries figure is an amount of £284k (2022: £384k) in respect of temporary staff costs, £198k (2022: £108k) in respect of casual staff and Nil (2022: £36k) in respect of redundancy and settlement costs.

#### **d. Higher paid employees**

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£80,000 to £89,999	-	1
£70,000 to £79,999	3	-
£60,000 to £69,999	2	3

#### **e. Birmingham Museums Trading Limited**

Included in the above staff costs, the subsidiary Birmingham Museums Trading Limited was recharged for 22 staff members (2022: 22 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:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	684,403	393,225
Social Security costs	32,026	22,946
Pension costs	14,878	5,798
	<b>731,307</b>	<b>421,969</b>

Included within wages and salaries above is an amount of £200k (2022: £45k) 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**

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 £
<b>Cost</b>					
At 1 April 2022	5,900,495	800,142	8,241,575	864,139	15,806,352
Additions	55,190	-	209,702	34,992	299,884
Disposals	-	-	-	-	-
<b>At 31 March 2023</b>	<b>5,955,685</b>	<b>800,142</b>	<b>8,451,277</b>	<b>899,131</b>	<b>16,106,236</b>
<b>Depreciation</b>					
At 1 April 2022	5,428,852	680,034	7,001,027	789,222	13,899,135
Charge for the year	61,526	43,990	516,921	44,511	666,948
<b>At 31 March 2023</b>	<b>5,490,378</b>	<b>724,024</b>	<b>7,517,948</b>	<b>833,733</b>	<b>14,566,082</b>
<b>Net Book Value At 31 March 2023</b>	<b>465,308</b>	<b>76,118</b>	<b>933,330</b>	<b>65,398</b>	<b>1,540,153</b>
Net book Value At 31 March 2022	471,644	120,108	1,240,548	74,917	1,907,217

All fixed assets are held for charitable purposes.

Capital expenditure contracted for, but not provided in the financial statements, was £Nil (2022: £Nil.).

Company	Leasehold Improvements £	Plant and Equipment £	Fittings £	Computer Equipment £	Total £
<b>Cost</b>					
At 1 April 2022	691,630	625,483	3,007,303	725,027	5,049,443
Additions	55,191	-	209,702	34,992	299,885
Disposals	-	-	-	-	-
<b>At 31 March 2023</b>	<b>746,821</b>	<b>625,483</b>	<b>3,217,005</b>	<b>760,019</b>	<b>5,349,328</b>
<b>Depreciation</b>					
At 1 April 2022	219,986	513,043	2,038,947	650,110	3,422,086
Charge for the year	61,526	39,292	244,730	44,511	390,057
<b>At 31 March 2023</b>	<b>281,512</b>	<b>552,335</b>	<b>2,283,677</b>	<b>694,621</b>	<b>3,812,144</b>
<b>Net Book Value At 31 March 2023</b>	<b>465,309</b>	<b>73,148</b>	<b>933,328</b>	<b>65,398</b>	<b>1,537,183</b>
Net Book Value At 31st March 2022	471,641	112,440	968,356	74,917	1,627,357

All fixed assets are held for charitable purposes.

Capital expenditure contracted for, but not provided in the financial statements, was £Nil (2022: £Nil.).

# BIRMINGHAM MUSEUMS TRUST

## Notes to the Financial Statements (*continued*)

### 9. Fixed Assets (*continued*)

#### b) Intangible Fixed Assets

Group and Company	Software £
<b>Cost</b>	
At 1 April 2022	232,627
Additions	-
<b>At 31 March 2023</b>	<b>232,627</b>
<b>Depreciation</b>	
At 1 April 2022	185,348
Charge for the year	47,279
<b>At 31 March 2023</b>	<b>232,627</b>
<b>Net Book Value At 31 March 2023</b>	<b>-</b>
Net Book Value At 31 March 2022	47,279

### 10. Stocks

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Goods for resale	<b>150,889</b>	<b>-</b>	<b>164,809</b>	<b>-</b>

Stock recognised as expense during the year was £629k (2022: £267k)

