DERBY MUSEUMS

England & Wales · Charity number 1149710

Details

Status	Registered
Legal form	Charitable company
Company number	08036113
Registered	2012-11-12
Register	View on the Charity Commission register

Contact

Address	Derby Museums Museum & Art Gallery The Strand Derby DE1 1BS
Phone	01332641901
Email	info@derbymuseums.org
Website	www.derbymuseums.org

Activities

Objects: 1) TO ADVANCE THE EDUCATION OF THE PUBLIC AT LARGE BY THE ESTABLISHMENT AND/OR MAINTENANCE OF A MUSEUM AND/OR ART GALLERY;2) TO ADVANCE THE EDUCATION OF THE PUBLIC AT LARGE BY THE PRESERVATION OF BUILDINGS OF HISTORIC AND/OR ARCHITECTURAL IMPORTANCE;3) WITHOUT PREJUDICE TO THE GENERALITY OF THE ABOVE, TO ADVANCE THE EDUCATION OF THE PUBLIC AT LARGE OF DERBY'S ENGINEERING AND CREATIVE HERITAGE;4) TO PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION FOR INDIVIDUALS WHO HAVE NEED OF SUCH BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE;5) PURSUE SUCH OTHER CHARITABLE PURPOSES CONSISTENT WITH THE ABOVE AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION SHALL DETERMINE.

Activities: Museum services

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Classification

- **How:** Provides Services
- **What:** Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** DERBY
- Derby City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,201,865	£4,897,747	£17,034,390	145
2024-03-31	£3,285,015	£4,770,900	£17,819,340	124
2023-03-31	£2,909,185	£4,451,928	£19,102,735	132
2022-03-31	£7,107,573	£6,698,977	£20,813,475	103
2021-03-31	-	-	-	71

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Trustees

Name	Role	Appointed
Alan Lindsey		2023-07-18
Amanda Ellse		2023-01-24
Andrew James Taylor		2025-02-28
Andy Finlay		2021-09-28
Charlotte Holmes		2020-09-29
Clare Foyle		2023-11-28
Dr Kiron Griffin		2019-05-21
ELIZABETH JANE FOTHERGILL CBE		2016-11-22
Emily Claire Lonsdale		2022-10-25
Gerald Desmond Potter		2025-08-28
Jamie Jordan		2026-05-13
Paul James Hilsdon		2023-01-24
Professor Keith Andrew John McLay		2018-01-23

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DERBY MUSEUMS

England & Wales - Charity number 1149710

Accounts

Registered number: 08036113
Charity number: 1149710

Derby Museums

Trustees' Report and Financial Statements

For the Year Ended 31 March 2025

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AUDIT

Derby Museums

(A Company Limited by Guarantee)

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Derby Museums

(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers For the Year Ended 31 March 2025

Trustees	Elizabeth Fothergill, CBE, Chair Linda Sullivan Professor Keith McLay Dr Kiron Griffin Charlotte Holmes Andrew James Findlay Amanda Elise Paul Hilsdon Emily Lonsdale Clare Foyle Alan Lindsey Anisha Parmar Andrew Taylor (appointed 28 February 2025) Kathryn Kozlowski (appointed 9 August 2024)
Company registered number	08036113
Charity registered number	1149710
Registered office	Museum and Art Gallery The Strand Derby Derbyshire DE1 1BS
Patron	Lord Cavendish, 12th Duke of Devonshire
Independent auditors	Dains Audit Limited Statutory Auditor Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ

Reference and Administrative Details of the Company, its Trustees and Advisers (continued)
For the Year Ended 31 March 2025

Bankers	The Co-Operative Bank 31 East Street Derby Derbyshire DE1 2AL
	Santander UK Plc 1st Floor 5 Market Place Derby DE1 3PY

Trustees' Report
For the Year Ended 31 March 2025

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2024 to 31 March 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

About Derby Museums

Derby Museums was established as an independent charitable trust in 2012. Since then, it has transformed the way cultural heritage is presented and appreciated in the city.

Derby has unique cultural assets. It has the finest collection of work by Joseph Wright of Derby, the 18th century artist of the Enlightenment, and is 'Designated' by Arts Council England as a collection of national significance. Its three museums - the Museum of Making (part of the UNESCO inscribed Derwent Vallet Mills World Heritage site), Derby Museum and Art Gallery and Pickford's House -welcome nearly a quarter of a million people a year. In recent years Derby Museums has been recognised for its innovative participatory practice with a slew of awards including being Finalist in 2022 Museum of the Year and Special commendation at 2024 European Museum of the Year awards.

Derby's identity was 300 years in the making, and the Enlightenment spirit of creativity and invention resonates today. The heritage of the city is used to frame ambitions for the future both as one of the UK's top high-tech cities and a principal centre for manufacturing and sustainable engineering. Derby Museums' partnerships with industry are integral to providing young people with the inspiration and experience to pursue a career in industry. Our commitment to STEAM (Science Technology Engineering Arts and Maths) is underpinned by support from major companies such as Rolls Royce, IMI and Vaillant.

Since the end of Covid, Derby Museums financial position has been fragile and the financial year 2024-25 is no exception. Financial pressures are being brought to bear by a combination of heavily decreased public revenue funding and increased costs beyond our control such high inflation, a large increase in the minimum wage and high energy costs. Public revenue investment (via Derby City Council and Arts Council England) accounts for 40% of income, the lowest proportion since the Trust was formed in 2012. Over the last few years financial resilience has been maintained by use of cash reserves and this year a large award by Garfield Weston Foundation. This has brought the museum to a near break-even position.

Despite these challenges, Derby Museums continues to present innovative and meaningful work for its audiences, both local and further afield. The museums remain Derby's principal attractions in the local visitor economy contributing nearly £10m to the local economy each year. Through its events and exhibitions, the museums help people look at the world differently, learn more about their city and feel pride in the place they live.

Derby Museums Charitable Aims

Derby Museums' Memorandum and Articles were first incorporated on 18 April 2012 and were then amended by certificate of incorporation on change of name on 7 August 2012. The Memorandum and Articles were amended by special resolution on 24 January 2017 and again on 29 September 2020.

1) To advance the education of the public at large by the establishment and/or maintenance of a museum and/or art gallery.
2) To advance the education of the public at large by the preservation of buildings of historic and/or architectural importance.
3) Without prejudice to the generality of the above, to advance the education of the public at large of Derby's engineering and creative heritage.
4) To provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation for individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship, or social and economic circumstances with the object of improving their conditions of life.
5) Pursue such other charitable purposes consistent with the above as the trustees in their absolute discretion shall determine.

Derby Museums Business Aims 2024-25

Our purpose
Derby Museums is for the Thinker and Maker in All of Us

Our Values
- Being independent
- Foster a spirit of experimentation
- Pursue Mutual Relationships
- Create the Conditions for Well-Being
- Prove that we are doing it

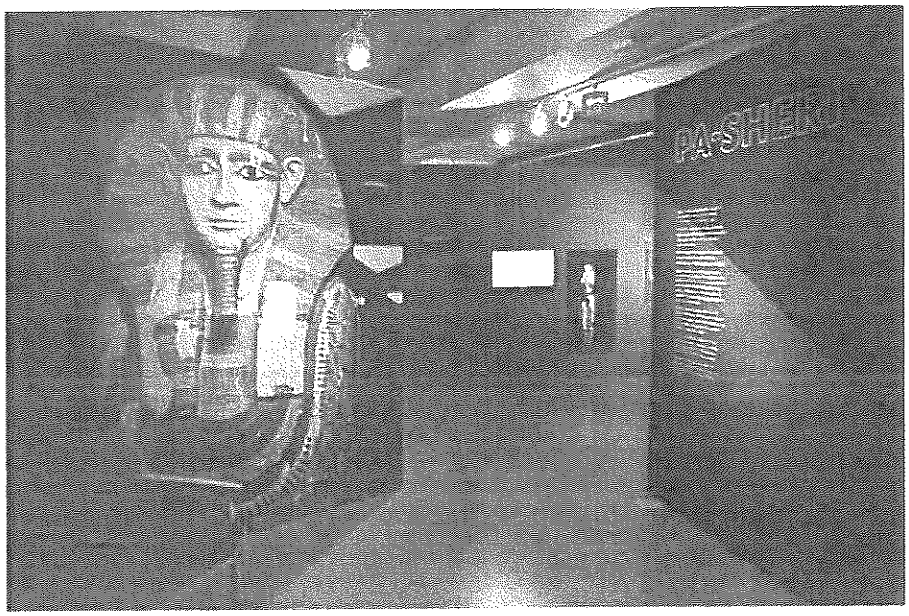
Our Aims
Derby Museums is midway through a 4-year plan 2023-27. All museum activities contribute to one or more of these aims
- Aim 1 Make Extraordinary and Exciting Work.
- Aim 2 Be Entrepreneurial and Inventive.
- Aim 3 Be Relevant to our Citizens.
- Aim 4 Be Good Stewards
- Aim 5 Support the Ambitions for our City.

These aims are the basis for a comprehensive series of activities which are reviewed at quarterly board meetings by Trustees. They contribute to the delivery our Derby Museums charitable objectives and are informed by the investment principles of Arts Council England (ACE). Derby Museums is an ACE National Portfolio Organisation and its business plan delivery is reviewed on a yearly basis by the museums' executive and ACE officers.

Derby Museums Activity Review 2024-25

***Public Programme - Exhibitions* and Displays**
During 2024-25 Derby Museums welcomed over 210,000 visitors. Highlights of its Exhibitions and Events programme include:

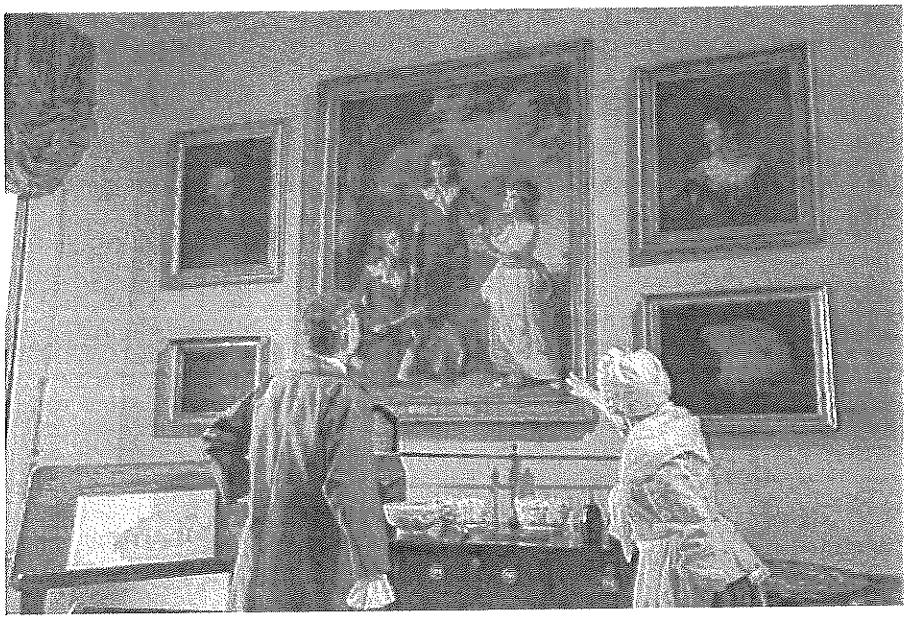
Displaced from the Nile to the Derwent - Derby Museum and Art Gallery.
This exhibition combined new research and the development of museum practice in consideration of colonial collections and human remains. It explored how and why Egyptian artefacts and the remains of two named mummified people made their way to Derbyshire. It featured loaned items from the Chatsworth collection and the British and Manchester Museums. The exhibition acted as a stepping stone towards the permanent display and interpretation of the collections from ancient Egypt in the care of Derby Museums. New learning resources for schools were developed from an exchange between Bemrose school in Derby and the International school in Egypt.



Project Yaadaan - Museum of Making
This project and exhibition, funded by The National Lottery Heritage Fund, focused on peopling our collections through collecting the stories of Derby's south Asian diasporic communities. These histories of the city are absent in the Derby Museums and city Archive collections, but Derby Museums is rich in objects that relate to these communities. Many of the stories relate to objects held in our manufacturing collections and we aim to use them to enrich the interpretation across the Museum of Making. The exhibition featured a photographic archive of portraits by WW Winter of people who migrated from South Asia to Derby after 1945.

Think Human - Museum of Making
Think Human, was a collaboration between the Chartered Institute of Ergonomics and Human Factors, and Loughborough University. Ergonomics, or Human Factors, is a design approach exploring how we interact with the systems, products, and environments around us to enhance performance, safety, and comfort. Featuring exhibits donated from industry, universities as well as the Museum's own extensive collection, Think Human aimed to deepen our understanding of how this cross-cutting design approach underpins so many aspects of the world we live in. Examples of Loughborough University's world-leading research and innovation were translated into interactive exhibits using touchscreens, mannequins, and actual products.

Improvements to the displays and interpretation at Pickford's House
With funding from DCMS Wolfson major improvements were made to the presentation and interpretation of displays at Pickford's House. Access has been improved to the displays on the ground floor with significant physical barriers removed and more objects on show. New research to feature the stories of women, and communities whose stories have been previously neglected have enriched the interpretation of the building and broadened the visitor experience.



Public Programme - Events

A wide programme of events take place at our museum sites aimed at attracting audiences linking with the museums' collection and exhibitions.

Assemble
Derby Museums' flagship making event took place in October 2024, with a new sponsor Vaillant UK. This interactive event brought together 80 makers showcasing activity from traditional craft skills to tech and electronics in a two-day festival. Over 1,600 people attended the Assemble.

First Fridays
These are a series of events seeking to broaden audience reach and reveal new perspectives on the city's cultural heritage. This year they included:

- Empire and the Making of Modern Derby, with Dr Cath Feely.
- The Summer Clothes Swap, a trans-inclusive clothes swap event encouraging sustainability, co-produced with Trans Support Hub Manchester.
- Ancient bodies, contemporary challenges: The ethics of Egyptian mummified bodies in museums with Dr Angela Stienne
- The 6th annual Derby Poetry Festival Performance Poetry Slam.
- Derby Women History Makers Poetry Walk Project with creative writing workshops from former Derbyshire Poet Laureate Helen Mort and co-founder of the project Sophie Sparham.

Other events
Across our venues a broad range of 'everyday' cultural activity occurs. Life Drawing sessions in The Wardwick site of the Museum and Art Gallery regularly sold out. We welcomed the return of The Ethical Atelier with Abi Wastie, in May, held Threaded's (a Derbyshire based folk trio) album launch a The Wardwick and once again worked with the City of Sanctuary Network to co-produced 'Hello Derby' at the Museum of Making as part of Refugee Week. We supported local arts organisation Furthest From The Sea Music, Comedy and Arts with their annual Pirate themed festival on Cathedral Green.

Artist talks have included presentations from Dr Peter Collinge, local Author Danielle Burton, and Dr Allan Chapman, co-produced with the Derby and District Astrological Society, who also co-produced an evening of star gazing at the Museum of Making as part of their 50th anniversary celebrations.

The Museums also host general events in partnership with other organisations, they have included Heritage Beer Festival with CAMRA, the Toasted Ceramics fair and Wedding trade shows..

Stewardship of Heritage

Derby Museum's key purpose is to care for more than 350,000 objects in its collection. In the past four years more of the museums' collections are on display than ever before. Most of the collections remain in store at four sites. Much of this storage is substandard. In the museum's main store there is widespread mould infestation and the roof leaks frequently. The museum team is working closely with Derby City council to identify a site which will consolidate all the museums' collections and improve the environment and access.

Thanks to a grant from the DCMS Wolfson foundation, improvements being made to the interpretation an access at Pickford's House. Extensive co-production sessions with community groups, young people, staff and volunteers have identified new and more coherent narratives. This involves foregrounding the experiences of women and children in the life of the building. It also involves the removal of barriers and the installation.

The aftermath of the disastrous flooding of the Museum of Making in October 2023 is still being felt. New interventions and procedures have been put in place at the museum to enable swifter recovery should a similar event occur again. This has been funded through an insurance claim and flood recovery grant from Arts Council England.

Business Development

The financial resilience of Derby Museum remains a great concern. Public revenue support has declined rapidly in the last 5 years and increased costs brought about by high inflation and energy are now exceeding available budgets.

Efficiencies have been made with 9 staff posts deleted in the last 24 months and this is reflected with an overall reduction in activity. There are fewer temporary exhibitions and events, and marketing has been streamlined to focus upon digital output. Whilst Derby Museums remains ambitious, its activities must be tempered with economic realism. Fewer but higher profile exhibitions are more costly but can provide greater income return through increased visitor numbers, secondary spend and receipts from Museums and Galleries Exhibition Tax Relief.

60% of Derby Museums income comes from fundraising and commercial activity. This is a much higher proportion than many civic museums, borne out of the necessity of the impact of funding cuts, and also the skill of Derby Museums development team. Fundraising comes in a variety of guises, from project funding from established trusts, foundations and major grant giving bodies such as the Heritage Fund, to individual givers, on site donations and habitual giving schemes such as 'Buy a Bird.' Unfortunately, this reliance on fundraising which is by its nature uneven and not guaranteed makes the current business model precarious

Profits from Derby Museum Enterprises reduced on the previous year as visitor footfall to the city centre has declined. Whilst venue hire across the museum sites has grown year on year, reduced footfall has impacted on the profitability of catering through our two cafes. An insurance claim based on loss of business continuity following the flood of 2023 and subsequent three-month closure of the Museum of Making softened the impact of decline income in this area.

Income from retail dropped during 2024-25 on the back of decreased footfall to the Museum and Art Gallery. But despite this, it remains profitable. Moreover, the retail offer stimulates a community of local makers, whose product can be found for sale at both Museum of Making and Museum and Art Gallery. Initiatives such as Let's Make Christmas further stimulate growth as visitors search for a unique gift for special occasions.

Derby Museums sites remain highly desirable venues for weddings, conferences, parties and commercial exhibitions. Income targets for venue hire were surpassed in 2024-25.

The Derby Museums endowment continues to grow steadily and this year a lump sum of £118,000 representing capital growth on the £2m core figure was transferred to unrestricted funding. The income from the invested capital sum of £2m contributes to the organisation's unrestricted income.

Derby Museums has maintained high standards in its governance. The Board is balanced and more representative in the areas of age, ethnicity, gender and disability.

Learning and participation

It is through its learning programmes partnership with schools and business that Derby Museums creates the most significant impact on the lives of young people in the city.

Rolls-Royce have continued their support of the Institute of STEAM (Science, Technology, Engineering, Art and Maths), Derby Museums overarching learning framework. This is an interdisciplinary approach, through which young people learn and understand the world and other people. It encourages creative, enquiry-based and critical thinking, enabling people to develop the capacities necessary to thrive in the future; to be curious, empathise and innovate - think, feel and do.

Local employers are particularly interested in programmes which can encourage a 'talent pipeline' which gives young people that first experience of teamwork and critical thinking required for the workplace. Rolls-Royce hold an annual STEAM workshop, including non-destructive testing, led by graduate trainees and apprentices during British Science Week.

In 2024 we began a new partnership with Vaillant UK, who through a multi-year sponsorship they supported -

- The installation of the Power Pod interpretive display about energy in the Museum of Making
- The Assemble event
- Launch Into Engineering, a weeklong programme which combines practical learning with real-world skills through a combination of learning at the Museum of Making in Derby and Vaillant's manufacturing plant in Belper. Students employ traditional processes such as blacksmithing and learn to use machinery that requires craftsmanship and precision such as wood and metal turning lathes. Students also learn how to work with modern and digital-based methods, with 3D printing and laser cutting

Manufacturer IMI completed their financial support of the Midlands Maker Challenge, a four-year programme which brought together students from a number of schools across the region. The project saw them respond to real world challenges brought on by climate change such as water shortages and biodiversity loss.

Derby Museums has built back its schools offer in the wake of covid, thanks to support from an Anonymous Funder, who have funded additional capacity in the learning team. The schools learning programme delivers popular sessions supporting curriculum-based activities such as Romans, Ancient Egypt, World War One and Art based on our Joseph Wright Collection.

Informal Family learning is the most extensive means for people to engage with cultural heritage within Derby Museums. This could be through drop-in activities during the holidays or via a more structured programme such as STEAM Babies and Tots aimed at early years. The Museum of Making hosts a 15-week programme as part of the National Saturday Club initiative. This is aimed at 13-16 year olds and focusses on craft and making.

The Makory, Derby Museums' mobile museum, went to several locations and events during the year. The Makory provides a taste of what can be seen at the Museum of Making and goes to communities where there are low levels of participation in cultural activity. The Makory has been Derby Museums contribution to the county-wide Derbyshire Makes programme going to several events across the county showcasing our work and encouraging making.

The museum has supported the Derby Creative Sanctuary Group of 18 people who have sought refuge in the UK from countries such as Chad, Iran, Honduras, Ecuador and Sri Lanka. They meet regularly at the Musuem of Making studios and take part in making activity linked to their ESOL (English as a Second or Other Language) learning programme. The group was also involved in the redevelopment of Pickford's House.

The third cohort of fellows UK Creative Communities Fellowship programme run in partnership with the Bowes Museum and National Art Strategies in the US. A cohort of 20 creative and community practitioners was recruited. They will spend a year developing skills in design thinking and using tools such as the story of change model to develop their practice and increase impact on communities.