### 11. Debtors

#### Amounts due in one year

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Trade debtors	426,500	215,058	361,316	263,338
Amounts owed by group companies	-	3,514,748	-	2,615,828
Tax and social security	-	-	-	44,599
Other debtors	10,587	2,258	158,356	99,143
Prepayments and accrued income	786,314	369,520	1,314,160	926,423
Amounts owed by group companies - Loan	-	75,810	-	132,669
Birmingham City Council	85,136	85,136	91,508	91,508
	<b>1,308,537</b>	<b>4,262,530</b>	<b>1,925,340</b>	<b>4,173,508</b>

# BIRMINGHAM MUSEUMS TRUST

## Notes to the Financial Statements (*continued*)

### 11. Debtors (*continued*)

Amounts due after more than one year:

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Birmingham City Council	329,632	329,632	414,768	414,768
Amount owed by group companies	-	18,952	-	94,762
	<b>329,632</b>	<b>348,584</b>	<b>414,768</b>	<b>509,530</b>

### 12. Creditors

Amounts due within one year:

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Trade creditors	555,141	518,821	1,325,719	1,321,441
Tax and social security	361,069	405,318	140,182	70,246
Loan from Birmingham City Council	85,136	85,136	91,508	91,508
Other creditors	32,820	32,820	7,768	7,768
Accruals and deferred income	65,702	30,395	71,777	44,146
	<b>1,099,868</b>	<b>1,072,490</b>	<b>1,636,954</b>	<b>1,535,109</b>

Amounts due after more than one year:

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Loan from Birmingham City Council	<b>329,632</b>	<b>329,632</b>	<b>414,768</b>	<b>414,768</b>

### Deferred income (group and company)

Deferred income comprises grants received in advance of expenditure.

	Group £	Company £
Balance as at 1 April 2022	10,668	10,668
Amount released to income from Charitable Activities	(10,668)	(10,668)
Amount deferred in year	-	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>

# BIRMINGHAM MUSEUMS TRUST

## Notes to the Financial Statements (*continued*)

### 13. Financial instruments

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
<b>Financial assets</b>				
Financial assets measured at fair value through statement of financial activities	2,639,861	1,496,062	3,970,898	3,233,927
Financial assets that are debt instruments measured at amortised cost	835,693	4,137,506	976,187	3,567,493
	<b>3,475,544</b>	<b>5,633,568</b>	<b>5,108,944</b>	<b>6,801,421</b>

#### Financial liabilities

Financial liabilities measured at amortised cost	<b>1,238,909</b>	<b>1,167,281</b>	<b>1,972,688</b>	<b>2,004,596</b>
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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 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Within one year	85,136	85,136	91,508	91,508
In 1-2 years	77,846	77,846	85,136	85,136
In 2-5 years	179,387	179,387	207,591	207,591
Over 5 years	72,399	72,399	122,041	122,041
	<b>414,768</b>	<b>414,768</b>	<b>506,276</b>	<b>506,276</b>

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 2022 £	Incoming Resources £	Outgoing Resources £	Funds Transfer £	Other Gain (Loss) £	Balance at 31 March 2023 £
<b>General Restricted Funds</b>						
Aston Hall Refurbishment	9,668	-	(9,933)	265	-	-
BMOSI	10,719	-	(48,686)	-	-	(37,967)
Commonwealth Games	11,700	52,070	(39,394)	-	-	24,376
Made in Birmingham	137,680	-	(137,680)	-	-	-
Millennium Point Trust	25,225	160,000	(59,934)	-	-	125,291
Minibrum	1,117,346	33,363	(203,932)	-	-	946,777
Portable Antiquities Scheme	45,726	120,224	(100,780)	-	-	65,170
Rent and Service Charge Grant	-	1,417,000	(1,417,000)	-	-	-
Reset and Innovation	-	46,490	(19,598)	-	-	26,892
Rewiring Project	15,221	945,999	(932,655)	-	-	28,565
Science for all Seasons	134,512	-	(134,512)	-	-	-
Spitfire Gallery	9,774	-	(9,774)	-	-	-
Staffordshire Hoard Gallery	53,313	-	(53,313)	-	-	-
Tessa Sidey Bequest	85,921	-	-	-	-	85,921
Welcome All	1,227	-	(409)	-	-	818
WCF-97011	448,150	-	(389,260)	-	-	58,890
Other	98,478	74,217	(83,897)	(13,000)	-	75,798
	<b>2,204,660</b>	<b>2,849,363</b>	<b>(3,640,757)</b>	<b>(12,735)</b>	-	<b>1,400,531</b>
<b>Endowment Fund</b>	887,381	-	(2,980)	-	-	884,401
<b>Total Restricted Funds</b>	<b>3,092,041</b>	<b>2,849,363</b>	<b>(3,643,737)</b>	<b>(12,735)</b>	-	<b>2,284,932</b>
<b>Designated Funds</b>						
Arts Council England – (National Portfolio Organisation)	928	1,026,107	(246,255)	(778,986)	-	1,794
	<b>928</b>	<b>1,026,107</b>	<b>(246,255)</b>	<b>(778,986)</b>	-	<b>1,794</b>
<b>General Unrestricted Funds</b>						
General Fund	2,954,185	5,832,424	(7,259,317)	791,721	-	2,319,013
Trading Reserve	(193,567)	1,607,196	(1,479,797)	-	-	(66,168)
	<b>2,760,618</b>	<b>7,439,620</b>	<b>(8,739,114)</b>	<b>791,721</b>	-	<b>2,252,845</b>
<b>Total Unrestricted Funds</b>	<b>2,761,546</b>	<b>8,465,727</b>	<b>(8,985,369)</b>	<b>12,735</b>	-	<b>2,254,639</b>
<b>Pension Deficit</b>	<b>(838,000)</b>	-	<b>(188,000)</b>	<b>1,026,000</b>	-	-
<b>Total Funds</b>	<b>5,015,587</b>	<b>11,315,090</b>	<b>(12,817,106)</b>	<b>1,026,000</b>	-	<b>4,539,571</b>

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

# ***BIRMINGHAM MUSEUMS TRUST***

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## **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. 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.
- c. Made in Birmingham - Gallery at Thinktank; this fund is being released as the asset depreciates.
- d. Millennium Point Trust - Grant to support programmes and projects at Thinktank, Birmingham Science Museum.
- e. Minibrium – 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, Grimmer Trust, Rowlands Trust and other donors.
- f. Portable Antiquities Scheme - Recording archaeological objects found by members of the public in England and Wales; DCMS grant support, administered by the British Museum.
- g. Rent and Service Charge Grant - Grant support from Birmingham City Council at Thinktank.
- h. 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
- i. 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.
- j. Spitfire Gallery - Opened at Thinktank in March 2015; grants (various funders) and public donations. This fund will be released as the asset is depreciated.
- k. 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.
- l. Tessa Sidey Bequest – A bequest in the will of Tessa Sidey (1955-2011) a curator at BMAG (1983-2011) to “buy major print acquisitions”.
- m. 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.
- n. 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.

	Balance at 1 April 2021 £	Incoming Resources £	Outgoing Resources £	Funds Transfer £	Other Gain (Loss) £	Balance at 31 March 2022 £
<b>General Restricted Funds</b>						
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
Minibrum	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
	<b>2,576,208</b>	<b>4,247,025</b>	<b>(4,153,024)</b>	<b>(465,549)</b>	-	<b>2,204,660</b>
<b>Endowment Fund</b>	890,881	-	(3,500)	-	-	887,381
<b>Total Restricted Funds</b>	<b>3,467,089</b>	<b>4,247,025</b>	<b>(4,156,524)</b>	<b>(465,549)</b>	-	<b>3,092,041</b>
<b>Designated Funds</b>						
Arts Council England – (National Portfolio Organisation)	394,064	1,026,107	(543,619)	(875,624)	-	928
CRM / Ticketing	-	-	-	-	-	-
	<b>394,064</b>	<b>1,026,107</b>	<b>(543,619)</b>	<b>(875,624)</b>	-	<b>928</b>
<b>General Unrestricted Funds</b>						
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)
	<b>1,638,968</b>	<b>7,018,198</b>	<b>(7,237,721)</b>	<b>1,342,173</b>	-	<b>2,760,618</b>
<b>Total Unrestricted Funds</b>	<b>2,033,032</b>	<b>8,044,305</b>	<b>(7,781,340)</b>	<b>465,549</b>	-	<b>2,761,546</b>
<b>Pension Deficit</b>	<b>(4,114,000)</b>	-	<b>(262,000)</b>		<b>3,538,000</b>	<b>(838,000)</b>
<b>Total Funds</b>	<b>1,386,121</b>	<b>12,291,330</b>	<b>(12,199,864)</b>	-	<b>3,538,000</b>	<b>5,015,587</b>