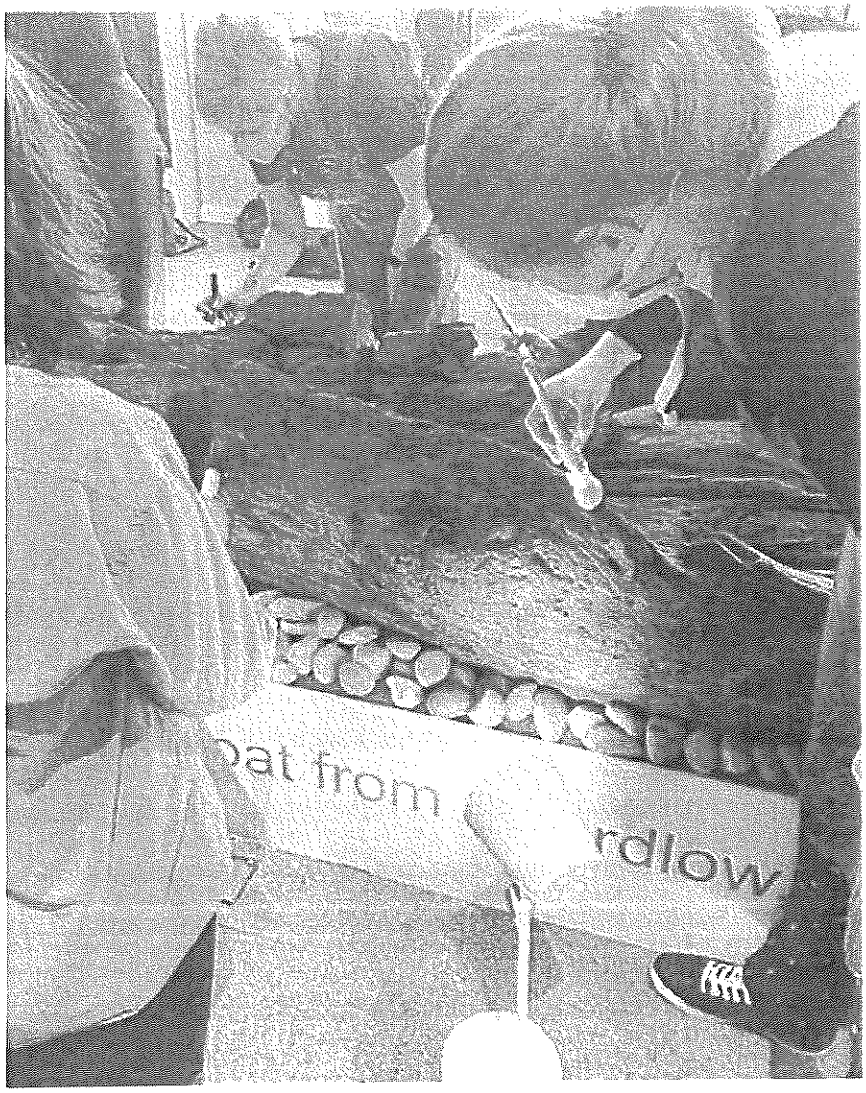
2024 UK Creative Community Fellows

The workshop at the Museum of Making has been further enhanced with new identity, interpretation and marketing materials with the aim of enticing new members to create a community of makers. Membership has increased and a greater number of activities and programmes are now available to the public including introduction to cabinet making, tinsmithing and wood turning. Participants can work with a variety of materials including glass, metal, ceramics, wood, textiles.

The museums workshop team has continued to develop relationships with Heritage Crafts association and learning providers such as the University of Derby and Derby College.

Volunteering

There are close to 200 active volunteers, and volunteering has long been central to the participative approach of Derby Museums. Volunteers participate in a range of activities from research and care of collections, to supporting gallery-based learning activity, from administration to leading on the development of the model railway. We use the volunteering platform Better Impact to match up volunteers with opportunities and measure the effect of volunteering. It also provides an improved means for volunteers to air their views and suggest new activities. During 2024-25 Derby Museums received close to 14,000 volunteer hours.



Financial Review

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

The charity's policy is to hold reserves to cover four months of unrestricted expenditure. As at March 2025, the unrestricted reserves stood at £983,509, which represents four months of expenditure.

Material investments policy
As required in its Memorandum, in furtherance of its objects, and for no other purposes, the Company has the power to invest the monies of the Company not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

Principal Funding
The charity's main source of income is grant income from Arts Council England and Derby City Council. Total income during the year amounted to £4,201,865 (2024: £3,285,105) which included unrestricted income of £3,149,618 (2024: £2,761,921), of which, £1,241,779 (2024: £1,241,779) was from Arts Council England and Derby City Council to be applied for the charity's work.

Details of the restricted funds totalling £14,094,636 (2024: £14,683,798) and the endowment funds of £1,956,245 (2024: £2,159,222) and their purpose can be found in Note 17 of the financial statements.

Structure, governance and management

Constitution
The company and the group is registered as a charitable company limited by guarantee (charity number 1149710) and was set up by a Memorandum of Association on 18 April 2012 as amended 18 December 2012. The company was registered as a charity on 12 November 2012.

Derby Museum started trading on 1 October 2012 as an independent Trust. It has a subsidiary called Derby Museums Enterprises Limited which started trading on 1 April 2014.

Methods of appointment or election of Trustees
The management of the Group and the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

Organisational structure and decision-making policies
The Memorandum and Articles of Association for the organisation provide that the board shall consist of at least 3 and not more than 18 individuals comprised as follows:

- Up to three Trustees nominated by Derby City Council
- Up to Fifteen Community Trustees

Policies adopted for the induction and training of Trustees

Trustees undergo a briefing on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the board of trustees committee and decision-making processes, the business plan and recent financial performance of the charity. New trustees also meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Financial risk management

The Trustees have assessed the major risks to which the Group and the Company are exposed, in particular those related to the operations and finances of the Group and the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The Trust has a clear set of aims and objectives (see above). The challenges facing this new organisation are to evidence a strengthened commercialism and resilience plus an improved customer offer in order to attract continued financial support from its two main funders. This will include, but not be restricted to, increasing funding from other sources, both donations / fundraising and commercial income.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

Disclosure of information to auditors

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 18.8.25

A Elise
Trustee - Chair of Finance, Risk and Audit

Statement of Trustees' responsibilities
For the Year Ended 31 March 2025

The Trustees (who are also the directors of the Company 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 18.8.25

A Elise
Trustee - Chair of Finance, Risk and Audit

Independent Auditors' Report to the Members of Derby Museums

Opinion

We have audited the financial statements of Derby Museums (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2025 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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.

Auditors' 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 Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the financial reporting legislation, Charities Act 2011, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
  identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charlable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dains Audit Ltd

Simon Hawkins (Senior Statutory Auditor)
for and on behalf of

Dains Audit Limited

Statutory Auditor
Chartered Accountants
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Date: 18.8.25

Derby Museums

(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:						
Donations and legacies	4	**83,901**	**600**	**4,516**	**89,017**	129,475
Charitable activities	5	**1,843,226**	**1,047,131**	**-**	**2,890,357**	2,025,786
Other trading activities		**1,118,188**	**-**	**-**	**1,118,188**	1,018,073
Investments	6	**104,303**	**-**	**-**	**104,303**	111,681
Total income and endowments		**3,149,618**	**1,047,731**	**4,516**	**4,201,865**	3,285,015
Expenditure on:						
Raising funds		**962,729**	**-**	**-**	**962,729**	873,356
Charitable activities	8	**2,338,165**	**1,596,853**	**-**	**3,935,018**	3,897,544
Total expenditure		**3,300,894**	**1,596,853**	**-**	**4,897,747**	4,770,900
Net (losses)/gains on investments		**-**	**-**	**(89,068)**	**(89,068)**	202,490
Net (expenditure) /income		**(151,276)**	**(549,122)**	**(84,552)**	**(784,950)**	(1,283,395)
Transfers between funds	17	**158,465**	**(40,040)**	**(118,425)**	**-**	-
Net movement in funds		**7,189**	**(589,162)**	**(202,977)**	**(784,950)**	(1,283,395)
Reconciliation of funds:						
Total funds brought forward		**976,320**	**14,683,798**	**2,159,222**	**17,819,340**	19,102,735
Net movement in funds		**7,189**	**(589,162)**	**(202,977)**	**(784,950)**	(1,283,395)
Total funds carried forward		**983,509**	**14,094,636**	**1,956,245**	**17,034,390**	17,819,340

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 52 form part of these financial statements.

Derby Museums

(A Company Limited by Guarantee)
Registered number: 08036113

Consolidated Balance Sheet
As at 31 March 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	12		**13,893,364**		14,650,623
Investments	13		**2,325,227**		2,832,720
			16,218,591		17,483,343
Current assets					
Stocks	14	**46,326**		41,174	
Debtors	15	**953,696**		429,061	
Cash at bank and in hand		**330,122**		381,038	
		1,330,144		851,273	
Creditors: amounts falling due within one year	16	**(514,345)**		(515,276)	
Net current assets			**815,799**		335,997
Total net assets			**17,034,390**		17,819,340
Charity funds					
Endowment funds	17		**1,956,245**		2,159,222
Restricted funds	17		**14,094,636**		14,683,798
Unrestricted funds	17		**983,509**		976,320
Total funds			**17,034,390**		17,819,340

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Elizabeth Fothergill
Chair of Trustees

Date: 18.8.25

Amanda Elise
Trustee - Chair of Finance, Risk and Audit

The notes on pages 27 to 52 form part of these financial statements.

Derby Museums

(A Company Limited by Guarantee)
Registered number: 08036113

Company Statement of financial position
As at 31 March 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	12		**13,893,364**		14,650,623
Investments	13		**2,325,228**		2,832,721
			16,218,592		17,483,344
Current assets					
Debtors	15	**1,061,915**		654,468	
Cash at bank and in hand		**200,996**		128,969	
		1,262,911		783,437	
Creditors: amounts falling due within one year	16	**(447,113)**		(447,441)	
Net current assets			**815,798**		335,996
Total assets less current liabilities			**17,034,390**		17,819,340
Total net assets			**17,034,390**		17,819,340
Charity funds					
Endowment funds	17		**1,956,245**		2,159,222
Restricted funds	17		**14,094,636**		14,683,798
Unrestricted funds	17		**983,509**		976,320
Total funds			**17,034,390**		17,819,340

The Company's net movement in funds for the year was a deficit (£784,950) (2024 - £1,283,395).

Company Statement of financial position (continued)
As at 31 March 2025

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Elizabeth Fothergill
Chair of Trustees
Date: 18.8.25

Amanda Elise
Trustee - Chair of Finance, Risk and Audit

The notes on pages 27 to 52 form part of these financial statements.

Derby Museums

(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	**(570,345)**	(635,347)
Cash flows from investing activities		
Dividends and interest from investments	**104,303**	111,681
Purchase of tangible fixed assets	**(3,299)**	(35,496)
Proceeds from sale of investments	**768,425**	750,000
Purchase of investments	**(350,000)**	(316,636)
Net cash provided by investing activities	**519,429**	**509,549**
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**(50,916)**	**(125,798)**
Cash and cash equivalents at the beginning of the year	**381,038**	506,836
Cash and cash equivalents at the end of the year	**330,122**	381,038

The notes on pages 27 to 52 form part of these financial statements

1. General information

Derby Museums is a Charitable Company, limited by guarantee incorporated in England and Wales. The Group's registered office is Museum and Art Gallery, The Strand, Derby, DE1 1BS.

The principal activity of the Group was that of a museum and art gallery.

2. Accounting policies

2.1 Basis of preparation of financial statements

Derby Museums is a charitable company registered in England / Wales . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities was that of a museum and art gallery.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

2.2 Basis of consolidation

The financial statements consolidate the accounts of Derby Museums and all of its subsidiary undertakings ('subsidiaries').

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

2.3 Going concern

These accounts are prepared on a going concern basis.

After reviewing group forecasts and projections, the trustees have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

2. Accounting policies (continued)

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets held by the charity to fulfil its objectives and are permanent in nature.

2.5 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Group which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Those costs incurred directly in support of expenditure on the objects of the Group and include project management carried out at Headquarters.

Charitable activities and Governance costs are incurred on the Group's operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

2. Accounting policies (continued)

2.7 Government grants

Government grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.8 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	33 %

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Short-Term leasehold property	- Over the life of the lease
Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33.33% straight line

2. Accounting policies (continued)

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.16 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. Accounting policies (continued)

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The company also provides retirement to employees of the charity which are provided by the Derbyshire County Council Local Government Pension Scheme ("LGPS"). This is a defined benefit scheme, is contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of Charity in a separate Trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

Derbyshire County Council has agreed to fund the liabilities of the LGPS scheme for relevant staff prior to 1 September 2012 ("the transfer date") upon signing the Business Transfer Agreement. The charity has been credited by the Derbyshire Council with a notional fund within the LGPS at the transfer date of level required to meet the cost of providing one hundred percent (100%) of the benefits accrued and in respect of the Eligible Employees prior to the transfer date (the "Notional Fund"). The value of the notional fund has been determined by an actuary appointed by the Derbyshire Country Council using the ongoing actuarial methods and assumptions used in the last actuarial valuation of the Derbyshire County Council Pension Fund.

In addition to the above, Derbyshire County Council has issued a Risk Share to the charity to cover any accrued deficits on exit by scheme members or the charity. All contributions are determined by Derbyshire County Council on the basis of triennial valuations using a prospective benefit method. As the charity is indemnified against prior and future liabilities of the scheme, the LGPS has been treated as a defined contribution scheme and the contributions recognised as they are paid each year.

2.18 Financial instruments

The Group 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 bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Rental costs
The Group occupies a number of buildings provided by the council at a peppercorn rent. The Trustees understand that they are custodians of these premises, which are occupied for the purposes of operating a Museum under the terms of their agreement with the council. The nature and purpose of the buildings is such that any donated value cannot be measured reliably and it is not appropriate to record any value in the financial statements for donations in kind.

Therefore, no donation and rental expense has been recognised within the financial statements.

4. Income from donations and legacies

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Endowment funds 2025 £**	**Total funds 2025 £**
Donations	83,901	100	4,516	**88,517**
Government grants	-	500	-	**500**
	83,901	600	4,516	**89,017**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Donations	109,417	5,436	14,122	128,975
Government grants	-	500	-	500
	109,417	5,936	14,122	129,475

5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Arts Council England	550,099	-	**550,099**
Membership income	21,383	-	**21,383**
Displays and exhibitions	12,221	-	**12,221**
Derby City Council - Support	610,000	-	**610,000**
Derby City Council - Services	-	81,680	**81,680**
Partnerships and grants	299,297	965,451	**1,264,748**
Income from retail, catering and IPR	2,480	-	**2,480**
Activities, events, displays & exhibitions	32,801	-	**32,801**
Learning programmes and research	37,952	-	**37,952**
Other income	276,993	-	**276,993**
	1,843,226	1,047,131	**2,890,357**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Arts Council England - Strategic fund	550,099	-	550,099
Membership income	11,377	-	11,377
Derby City Council - Support	610,000	-	610,000
Derby City Council - Services	-	81,680	81,680
Partnerships and grants	127,165	421,356	548,521
Income from retail, catering and IPR	2,480	-	2,480
Activities, events, displays & exhibitions	32,893	-	32,893
Learning programmes and research	29,391	-	29,391
Other income	159,345	-	159,345
	1,522,750	503,036	2,025,786

6. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £
Investment income	96,767	**96,767**
Bank interest received	7,536	**7,536**
	104,303	**104,303**

	Unrestricted funds 2024 £	Total funds 2024 £
Investment income	96,226	96,226
Bank interest received	15,455	15,455
	111,681	111,681

7. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Operation of museums	3,495,652	439,366	**3,935,018**

7. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Operation of museums	3,525,810	371,734	3,897,544

Analysis of direct costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	**1,617,767**	1,683,339
Depreciation	**760,558**	755,908
Premises and transport	**391,899**	405,102
Supplies and services	**133,032**	126,769
Support services	**81,680**	81,680
Marketing and PR	**79,908**	42,407
Development	**7,938**	10,678
Exhibitions	**351,646**	354,732
Professional fees	**17,308**	4,632
Learning	**52,084**	53,825
Collections	**1,832**	6,738
	3,495,652	3,525,810

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	**396,865**	320,369
Employment expenses	**23,065**	29,921
Bank charges	**4,814**	5,096
Governance costs	**622**	2,848
Audit fees	**14,000**	13,500
	439,366	371,734

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total 2025 £**
Operation of museums	2,338,165	1,596,853	**3,935,018**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Operation of museums	2,550,349	1,347,195	3,897,544

9. Auditors' remuneration

	2025	2024
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**14,000**	13,500

10. Staff costs

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
Wages and salaries	**2,067,837**	1,958,320	**1,562,367**	1,547,512
Social security costs	**150,024**	144,384	**119,879**	117,855
Contribution to defined contribution pension schemes	**393,628**	390,782	**332,386**	338,341
	2,611,489	2,493,486	**2,014,632**	2,003,708

The average number of persons employed by the Company during the year was as follows:

	Group 2025	Group 2024	Company 2025	Company 2024
	No.	No.	No.	No.
Average number of employees	**145**	124	**94**	86

The number of employees whose employee benefits (excluding employer pension and national insurance contributions) exceeded £60,000 was:

	Group 2025	Group 2024
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	**1**	-

The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services was £364,463 (2024 - £375,538).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year, no Trustee expenses have been incurred (2024 - £NIL).

12. Tangible fixed assets

Group and Company

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2024	**15,879**	**16,696,938**	**102,483**	**291,760**	**71,698**	**17,178,758**
Additions	**-**	**-**	**2,399**	**900**	**-**	**3,299**
At 31 March 2025	**15,879**	**16,696,938**	**104,882**	**292,660**	**71,698**	**17,182,057**
Depreciation						
At 1 April 2024	**5,189**	**2,105,781**	**69,407**	**276,845**	**70,913**	**2,528,135**
Charge for the year	**835**	**747,737**	**7,824**	**3,826**	**336**	**760,558**
At 31 March 2025	**6,024**	**2,853,518**	**77,231**	**280,671**	**71,249**	**3,288,693**
Net book value						
At 31 March 2025	**9,855**	**13,843,420**	**27,651**	**11,989**	**449**	**13,893,364**
At 31 March 2024	10,690	14,591,157	33,076	14,915	785	14,650,623

13. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2024	**2,832,720**
Additions	**350,000**
Disposals	**(768,425)**
Revaluations	**(89,068)**
At 31 March 2025	**2,325,227**
Net book value	
At 31 March 2025	**2,325,227**
At 31 March 2024	2,832,720

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2024	**1**	**2,832,720**	**2,832,721**
Additions	**-**	**350,000**	**350,000**
Disposals	**-**	**(768,425)**	**(768,425)**
Revaluations	**-**	**(89,068)**	**(89,068)**
At 31 March 2025	**1**	**2,325,227**	**2,325,228**
Net book value			
At 31 March 2025	**1**	**2,325,227**	**2,325,228**
At 31 March 2024	1	2,832,720	2,832,721

13. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding	Included in consolidation
Derby Museums Enterprises Limited	08119695	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Derby Museums Enterprises Limited	**1,118,188**	**(962,729)**	**155,459**	**1**

14. Stocks

	Group 2025 £	Group 2024 £
Finished goods and goods for resale	**46,326**	41,174

The company held no stock (2024 - £Nil) at the year end.

15. Debtors

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Due within one year				
Trade debtors	**115,148**	117,104	**72,993**	85,766
Amounts owed by group undertakings	**-**	-	**150,374**	322,353
Other debtors	**382**	-	**382**	-
Prepayments and accrued income	**838,166**	311,957	**838,166**	246,349
	953,696	429,061	**1,061,915**	654,468

16. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	**Company 2025 £**	Company 2024 £
Trade creditors	**329,051**	320,010	**304,517**	305,127
Other taxation and social security	**54,347**	32,128	**54,347**	32,128
Other creditors	**38,970**	37,388	**38,970**	37,388
Accruals and deferred income	**91,977**	125,750	**49,279**	72,798
	514,345	515,276	**447,113**	447,441

Deferred income relates largely to grants and donations received in advance of its intended purpose along with revenue received in advance of events taking place.

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds						
Designated funds						
Punjabi Derby	13,600	-	-	-	-	13,600
Fixed asset reserve	160,829	-	(12,822)	3,299	-	151,306
	174,429	-	(12,822)	3,299	-	164,906
General funds						
General Funds	801,891	3,149,618	(3,288,072)	155,166	-	818,603
Total Unrestricted funds	976,320	3,149,618	(3,300,894)	158,465	-	983,509
Endowment funds						
Endowment Funds	2,159,222	4,516	-	(118,425)	(89,068)	1,956,245

17. Statement of funds (continued)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Restricted funds						
Arts Council England - Joseph Wright Collection	2,569	-	-	-	-	2,569
The Silk Milk Museum of Making Project	14,489,794	-	(747,736)	-	-	13,742,058
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,680	(81,680)	-	-	-
Vaillant	38,798	47,240	(47,586)	-	-	38,452
Other restricted funds	-	158,426	(101,666)	13,906	-	70,666
The Foyle Foundation	-	32,500	(18,201)	-	-	14,299
Paul Mellon Centre for Studies in British Art	6,411	-	2,341	-	-	8,752
Rolls-Royce Institute of STEAM	-	50,000	(52,171)	59,257	-	57,086
Midlands Maker Challenge	13,274	80,000	(11,190)	(82,084)	-	-
Joseph Wright Acquisition	2,624	-	-	-	-	2,624
Headley Fellowship	4,710	-	-	-	-	4,710
Anonymous	-	74,045	(49,084)	-	-	24,961

17. **Statement of funds (continued)**

Statement of funds - current year (continued)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Arts Council England - Support in Exceptional Circumstances	-	136,307	(128,205)	1,000	-	9,102
Hogarth	1,500	-	(1,500)	-	-	-
Dynamic Collections	(6,458)	57,031	(43,624)	-	-	6,949
Egypt Exhibition	-	96,236	(75,499)	(10,387)	-	10,350
Resilience	45,170	83,670	(127,736)	-	-	1,104
Alternative Archives	-	150,596	(113,316)	(21,732)	-	15,548
	14,683,798	1,047,731	(1,596,853)	(40,040)	-	14,094,636
Total of funds	17,819,340	4,201,865	(4,897,747)	-	(89,068)	17,034,390

17. **Statement of funds (continued)**

Description of funds

Designated funds
Including Punjabi Derby is a donation to help increase Derby Museums engagement with local global majority audiences with a particular focus on increasing representation for Sikh audiences.

Fixed Asset Reserve
This represents the amount of funds which are tied up in tangible fixed assets and therefore not necessarily available for use in day to day operations.

Arts Council England - Joseph Wright Collection
To develop a study area to promote understanding and enjoyment of our nationally Designated Joseph Wright collection.