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 2022 £	Incoming Resources £	Outgoing Resources £	Funds Transfer £	Other Gain (Loss)	Balance at 31 March 2023 £
<b>Restricted Funds</b>						
Aston Hall Refurbishment	9,668	-	(9,933)	265	-	-
BMOSI	10,719	-	(48,686)	-	-	(37,967)
Commonwealth Games	11,700	52,070	(39,394)	-	-	24,376
Millennium Point Trust	25,225	160,000	(59,934)	-	-	125,291
MiniBrum	1,117,346	33,363	(203,932)	-	-	946,777
Portable Antiquities Scheme	45,726	120,224	(100,780)	-	-	65,170
Reset and Innovation	-	46,490	(19,598)	-	-	26,892
Rewiring Project	15,221	945,999	(932,655)	-	-	28,565
Spitfire Gallery	9,774	-	(9,774)	-	-	-
Staffordshire Hoard Gallery	53,313	-	(53,313)	-	-	-
Tessa Sidey Bequest	85,921	-	-	-	-	85,921
Welcome All	1,227	-	(409)	-	-	818
WCF-97011	448,150	-	(389,260)	-	-	58,890
Other	98,478	74,217	(83,897)	(13,000)	-	75,798
	<b>1,932,468</b>	<b>1,432,363</b>	<b>(1,951,565)</b>	<b>(12,735)</b>	-	<b>1,400,531</b>
<b>Endowment Funds</b>						
Ivan Witton Legacy (including interest receivable)	<b>887,381</b>		<b>(2,980)</b>	-	-	<b>884,401</b>
<b>Total Restricted Funds</b>	<b>2,819,849</b>	<b>1,432,363</b>	<b>(1,954,545)</b>	<b>(12,735)</b>	-	<b>2,284,932</b>
<b>Designated Funds</b>						
Arts Council England (Major Partner Museums 2015-18)	928	1,026,107	(246,255)	(778,986)	-	1,795
<b>Unrestricted Funds</b>	<b>4,295,946</b>	<b>5,832,424</b>	<b>(6,964,581)</b>	<b>791,721</b>	-	<b>3,955,510</b>
<b>Total Unrestricted Funds</b>	<b>4,296,875</b>	<b>6,858,531</b>	<b>(7,210,836)</b>	<b>12,735</b>	-	<b>3,957,305</b>
<b>Pension Deficit</b>	<b>(838,000)</b>	-	<b>(188,000)</b>	-	<b>1,026,000</b>	-
<b>Total</b>	<b>6,278,724</b>	<b>8,290,894</b>	<b>(9,353,381)</b>	-	<b>1,026,000</b>	<b>6,242,237</b>

# BIRMINGHAM MUSEUMS TRUST

## Notes to the Financial Statements (*continued*)

### 15. Funds analysis – Company (*continued*)

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 £
<b>Restricted Funds</b>						
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
	<b>1,893,335</b>	<b>2,830,024</b>	<b>(2,325,344)</b>	<b>(465,549)</b>	-	<b>1,932,467</b>
<b>Endowment Funds</b>						
Ivan Witton Legacy (including interest receivable)	<b>890,881</b>		<b>(3,500)</b>	-	-	<b>887,381</b>
<b>Total Restricted Funds</b>	<b>2,784,216</b>	<b>2,830,024</b>	<b>(2,328,844)</b>	-	-	<b>2,819,848</b>
<b>Designated Funds</b>						
Arts Council England (Major Partner Museums 2015-18)	394,064	1,026,107	(543,618)	(875,624)	-	928
<b>Unrestricted Funds</b>	3,156,846	6,220,965	(6,423,038)	1,341,173	-	4,295,948
<b>Total Unrestricted Funds</b>	<b>3,550,910</b>	<b>7,247,072</b>	<b>(6,996,656)</b>	465,549	-	<b>4,296,875</b>
<b>Pension Deficit</b>	<b>(4,114,000)</b>	-	<b>(262,000)</b>	-	<b>3,538,000</b>	<b>(838,000)</b>
<b>Total</b>	<b>2,221,126</b>	<b>10,077,097</b>	<b>(9,557,500)</b>	-	<b>3,538,000</b>	<b>6,278,724</b>

# BIRMINGHAM MUSEUMS TRUST

## Notes to the Financial Statements (*continued*)

### 16. Analysis of net assets between funds - consolidated

	Restricted	Pension	Unrestricted	Total
	£	£	£	£
Fixed Assets	939,504	-	600,649	1,540,153
Net Current Assets	1,345,428	-	1,983,622	3,329,050
Creditors (amounts falling due after more than one year)	-	-	(329,632)	(329,632)
Provision for liabilities and charges			-	-
<b>Total as At March 2023</b>	<b>2,284,932</b>	<b>-</b>	<b>2,254,639</b>	<b>4,539,571</b>

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)
<b>Total as At March 2022</b>	<b>3,092,042</b>	<b>(838,000)</b>	<b>2,761,545</b>	<b>5,015,587</b>

### 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:

	2023 £	202 £
Income	8,290,894	10,077,097
Gift Aid from subsidiary company	-	-
<b>Total Income</b>	<b>8,290,894</b>	<b>10,077,097</b>
Expenditure on Charitable Activities	(9,353,381)	(9,557,500)
<b>Net Income</b>	<b>(1,062,487)</b>	<b>519,596</b>
Other recognised gains/(losses)	1,026,000	3,538,000
<b>Net Movements in funds</b>	<b>36,487</b>	<b>4,057,596</b>
Total funds brought forward	6,278,724	2,221,126
<b>Total Funds carried forward</b>	<b>6,242,237</b>	<b>6,278,724</b>
<b>Represented by:</b>		
Unrestricted income funds	3,957,305	4,296,875
Restricted funds	2,284,932	2,819,849
Pension	-	(838,000)
<b>Net Funds</b>	<b>6,242,237</b>	<b>6,278,724</b>

# 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

	2023 £	2022 £
<b>Profit &amp; Loss Account</b>		
Turnover	1,607,196	797,234
Cost of Sales	(629,243)	(267,754)
<b>Gross Profit</b>	<b>977,953</b>	<b>529,480</b>
Administrative expenses	(850,554)	(474,356)
<b>Profit on ordinary activities before Gift Aid</b>	<b>127,399</b>	<b>55,124</b>
Gift Aid to parent undertaking	-	-
<b>Retained Profit / (Loss) for the year</b>	<b>127,399</b>	<b>55,124</b>
<b>The aggregated assets and liabilities of the subsidiary were</b>		
Assets	1,334,844	897,087
Liabilities	(1,401,012)	(1,090,653)
<b>Net Funds</b>	<b>(66,168)</b>	<b>(193,566)</b>

#### 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	(294,737)	(1,689,192)	(1,983,929)
<b>Net incoming / (outgoing) resources</b>	<b>(294,737)</b>	<b>(272,192)</b>	<b>(566,929)</b>
Transfer between funds	-	-	-
<b>Net movement in funds</b>	<b>(294,736)</b>	<b>(272,192)</b>	<b>(566,929)</b>
<b>Fund balances brought forward</b>	<b>(1,341,762)</b>	<b>272,192</b>	<b>(1,069,570)</b>
<b>Fund balances carried forward</b>	<b>(1,636,499)</b>	<b>-</b>	<b>(1,636,499)</b>

# *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 payable in respect of VAT was £291k (2022: £70k).

### **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 2023.

#### **Birmingham Museums Trading Limited**

The Company levied a management charge on Birmingham Museums Trading Limited for the year ended 31 March 2023 amounting to £731k (2022: £422k). 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 2023 (2022: £Nil) as disclosed in Note 17 to the consolidated financial statements.

At 31 March 2023, the Company was due an amount of £1,301k from Birmingham Museums Trading Limited (2022: £1,018k).

#### **Thinktank Trust**

The Company levied a management charge on Thinktank Trust for the year ended 31 March 2023 amounting to Nil.

At 31 March 2023, the Company was due an amount of £2,305k (2022: £1,820k) from Thinktank Trust.

At 31 March 2023, Birmingham Museums Trading Limited was due an amount of £Nil from Thinktank Trust (2022: £15k)

#### **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 £3.282m (2022: £3.283m) and variable performance payments amounting to £1.924m (2022: £1.573m).

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

BCC funded £946k (2022: £831k) for the rewiring project and provided compensation of £420k (2022: £420k) for loss of earnings.

In addition, Thinktank Trust received a grant from BCC of £1.417m during the year (2022: £1.417m) to assist in the provision of lease payments on Thinktank to Millennium Point Property Ltd.