The Silk Mill Museum of Making Project
To meet the costs for development work towards the creation of the Derby Silk Mill Museum of Making. Expenditure has been posted to Assets under construction on the balance sheet. All income received will be restricted. Now in use the asset will be amortised over the life of the lease and matched against restricted income.

General improvements of collections and buildings
Accumulated donations and bequests designated for the general improvement of collections and buildings.

Derby City Council - Support Services
This contract with Derby City Council provides continuation of support services at an agreed annual rate. This is a rolling 12 month contract.

Transforming Leadership
A grant to establish, in partnership with a number of other organisations, the Creative Community Fellow Programme (CCF) to the UK.

Other restricted funds
These relate to other small restricted fund balances which further the aims and objectives of the museum.

The Foyle Foundation
A grant to improve and reimagine the Museum on the Wardwick's artistic venue space, increasing both financial and environmental sustainability.

Paul Mellon Centre for Studies in British Art
This is a grant to develop an engaging and accessible online catalogue of our collection of the work of artist Joseph Wright of Derby.

Roll-Royce - Institute of STEAM
Funding, support and expertise to help Derby Museums to develop and deliver an extensive STEAM learning programme across all three sites.

17. **Statement of funds (continued)**

Midlands Maker Challenge
A programme for young people across the midlands, that challenges them to create solutions to some of the key issues facing the world.

Joseph Wright acquisition
Funding to acquire a Joseph Wright self portrait painting.

Headley Fellowship
Funding to increase curatorial resource to research the Egyptian collection.

Anonymous
Funding from an anonymous funder to support and scale our formal learning programme, helping to address low educational attainment and social mobility in our city.

Arts Council England - Support in Exceptional Circumstances
A grant from Arts Council England to support the rebuilding of our audiences following the flooding at the Museum of Making caused by Storm Babet, alongside capital investment to help mitigate the impact of future flooding.

.Hogarth
An exhibition drawing in major loans from prestigious venues across the UK, and making public new research on Hogarth, one of the most important artists of the 18th century.

Vaillant
Funding from Vaillant supporting Derby Museums' ambitions to grow, develop and inspire a community of makers in the area.

Wolfson PH
Funding from Wolfson for the redevelopment of Pickford's House to create The Reimagined Home, reflecting changing views of home, work and family for an inclusive, digital age.

Dynamic collections
NLHF funding for the re-display and re-interpretation of the Nature Gallery and the Archaeology Gallery at Derby Museum and Art Gallery.

Eygpt Exhibitions
A grant to reinterpret our Egypt collection, resulting in a temporary exhibition and permanent re-display of the collection.

Resilience
NLHF funding for resilience and relevance, including a wide ranging full business review; increasing fundraising capacity, and the launching of an income-generating touring programme of Joseph Wright: A Life on Paper.

Alternative archives
Funding from the National Lottery Heritage Fund to co-develop and maintain a digital archive with Derby's South Asian communities, enriching the city's archives and deepening understanding across communities of the histories of migration and the city's historic and industrial development.

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Designated Funds	13,600	-	-	-	-	13,600
Punjabi Derby	132,220	-	(7,337)	35,946	-	160,829
	145,820	-	(7,337)	35,946	-	174,429
General funds						
General Funds	1,489,219	2,761,921	(3,416,368)	(54,879)	21,998	801,891
Total Unrestricted funds	1,635,039	2,761,921	(3,423,705)	(18,933)	21,998	976,320
Endowment funds						
Endowment Funds	1,964,608	14,122	-	-	180,492	2,159,222

17. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Arts Council England - Joseph Wright Collection	2,569	-	-	-	-	2,569
The Silk Milk Museum of Making Project	15,238,365	-	(748,571)	-	-	14,489,794
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,681	(81,681)	-	-	-
Vaillant	-	54,000	(15,202)	-	-	38,798
Other restricted funds	54,871	83,865	(156,518)	17,782	-	-
The Foyle Foundation	465	-	(465)	-	-	-
Paul Mellon Centre for Studies In British Art	16,536	-	(10,125)	-	-	6,411
The Esmee Fairburn Collections Fund – delivered by the Museums Association – Co-producing the sustainable future of Derby Museums	-	70,449	(70,690)	241	-	-

17. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Rolls-Royce Institute of STEAM	5,863	7,704	(13,567)	-	-	-
Midlands Maker Challenge	62,457	20,000	(69,183)	-	-	13,274
Joseph Wright Acquisition	2,624	-	-	-	-	2,624
Headley Fellowship	4,710	-	-	-	-	4,710
Flood Fund	-	48,322	(49,232)	910	-	-
Hogarth	29,222	6,593	(34,315)	-	-	1,500
Dynamic Collections	-	22,351	(28,809)	-	-	(6,458)
Resilience	-	114,007	(68,837)	-	-	45,170
	15,503,088	508,972	(1,347,195)	18,933	-	14,683,798
Total of funds	19,102,735	3,285,015	(4,770,900)	-	202,490	17,819,340

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Tangible fixed assets	151,306	13,742,058	-	**13,893,364**
Fixed asset investments	368,982	-	1,956,245	**2,325,227**
Current assets	977,566	352,578	-	**1,330,144**
Creditors due within one year	(514,345)	-	-	**(514,345)**
Total	983,509	14,094,636	1,956,245	**17,034,390**

Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	160,829	14,489,794	-	14,650,623
Fixed asset investments	687,620	-	2,145,100	2,832,720
Current assets	643,147	194,004	14,122	851,273
Creditors due within one year	(515,276)	-	-	(515,276)
Total	976,320	14,683,798	2,159,222	17,819,340

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net expenditure for the year (as per Statement of Financial Activities)	**(784,950)**	(1,283,395)
Adjustments for:		
Depreciation charges	**760,558**	755,908
Loss / (Gains) on investments	**89,068**	(202,490)
Dividends, interests and rents from investments	**(104,303)**	(111,681)
(Increase)/Decrease in stocks	**(5,152)**	2,959
Decrease/(Increase) in debtors	**(524,635)**	52,683
Increase/(Decrease) in creditors	**(931)**	150,669
Net cash used in operating activities	**(570,345)**	(635,347)

20. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	**330,122**	381,038
Total cash and cash equivalents	**330,122**	381,038

21. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	**381,038**	**(50,916)**	**330,122**

22. Pension commitments

The Charity is an employer for the purpose of the Derbyshire County Council Local Government Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The LGPS has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Group also operate.

The Charity is an employer for the purpose of the Derby Museums Group Personal Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The Derby Museums Group Personal Pension Scheme has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Group also operate.

During the year 31 March 2024 the Group made total pension contributions totalling £393,628 (2024 - £390,782) to this scheme. As at 31 March 2024 there was a balance outstanding of £33,013 (2024 - £36,974).

23. Operating lease commitments

At 31 March 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	Group 2024 £	**Company 2025** £	Company 2024 £
Not later than 1 year	**2,647**	2,647	**2,647**	2,647
Later than 1 year and not later than 5 years	**3,479**	6,126	**3,479**	6,126
	6,126	8,773	**6,126**	8,773

24. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

25. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 102 (Section 33), not to disclosure transactions between entities which form part of the Group headed by Derby Museums.

All transactions with Trustees were transacted at a commercial rate.

DERBY MUSEUMS

England & Wales - Charity number 1149710

Accounts

Registered number: 08036113
Charity number: 1149710

Derby Museums

Trustees' Report and Financial Statements

For the Year Ended 31 March 2024

DAINS
ACCOUNTANTS

DERBY MUSEUMS
(A Company Limited by Guarantee)

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DERBY MUSEUMS
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the Year Ended 31 March 2024

Trustees	Elizabeth Fothergill, CBE, Chair Linda Sullivan Professor Keith McLay Dr Kiron Griffin Charlotte Holmes Andrew James Findlay Amanda Ellse Paul Hilsdon Emily Lonsdale Clare Foyle (appointed 28 November 2023) Alan Lindsey (appointed 18 July 2023) Anisha Parmar (appointed 28 November 2023) Roger Merchant (resigned 21 March 2024) Caroline McComb, Vice Chair (resigned 31 October 2023) Councillor Lucy Care, nominated member from Derby City Council (resigned 1 August 2023) Councillor Robin wood, nominated member from Derby City Council (resigned 30 June 2023) Councillor Joanna West, nominated member from Derby City Council (resigned 30 June 2023)
Company registered number	08036113
Charity registered number	1149710
Registered office	Museum and Art Gallery The Strand Derby Derbyshire DE1 1BS
Patron	Lord Cavendish, 12th Duke of Devonshire
Independent auditors	Dains Audit Limited Statutory Auditor Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ

Reference and Administrative Details of the Company, its Trustees and Advisers (continued)
For the Year Ended 31 March 2024

Bankers	The Co-Operative Bank 31 East Street Derby Derbyshire DE1 2AL Santander UK Plc 1st Floor 5 Market Place Derby DE1 3PY

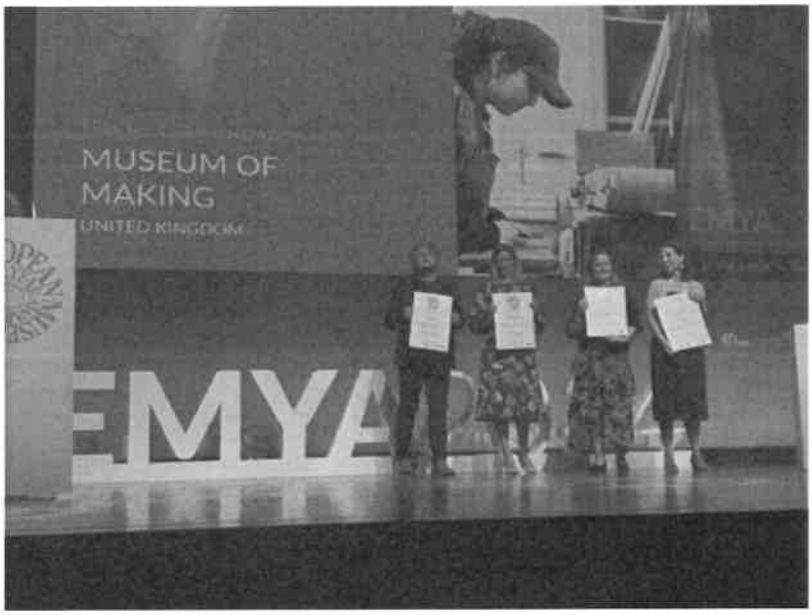
Trustees' Report
For the Year Ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

About Derby Museums

Derby Museums was established as an independent charitable trust in 2012. Since then, it has transformed the way cultural heritage is presented and appreciated in the city of Derby.

Derby has unique cultural assets. It has the finest collection of work by Joseph Wright of Derby, the 18th century artist of the Enlightenment, and is 'Designated' by Arts Council England as a collection of national significance. Its three museums – the Museum of Making (part of the UNESCO inscribed Derwent Vallet Mills World Heritage Site), Derby Museum and Art Gallery and Pickford's House – welcome nearly a quarter of a million people each year. In recent years Derby Museums has been recognised for its innovative participatory practice with a slew of awards including achieving Finalist status in the 2022 Art Fund Museum of the Year Awards and a Special Commendation at the 2024 European Museum of the Year Awards.



Tony Butler, Executive Director of Derby Museums, accepting a Special Commendation award for the Museum of Making at the European Museum of the Year Awards.

Derby's identity was 300 years in the making, and the Enlightenment spirit of creativity and invention resonates today. The heritage of the city is utilised to frame ambitions for the future, both as one of the UK's top high-tech cities and as a principal centre for manufacturing and sustainable engineering. Derby Museums partnerships with industry are integral to providing young people with the inspiration and experience to pursue a career in industry. Its commitment to STEAM (Science, Technology, Engineering, Arts and Mathematics) is underpinned by support from major companies such as Rolls Royce, IMI and Vaillant.

The financial year 2023-24 has been challenging. Financial pressures are being brought to bear by a combination of decreased public revenue funding and increased costs beyond the organisation's control such as high inflation, a large increase in the minimum wage and high energy costs. Public investment accounts for under 40% of income, the lowest proportion since the Trust was formed in 2012. Financial resilience has been maintained by the use of cash reserves built up during covid.

Despite these challenges, Derby Museums continues to present innovative and meaningful work for its audiences, both local and further afield. The museums remain Derby's principal attractions in the local visitor economy contributing nearly £10m to the local economy each year. Through its events and exhibitions, the museums help people look at the world differently, learn more about their city and feel pride in the place they live.

Our purpose

- Derby Museums is for the thinker and maker in all of us

Our Values

- Be independent
- Foster a spirit of experimentation
- Pursue mutual relationships
- Create the conditions for well-being
- Prove that we are doing it

Derby Museums Charitable Aims

Derby Museums' Memorandum and Articles were first incorporated on 18 April 2012 and were then amended by certificate of incorporation on change of name on 7 August 2012. The Memorandum and Articles were amended by special resolution on 24 January 2017 and again on 29 September 2020.

1) To advance the education of the public at large by the establishment and/or maintenance of a museum and/or art gallery.
2) To advance the education of the public at large by the preservation of buildings of historic and/or architectural importance.
3) Without prejudice to the generality of the above, to advance the education of the public at large of Derby's engineering and creative heritage.
4) To provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation for individuals who have need of such by reason of their youth, age, infirmity or disability, financial hardship, or social and economic circumstances with the object of improving their conditions of life.
5) Pursue such other charitable purposes consistent with the above as the trustees in their absolute discretion shall determine.

Derby Museums Business Aims 2023-26

During 2023-24 Derby Museums produced a three year plan. All museum activities contribute to one or more of the following aims.

Aim 1 Make Extraordinary and Exciting Work.
Aim 2 Be Entrepreneurial and Inventive.
Aim 3 Be Relevant to our Citizens.
Aim 4 Be Good Stewards.
Aim 5 Support the Ambitions for our City.

These aims are the basis for a comprehensive series of activities which are reviewed at quarterly board meetings by Trustees. They contribute to the delivery of our Derby Museums charitable objectives and are informed by the investment principles of Arts Council England (ACE). Derby Museums is an ACE National Portfolio Organisation (NPO) and its business plan delivery is reviewed on a yearly basis by the museums' executive and ACE officers.

Derby Museums Activity Review 2023-24

Public Programme – Exhibitions
During 2023-24 Derby Museums welcomed around 200,000 visitors. Highlights of its exhibitions and events programme include:

Hogarth's Britons: Succession, Patriotism, and the 1745 Jacobite Rebellion – Derby Museum and Art Gallery

This ambitious and wide-ranging exhibition was co-curated with Historian Jacqueline Riding. It examined the response of 18th century artist and satirist William Hogarth to the Jacobite rebellion of 1745 led by Bonnie Prince Charlie. During the rebellion, the Jacobite army occupied Derby for a week in December 1745 before the Prince decided to retreat north, only for his army to face eventual defeat at Culloden in 1746. The exhibition explored Hogarth's expression of emerging British identity and the impact of the occupation on the city. The show featured 84 loans from 18 lenders including the National Gallery, the British Museum, the V&A, National Galleries of Scotland and the Foundling Museum. Highlights included Hogarth's The March of the Guards to Finchley and Allan Ramsay's portrait of Flora Macdonald.

Guests view Hogarth's series of works 'Marriage A-la-Mode' at the launch of the Hogarth's Britons exhibition
© Kate Lowe Photography/Derby Museums

History Makers: Unfolded – Derby Museum and Art Gallery

Co-produced with artists and activists, this exhibition and project lab focused on the diverse stories and inspiring legacies of remarkable women and gender diverse individuals in Derbyshire. Amongst the display was work from Jewellery Designer Anisha Parmar whose work is inspired by her family's journey from India, Photographer Kate Bellis who has documented women working in agriculture and quarrying, and a selection of intricate drawings from the late 18th century Derby botanist Lucy Hardcastle. The exhibition was supplemented by objects and stories from visitors who helped expand the show and the Derby Museums' knowledge. In the associated project lab visitors were posed the question of how to empower history makers in museum spaces, both now and in the future.

Visitors to the launch of History Makers: Unfolded explore the displays © Pictorio Pictures/Derby Museums

Oliver Frank Chanarin, A Perfect Sentence – Museum of Making

Photographer Oliver Frank Chanarin premiered his first solo exhibition at the Museum of Making in Derby, on the occasion of FORMAT23 International Photography Festival – the UK's leading international photography biennial.

A Perfect Sentence explored the shifting terrain of documentary photography: humanity's drive for attention, the complexity of being seen and the anxiety of being overlooked.

Chanarin collaborated with Derby co-production partners to make portraits with people and communities in the city. One of the images produced at the Museum of Making was made in response to conversations with volunteers Pam and Mike (pictured), who help to build and maintain the model railway.

Oliver Frank Chanarin, with Pam and Mike, 10 x 8 inches, c-type print, unique artist proof (#0182745383), 2023. Images courtesy and © the artist. Commissioned and produced by Formo, in collaboration with eight UK organisations.

The Peacock Revolution: Men's Fashion from 1966-1970 – Pickford's House

An exhibition of men's clothing from the private collection of Peter Feely from Derby. Peter built up the collection over 30 years concentrating on the period 1966-1970 (the 'Swinging Sixties') from now famous men's boutiques once located on Carnaby Street and King's Road in London such as Granny Takes A Trip, Lord John, Hung On You, Take 6, Apple Boutique.

The Peacock Revolution at Pickford's House © Pictoria Pictures/Derby Museums

Public Programme – Events

A wide programme of events take place at Derby Museums' sites aimed at attracting audiences linking with the museums' collection and exhibitions.

First Fridays are a series of events geared towards first time and diverse audiences.

- Queer Folio Scratch Night' an Arts Council England funded project co-produced with Derby-based 1623 Theatre Company reimagined Shakespeare's work through a queer lens.
- 'Carry On Hogarth' with Dr Ruth Larsen and History students from the University of Derby, took a tongue in cheek look at Hogarth's Britons inspired by the satirical, saucy and scandalous elements of Hogarth's work.
- 'Dancing To The Music You Hate' with Birmingham Poet Laureate Jasmine Gardosi was a poetry, beatboxing and Celtic dubstep show about identity, performed with a six-piece orchestra.
- 'Handcrafted: A Materials and Making Odyssey' in partnership with Heritage Crafts, acted as a book launch and making experience for Dr Anna Ploszajski.

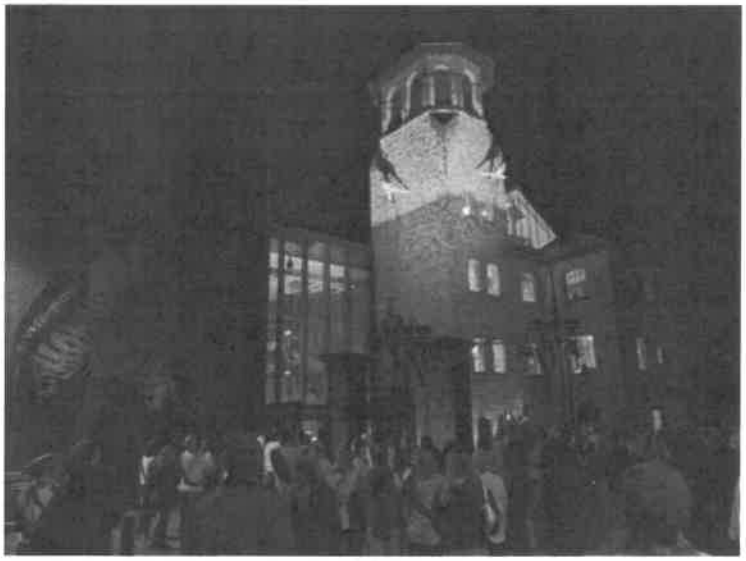
Derby Museums has explored new ways to animate and amplify its spaces. The Derby Living History society held their annual 'Dr Johnson's Wedding' reenactment in July 2023, providing a light hearted introduction to 18th century intellectual life.

The Wardwick space at the Museum and Art Gallery hosts larger scale events such as 'Raise Your Voice', a singing workshop with Rolls-Royce Ladies Choir and the Derbyshire Community Male Voice Choir presented as part of Cathedral Quarter Derby's 'Celebrate Sadler Gate' event. Approaching Christmas 2023 the Wardwick hosted Derbyshire-based theatre company The Babbling Vagabonds who presented the children's play 'Naughty Meg and the Christmas Elves' for three weeks.

Derby Museums builds on its collaborative ethos, partnering with a range of artists and cultural organisations. Working with artist and maker Abigail Wastie the Museum of Making hosted 'The Ethical Atelier', a shopping event showcasing sustainable fashion and welcoming local and national makers and artists.

Visitors browse at the Ethical Atelier event at the Museum of Making © Elise Wright/Derby Museums

A major Book Fair was held at the Museum of Making during the 2023 Derby Book Festival as was two sold out talks by Dr Jacqueline Riding linked to the Hogarth's Britons exhibition. Spectacularly, the Museum of Making was the scene of the most daring of spectacles during Derby Festé – an outdoor festival which attracts over 30,000 visitors to Derby with circus, dance, acrobatics, theatre and art – when dancers performed a dance on the Bell Tower of the museum.



Ballet Dancers performing as part of Festé 2023 © Derby Museums

Stewardship of Heritage

Derby Museums' key purpose is to care for over 250,000 objects in its collection. In the past four years, more of the museums' collections are on display than ever before. Despite this, the majority of the collections remain in storage at four sites, with much of this storage being substandard. In the museum's main store there is a widespread mould infestation and the roof frequently leaks. The museums team are working closely with Derby City Council to identify a site which will consolidate all of the museums' collections and improve the environment and access requirements.

Thanks to a grant from the DCMS/Wolfson Museums and Galleries Improvement Fund 2022-24, improvements are being made to the interpretation and access at Pickford's House. Extensive co-production sessions with community groups, young people, staff and volunteers have identified new and more coherent narratives. This involves foregrounding the experiences of women and children in the life of the building. It also involves the removal of barriers and the installation of display cases to better showcase items currently in storage.

In October 2023 the Museum of Making was flooded after unprecedented rainfall during Storm Babet. Nearly a metre of water rose inside the building causing extensive damage to fixtures and fittings in the River Kitchen, Workshop and to the lifts and fire doors. The building was forced to close for three months before re-opening at the end of January 2024. Fortunately, losses were covered by an insurance policy and a recovery grant from Arts Council England. However, it is likely that insurance companies will be reluctant to cover the trust for business interruption. In future, the trust will focus on flood mitigation and implementing a swift recovery plan.

The Museum of Making exterior on Saturday 21 October 2023 following Storm Babet © Derby Museums

Major Collections and acquisitions

Derby Museums continues to search for new works to augment its already impressive collection of works by Joseph Wright of Derby. This preeminent collection is the largest body of the artist's work and Designated a collection of outstanding significance by Arts Council England. In the summer of 2023 two works were unveiled on long-term loan to Derby Museum and Art Gallery. Titled A Girl Reading a Letter with an Old Man Reading over her Shoulder and Two Boys Fighting over a Bladder, the paintings are remarkable examples of what Wright termed 'candlelight' paintings. Also known as 'fancies', they are imaginative scenes, typically involving children and young people, whose stories are often simple and easy to understand. Fancy pictures were immensely popular and Wright himself produced numerous works in this vein throughout his career, particularly of children playing with bladders. The works had previously only been seen fleetingly on four previous occasions since their creation in the 18th century.

Curators Lucy Bomford (L) and Matt Edwards (R) hang 'A Girl Reading a Letter with an Old Man Reading over her Shoulder' and 'Two Boys Fighting Over a Bladder' by Joseph Wright at Derby Museum and Art Gallery © Oliver Taylor Photography/Derby Museums

A new permanent display of the work of Derby Artist Marion Adnams opened in the Autumn of 2023 at the Museum and Art Gallery. During Adnams' long life, she forged a reputation as a painter of deeply distinctive and dream-like visions inspired by the Surrealist movement. Although she worked full time as an art teacher, as well as caring for her mother, Adnams exhibited her work in London and many regional art galleries from the late 1930s. Today, examples of her paintings and drawings can be found in numerous public collections including the National Galleries of Scotland and Manchester Art Gallery.

Into 'the Enchanted Country', a new display of work by Marion Adnams at Derby Museum and Art Gallery © Derby Museums

Business Development

The financial resilience of Derby Museums remains a great concern. Public revenue support has declined rapidly in the last five years and increased costs brought about by high inflation and energy price rises are now exceeding available budgets.

Efficiencies have been made with seven staff posts deleted in the last 18 months, which corresponds with an overall reduction in activity. There are fewer temporary exhibitions and events and marketing has been streamlined to focus upon digital output. Whilst Derby Museums remains ambitious, its activities must be tempered with economic realism. Fewer but higher profile exhibitions are more costly but can provide greater income return through increased visitor numbers, secondary spend and receipts from Museums and Galleries Exhibition Tax Relief.

Derby Museums has expanded its commercial offer and increased income generation from donations, trusts and foundation and individual givers. Over 60% of its income in 2023-24 came from earned and contributed sources. Venue hire across the museum sites has grown. The Museum of Making is a city venue of choice for weddings, conferences, parties and commercial exhibitions, whilst Pickford's House provides an intimate and unique space for weddings and celebrations. The Wardwick space adjacent to the Museum and Art Gallery is widely used for teaching, meetings, fairs and events.

A couple celebrate their wedding at the Museum of Making © Jenny Appleton Photography

The Derby Museums endowment continues to grow steadily and income from the invested capital sum of over £2m contributes to the organisation's unrestricted income.

Income from retail grew during 2023-24 on the back of increased footfall from the Hogarth Briton's exhibition. Moreover, the retail offer stimulates a community of local makers, whose products can be found for sale at both the Museum of Making and Museum and Art Gallery shops. Initiatives such as Let's MAKE Christmas further encourage growth as visitors search for unique gifts for special occasions.

Derby Museums has maintained high standards in its governance. New Board Members were recruited during 2023-24 which includes experts in Finance, Legal and commercial development, business strategy and as well as a practicing artist. The Board remains balanced and more representative in the areas of age, ethnicity, gender and disability.

Learning and participation

Through its partnership with schools and business Derby Museums creates a significant impact on the lives of young people in the city.

Rolls-Royce have continued their support of the Institute of STEAM (Science, Technology, Engineering, Art And Mathematics) – Derby Museums' overarching learning framework. This is an interdisciplinary approach, through which young people learn and understand the world and people around them. It encourages creative, enquiry-based and critical thinking, enabling young people to develop the capacities necessary to thrive in the future; to be curious, empathise and innovate – think, feel and do.

Local employers are particularly interested in programmes which can encourage a 'talent pipeline' which gives young people that first experience of teamwork and critical thinking required for the workplace. Rolls-Royce hold annual STEAM workshops during British Science Week, including non-destructive testing, led by graduate trainees and apprentices.

Students from Derby schools participate in a Rolls-Royce British Science Week workshop at the Museum of Making © Oliver Taylor/Derby Museums

Manufacturer IMI continued their financial support of the Midlands Maker Challenge in 2023-24. The challenge brings together students from several schools across the region, with the 2023-24 challenge focusing on preserving water for the future. Participants are taken on a 'journey' of how to formulate and present ideas effectively.

Derby Museums has built back its schools offer in the wake of Covid, thanks to support from Fidelity UK, who have funded additional capacity in the learning team. The schools learning programme delivers popular sessions supporting curriculum-based activities such as Romans, Ancient Egypt, World War One and art based on the Joseph Wright Collection.

During 2023-24 new programmes based at the Museum of Making have been launched, including:

- 'Working and Weaving at the Mill'. This incorporates more of what mill life would have been like for mill workers in the 18th century.
- 'Flight Fantastic'. Telling the story of aviators from diverse backgrounds to compliment the story of Alcock and Brown's 1919 transatlantic crossing.
- 'Art Machines' (MoM session) has been significantly updated to include coding to produce art. The session now has groups using 'Crumble Kits' to programme robots that then produce unique artwork.

Informal family learning is the most extensive means for people to engage with cultural heritage within Derby Museums. This could be through a variety of drop-in activities during the holidays or via a more structured programme such as STEAM Babies and STEAM Tots aimed at early years. The Museum of Making hosts a 15-week arts programme as part of the National Saturday Club initiative. This is aimed at 13-16 year olds and focuses on craft and making.

The Makory – Derby Museums mobile Museum of Making – went to a number of locations and events during the year. The Makory provides a taste of what can be seen at the Museum of Making and goes to communities where there are low levels of participation in cultural activity.

Derby Museums has supported the Derby Creative Sanctuary Group of 18 people who have sought refuge in the UK from countries such as Chad, Iran, Honduras, Ecuador and Sri Lanka. They meet regularly in the Museum of Making studios and take part in making activity linked to their ESOL (English as a Second or Other Language) learning programmes. The group was also involved in the redevelopment of Pickford's House.

'A Seat at our Table' an event at Pickford's House hosted by refugees and people seeking asylum in 2023 © Jon Legge

Work began on the third iteration of the UK Creative Communities Fellowship programme during 2023-24. Working in partnership with National Art Strategies in the US and the Bowes Museum, a cohort of 20 creative and community practitioners were recruited. They will spend a year developing skills in design thinking and using tools such as the 'story of change' model to develop their practice and increase their impact on communities.

The Workshop

The purpose of the workshop in the Museum of Making is to build a varied community of makers, inspired by the materials seen in the museum displays. Participants can work in a variety of materials including glass, metal, ceramics, wood and textiles.

Presenter and Journalist Geeta Pendse and Workshop Manager Steve Smith prepare to record an excerpt for BBC Radio 4 Front Row © Derby Museums

The Museum of Making has built on partnerships with education providers and the Heritage Crafts Association (HCA). The latest iteration of the HCA's Endangered Craft List was launched at the museum in April 2023 and the 'Culture in the Making' conference was also held at the Museum Of Making in March 2024, in attendance was patron Jay Blades (star of BBC TV's 'The Repair Shop') and Lord Parkinson, the Minister for Arts and Heritage who confirmed the UK Government signing of UNESCO's convention of intangible heritage.

Makers in Residence Sane Mafa and Josh Nicholson undertook six month residencies based in The Cocoon at the Museum of Making to develop their creative practice by using the workshop facilities and with mentoring support. Sane is an Interior/Furniture Designer who developed a new biomaterial made from cow manure to use across their design services. Josh is a Writer and Artist focusing on ideas surrounding storytelling and products symptomatic of certain narratives about Derbyshire. He is interested in how these objects can be positioned within both a home and film setting, primarily exploring gothic and cartoon aesthetics.

2023 Makers in Residence Sone Mafo (left) and Josh Nicholson (right) © Oliver Taylor/Derby Museums

Volunteering

Volunteering has long been central to the participative approach of Derby Museums. There are over 100 active volunteers who participate in a range of activities from research and care of collections, to supporting gallery based learning activity, from administration to leading on the development of the model railway. The volunteering platform Better Impact is used to match up volunteers with opportunities and measure the effect of volunteering. It also provides an improved means for volunteers to air their views and suggest new activities. During 2023-24 Derby Museums received nearly 10,000 volunteer hours.

Derby Museum volunteers outside the Museum of Making in August 2023 © Derby Museums

Impact and Research

Derby Museums has a palpable impact on its community. It contributed over £8m to Derby's Gross Value Added (GVA) economic benefit in 2023-24. Its work improves the well-being of visitors and participants, especially through work with those in more marginalised communities, such as the extended schools programme with looked after children, ESOL learning with refugees and people seeking asylum, and a forthcoming project to supply audio description to sight impaired people.

Financial Review

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

The charity's policy is to hold reserves to cover four months of unrestricted expenditure. As at March 2024, the unrestricted reserves stood at £976,320, which represents four months of expenditure.

Material investments policy

As required in its Memorandum, in furtherance of its objects, and for no other purposes, the Company has the power to invest the monies of the Company not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

Principal Funding

The charity's main source of income is grant income from Arts Council England and Derby City Council. Total income during the year amounted to £3,285,105 (2023: £2,909,185) which included unrestricted income of £2,761,921 (2023: £2,567,473), of which, £1,241,779 (2023: £1,111,780) was from Arts Council England and Derby City Council to be applied for the charity's work.

Details of the restricted funds totalling £14,683,798 (2023: £15,503,088) and the endowment funds of £2,159,222 (2023: £1,964,608) and their purpose can be found in Note 17 of the financial statements.

Structure, governance and management

Constitution

The company and the group is registered as a charitable company limited by guarantee (charity number 1149710) and was set up by a Memorandum of Association on 18 April 2012 as amended 18 December 2012. The company was registered as a charity on 12 November 2012.

Derby Museum started trading on 1 October 2012 as an independent Trust. It has a subsidiary called Derby Museums Enterprises Limited which started trading on 1 April 2014.

Methods of appointment or election of Trustees

The management of the Group and the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

Organisational structure and decision-making policies

The Memorandum and Articles of Association for the organisation provide that the board shall consist of at least 3 and not more than 18 individuals comprised as follows:

- Up to three Trustees nominated by Derby City Council
- Up to Fifteen Community Trustees

Policies adopted for the induction and training of Trustees

Trustees undergo a briefing on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the board of trustees committee and decision-making processes, the business plan and recent financial performance of the charity. New trustees also meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Financial risk management

The Trustees have assessed the major risks to which the Group and the Company are exposed, in particular those related to the operations and finances of the Group and the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The Trust has a clear set of aims and objectives (see above). The challenges facing this new organisation are to evidence a strengthened commercialism and resilience plus an improved customer offer in order to attract continued financial support from its two main funders. This will include, but not be restricted to, increasing funding from other sources, both donations / fundraising and commercial income.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

Disclosure of information to auditors

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 16.7.24

A Ellse
Trustee - Chair of Finance, Risk and Audit

Statement of Trustees' responsibilities
For the Year Ended 31 March 2024

The Trustees (who are also the directors of the Company 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 16.7.24

A Ellse
Trustee - Chair of Finance, Risk and Audit

Independent Auditors' Report to the Members of Derby Museums

Opinion

We have audited the financial statements of Derby Museums (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2024 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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.

Auditors' 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 Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
  identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the chariable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Hawkins (Senior Statutory Auditor)
for and on behalf of

Dains Audit Limited

Statutory Auditor
Chartered Accountants
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Date:

Consolidated Statement of financial activities (incorporating income and expenditure account) For the Year Ended 31 March 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Donations and legacies	4	**109,417**	**5,936**	**14,122**	**129,475**	67,264
Charitable activities	5	**1,522,750**	**503,036**	**-**	**2,025,786**	1,889,131
Other trading activities		**1,018,073**	**-**	**-**	**1,018,073**	881,130
Investments	6	**111,681**	**-**	**-**	**111,681**	71,660
Total income and endowments		**2,761,921**	**508,972**	**14,122**	**3,285,015**	2,909,185
Expenditure on:						
Raising funds		**873,356**	**-**	**-**	**873,356**	827,623
Charitable activities	8	**2,550,349**	**1,347,195**	**-**	**3,897,544**	3,624,305
Total expenditure		**3,423,705**	**1,347,195**	**-**	**4,770,900**	4,451,928
Net gains/(losses) on investments		**21,998**	**-**	**180,492**	**202,490**	(167,997)
Net (expenditure) /income		**(639,786)**	**(838,223)**	**194,614**	**(1,283,395)**	(1,710,740)
Transfers between funds	17	**(18,933)**	**18,933**	**-**	**-**	-
Net movement in funds		**(658,719)**	**(819,290)**	**194,614**	**(1,283,395)**	(1,710,740)
Reconciliation of funds:						
Total funds brought forward		**1,635,039**	**15,503,088**	**1,964,608**	**19,102,735**	20,813,475
Net movement in funds		**(658,719)**	**(819,290)**	**194,614**	**(1,283,395)**	(1,710,740)
Total funds carried forward		**976,320**	**14,683,798**	**2,159,222**	**17,819,340**	19,102,735

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 53 form part of these financial statements.

DERBY MUSEUMS
(A Company Limited by Guarantee)

Consolidated Balance Sheet
As at 31 March 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	12		**14,650,623**		15,370,585
Investments	13		**2,832,720**		3,063,554
			17,483,343		18,434,139
Current assets					
Stocks	14	**41,174**		44,133	
Debtors	15	**429,061**		482,234	
Cash at bank and in hand		**381,038**		506,836	
		851,273		1,033,203	
Creditors: amounts falling due within one year	16	**(515,276)**		(364,607)	
Net current assets			**335,997**		668,596
Total net assets			**17,819,340**		19,102,735
Charity funds					
Endowment funds	17		**2,159,222**		1,964,608
Restricted funds	17		**14,683,798**		15,503,088
Unrestricted funds	17		**976,320**		1,635,039
Total funds			**17,819,340**		19,102,735

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Elizabeth Fothergill
Chair of Trustees

Amanda Ellse
Trustee - Chair of Finance, Risk and Audit

Date: 16.7.24

Company Number: 08036113

The notes on pages 27 to 53 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	**(635,347)**	(637,796)
Cash flows from investing activities		
Dividends and interest from investments	**111,681**	71,660
Purchase of tangible fixed assets	**(35,496)**	(130,875)
Proceeds from sale of investments	**750,000**	-
Purchase of investments	**(316,636)**	(400,000)
Net cash provided by/(used in) investing activities	**509,549**	**(459,215)**
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**(125,798)**	**(1,097,011)**
Cash and cash equivalents at the beginning of the year	**506,836**	1,603,847
Cash and cash equivalents at the end of the year	**381,038**	506,836

The notes on pages 27 to 53 form part of these financial statements

Company Statement of financial position
As at 31 March 2024

	Note	2024 £		2023 £	
Fixed assets					
Tangible assets	12	**14,650,623**		15,370,585	
Investments	13	**2,832,721**		3,063,555	
		17,483,344		18,434,140	
Current assets					
Debtors	15	**654,468**		673,415	
Cash at bank and in hand		**128,969**		286,006	
		783,437		959,421	
Creditors: amounts falling due within one year	16	**(447,441)**		(290,826)	
Net current assets			**335,996**		668,595
Total assets less current liabilities			**17,819,340**		19,102,735
Total net assets			**17,819,340**		19,102,735
Charity funds					
Endowment funds	17		**2,159,222**		1,964,608
Restricted funds	17		**14,683,798**		15,503,088
Unrestricted funds	17		**976,320**		1,635,039
Total funds			**17,819,340**		19,102,735

The Company's net movement in funds for the year was a deficit (£1,283,395) (2023 - £1,710,740).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Elizabeth Fothergill.

Elizabeth Fothergill
Chair of Trustees
Date: 16.7.24

Ellse

Amanda Ellse
Trustee - Chair of Finance, Risk and Audit

Company Number: 08036113

The notes on pages 27 to 53 form part of these financial statements.

1. General information

Derby Museums is a Charitable Company, limited by guarantee incorporated in England and Wales. The Group's registered office is Museum and Art Gallery, The Strand, Derby, DE1 1BS.

The principal activity of the Group was that of a museum and art gallery.

2. Accounting policies

2.1 Basis of preparation of financial statements

Derby Museums is a charitable company registered in England / Wales . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities was that of a museum and art gallery.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

2.2 Basis of consolidation

The financial statements consolidate the accounts of Derby Museums and all of its subsidiary undertakings ('subsidiaries').

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

2.3 Going concern

These accounts are prepared on a going concern basis.

After reviewing group forecasts and projections, the trustees have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

2. Accounting policies (continued)

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets held by the charity to fulfil its objectives and are permanent in nature.

2.5 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Group which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Those costs incurred directly in support of expenditure on the objects of the Group and include project management carried out at Headquarters.

Charitable activities and Governance costs are incurred on the Group's operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

2.7 Government grants

Government grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2. Accounting policies (continued)

2.8 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 33 %

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Short-Term leasehold property	- Over the life of the lease
Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33.33% straight line

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.16 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. Accounting policies (continued)

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The company also provides retirement to employees of the charity which are provided by the Derbyshire County Council Local Government Pension Scheme ("LGPS"). This is a defined benefit scheme, is contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of Charity in a separate Trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

Derbyshire County Council has agreed to fund the liabilities of the LGPS scheme for relevant staff prior to 1 September 2012 ("the transfer date") upon signing the Business Transfer Agreement. The charity has been credited by the Derbyshire Council with a notional fund within the LGPS at the transfer date of level required to meet the cost of providing one hundred percent (100%) of the benefits accrued and in respect of the Eligible Employees prior to the transfer date (the "Notional Fund"). The value of the notional fund has been determined by an actuary appointed by the Derbyshire Country Council using the ongoing actuarial methods and assumptions used in the last actuarial valuation of the Derbyshire County Council Pension Fund.

In addition to the above, Derbyshire County Council has issued a Risk Share to the charity to cover any accrued deficits on exit by scheme members or the charity. All contributions are determined by Derbyshire County Council on the basis of triennial valuations using a prospective benefit method. As the charity is indemnified against prior and future liabilities of the scheme, the LGPS has been treated as a defined contribution scheme and the contributions recognised as they are paid each year.

2.18 Financial instruments

The Group 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 bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Rental costs
The Group occupies a number of buildings provided by the council at a peppercorn rent. The Trustees understand that they are custodians of these premises, which are occupied for the purposes of operating a Museum under the terms of their agreement with the council. The nature and purpose of the buildings is such that any donated value cannot be measured reliably and it is not appropriate to record any value in the financial statements for donations in kind.

Therefore, no donation and rental expense has been recognised within the financial statements.

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Donations	109,417	5,436	14,122	**128,975**
Government grants	-	500	-	**500**
	109,417	5,936	14,122	**129,475**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Donations	56,120	16,184	(13,062)	59,242
Government grants	-	8,022	-	8,022
	56,120	24,206	(13,062)	67,264

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Arts Council England	550,099	-	**550,099**
Income from charitable activities - Operation of museums - restricted funds	11,377	-	**11,377**
Derby City Council - Support	610,000	-	**610,000**
Derby City Council - Services	-	81,680	**81,680**
Partnerships and grants	127,165	421,356	**548,521**
Income from retail, catering and IPR	2,480	-	**2,480**
Activities, events, displays & exhibitions	32,893	-	**32,893**
Learning programmes and research	29,391	-	**29,391**
Other income	159,345	-	**159,345**
	1,522,750	503,036	**2,025,786**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Arts Council England - Strategic fund	400,099	-	-	400,099
Income from charitable activities - Operation of museums - restricted funds	18,519	-	-	18,519
Derby City Council - Support	630,000	-	-	630,000
Derby City Council - Services	-	81,681	-	81,681
Partnerships and grants	145,659	246,240	-	391,899
Income from retail, catering and IPR	2,480	-	-	2,480
Activities, events, displays & exhibitions	17,247	-	-	17,247
Learning programmes and research	26,318	-	-	26,318
Other income	318,241	-	2,647	320,888
	1,558,563	327,921	2,647	1,889,131

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Investment income	96,226	**96,226**
Bank interest received	15,455	**15,455**
	111,681	**111,681**

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	64,125	64,125
Bank interest received	7,535	7,535
	71,660	71,660

7. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Operation of museums	3,525,810	371,734	**3,897,544**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Operation of museums	3,203,694	420,611	3,624,305

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	**1,683,339**	1,567,874
Depreciation	**755,908**	758,859
Premises and transport	**405,102**	263,490
Supplies and services	**126,769**	105,655
Support services	**81,680**	82,480
Marketing and PR	**42,407**	93,444
Development	**10,678**	19,355
Exhibitions	**354,732**	247,280
Professional fees	**4,632**	16,628
Learning	**53,825**	42,391
Collections	**6,738**	6,238
	3,525,810	3,203,694

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	**320,369**	389,990
Employment expenses	**29,921**	19,945
Bank charges	**5,096**	3,558
Governance costs	**2,848**	1,618
Audit fees	**13,500**	5,500
	371,734	420,611

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Operation of museums	2,550,349	1,347,195	**3,897,544**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Operation of museums	2,127,846	1,496,459	3,624,305

9. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**13,500**	5,500

10. Staff costs

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Wages and salaries	**1,958,320**	1,985,532	**1,547,512**	1,562,288
Social security costs	**227,927**	151,107	**201,398**	123,167
Contribution to defined contribution pension schemes	**307,239**	330,176	**254,798**	272,409
	2,493,486	2,466,815	**2,003,708**	1,957,864

10. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	Group 2024 No.	Group 2023 No.	Company 2024 No.	Company 2023 No.
Average number of employees	**124**	132	**86**	100

The number of employees whose employee benefits (excluding employer pension and national insurance contributions) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	**1**	1

The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services was £375,538 (2023 - £306,180).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year, no Trustee expenses have been incurred (2023 - £NIL).