One of the Trustees is an employed by TATE. During the year there were 8 sales totalling £3,780 with TATE. One of the Trustees is also a Trustee of Greater Birmingham and Solihull LEP. During the year we received a grant of £25,000. All transactions were arm's length.



# 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 2023 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 NIL (2022: £838k) 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 2023	At 31 March 2022
Rate of increase in salaries		3.95%	4.15%
Rate of increase to pensions		2.95%	3.15%
Discount rate		4.75%	2.75%
Inflation assumption – CPI		2.95%	2.95%
Assumed life expectations on retirement at age 65 are:		At 31 March 2023	At 31 March 2022
Retiring today	Males	20.2	21.2
	Females	23.9	23.6
Retiring in 20 years' time	Males	21.5	22.9
	Females	25.6	25.4

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 2023 £000	Fair value at 31 March 2022 £000
Equities	14,810	14,812
Gilts	-	-
Bonds	4,791	4,864
Property	1,525	1,547
Cash	653	884
Other	-	-
<b>Fair value of plan assets</b>	<b>21,779</b>	<b>22,107</b>
The actual return on assets over the year was		(111) 1,684

# 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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Present value of scheme liabilities	(21,779)	(22,945)
Fair value of scheme assets	21,779	22,107
<b>Net pension liability</b>	<b>-</b>	<b>(838)</b>

Analysis of the amount charged to Statement of Financial Activities:

Current service cost	311	364
Administration cost	-	-
Interest on the defined liability/(asset)	25	22
<b>Total</b>	<b>336</b>	<b>386</b>

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

Actuarial (loss)/gain on scheme assets	(7,262)	1,232
Actuarial (loss)/gain on scheme liabilities	8,288	2,306
<b>Actuarial (loss)/gain recognised</b>	<b>1,026</b>	<b>3,538</b>

#### **Changes to the present value of the defined benefit obligation:**

Opening defined benefit obligations	22,945	24,608
Current service cost	311	364
Interest cost	630	493
Contributions by scheme participants	48	48
Actuarial loss/(gain)	(8,373)	(2,184)
Benefits paid	(396)	(352)
Past service cost	-	47
Changes in demographic assumptions	(697)	(122)
Experience loss/(gain) on defined benefit obligation	782	43
<b>Closing defined benefit obligations</b>	<b>15,250</b>	<b>22,945</b>

#### **Changes in the fair value of plan assets**

Opening plan assets	22,107	20,494
Interest on assets	605	409
Return on assets less interest	(733)	1,275
Pension asset restriction	(6,529)	-
Administration expenses	-	-
Contributions by employers	148	233
Contributions by scheme participants	48	48
Benefits paid	(396)	(352)
<b>Closing plan assets</b>	<b>15,250</b>	<b>22,107</b>

# 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 2023 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:

	2023 £	2022 £
Within one year	663,521	647,338
Between two to five years	2,824,164	2,755,282
More than five years	1,327,824	2,060,277
<b>Total</b>	<b>4,815,509</b>	<b>5,462,847</b>

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

#### **Other Operating Leases**

At 31 March 2023 the group and company had future minimum lease payments, in relation to other operating leases, under non-cancellable operating leases as follows:

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Within one year	6,570	6,570	12,870	12,870
Between two to five years	6,333	6,333	12,904	12,904
More than five years	-	-	-	-
<b>Total</b>	<b>12,903</b>	<b>12,903</b>	<b>25,774</b>	<b>25,774</b>

### 24. Post Balance Sheet Events

The announcement on 5 September 2023 of a Section 114 by Birmingham City Council may have implications for Birmingham Museums Trust going forward. The BCC investment represents approximately 45% of annual revenue funding for the group. The group's current funding agreement with BCC remains in force until 31 March 2026 and the official statements from BCC outline existing contracts will continue to be honoured. However, as BCC continues to look at areas of cost saving in its budget setting process for the 2024/25 year onwards, the extent of the financial impact on the group is unknown at this stage.

### 25. Provisions for liabilities and charges

There was a provision in the accounts at the end of March 2022 of £525k, whilst HMRC undertook a review of partial exemption methodology for calculating VAT liability. This review has now been concluded and at the end of March 2023 the amount still payable to HMRC for previous years was £308k, having already paid £147k.