12. Tangible fixed assets

Group and Company

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2023	**15,879**	**16,696,938**	**69,268**	**290,040**	**70,687**	**17,142,812**
Additions	**-**	**-**	**33,215**	**1,720**	**1,011**	**35,946**
At 31 March 2024	**15,879**	**16,696,938**	**102,483**	**291,760**	**71,698**	**17,178,758**
Depreciation						
At 1 April 2023	**4,353**	**1,358,046**	**65,874**	**273,267**	**70,687**	**1,772,227**
Charge for the year	**836**	**747,735**	**3,533**	**3,578**	**226**	**755,908**
At 31 March 2024	**5,189**	**2,105,781**	**69,407**	**276,845**	**70,913**	**2,528,135**
Net book value						
At 31 March 2024	**10,690**	**14,591,157**	**33,076**	**14,915**	**785**	**14,650,623**
At 31 March 2023	11,526	15,338,892	3,394	16,773	-	15,370,585

13. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2023	**3,063,554**
Additions	**316,676**
Disposals	**(750,000)**
Revaluations	**202,490**
At 31 March 2024	**2,832,720**
Net book value	
At 31 March 2024	**2,832,720**
At 31 March 2023	3,063,554

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2023	**1**	**3,063,554**	**3,063,555**
Additions	**-**	**316,676**	**316,676**
Disposals	**-**	**(750,000)**	**(750,000)**
Revaluations	**-**	**202,490**	**202,490**
At 31 March 2024	**1**	**2,832,720**	**2,832,721**
Net book value			
At 31 March 2024	**1**	**2,832,720**	**2,832,721**
At 31 March 2023	1	3,063,554	3,063,555

13. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding	Included in consolidation
Derby Museums Enterprises Limited	08119695	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Derby Museums Enterprises Limited	**1,018,073**	**(873,356)**	**144,717**	**1**

14. Stocks

	Group 2024 £	Group 2023 £
Finished goods and goods for resale	**41,174**	44,133

The company held no stock (2023 - £Nil) at the year end.

15. Debtors

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Due within one year				
Trade debtors	**117,104**	181,153	**85,766**	75,258
Amounts owed by group undertakings	**-**	-	**322,353**	298,283
Prepayments and accrued income	**311,957**	301,081	**246,349**	299,874
	429,061	482,234	**654,468**	673,415

16. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade creditors	**320,010**	203,446	**305,127**	180,688
Other taxation and social security	**32,128**	52,109	**32,128**	52,109
Other creditors	**37,388**	26,757	**37,388**	26,757
Accruals and deferred income	**125,750**	82,295	**72,798**	31,272
	515,276	364,607	**447,441**	290,826

Deferred income relates largely to grants and donations received in advance of its intended purpose along with revenue received in advance of events taking place.

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Designated Funds	13,600	-	-	-	-	13,600
Fixed asset reserve	132,220	-	(7,337)	35,946	-	160,829
	145,820	-	(7,337)	35,946	-	174,429

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
General funds						
General Funds	1,489,219	2,761,921	(3,416,368)	(54,879)	21,998	801,891
Total Unrestricted funds	1,635,039	2,761,921	(3,423,705)	(18,933)	21,998	976,320

17. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Endowment funds						
Endowment Funds	1,964,608	14,122	-	-	180,492	2,159,222

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Arts Council England - Joseph Wright Collection	2,569	-	-	-	-	2,569
The Silk Milk Museum of Making Project	15,238,365	-	(748,571)	-	-	14,489,794
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,681	(81,681)	-	-	-
Valient	-	54,000	(15,202)	-	-	38,798
Other restricted funds	54,871	83,865	(156,518)	17,782	-	-
Weston Garfield	465	-	(465)	-	-	-
Paul Mellon	16,536	-	(10,125)	-	-	6,411
Wolfson PH	-	70,449	(70,690)	241	-	-
Ace Make a Difference	5,863	7,704	(13,567)	-	-	-
Midlands Maker Challenge	62,457	20,000	(69,183)	-	-	13,274

17. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Joseph Wright Acquisition	2,624	-	-	-	-	2,624
Headley Fellowship	4,710	-	-	-	-	4,710
Flood Fund	-	48,322	(49,232)	910	-	-
Hogarth	29,222	6,593	(34,315)	-	-	1,500
Dynamic Collections	-	22,351	(28,809)	-	-	(6,458)
Resilience	-	114,007	(68,837)	-	-	45,170
	15,503,088	508,972	(1,347,195)	18,933	-	14,683,798
Total of funds	19,102,735	3,285,015	(4,770,900)	-	202,490	17,819,340

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Designated Funds	69,914	-	-	(56,314)	-	13,600
Fixed asset reserve	27,533	-	(17,333)	122,020	-	132,220
	97,447	-	(17,333)	65,706	-	145,820

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
General funds						
General Funds	1,933,062	2,567,473	(2,938,136)	(14,638)	(58,542)	1,489,219
Total Unrestricted funds	2,030,509	2,567,473	(2,955,469)	51,068	(58,542)	1,635,039

17. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Endowment funds						
Endowment Funds	2,136,930	(10,415)	-	(52,452)	(109,455)	1,964,608

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Arts Council England - Joseph Wright Collection	2,569	-	-	-	-	2,569
The Silk Milk Museum of Making Project	16,289,104	(28,800)	(1,021,939)	-	-	15,238,365
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,681	(81,681)	-	-	-
Transforming leadership	29,124	46,500	(76,923)	1,299	-	-
Other restricted funds	28,147	102,302	(75,578)	-	-	54,871
Weston Garfield	14,435	-	(13,970)	-	-	465
Paul Mellon	29,678	-	(13,142)	-	-	16,536
Artfund - Voices	34,672	4,000	(38,690)	18	-	-
Ace Make a Difference	13,301	36,364	(43,802)	-	-	5,863
Midlands Maker Challenge	114,441	-	(51,984)	-	-	62,457

17. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Joseph Wright Acquisition	5,159	5,000	(7,535)	-	-	2,624
Headley Fellowship	-	27,500	(22,790)	-	-	4,710
NSSP	-	13,045	(13,112)	67	-	-
Hogarth	-	64,535	(35,313)	-	-	29,222
	16,646,036	352,127	(1,496,459)	1,384	-	15,503,088
Total of funds	20,813,475	2,909,185	(4,451,928)	-	(167,997)	19,102,735

17. Statement of funds (continued)

Description of funds

Designated funds
Punjabi Derby, now renamed Alternative Archives, is a photographic project and exhibition presented with "Black Country Archives" and Derby's South Asian community.

Fixed Asset Reserve
This represents the amount of funds which are tied up in tangible fixed assets and therefore not necessarily available for use in day to day operations.

Arts Council England - Joseph Wright Collection
To develop a study area to promote understanding and enjoyment of our nationally Designated Joseph Wright collection.

The Silk Mill Museum of Making Project
To meet the costs for development work towards the creation of the Derby Silk Mill Museum of Making. Expenditure has been posted to Assets under construction on the balance sheet. All income received will be restricted. Now in use the asset will be amortised over the life of the lease and matched against restricted income.

General improvements of collections and buildings
Accumulated donations and bequests designated for the general improvement of collections and buildings.

Derby City Council - Support Services
This contract with Derby City Council provides continuation of support services at an agreed annual rate. This is a rolling 12 month contract.

Transforming Leadership
A grant to establish, in partnership with a number of other organisations, the Creative Community Fellow Programme (CCF) to the UK.

Other restricted funds
These relate to other small restricted fund balances which further the aims and objectives of the museum.

Weston Garfield
This is grant received to help with covid 19 related costs

17. Statement of funds (continued)

Paul Mellon
This is a grant to develop an engaging and accessible online catalogue of our collection of the work of artist Joseph Wright of Derby.

Artfund - Voices in the room
A project to establish the needs and desires of diverse communities in Derby to help shape the facilities and museum environment, influencing object selection, stories, exhibition design and programming.

Midlands Maker Challenge
A programme for young people across the midlands, that challenges them to create solutions to some of the key issues facing the world.

Joseph Wright acquisition
Funding to acquire a Joseph Wright self portrait painting.

Headley Fellowship
Funding to increase curatorial resource to research the Egyptian collection.

NSSP
Twelve museums and galleries from across the UK engage in a skills and knowledge sharing programme and , together with the National Portrait Gallery, explore the things that matter to their teams with the aim of benefitting their audiences and caring for the Collections they hold.

Hogarth
An exhibition drawing in major loans from prestigious venues across the UK, and making public new research on Hogarth, one of the most important artists of the 18th century.

Vaillant
Funding from Vaillant supporting Derby Museums' ambitions to grow, develop and inspire a community of makers in the area.

Wolfson PH
Funding from Wolfson for the redevelopment of Pickford's House to create The Reimagined Home, reflecting changing views of home, work and family for an inclusive, digital age.

17. Statement of funds (continued)

Dynamic collections
NLHF funding for the re-display and re-interpretation of the Nature Gallery and the Archaeology Gallery at Derby Museum and Art Gallery.

Resilience
NLHF funding for resilience and relevance, including a wide ranging full business review; increasing fundraising capacity, and the launching of an income-generating touring programme of Joseph Wright: A Life on Paper.

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	160,829	14,489,794	-	**14,650,623**
Fixed asset investments	687,620	-	2,145,100	**2,832,720**
Current assets	643,147	194,004	14,122	**851,273**
Creditors due within one year	(515,276)	-	-	**(515,276)**
Total	976,320	14,683,798	2,159,222	**17,819,340**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	132,220	15,238,365	-	15,370,585
Fixed asset investments	1,115,622	-	1,947,932	3,063,554
Current assets	751,804	264,723	16,676	1,033,203
Creditors due within one year	(364,607)	-	-	(364,607)
Total	1,635,039	15,503,088	1,964,608	19,102,735

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group 2023 £
Net expenditure for the period (as per Statement of Financial Activities)	**(1,283,395)**	(1,710,740)
Adjustments for:		
Depreciation charges	**755,908**	758,859
Loss / (Gains) on investments	**(202,490)**	167,997
Dividends, interests and rents from investments	**(111,681)**	(71,660)
(Increase)/Decrease in stocks	**2,959**	(2,061)
Decrease/(Increase) in debtors	**52,683**	945,638
Increase/(Decrease) in creditors	**150,669**	(725,829)
Net cash used in operating activities	**(635,347)**	(637,796)

20. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	**381,038**	506,836
Total cash and cash equivalents	**381,038**	506,836

21. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	**506,836**	**(125,798)**	**381,038**

22. Pension commitments

The Charity is an employer for the purpose of the Derbyshire County Council Local Government Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The LGPS has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Group also operate.

The Charity is an employer for the purpose of the Derby Museums Group Personal Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The Derby Museums Group Personal Pension Scheme has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Group also operate.

During the year 31 March 2024 the Group made total pension contributions totalling £390,782 (2023 - £294,382) to this scheme. As at 31 March 2024 there was a balance outstanding of £36,974 (2023 - £25,640).

23. Operating lease commitments

At 31 March 2024 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
	£	£	£	£
Not later than 1 year	**2,647**	2,702	**2,647**	2,702
Later than 1 year and not later than 5 years	**6,126**	6,836	**6,126**	6,836
	8,773	9,538	**8,773**	9,538

24. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

25. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 102 (Section 33), not to disclosure transactions between entities which form part of the Group headed by Derby Museums.

All transactions with Trustees were transacted at a commercial rate.

DERBY MUSEUMS

England & Wales - Charity number 1149710

Accounts

Registered number: 08036113
Charity number: 1149710

Derby Museums

Trustees' Report and Financial Statements

For the Year Ended 31 March 2023

DAINS
ACCOUNTANTS

DERBY MUSEUMS
(A Company Limited by Guarantee)

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DERBY MUSEUMS
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the Year Ended 31 March 2023

Trustees	Elizabeth Fothergill, CBE, Chair Roger Merchant Caroline McComb, Vice Chair Daisy Giuliano (resigned 25 October 2022) Linda Sullivan Councillor Lucy Care, nominated member from Derby City Council Professor Keith McLay Councillor Joanna West, nominated member from Derby City Council (resigned 30 June 2023) Councillor Robin Wood, nominated member from Derby City Council (resigned 30 June 2023) Dr Kiron Griffin Charlotte Holmes Andrew James Findlay Amanda Ellse (appointed 24 January 2023) Paul Hilsdon (appointed 24 January 2023) Emily Lonsdale (appointed 25 October 2022)
Company registered number	08036113
Charity registered number	1149710
Registered office	Museum and Art Gallery The Strand Derby Derbyshire DE1 1BS
Patron	Lord Cavendish, 12th Duke of Devonshire
Independent auditors	Dains Audit Limited Statutory Auditor Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ
Bankers	The Co-Operative Bank 31 East Street Derby Derbyshire DE1 2AL Santander UK Plc 1st Floor 5 Market Place Derby DE1 3PY

Trustees' Report
For the Year Ended 31 March 2023

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Derby Museums is for the thinker and maker in all of us.

Derby Museums was established as an independent charitable trust a decade ago. Since then, it has transformed the way cultural heritage is presented and appreciated in the city.

Derby has unique cultural assets. It has the finest collection of work by Joseph Wright of Derby, the 18th century artist of the Enlightenment and is 'Designated' by Arts Council England as a collection of national significance. Derby's identity was 300 years in the making, and the Enlightenment spirit of creativity and invention resonates today. The heritage of the city is used to frame ambitions for the future both as one of the UK's top hi-tech cities and a principal centre for manufacturing and sustainable engineering.

For the first time in over a decade, all three of Derby's Museums are now fully open to the public. Following a £18m redevelopment the Museum of Making was partially opened in May 2021. Situated at Derby Silk Mill, part of the Derwent Valley Mills UNESCO World Heritage Site, this ground-breaking museum is recognised as a centre for innovation and public participation and will be a key driver of Derby's visitor economy.

Despite the privations of a decade of austerity and more recently the Covid-19 pandemic, the organisation continues to deliver inspiring and meaningful experiences which explore the richness of Derby's Heritage.

In nine years, Derby Museums has made a transition from a council service to a thriving independent social enterprise. It is delivering work committed to social change by improving the life chances for young people through inspiring learning activity both on and off site. It has broadened the appeal of heritage across the city's diverse community by working in neighbourhoods and embedding participation. It has built international networks through the sharing of knowledge and expertise and through the delivery of the UK Creative Community Fellowship programme with US based partner National Arts Strategies.

The year 2022-23 was one which bridged two Arts Council England (ACE) National Portfolio Organisation (NPO) investment periods. The achievements of this year will be built upon during the 2023-26 NPO investment round. This year also marked the final completion of the Museum of Making programme with all funding for the programme signed off. With further cuts in funding from Derby City Council pending, and inflation and cost of living the highest in several decades, the financial outlook for Derby Museums will be challenging. We will be drawing on financial reserves and reserves of public goodwill to support our work and the contribution it plays in the life of the city.

About Derby Museums
Derby Museums consists of three sites; between them they inspire us to appreciate our world, our city, and our homes.

The Museum of Making at Derby Silk Mill is widely regarded to be the site of the world's first factory, built in the valley that changed the world. Industry brought prosperity to some and poverty to others. It was underpinned by the harnessing and exploitation of the natural world and the aggressive expansion of the British empire in the 18th and 19th centuries. Industry shaped Derby as a city of making and creativity. Industrial society led to the creation of civic institutions and stimulated a civil society in which people campaigned for social and political rights.

The Museum of Making explores the 300-year history of manufacturing in our city. It was made in collaboration with a host of co-producers and will inspire the next generation of makers in Derby. It is "inspired by the makers of the past, made by the makers of today and empowering the makers of the future."

At the **Museum and Art Gallery**, the works of Joseph Wright of Derby are the crown jewels of our collections. Wright's paintings and sketches embody a spirit of discovery, stimulated by the 18th century Enlightenment. He painted scenes of science, experimentation, and exploration. He painted enlightened men of industry and learning.

Through observing nature and manufactured items from the past, enlightened people questioned received wisdom and superstition. They thirsted for knowledge of the world around them, which they used to understand their place in the universe. Derby Museum and Art Gallery should elicit pleasure and joy from curiosity. It should encourage visitors to take notice of their surroundings, to marvel at the complexity of nature and to think differently about their world.

Pickford's House was the home of an Enlightenment family. The home is where we have our closest relationships; where we eat, sleep, find comfort and love. Behind the doors we express our most intimate feelings and gather possessions that identify us. Pickford's House should help us reflect on our own lives. To understand the world and our city, we could first try to know ourselves.

The Royal Lancers Museum is located within Derby Museum and Art Gallery and is accredited. It displays the best objects associated with the regiment as an integrated part of the Soldiers Story gallery. This gallery also features material relating to the Sherwood Foresters and Derbyshire Yeomanry Regiments.

Objectives and activities

a. Policies and objectives

Aims and Objectives and Achievements in 2022-23

Aim 1
Support the Recovery of our City

- Improve the visitor economy by attracting more visitors to our museums and to Derby. Museum sites will welcome 180,000 visitors in 2022-2023 with increased diversity of our audiences.
- Work with Derby cultural partners to deliver more creative programming in outdoor spaces in the city centre during 2022-23.
- Create an outline masterplan for the development of Derby Museum and Art Gallery under the concept of the 'ideas which made us', by the end of 2022.
- In partnership with Derby City Council and local organisations, influence the city centre masterplan, support the 'Cultural Heart Study', and help create a City Cultural Compact by 2022.
- Play an integral role in an application for UK City of Culture for 2025.
- Continue to play a leading role in the development and activities of the English Civic Museums Network 2022-23.

By March 2023 Derby Museums had welcomed over 200,000 visitors to its three sites, the highest museum attendance in 20 years. The events and exhibitions at all three sites drew a new, diverse audience. In particular the exhibition Culture and Legacy - Derby West Indian Community Association which proved popular with people from the Derby Caribbean and African communities.

We combined with other Derby cultural organisations, collaborating on the Festé dance and music festival and the Derby Book Festival. Derby Museum staff sit on bodies such as the Destination Tourism Partnership and the Derby Cultural Education Partnership; working collectively amplifies culture and tourism in the city. This year, Derby's application to become the UK City of Culture for 2025 provided a focus to develop the cultural ambitions of the city. The museums played a considerable role in shaping the activities which went into the bid and although it was ultimately unsuccessful, the legacy of the process will be the establishment of a new cultural development body, Culture Derby.

In April 2022 an ambition document for the redevelopment of Derby Museum and Art Gallery and the former Central Library was published. Witten by Bauman Lyons architects and designers and Creative Core (the team behind the Museum of Making), this presented an ambitious scheme to redevelop the current site as a museum of national significance, building on the Designated collection of Joseph Wright of Derby. A redeveloped museum would complement the Museum of Making. Taking as its theme, 'the Ideas that Made Us', it will build on the 18th century Enlightenment legacy of Derby as a centre for art and intellectual excellence. Many of those ideas of progress and scientific discovery were then manifested in the technical developments of industry that can be seen in the Museum of Making.

As of April 2022, the cost of redevelopment of the Museum and Art Gallery was around £32 million. In the coming years we will pursue the necessary political and financial support to realise this development.

Objectives and activities (continued)

Aim 2
Be Entrepreneurial and Inventive

- Raise £1m for the Derby Museums Endowment by 2022.
- Maintain a ratio of 50:50 earned and contributed income to direct public investment – to spread risk 2022-23.
- Make progress during 2022-23 Derby Museums' so that governance and workforce becomes more diverse and representative of our city's workforce, in terms of gender, age, ethnicity and disability.
- Develop the Maker community through the Prospect and Workshop, with outcomes for income generation and engagement.
- Support local makers and producers by prioritising them by sourcing their products in Derby Museums retail and catering outlets.

The need to diversify Derby Museums revenue income streams remains a key objective to support its ongoing financial sustainability. In 2016, 92% of the museum's income came from public funding, this year the figure is 50%. As public funding has reduced, we have worked hard to replace it with earned contributed income. This will spread risk so that the museum is not overly reliant on one income stream.

The commercial offer at Derby Museums is expanding. The Museum of Making café, the River Kitchen, is popular and has been nominated for several food and drink awards. The quality of on-site catering underpins a growing corporate hire and function operation and the Museum of Making has become one of Derby's most popular venues for corporate dinners, parties and award ceremonies.

The Italian Mill at the Museum of Making ready for a wedding. Image © Derby Museums/Jenny Appleton Photograph.

Objectives and activities (continued)

A key element to increase new income streams was the development of the Derby Museums' endowment. By the end of 2022 the museum had raised a million pounds from a variety of sources such as individual donors, corporate givers and the income from the Derby Ram Trail charity event. This sum was matched pound for pound by the National Lottery Heritage Fund. Derby Museums now has an endowment of £2m, the interest from investment will support unrestricted income. The museum will continue to build this endowment each year.

An evening at Radbourne Hall with Derby Museums, June 2022. Image © Derby Museums/Pictoria Pictures.

New board members have been appointed who better reflect the makeup of the people of Derby. The board is more representative in the areas of age, sexuality, disability and ethnicity and it is a far more balanced board than at any time during its existence. Board members play an active role in the life of Derby Museums as they set the strategic direction, they provide strong advocacy and use their networks to add value to our work.

Derby Museums has continued to build on links between industry and the artistic community. The Prospect, a coworking hub in the Museum of Making has grown its membership to over 120 people. Members have access to a co-working space, discounts in our cafe and shop and access to the fully equipped workshop on the ground floor of the Museum of Making. The purpose of the scheme is not just to generate income through memberships but to build community through making.

Objectives and activities (continued)

Workshop Technician Andy in the workshop at the Museum of Making at Derby Silk Mill. Image © Emli Bendixen/Art Fund.

Objectives and activities (continued)

The Prospect co-working space at the Museum of Making. Image © Derby Museums/Speller Metcalfe

Retail across the three museum sites has increased its profitability, with the Maker Shop on the third floor of the Museum of Making being especially popular.

Corporate partnerships continue to be sustained with the likes of Rolls Royce and IMI who support Derby Museums learning programme through the Institute of STEAM.

Aim3
Be Relevant to our Citizens

- Improve the skills and educational ambition of young people in Derby through their participation in formal learning activities through the Rolls-Royce sponsored Institute of STEAM, Midlands Maker Challenge and Making a Difference project. Over 20,000 young people will participate in our activities in 2022-23.
- Increase the diversity of ways in which people can participate through volunteering and co-production with 12,000 volunteer hours given in 2022-23.
- Improve our connectivity with the diverse communities in the city so that it is reflected in our programming of exhibitions, events, activities, and our visitors. Complete two exhibitions or displays or major activity programmes with these communities by the end of 2022-23. (Ensure that our museums attract an audience which better reflects the diversity of the city. Our targets for 2022-23 will be for our audiences to have the following demographic breakdown - Black, Asian, Mixed and Other minority ethnic groups - MAG - 5% Pickford's House - 7% MoM - 5%; Disabled - 10%).
- Deliver a popular programme of temporary exhibitions which drives footfall and income, contributing to more visitors and financial sustainability. Six temporary exhibitions across our sites in 2022-23.
- Deliver an engaging series of family activities across the three sites to encourage 'everyday' participation and habitual use of Derby Museums.
- Develop and deliver an online programming strategy which complements our 'on and offsite' activity.

Objectives and activities (continued)

Derby Museums has long been recognised for its innovation in learning and participation. Under the umbrella of the Institute of STEAM, the museums provide activities for all ages from tots to older learners. The programme has been developed with industry partners who support the work both financially and in kind through advice and mentorship of their staff. Rolls-Royce have provided over £100,000 since 2020 and IMI £250,000 since 2018.

Derby Museums and Rolls-Royce team up to deliver STEAM workshops for British Science Week. Image © Derby Museums/Oliver Taylor

Rolls-Royce is particularly interested in supporting activities which develop a 'talent pipeline' for prospective young technicians. This has involved their apprentices teaching schoolchildren about their work and a programme of activities related to non-destructive testing. IMI continue to support the Midlands Maker Challenge, a programme focusing on building the skills of inquiry and teamwork amongst schoolchildren in the Midlands. Participating schools form teams of pupils who respond to a challenge such as climate change or biodiversity loss. They work with engineers, entrepreneurs and inventors to develop and present their ideas.

The Derby Museums learning team continues to deliver popular schools sessions supporting curriculum-based activities. These include Romans, Ancient Egyptians, Vikings, World War One and Art, based on the Joseph Wright Collection. Post-COVID, schools are still catching up with lost learning in class and some have been reluctant to carry out external visits during 2020-23. Derby Museums received over 8000 school visits during 2022-23 this is down around 30% on pre pandemic levels. It will take time to 'rebuild' school visits, however funding from Fidelity UK has enabled us to appoint staff to directly promote to and engage with schools in the city.

Objectives and activities (continued)

A group of school children visit Derby Museum and Art Gallery. Image © Art Fund/Hydar Dewachi

Volunteering remains a key component of the life of Derby Museums and the number of volunteers has been creeping up gradually since the end of the pandemic. This year the trust has received 8,654 volunteer hours. A new volunteering platform Better Impact has been used, which enables us to measure the impacts of volunteering on people and provides an improved means for volunteers to air their views and suggest new activities in which to participate.

New connections have been made with diaspora communities in the city, building on the existing World Collection programme. Interventions in the gallery from artists such as Anisha Parmar and Alison Solomon adds new perspectives on this collection, tackling topics such as migration and institutional racism. Derby Museums has participated in the Devolving Restitution programme led by the Pitt Rivers Museum in Oxford. This brought together a number of regional museums with collections of world cultures who wished to forge new links with communities and academics in Africa with the aim of increasing the research on objects which may eventually lead to their repatriation to their country of origin. Key to this project has been a consultative group of members of diaspora communities in Derby.

A diverse and intriguing programme of temporary exhibitions occurred across our three sites during 2022-23. These included:

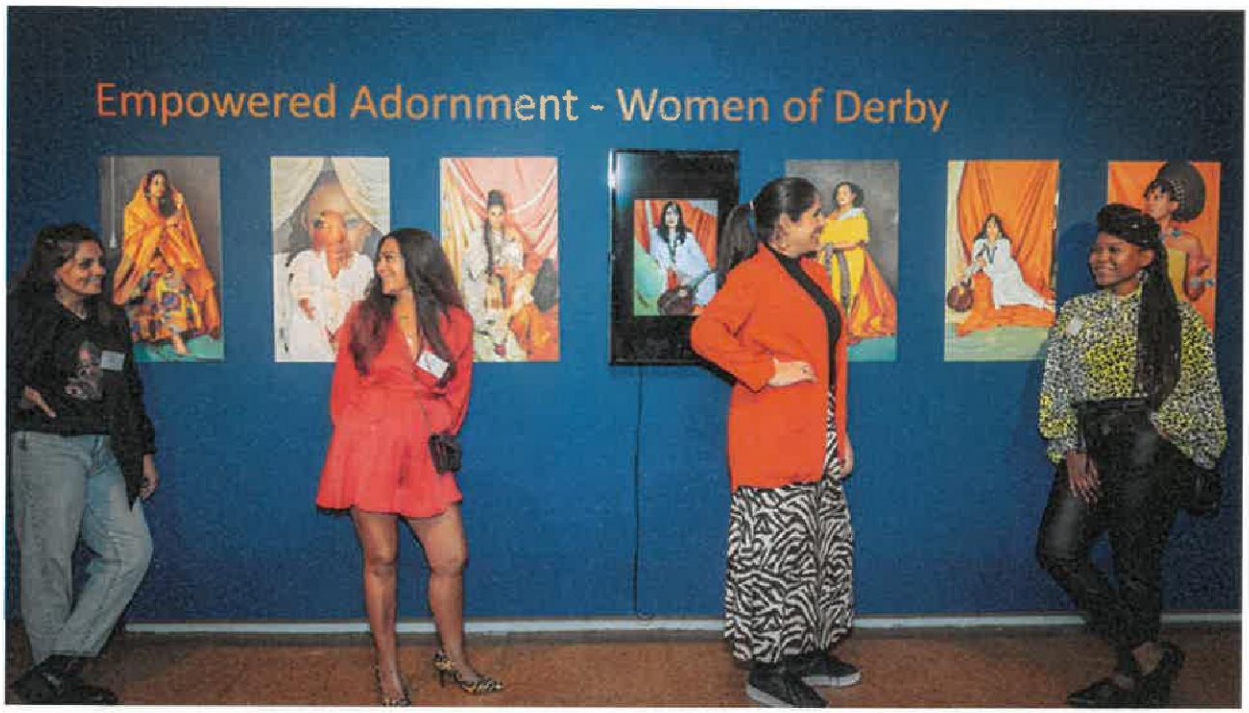
- The Peacock Revolution - a collection of men's fashions from the late 1960s at Pickford's House.
- Culture and Legacy, the story of Derby West Indian Community Association.
- Claude Cahun: Beneath this Mask, a touring exhibition from the Hayward Gallery.
- History Makers – a celebration of women and gender diversity drawn from the museum's collections.
- Do It Yourself - exploring the history of home improvements working with the BBC using much of their archives.

Objectives and activities (continued)

- Henry Moore: Threads of Influence – a touring exhibition from the Sainsbury Centre for visual Arts at the University of East Anglia, exploring how he used draughtsmanship and drawing to influence the making of his sculptures.

The Peacock Revolution exhibition at Pickford's House. Image (c) Derby Museums/Pictoria Pictures

Objectives and activities (continued)



History Makers launch at Derby Museum and Art Gallery. Image © Derby Museums/Pictoria Pictures

The Makory – mobile Museum of Making continued to visit places in the city where we know there is low participation in culture. It has attended summer activities and fetes in parks and has also been resident in local schools supporting after-school clubs in places such as Sinfin in the South of the city.

Objectives and activities (continued)

The Makory, Derby Museums' mobile Museum of Making, at Derbyshire Woodland Festival. Image © Derby Museums

Aim 4
Be Good Stewards

- Create an 'ecological culture' within Derby Museums, reducing resource consumption and embedding a circular economy.
- Produce a strategy and implementation plan (with our landlords Derby City Council) for the long-term storage needs of the museum assets and collections by 2022.
- Work with our landlords Derby City Council to ensure a successful completion of repairs supported by the MEND fund and that an effective long-term maintenance regime is in place at all museum buildings by 2022-23.
- Ensure that through museum programming activities and displays we reflect the importance of responding positively to the climate emergency.

Derby Museums' key purpose is to manage and care for the city's collections of cultural heritage. There are over 250,000 items in the museums' collections. These collections are available for the public to see in our museums and are also held in store. However much of the storage is below par and an evaluation of storage needs by Derby Museums was completed this year. Staff are working closely with the City Council to identify a site which will consolidate all the museums' collections needs.

Objectives and activities (continued)

A joint bid with Derby City Council to the Arts Council England's MEND programme was successful and this has financed half the costs of a capital repairs programme at Derby Museum and Art Gallery. In the preceding years there have been several leaks into the gallery space and this programme will complete much needed roof repairs. The project has also improved access to the building and created two new toilets for people with disabilities. Although the work caused significant disruption, such as the closure of the Joseph Wright gallery between October 2022 and February 2023, the museum building will be more controllable and watertight.

Roof works at the Museum and Art Gallery, funded by Arts Council England's MEND programme. Image © Derby Museums

Museum staff continue to play important roles in making UK museums more environmentally sustainable and the Director of Commercial and Operations sits on the National Museum Directors' Council ecology working group. There is a special concern to reduce resource use in the light of high energy costs. The Museum of Making building has been recognised for its environmental performance. It achieved BREEAM 'very good' during construction (the highest grade achievable for a refurbished building) and its passive ventilation system and use of materials such as 'eco-board' have garnered plaudits.

Aim 5
Make Extraordinary Work

- Make 100% of the Joseph Wright of Derby collection available digitally by 2022.
- Raise awareness of Joseph Wright of Derby amongst Derby people through new exhibitions or displays which focus on his work, his life, and his peers.
- Continue to acquire works by, or which contextualise, the work of Joseph Wright of Derby and the Enlightenment.
- We will commission diverse and emerging artists and curators to develop new activities and displays, offering new perspectives and shedding new light on our collections.

Objectives and activities (continued)

- Promote our ways of working and our experience of delivering the Museum of Making, through national and international publications/online features, events and conferences.
- Deliver the UK Creative Community Fellowship Programme with USA partners (National Arts Strategies, University of Pennsylvania), supporting social and cultural entrepreneurs across the UK.

Derby Museums has continued to develop its most prestigious collections. In April 2022 it unveiled its most recent acquisition, Joseph Wright's 'Self-Portrait at the age of about forty'. This was acquired through a hybrid scheme of acceptance in lieu and purchased with funding from the National Lottery Memorial Fund, the Art Fund and a number of individual donors. It is a stunning acquisition and sits in the centre of the Joseph Wright gallery.

Reveal of 'Self-Portrait at the age of about forty' by Joseph Wright of Derby by Tony Butler (Executive Director). Image © Derby Museums/Oliver Taylor Photography

Other significant acquisitions during this year include a folio of botanical drawings by Lucy Hardcastle, an early 19th century botanist who lived in Derby. These are exquisite sketches and did much to further the understanding of the natural world at the beginning of the 19th century. On a more contemporary theme, we acquired around 80 gig posters from the period 1970 to 1975. These advertised concerts around the city and they feature bands from the prog rock and punk era. Both these collections were purchased through the ACE/V&A Purchase Grant Fund. The purchase of the gig posters was also made possible through kind donations from the Golden Eagle and the Flower Pot pubs, both known as venues for live music in Derby.

Objectives and activities (continued)

Derby Museums' Friends help to bring Lucy Hardcastle manuscript back to Derby. Image © Derby Museums

Objectives and activities (continued)

Gig poster acquisition sponsors in the pop-up exhibition at Derby Museum and Art Gallery. Image © Derby Museums

The Making a Difference programme supported the development of Make Works online gazetteer of makers in Derby and a maker-in-residence programme at the Museum of Making. Make Works features nearly twenty companies, working in a variety of media from textiles to jewellery, from synthetic composites to casting. All the films of makers were made with young people from Derby College who worked with professional film makers to hone their skills. At the Museum of Making, ceramicist Joel Aspinall was maker in residence. Joel used 3-D printing to produce pots and other vessels.

Objectives and activities (continued)

Maker In Residence, Joel Aspinall, at work in the Cocoon at the Museum of Making © Derby Museums/Oliver Taylor Photography

The methodology of Human Centred Design continues to be used and promoted by Derby Museums. There have been a large number of visits from other museums wishing to learn from our approach; these include visits from staff from Wakefield, Kirklees, Stoke and Herefordshire museum services and the RAF museum. In addition, staff are regularly asked to speak at conferences, which this year included the Museums and Heritage Show, the Museums Association conference, the New England Museums Association in the US and the Swedish Museums association.

We continue to use Human Centred Design to inform our approach to programming exhibitions and gallery design. In December 2022 we announced the funding from DCMS Wolfson to re-interpret Pickford House museums and a number of ideations and prototyping sessions with staff and community members have been held. This will help us tease out hidden stories and hitherto untold narratives of the people connected with the house and it's milieu.

This year we wrapped up the last elements of the UK Creative Community Fellowship (UKCCF) programme which consisted of the Homecoming events in the US. This was an opportunity for UK Fellows to meet their US counterparts at a retreat in Maryland to share stories, experiences and ideas of how to embed community activism in their artistic practice. Over forty fellows have completed the programme and the evaluation has shown it to be a great success and is having a lasting and meaningful impact on participants. This has been instrumental in Arts Council England increasing Derby Museums NPO request to enable two more cohorts of the UKCCF to take place during 2023 to 2026.

Objectives and activities (continued)

Members of the UK and US Creative Community Fellowship cohorts at the Homecoming retreat in Baltimore. Image © Derby Museums

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity's policy is to hold reserves to cover six months of unrestricted expenditure. As at 31 March 2023, the unrestricted reserves stood at £1,489,219 which represents 3 months of expenditure.

c. Material investments policy

As required in its Memorandum, in furtherance of its objects, and for no other purposes, the Company has the power to invest the monies of the Company not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

d. Principal funding

The charity's main source of income is grant income from Arts Council England and Derby City Council. Total income during the year amounted to £2,909,185 (2022: £7,107,573) which included unrestricted income of £2,567,473 (2022: £2,030,509), of which, £1,030,099 (2022: £1,030,099) was from Arts Council England and Derby City Council to be applied for the charity's work.

Details of the restricted funds totalling £15,503,088 (2022: £16,646,036) and the endowment funds of £1,964,608 (2022: £2,136,930) and their purpose can be found in Note 19 of the financial statements.

Structure, governance and management

a. Constitution

The company and the group is registered as a charitable company limited by guarantee (charity number 1149710) and was set up by a Memorandum of Association on 18 April 2012 as amended 18 December 2012. The company was registered as a charity on 12 November 2012.

Derby Museum started trading on 1 October 2012 as an independent Trust. It has a subsidiary called Derby Museums Enterprises Limited which started trading on 1 April 2014.

b. Methods of appointment or election of Trustees

The management of the Group and the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Memorandum and Articles of Association for the organisation provide that the board shall consist of at least 3 and not more than 18 individuals comprised as follows:

- Up to three Trustees nominated by Derby City Council
- Up to Fifteen Community Trustees

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Trustees undergo a briefing on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the board of trustees committee and decision-making processes, the business plan and recent financial performance of the charity. New trustees also meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

e. Financial risk management

The Trustees have assessed the major risks to which the Group and the Company are exposed, in particular those related to the operations and finances of the Group and the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The Trust has a clear set of aims and objectives (see above). The challenges facing this new organisation are to evidence a strengthened commercialism and resilience plus an improved customer offer in order to attract continued financial support from its two main funders. This will include, but not be restricted to, increasing funding from other sources, both donations / fundraising and commercial income.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

Disclosure of information to auditors

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date:

R Merchant
Trustee - Chair of Finance, Resources and Audit

DERBY MUSEUMS
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 March 2023

The Trustees (who are also the directors of the Company 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

Elizabeth Fothergill.

E Fothergill, CBE
Trustee - Chair of Board
Date:

Roger Merchant

R Merchant
Trustee - Chair of Finance, Resources and Audit

Independent Auditors' Report to the Members of Derby Museums

Opinion

We have audited the financial statements of Derby Museums (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 of the 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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.

Auditors' 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 Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
  identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the chariable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Hawkins (Senior Statutory Auditor)
for and on behalf of

Dains Audit Limited

Statutory Auditor
Chartered Accountants
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Date:

Consolidated Statement of financial activities (incorporating income and expenditure account) For the Year Ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	4	**56,120**	**24,206**	**(13,062)**	**67,264**	1,224,044
Charitable activities	5	**1,558,563**	**327,921**	**2,647**	**1,889,131**	5,319,962
Other trading activities		**881,130**	**-**	**-**	**881,130**	533,329
Investments	6	**71,660**	**-**	**-**	**71,660**	30,238
Total income and endowments		**2,567,473**	**352,127**	**(10,415)**	**2,909,185**	7,107,573
Expenditure on:						
Raising funds		**827,623**	**-**	**-**	**827,623**	440,677
Charitable activities	8	**2,127,846**	**1,496,459**	**-**	**3,624,305**	6,258,300
Total expenditure		**2,955,469**	**1,496,459**	**-**	**4,451,928**	6,698,977
Net (losses)/gains on investments		**(58,542)**	**-**	**(109,455)**	**(167,997)**	31,552
Net (expenditure) /income		**(446,538)**	**(1,144,332)**	**(119,870)**	**(1,710,740)**	440,148
Transfers between funds	19	**51,068**	**1,384**	**(52,452)**	**-**	-
Net movement in funds		**(395,470)**	**(1,142,948)**	**(172,322)**	**(1,710,740)**	440,148
Reconciliation of funds:						
Total funds brought forward		**2,030,509**	**16,646,036**	**2,136,930**	**20,813,475**	20,373,327
Net movement in funds		**(395,470)**	**(1,142,948)**	**(172,322)**	**(1,710,740)**	440,148
Total funds carried forward		**1,635,039**	**15,503,088**	**1,964,608**	**19,102,735**	20,813,475

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 58 form part of these financial statements.

DERBY MUSEUMS
(A Company Limited by Guarantee)

Consolidated Balance Sheet
As at 31 March 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	13		**15,370,585**		15,998,569
Investments	14		**3,063,554**		2,831,551
			18,434,139		18,830,120
Current assets					
Stocks	15	**44,133**		42,072	
Debtors	16	**482,234**		1,427,872	
Cash at bank and in hand		**506,836**		1,603,847	
		1,033,203		3,073,791	
Creditors: amounts falling due within one year	17	**(364,607)**		(1,090,436)	
Net current assets			**668,596**		1,983,355
Total net assets			**19,102,735**		20,813,475
Charity funds					
Endowment funds	19		**1,964,608**		2,136,930
Restricted funds	19		**15,503,088**		16,646,036
Unrestricted funds	19		**1,635,039**		2,030,509
Total funds			**19,102,735**		20,813,475

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Elizabeth Fothergill
Chair of Trustees
Date:

Roger Merchant
Trustee - Chair of Finance, Resources and Audit

The notes on pages 32 to 58 form part of these financial statements.

DERBY MUSEUMS
(A Company Limited by Guarantee)

Company Statement of financial position
As at 31 March 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	13		**15,370,585**		15,998,569
Investments	14		**3,063,555**		2,831,552
			18,434,140		18,830,121
Current assets					
Debtors	16	**673,415**		1,537,834	
Cash at bank and in hand		**286,006**		1,401,384	
		959,421		2,939,218	
Creditors: amounts falling due within one year	17	**(290,826)**		(955,864)	
Net current assets			**668,595**		1,983,354
Total assets less current liabilities			**19,102,735**		20,813,475
Total net assets			**19,102,735**		20,813,475
Charity funds					
Endowment funds	19		**1,964,608**		2,136,930
Restricted funds	19		**15,503,088**		16,646,036
Unrestricted funds	19		**1,635,039**		2,030,509
Total funds			**19,102,735**		20,813,475

The Company's net movement in funds for the year was a deficit (£1,710,740) (2022 - Surplus of £440,148).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Elizabeth Fothergill
Chair of Trustees
Date:

Roger Merchant
Trustee - Chair of Finance, Resources and Audit

The notes on pages 32 to 58 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	**(637,796)**	2,098,735
Cash flows from investing activities		
Dividends and interest from investments	**71,660**	30,238
Purchase of tangible fixed assets	**(130,875)**	(252,921)
Purchase of investments	**(400,000)**	(2,182,605)
Net cash used in investing activities	**(459,215)**	**(2,405,288)**
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**(1,097,011)**	**(306,553)**
Cash and cash equivalents at the beginning of the year	**1,603,847**	1,910,400
Cash and cash equivalents at the end of the year	**506,836**	1,603,847

The notes on pages 32 to 58 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 March 2023

1. General information

Derby Museums is a Charitable Company, limited by guarantee incorporated in England and Wales. The Group's registered office is Museum and Art Gallery, The Strand, Derby, DE1 1BS.

The principal activity of the Group was that of a museum and art gallery.

2. Accounting policies

2.1 Basis of preparation of financial statements

Derby Museums is a charitable company registered in England / Wales . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities was that of a museum and art gallery.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

2.2 Basis of consolidation

The financial statements consolidate the accounts of Derby Museums and all of its subsidiary undertakings ('subsidiaries').

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

2.3 Going concern

These accounts are prepared on a going concern basis.

After reviewing group forecasts and projections, the trustees have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

2. Accounting policies (continued)

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets held by the charity to fulfil its objectives and are permanent in nature.

2.5 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Group which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Those costs incurred directly in support of expenditure on the objects of the Group and include project management carried out at Headquarters.

Charitable activities and Governance costs are incurred on the Group's operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

2.7 Government grants

Government grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2. Accounting policies (continued)

2.8 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 33 %

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Short-Term leasehold property	- Over the life of the lease
Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33.33% straight line

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.16 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. Accounting policies (continued)

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The company also provides retirement to employees of the charity which are provided by the Derbyshire County Council Local Government Pension Scheme ("LGPS"). This is a defined benefit scheme, is contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of Charity in a separate Trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

Derbyshire County Council has agreed to fund the liabilities of the LGPS scheme for relevant staff prior to 1 September 2012 ("the transfer date") upon signing the Business Transfer Agreement. The charity has been credited by the Derbyshire Council with a notional fund within the LGPS at the transfer date of level required to meet the cost of providing one hundred percent (100%) of the benefits accrued and in respect of the Eligible Employees prior to the transfer date (the "Notional Fund"). The value of the notional fund has been determined by an actuary appointed by the Derbyshire Country Council using the ongoing actuarial methods and assumptions used in the last actuarial valuation of the Derbyshire County Council Pension Fund.

In addition to the above, Derbyshire County Council has issued a Risk Share to the charity to cover any accrued deficits on exit by scheme members or the charity. All contributions are determined by Derbyshire County Council on the basis of triennial valuations using a prospective benefit method. As the charity is indemnified against prior and future liabilities of the scheme, the LGPS has been treated as a defined contribution scheme and the contributions recognised as they are paid each year.

2.18 Financial instruments

The Group 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 bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Rental costs
The Group occupies a number of buildings provided by the council at a peppercorn rent. The Trustees understand that they are custodians of these premises, which are occupied for the purposes of operating a Museum under the terms of their agreement with the council. The nature and purpose of the buildings is such that any donated value cannot be measured reliably and it is not appropriate to record any value in the financial statements for donations in kind.

Therefore, no donation and rental expense has been recognised within the financial statements.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Donations	56,120	16,184	(13,062)	**59,242**
Government grants	-	8,022	-	**8,022**
	56,120	24,206	(13,062)	**67,264**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Donations	81,730	27,350	1,033,729	1,142,809
Government grants	5,054	76,181	-	81,235
	86,784	103,531	1,033,729	1,224,044

The group was eligible to claim additional funding in 2022 from the government in relation to the coronavirus job retention scheme. This funding received is shown in restricted funds above under 'Government grants'.

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Arts Council England	400,099	-	-	**400,099**
Income from charitable activities - Operation of museums - restricted funds	18,519	-	-	**18,519**
Derby City Council - Support	630,000	-	-	**630,000**
Derby City Council - Services	-	81,681	-	**81,681**
Arts Council England - Designation fund	-	-	-	**-**
Partnerships and grants	145,659	246,240	-	**391,899**
Income from retail, catering and IPR	2,480	-	-	**2,480**
Activities, events, displays & exhibitions	17,247	-	-	**17,247**
Learning programmes and research	26,318	-	-	**26,318**
Other income	318,241	-	2,647	**320,888**
	1,558,563	327,921	2,647	**1,889,131**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Arts Council England - Strategic fund	400,099	127,429	-	527,528
Income from charitable activities - Operation of museums - restricted funds	19,210	-	-	19,210
Derby City Council - Support	630,000	-	-	630,000
Derby City Council - Services	-	81,680	-	81,680
Partnerships and grants	175,538	3,559,356	-	3,734,894
Income from retail, catering and IPR	2,480	-	-	2,480
Activities, events, displays & exhibitions	7,446	-	-	7,446
Learning programmes and research	15,819	-	-	15,819
Other income	254,874	12,413	33,618	300,905
	1,505,466	3,780,878	33,618	5,319,962

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	64,125	**64,125**
Bank interest received	7,535	**7,535**
	71,660	**71,660**

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Investment income	-	18,667	18,667
Bank interest received	11,571	-	11,571
	11,571	18,667	30,238

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Operation of museums	3,203,694	420,611	**3,624,305**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Operation of museums	5,821,844	436,456	6,258,300

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	**1,567,874**	1,441,508
Depreciation	**758,859**	650,093
Premises and transport	**263,490**	198,818
Supplies and services	**105,655**	180,219
Support services	**82,480**	81,680
Marketing and PR	**93,444**	124,868
Development	**19,355**	62,898
Exhibitions	**247,280**	303,220
Professional fees	**16,628**	18,300
Learning	**42,391**	27,412
Collections	**6,238**	2,732,828
	3,203,694	5,821,844

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	**389,990**	385,631
Employment expenses	**19,945**	28,868
Bank charges	**3,558**	7,322
Governance costs	**1,618**	9,335
Audit fees	**5,500**	5,300
	420,611	436,456

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Operation of museums	2,127,846	1,496,459	**3,624,305**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Operation of museums	1,693,058	4,565,242	6,258,300

9. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**5,500**	4,800

10. Staff costs

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	**1,985,532**	1,632,951	**1,562,288**	1,420,412
Social security costs	**151,107**	123,491	**123,167**	123,491
Contribution to defined contribution pension schemes	**330,176**	283,236	**272,409**	283,236
	2,466,815	2,039,678	**1,957,864**	1,827,139

10. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Average number of employees	**132**	103	**100**	82

The number of employees whose employee benefits (excluding employer pension and national insurance contributions) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	**1**	1

The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services was £306,180 (2022: £289,816).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year, no Trustee expenses have been incurred (2022 - £NIL).

12. Intangible assets

Group and Company

	Computer software £
At 1 April 2022	**78,779**
Disposals	**(78,779)**
At 31 March 2023	**-**
At 1 April 2022	**78,779**
Disposals	**(78,779)**
At 31 March 2023	**-**
Net book value	
At 31 March 2023	**-**
At 31 March 2022	-

13. Tangible fixed assets

Group and Company

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2022	**15,879**	**16,581,010**	**69,268**	**275,093**	**70,687**	**17,011,937**
Additions	**-**	**115,928**	**-**	**14,947**	**-**	**130,875**
At 31 March 2023	**15,879**	**16,696,938**	**69,268**	**290,040**	**70,687**	**17,142,812**
Depreciation						
At 1 April 2022	**3,517**	**615,485**	**61,251**	**262,428**	**70,687**	**1,013,368**
Charge for the year	**836**	**742,561**	**4,623**	**10,839**	**-**	**758,859**
At 31 March 2023	**4,353**	**1,358,046**	**65,874**	**273,267**	**70,687**	**1,772,227**
Net book value						
At 31 March 2023	**11,526**	**15,338,892**	**3,394**	**16,773**	**-**	**15,370,585**
At 31 March 2022	12,362	15,965,525	8,017	12,665	-	15,998,569

14. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2022	**2,831,551**
Additions	**400,000**
Revaluations	**(167,997)**
At 31 March 2023	**3,063,554**
Net book value	
At 31 March 2023	**3,063,554**
At 31 March 2022	2,831,551

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2022	**1**	**2,831,551**	**2,831,552**
Additions	**-**	**400,000**	**400,000**
Revaluations	**-**	**(167,997)**	**(167,997)**
At 31 March 2023	**1**	**3,063,554**	**3,063,555**
Net book value			
At 31 March 2023	**1**	**3,063,554**	**3,063,555**
At 31 March 2022	1	2,831,551	2,831,552

14. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding	Included in consolidation
Derby Museums Enterprises Limited	08119695	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Derby Museums Enterprises Limited	**881,130**	**(881,130)**	**1**

15. Stocks

	Group 2023 £	Group 2022 £
Finished goods and goods for resale	**44,133**	42,072

The company held no stock (2022 - £Nil) at the year end.

16. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due within one year				
Trade debtors	**181,153**	97,542	**75,258**	44,763
Amounts owed by group undertakings	**-**	**-**	**298,283**	231,211
Other debtors	**-**	147,784	**-**	79,313
Prepayments and accrued income	**301,081**	1,182,546	**299,874**	1,182,547
	482,234	1,427,872	**673,415**	1,537,834

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	**203,446**	820,246	**180,688**	798,188
Other taxation and social security	**52,109**	165,138	**52,109**	96,667
Other creditors	**26,757**	35,445	**26,757**	33,644
Accruals and deferred income	**82,295**	69,607	**31,272**	27,365
	364,607	1,090,436	**290,826**	955,864

Deferred income relates largely to grants and donations received in advance of its intended purpose along with revenue received in advance of events taking place.

18. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets measured at amortised cost	**458,025**	1,404,422	**352,130**	1,283,172

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial liabilities				
Financial liabilities measure at amortised cost	**262,910**	925,298	**238,717**	859,197

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, pension fund, other creditors and accruals.

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Designated Funds	69,914	-	-	(56,314)	-	13,600
Fixed asset reserve	27,533	-	(17,333)	122,020	-	132,220
	97,447	-	(17,333)	65,706	-	145,820

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
General funds						
General Funds	1,933,062	2,567,473	(2,938,136)	(14,638)	(58,542)	1,489,219
Total Unrestricted funds	2,030,509	2,567,473	(2,955,469)	51,068	(58,542)	1,635,039

19. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Endowment funds						
Endownment Funds	2,136,930	(10,415)	-	(52,452)	(109,455)	1,964,608

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Arts Council England - Joseph Wright Collection	2,569	-	-	-	-	2,569
The Silk Milk Museum of Making Project	16,289,104	(28,800)	(1,021,939)	-	-	15,238,365
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,681	(81,681)	-	-	-
Transforming leadership	29,124	46,500	(76,923)	1,299	-	-
Other restricted funds	28,147	27,197	(43,145)	-	-	12,199
Weston Garfield	14,435	-	(13,970)	-	-	465
Paul Mellon	29,678	-	(13,142)	-	-	16,536
Artfund - Voices	34,672	4,000	(38,690)	18	-	-
Ace Make a Difference	13,301	36,364	(43,802)	-	-	5,863
Midlands Maker Challenge	114,441	-	(51,984)	-	-	62,457

19. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Joseph Wright Acquisition	5,159	5,000	(7,535)	-	-	2,624
Headley Fellowship	-	27,500	(22,790)	-	-	4,710
Fidelity	-	75,105	(32,433)	-	-	42,672
NSSP	-	13,045	(13,112)	67	-	-
Hogarth	-	64,535	(35,313)	-	-	29,222
	16,646,036	352,127	(1,496,459)	1,384	-	15,503,088
Total of funds	20,813,475	2,909,185	(4,451,928)	-	(167,997)	19,102,735

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Designated Funds	69,914	-	-	-	-	69,914
Fixed asset reserve	67,651	-	(40,118)	-	-	27,533
Midlands Maker Challenge	73,539	-	-	(73,539)	-	-
	211,104	-	(40,118)	(73,539)	-	97,447

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds						
General Funds	1,830,864	2,137,150	(2,093,617)	84,501	(25,836)	1,933,062
Total Unrestricted funds	2,041,968	2,137,150	(2,133,735)	10,962	(25,836)	2,030,509

19. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Endowment funds						
	993,528	1,086,014	-	-	57,388	2,136,930

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Essential Life Skills Project	778	-	(778)	-	-	-
Arts Council England - Joseph Wright Collection	2,569	-	-	-	-	2,569
The Silk Mill Museum of Making Project	16,824,010	583,042	(1,117,948)	-	-	16,289,104
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,680	(81,680)	-	-	-
Great Places	1,073	8,375	(9,448)	-	-	-
Transforming leadership	136,165	93,600	(200,641)	-	-	29,124
Other restricted funds	28,639	77,445	(53,624)	(24,313)	-	28,147
Coronavirus Job Retention Scheme	-	76,181	(15,993)	(60,188)	-	-
Weston Garfield	190,191	-	(175,756)	-	-	14,435

19. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Paul Mellon	33,000	-	(3,322)	-	-	29,678
Artfund - Voices	36,000	-	(1,328)	-	-	34,672
ACE CRF2	-	65,000	(65,000)	-	-	-
Ace Make a Difference	-	40,634	(27,333)	-	-	13,301
Midlands Maker Challenge	-	81,575	(40,673)	73,539	-	114,441
ARG Feasibility	-	45,000	(45,000)	-	-	-
Headley Fellowship	-	4,706	(4,706)	-	-	-
Joseph Wright Acquisition	-	2,727,171	(2,722,012)	-	-	5,159
	17,337,831	3,884,409	(4,565,242)	(10,962)	-	16,646,036
Total of funds	20,373,327	7,107,573	(6,698,977)	-	31,552	20,813,475

19. Statement of funds (continued)

Description of funds

Designated funds
Punjabi Derby, now renamed Alternative Archives, is a photographic project and exhibition presented with "Black Country Archives" and Derby's South Asian community.

Fixed Asset Reserve
This represents the amount of funds which are tied up in tangible fixed assets and therefore not necessarily available for use in day to day operations.

Arts Council England - Joseph Wright Collection
To develop a study area to promote understanding and enjoyment of our nationally Designated Joseph Wright collection.

The Silk Mill Museum of Making Project
To meet the costs for development work towards the creation of the Derby Silk Mill Museum of Making. Expenditure has been posted to Assets under construction on the balance sheet. All income received will be restricted. Now in use the asset will be amortised over the life of the lease and matched against restricted income.

General improvements of collections and buildings
Accumulated donations and bequests designated for the general improvement of collections and buildings.

Derby City Council - Support Services
This contract with Derby City Council provides continuation of support services at an agreed annual rate. This is a rolling 12 month contract.

Great Places
This contract with Derbyshire County Council helps us provide for a mobile museum of making project in connection with the vital valley Great Places scheme.

Transforming Leadership
A grant to establish, in partnership with a number of other organisations, the Creative Community Fellow Programme (CCF) to the UK.

Other restricted funds
These relate to other small restricted fund balances which further the aims and objectives of the museum.

19. Statement of funds (continued)

Weston Garfield
This is grant received to help with covid 19 related costs

Paul Mellon
This is a grant to develop an engaging and accessible online catalogue of our collection of the work of artist Joseph Wright of Derby.

Artfund - Voices in the room
A project to establish the needs and desires of diverse communities in Derby to help shape the facilities and museum environment, influencing object selection, stories, exhibition design and programming.

Midlands Maker Challenge
A programme for young people across the midlands, that challenges them to create solutions to some of the key issues facing the world.

Joseph Wright acquisition
Funding to acquire a Joseph Wright self portrait painting.

Headley Fellowship
Funding to increase curatorial resource to research the Egyptian collection.

Fidelity
Funding from Fidelity provided three new temporary posts to support and develop the formal learning on offer at Derby Museums.

NSSP
Twelve museums and galleries from across the UK engage in a skills and knowledge sharing programme and , together with the National Portrait Gallery, explore the things that matter to their teams with the aim of benefitting their audiences and caring for the Collections they hold.

Hogarth
An exhibition drawing in major loans from prestigious venues across the UK, and making public new research on Hogarth, one of the most important artists of the 18th century.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	132,220	15,238,365	-	**15,370,585**
Fixed asset investments	1,115,622	-	1,947,932	**3,063,554**
Current assets	751,804	264,723	16,676	**1,033,203**
Creditors due within one year	(364,607)	-	-	**(364,607)**
Total	1,635,039	15,503,088	1,964,608	**19,102,735**

Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	15,998,569	-	15,998,569
Fixed asset investments	694,621	-	2,136,930	2,831,551
Current assets	2,426,324	647,467	-	3,073,791
Creditors due within one year	(1,090,436)	-	-	(1,090,436)
Total	2,030,509	16,646,036	2,136,930	20,813,475

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(1,710,740)**	440,148
Adjustments for:		
Depreciation charges	**758,859**	650,093
Loss / (Gains) on investments	**167,997**	(31,552)
Dividends, interests and rents from investments	**(71,660)**	(30,238)
(Increase)/Decrease in stocks	**(2,061)**	(29,923)
Decrease/(Increase) in debtors	**945,638**	282,723
Increase/(Decrease) in creditors	**(725,829)**	817,484
Net cash provided by/(used in) operating activities	**(637,796)**	2,098,735

22. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	**506,836**	1,603,847
Total cash and cash equivalents	**506,836**	1,603,847

23. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	**1,603,847**	**(1,097,011)**	**506,836**

24. Pension commitments

The Charity is an employer for the purpose of the Derbyshire County Council Local Government Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The LGPS has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Group also operate.

The Charity is an employer for the purpose of the Derby Museums Group Personal Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The Derby Museums Group Personal Pension Scheme has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Group also operate.

During the year 31 March 2023 the Group made total pension contributions totalling £294,382 (2022 - £283,836) to this scheme. As at 31 March 2022 there was a balance outstanding of £25,640 (2022 - £27,210).

25. Operating lease commitments

At 31 March 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Not later than 1 year	**2,702**	3,302	**2,702**	3,302
Later than 1 year and not later than 5 years	**6,836**	9,538	**6,836**	9,538
	9,538	12,840	**9,538**	12,840

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 102 (Section 33), not to disclosure transactions between entities which form part of the Group headed by Derby Museums.

All transactions with Trustees were transacted at a commercial rate.

DERBY MUSEUMS

England & Wales - Charity number 1149710

Accounts

Registered number: 08036113
Charity number: 1149710

Derby Museums

Trustees' Report and Financial Statements

For the Year Ended 31 March 2022

DAINS
ACCOUNTANTS

DERBY MUSEUMS
(A Company Limited by Guarantee)

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Reference and Administrative Details of the Company, its Trustees and Advisers For the Year Ended 31 March 2022

Trustees	Elizabeth Fothergill, CBE, Chair Patricia Coleman, OBE (resigned 28 September 2021) Maxwell Craven, MBE (resigned 28 September 2021) David Ling (resigned 28 September 2021) Roger Merchant Caroline McComb, Vice Chair Heather Broughton (resigned 28 September 2021) Daisy Giuliano Linda Sullivan Councillor Lucy Care, nominated member from Derby City Council Professor Keith McLay Councillor Joanna West, nominated member from Derby City Council Councillor Robin Wood, nominated member from Derby City Council Dr Kiron Griffin Charlotte Holmes Andrew James Findlay (appointed 28 September 2021)
Company registered number	08036113
Charity registered number	1149710
Registered office	Museum and Art Gallery The Strand Derby Derbyshire DE1 1BS
Patron	Lord Cavendish, 12th Duke of Devonshire
Independent auditors	Dains Audit Limited Statutory Auditor Chartered Accountants Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ
Bankers	The Co-Operative Bank 31 East Street Derby Derbyshire DE1 2AL Santander UK Plc 1st Floor 5 Market Place Derby DE1 3PY

Trustees' Report
For the Year Ended 31 March 2022

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Derby Museums (the Group) for the year ended 31 March 2022. The trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The vision is that Derby Museums is for the thinker and maker in all of us. Together we make museums for the head, heart and hands. We do this by:

- Being independent
- Fostering a spirit of experimentation
- Pursuing mutual relationships
- Creating the conditions for well being
- Proving that we are doing it

Over the last decade these values have helped the organisation transform from a traditional council run museum service to a thriving social cultural enterprise – one that is commercially-minded and opportunistic, with a profound sense of social purpose.

Derby Museums has been established as a company limited by guarantee with exclusively charitable objects. Its objects and strategies have been updated from 1 April 2022 to the following:

Objectives and activities (continued)

Objectives	Strategies
Support the recovery of our city	1. Improve the visitor economy by attracting more visitors to our museums and to Derby - Museum sites will welcome 180,000 visitors in 2022-23 with increased diversity of our audiences to meet the targets set out in out Inclusivity and Relevance Plan. 2. Work with Derby cultural partners to deliver more creative programming in outdoor spaces in the city centre. 3. Create an outline masterplan for the development of Derby Museum and Art Gallery under the concept of the 'ideas which made us' by the end of 2022. 4. In partnership with Derby City Council and local organisations, influence the city centre masterplan, support Cultural Heart Study, and help create a City Cultural Compact by 2022. 5. Play an integral role in an application for UK city of Culture for 2025 and 2029. 6. Play a lead role in the development and activities of the English Civic Museums Network.
Be entrepreneurial and inventive	1. Raise £1m for the Derby Museums Endowment by 2022. 2. Maintain a ratio of 50:50 earned and contributed income to direct public investment – in order to spread risk 2022-23. 3. Make progress in 2022-23 so that Derby Museums' governance and workforce becomes more diverse and representative of our city's workforce, in terms of gender, age, ethnicity, disability and class. 4. Develop the Maker community through the Prospect, workshop, and residencies, with outcomes for income generation and engagement. 5. Support local makers and producers by prioritising them by sourcing their products in Derby Museums retail and catering outlets 6. Create the Derby Story as an advocacy and education resource.

Objectives and activities (continued)

Objectives	Strategies
Be relevant to our citizens	1. Improve the skills and educational ambition of young people in Derby through their participation in Formal Learning activities through the Rolls-Royce sponsored Institute of STEAM, Make works Derbyshire Making a Difference Project and Midlands Maker Challenge. Over 20,000 young people participate in our activities in 2022-23 2. Increase the diversity of ways in which people can participate through volunteering and co-production with 12,000 volunteer hours given in 2022-23 3. Improve our connectivity with the diverse communities in the city so that it is reflected in our programming of exhibitions, events and activities and visitors to achieve the targets set out in our Inclusivity and Relevance Plan. 4. Deliver a popular programme of temporary exhibitions which drives footfall and income, contributing to more visitors and financial sustainability. Delivering six exhibitions across our sites annually. 5. Deliver an engaging series of family activities across the three sites and online to encourage 'everyday' participation and habitual use of Derby Museums. 6. Develop and deliver an online programming strategy which complements our 'on and offsite' activity.
Be Good Stewards	1. Create an 'ecological culture' within Derby Museums, reducing resource consumption and embedding a circular economy 2. Produce a strategy and implementation plan (with our landlords Derby City Council) for the long-term storage needs of the museum assets and collections by 2022. 3. Work with our landlords Derby City Council to ensure a successful completion of repairs supported by the MEND fund that an effective long-term maintenance regime is in place at all museum buildings by 2022-23 4. Ensure that through museum programming activities and displays we reflect the importance of responding positively to the climate emergency. Key displays/interpretation/programming are reviewed and developed 2022-23

Objectives and activities (continued)

Objectives	Strategies
Make extraordinary work	1. Make 100% of the Joseph Wright of Derby collection available digitally by 2022 2. Raise awareness of Joseph Wright of Derby amongst Derby people through new exhibitions or displays which focus on his work, his life, and his peers 3. Continue to acquire works by, or which contextualise, the work of Joseph Wright of Derby and the Enlightenment. 4. We will commission diverse and emerging artists and curators to develop new activities and displays, offering new perspectives and shedding new light on our collections 5. Promote our ways of working and our experience of delivering the Museum of Making, through national and international publications/online features, events and conferences. 6. Deliver the UK Creative Community Fellowship Programme with USA partners, supporting social and cultural entrepreneurs across the nation.

Charity registration helps the charity achieve its objects, most significantly in relation to fundraising and gives confidence to third parties, particularly funding partners, that the organisation operates to the highest standards of good governance and is overseen by an independent regulator.

b. Fundraising practices

The approach taken by Derby Museums is to identify the needs of the organisation at the start of the year and to research trusts and foundations that would be interested in funding these. Where no funding is found, then the project would be postponed until funding is found. Generally, all fundraising is done in house by trained members of staff. Derby Museums do not approach vulnerable people in its fundraising activities. No cold calling or street collecting is done and therefore donations are totally voluntary. Derby Museums did not receive any complaints regarding its fundraising practices.

Achievements and performance

a. Review of activities

2021 started with a bang, with Derby Museums being the vanguard to the recovery of the city following the pandemic. On 21 May 2021 The Museum of Making at Derby Silk Mill opened after an £18m refurbishment, a week later, on 27 May 2021, the Derby Ram Trail was opened. Both of these major events encouraged the public to come back into the city and help regenerate activities.

From May 2021, for the first time in a decade, Derby Museums fully operated three museum sites: Derby Museum and Art Gallery, home to the world-famous Joseph Wright collections, the newly opened Museum of Making at Derby Silk Mill and Pickford's House.

The Derby Ram trail took place between May and August 2021 followed by the auction on 9 September 2021 which raised £150,000 for the Derby Museums' endowment. The trail was considered a great success.

Key statistics from the event were

- Over 90% of people rated the trail as 'brilliant' or 'very good'
- An estimated 32,075 trail maps were picked up by visitors
- 7,840 Ram Trail 'apps' have been downloaded
- Over 4,050 children from 21 schools took part in the Schools Mini Ram Trail competition
- Over 50% of people have visited Derby more than once to complete the trail, some more than four times!
- Over 50% of people said the trail encouraged them to visit parts of the city they had not been to before and over 70% said that the trail had encouraged them to consider another visit to Derby.

Achievements and performance (continued)

- Over 75% of people have reported spending more than £10 in the city on their visit. With an average spend of £35 per group, it is estimated that the trail contributed £1.4m to the local visitor economy
- Locally, regionally and nationally - the trail featured in 103 media outlets with an estimated total audience reach of 228,719,722. This included a total estimated audience reach of 118, 749, 507 for national and international outlets, 19,986,000 for broadcast (national and international) and 89,898,057 for regional (print and online).

Alongside the familiar permanent displays, there were special exhibitions in each museum. At Pickford's House Florence Nightingale Health at Home explored the pioneer of nursing's ideas around domestic self care. At the Museum and Art Gallery, there was an enchanting exhibition of work from children's author John Yeoman and renowned illustrator Quentin Blake, 50 Years of Children's Books. At the Museum of Making the Scale exhibition which brought together art, science, the natural world, modelling and making.

At the beginning of October half term, the inaugural Assemble: Derby's Festival of Making, a new iteration of the previously popular Maker Faire took place

Achievements and performance (continued)

The next special exhibition at the Museum of Making was the Cabaret Mechanical Theatre, a joyful collection of interactive automata. At the Museum and Art Gallery, there was a photographic exhibition from surrealist artist Claude Cahun. Working nearly 100 years ago, Cahun's contemporary giclee prints, made from scans of her original photographic self-portraits, considered notions of gender and identity.

Throughout the winter we hosted the Lampedusa cross; a British Museum Spotlight Loan. The cross was made by an Italian fisherman from the wreckage of a wooden boat carrying migrants across the Mediterranean, which had capsized causing most of those onboard to drown.

The Museum of Making has won several awards since it has opened and was shortlisted for the prestigious Art Fund's Museum of the Year award. The decision will be announced on 14 July 2022.

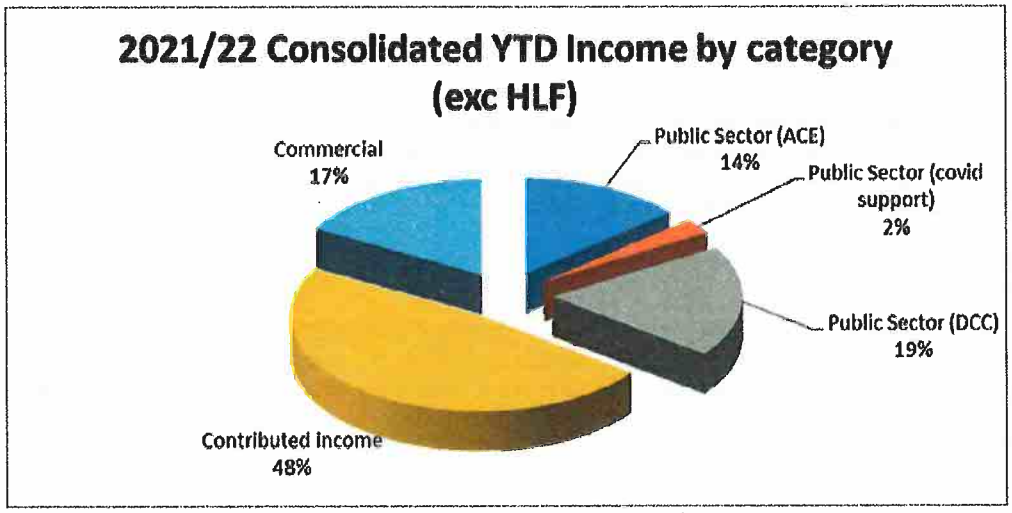
Derby Museums was successful in extending it's NPO status for another year (2022/23) and is in the process of applying for the next NPO period (2023-26).

In March 2022, Derby Museums was awarded a total of £2.7m to purchase a self portrait of Joseph Wright, which had been in private hands.

Achievements and performance (continued)

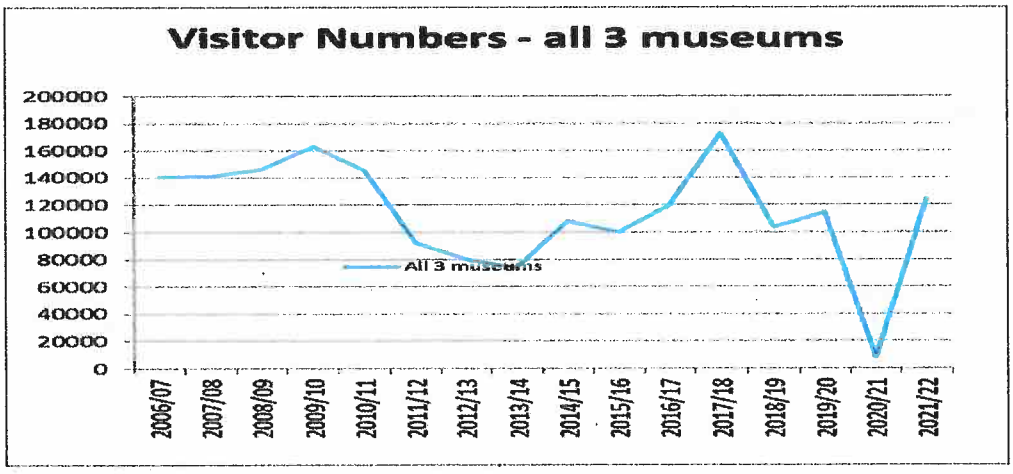
b. Key performance indicators

Sources of income:



Following on from the previous year where we received additional covid support, this year is more reflective of a "normal" year. The percentage of income from Derby City Council was 19% and Arts Council (England) being 14%. We did receive a small amount of support for Covid, which amounted to 2% of turnover. Contributed income, which is money mainly from trusts and foundations increased to 48% and it was pleasing to see that Commercial income bounced back to 17%. Derby Museums have also received capital funding for the redevelopment of The Museum of Making at Derby Silk Mill which has not been included above.

Visitor numbers:



Achievements and performance (continued)

Visitor numbers have increased from prior year, due mainly to the opening of the Museum of Making. Like for like numbers for both Museum and Art Gallery and Pickford's House remain below pre-pandemic levels.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity's policy is to hold reserves to cover six months of unrestricted expenditure. As at 31 March 2022, the unrestricted reserves stood at £2,030,509 which represents 11 months of expenditure. Due to the current uncertainties in funding, the trustees have deemed it necessary to increase the level of reserves above the charity's policy, until there is more clarity in the funding situation.

c. Material investments policy

As required in its Memorandum, in furtherance of its objects, and for no other purposes, the Company has the power to invest the monies of the Company not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

d. Principal funding

The charity's main source of income is grant income from Arts Council England and Derby City Council. Total income during the year amounted to £7,107,573 (2021: £7,151,039) which included unrestricted income of £2,030,509 (2021: £2,030,887), of which, £1,030,099 (2021: £1,100,099) was from Arts Council England and Derby City Council to be applied for the charity's work.

Details of the restricted funds totalling £16,670,349 (2021: £17,337,831) and the endowment funds of £2,136,930 (2021: £993,528) and their purpose can be found in Note 20 of the financial statements.

Structure, governance and management

a. Constitution

The company and the group is registered as a charitable company limited by guarantee (charity number 1149710) and was set up by a Memorandum of Association on 18 April 2012 as amended 18 December 2012. The company was registered as a charity on 12 November 2012.

Derby Museum started trading on 1 October 2012 as an independent Trust. It has a subsidiary called Derby Museums Enterprises Limited which started trading on 1 April 2014.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Patron
- Lord Cavendish, 12th Duke of Devonshire

Ambassador
- Charles Hanson

Board members during the year are as follows

- Liz Fothergill, CBE (Chair)
- Caroline McComb (Vice Chair)
- Patricia Coleman, OBE – resigned 28 September 2021
- Maxwell Craven, MBE – resigned 28 September 2021
- David Ling – resigned 28 September 2021
- Roger Merchant
- Heather Broughton – resigned 28 September 2021
- Daisy Giuliano
- Linda Sullivan
- Councillor Lucy Care (nominated member from Derby City Council)
- Prof. Keith McClay
- Councillor Joanna West (nominated member from Derby City Council)
- Councillor Robin Wood (nominated member from Derby City Council)
- Dr Kiron Griffin
- Charlotte Homes
- Andy Finlay – appointed 28 September 2021

During the year, the following trustees were reappointed for another three year term
- Roger Merchant
- Caroline McComb
- Prof. Keith McClay

Board members represent a range of skills and competencies including:

- Education
- Community Engagement
- Arts and heritage
- Accountancy & general finance
- Commercial
- Social & economic regeneration
- Strategic management & business development
- Tourism
- Health and wellbeing

Structure, governance and management (continued)

Members of the senior management team are:

- Tony Butler – Executive Director
- Mohammed Suleman – Director of Resources – resigned 28 June 2022
- Hannah Fox – Director of Projects and Programming – resigned 24 April 2022
- Sue Jacklin – Associate Director of Development and Communications
- Craig Richardson - Chief Accountant - appointed 6 June 2022
- Catherine Putz - Director of Programming - appointed 13 June 2022

c. Policies adopted for the induction and training of Trustees

Trustees undergo a briefing on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the board of trustees committee and decision-making processes, the business plan and recent financial performance of the charity. New trustees also meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

d. Organisational structure and decision making

The Memorandum and Articles of Association for the organisation provide that the board shall consist of at least 3 and not more than 18 individuals comprised as follows:

- Up to three Trustees nominated by Derby City Council
- Up to Fifteen Community Trustees

Structure, governance and management (continued)

e. Financial risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and can be listed below:

Risk	Plans & Strategy
The Company receives 45% of its funding from the local authority. The current proposals suggest the same level of funding for 2022/23 however discussions are underway. The risk is that talks fail, and a further cut is implemented.	The senior management team have been working closely with the local authority in working on a plan to give the Company more time to find alternative sources of funds. A strategy has been developed involving setting up an endowment fund to help maintain the museum. Should a further cut be implemented then a major restructure would be undertaken to ensure the organisation remains a going concern.
The organisation opened The Museum of Making at Derby Silk Mill during the year. There is a risk that due to Covid, the commercial income is not as high as expected exposing the organisations cash flow.	There are a number of funds available via a number of funders to apply for additional costs incurred as a result of Covid19. We will look to apply for these to ensure the financial impact is minimised. We have also set prudent budgets and have an agreed strategy of using reserves built over the last few years, for the next couple of years by which time, the commercial operation will have stabilised and more favourable environment.

Plans for future periods

The Trust has a clear set of aims and objectives (see above). The challenges facing this new organisation are to evidence a strengthened commercialism and resilience plus an improved customer offer in order to attract continued financial support from its two main funders. This will include, but not be restricted to, increasing funding from other sources, both donations / fundraising and commercial income.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

Disclosure of information to auditors

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 28.6.22

R Merchant
Trustee - Chair of Finance, Resources and Audit

Statement of Trustees' responsibilities
For the Year Ended 31 March 2022

The Trustees (who are also the directors of the Company 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 28.6.22

R Merchant
Trustee - Chair of Finance, Resources and Audit

Independent Auditors' Report to the Members of Derby Museums

Opinion

We have audited the financial statements of Derby Museums (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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.

Auditors' 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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Independent Auditors' Report to the Members of Derby Museums (continued)

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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Hawkins (Senior Statutory Auditor)
for and on behalf of

Dains Audit Limited

Statutory Auditor
Chartered Accountants
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Date: 28.6.22

Consolidated Statement of financial activities (incorporating income and expenditure account) For the Year Ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	4	**86,784**	**103,531**	**1,033,729**	**1,224,044**	495,471
Charitable activities	5	**1,505,466**	**3,780,878**	**33,618**	**5,319,962**	6,601,543
Other trading activities		**533,329**	**-**	**-**	**533,329**	40,543
Investments	6	**11,571**	**-**	**18,667**	**30,238**	13,482
Total income and endowments		**2,137,150**	**3,884,409**	**1,086,014**	**7,107,573**	7,151,039
Expenditure on:						
Raising funds		**440,677**	**-**	**-**	**440,677**	72,649
Charitable activities	8	**1,693,058**	**4,565,242**	**-**	**6,258,300**	1,878,862
Total expenditure		**2,133,735**	**4,565,242**	**-**	**6,698,977**	1,951,511
Net (losses)/gains on investments		**(25,836)**	**-**	**57,388**	**31,552**	17,394
Net (expenditure) /income		**(22,421)**	**(680,833)**	**1,143,402**	**440,148**	5,216,922
Transfers between funds	20	**10,962**	**(10,962)**	**-**	**-**	-
Net movement in funds		**(11,459)**	**(691,795)**	**1,143,402**	**440,148**	5,216,922
Reconciliation of funds:						
Total funds brought forward		**2,041,968**	**17,337,831**	**993,528**	**20,373,327**	15,156,405
Net movement in funds		**(11,459)**	**(691,795)**	**1,143,402**	**440,148**	5,216,922
Total funds carried forward		**2,030,509**	**16,646,036**	**2,136,930**	**20,813,475**	20,373,327

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 52 form part of these financial statements.

Consolidated Balance Sheet
As at 31 March 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	13		**15,998,569**		16,395,741
Investments	14		**2,831,551**		617,395
			18,830,120		17,013,136
Current assets					
Stocks	16	**42,072**		12,149	
Debtors	17	**1,427,872**		1,710,594	
Cash at bank and in hand		**1,603,847**		1,910,400	
		3,073,791		3,633,143	
Creditors: amounts falling due within one year	18	**(1,090,436)**		(272,952)	
Net current assets			**1,983,355**		3,360,191
Total net assets			**20,813,475**		20,373,327
Charity funds					
Endowment funds	20		**2,136,930**		993,528
Restricted funds	20		**16,646,036**		17,337,831
Unrestricted funds	20		**2,030,509**		2,041,968
Total funds			**20,813,475**		20,373,327

Consolidated Balance Sheet (continued)
As at 31 March 2022

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 28.6.22

R Merchant
Trustee - Chair of Finance, Resources and Audit

The notes on pages 25 to 52 form part of these financial statements.

Company Statement of financial position
As at 31 March 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	13		**15,998,569**		16,395,741
Investments	14		**2,831,552**		617,395
			18,830,121		17,013,136
Current assets					
Debtors	17	**1,537,834**		1,836,496	
Cash at bank and in hand		**1,401,386**		1,775,340	
		2,939,220		3,611,836	
Creditors: amounts falling due within one year	18	**(955,864)**		(251,644)	
Net current assets			**1,983,356**		3,360,192
Total net assets			**20,813,477**		20,373,328
Charity funds					
Endowment funds	20		**2,136,930**		993,528
Restricted funds	20		**16,670,349**		17,337,831
Unrestricted funds	20		**2,006,198**		2,041,969
Total funds			**20,813,477**		20,373,328

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 28-6-22

R Merchant
Trustee - Chair of Finance, Resources and Audit

The notes on pages 25 to 52 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	**2,098,735**	3,200,965
Cash flows from investing activities		
Dividends and interest from investments	**30,238**	13,482
Purchase of tangible fixed assets	**(252,921)**	(3,633,269)
Purchase of investments	**(2,182,605)**	(600,000)
Net cash used in investing activities	**(2,405,288)**	**(4,219,787)**
Net cash provided by financing activities	**-**	-
Change in cash and cash equivalents in the year	**(306,553)**	**(1,018,822)**
Cash and cash equivalents at the beginning of the year	**1,910,400**	2,929,222
Cash and cash equivalents at the end of the year	**1,603,847**	1,910,400

The notes on pages 25 to 52 form part of these financial statements

1. General information

Derby Museums is a Charitable Company, limited by guarantee incorporated in England and Wales. The Group's registered office is Museum and Art Gallery, The Strand, Derby, DE1 1BS.

The principal activity of the Group was that of a museum and art gallery.

2. Accounting policies

2.1 Basis of preparation of financial statements

Derby Museums is a charitable company registered in England / Wales . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities was that of a museum and art gallery.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

2.2 Basis of consolidation

The financial statements consolidate the accounts of Derby Museums and all of its subsidiary undertakings ('subsidiaries').

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The net surplus in the income and expenditure account for the year dealt with in the accounts of the Company was £440,148 (2021 - £5,216,922)

2.3 Going concern

These accounts are prepared on a going concern basis, the Charitable company is confident of remaining a going concern for the foreseeable future.

2. Accounting policies (continued)

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets held by the charity to fulfil its objectives and are permanent in nature.

2.5 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Group which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Those costs incurred directly in support of expenditure on the objects of the Group and include project management carried out at Headquarters.

Charitable activities and Governance costs are incurred on the Group's operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

2.7 Government grants

Government grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2. Accounting policies (continued)

2.8 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 33 %

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Short-Term leasehold property	- Over the life of the lease
Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33.33% straight line

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.16 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. Accounting policies (continued)

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The company also provides retirement to employees of the charity which are provided by the Derbyshire County Council Local Government Pension Scheme ("LGPS"). This is a defined benefit scheme, is contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of Charity in a separate Trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

Derbyshire County Council has agreed to fund the liabilities of the LGPS scheme for relevant staff prior to 1 September 2012 ("the transfer date") upon signing the Business Transfer Agreement. The charity has been credited by the Derbyshire Council with a notional fund within the LGPS at the transfer date of level required to meet the cost of providing one hundred percent (100%) of the benefits accrued and in respect of the Eligible Employees prior to the transfer date (the "Notional Fund"). The value of the notional fund has been determined by an actuary appointed by the Derbyshire Country Council using the ongoing actuarial methods and assumptions used in the last actuarial valuation of the Derbyshire County Council Pension Fund.

In addition to the above, Derbyshire County Council has issued a Risk Share to the charity to cover any accrued deficits on exit by scheme members or the charity. All contributions are determined by Derbyshire County Council on the basis of triennial valuations using a prospective benefit method. As the charity is indemnified against prior and future liabilities of the scheme, the LGPS has been treated as a defined contribution scheme and the contributions recognised as they are paid each year.

2.18 Financial instruments

The Group 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 bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Trustees believe that there are no material areas impacted by judgement or estimation uncertainty.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Donations	81,730	27,350	1,033,729	**1,142,809**
Government grants	5,054	76,181	-	**81,235**
	86,784	103,531	1,033,729	**1,224,044**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Donations	124,980	-	88,329	213,309
Government grants	-	282,162	-	282,162
	124,980	282,162	88,329	495,471

The group has been eligible to claim additional funding in year from the government in relation to the coronavirus job retention scheme. This funding received is shown in restricted funds above under 'Government grants'.

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Arts Council England	400,099	127,429	-	**527,528**
Income from charitable activities - Operation of museums - restricted funds	19,210	-	-	**19,210**
Derby City Council - Support	630,000	-	-	**630,000**
Derby City Council - Services	-	81,680	-	**81,680**
Arts Council England - Designation fund	-	-	-	-
Income from charitable activities	-	-	-	-
Partnerships and grants	175,538	3,559,356	-	**3,734,894**
Income from retail, catering and IPR	2,480	-	-	**2,480**
Activities, events, displays & exhibitions	7,446	-	-	**7,446**
Learning programmes and research	15,819	-	-	**15,819**
Other income	254,874	12,413	33,618	**300,905**
	1,505,466	3,780,878	33,618	**5,319,962**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Arts Council England - Strategic fund	400,099	-	-	400,099
Derby City Council - Support	700,000	-	-	700,000
Derby City Council - Services	-	81,680	-	81,680
Arts Council England - Designation fund	-	117,000	-	117,000
Income from charitable activities -	12,834	-	-	12,834
Partnerships and grants	199,103	4,482,595	39,473	4,721,171
Income from retail, catering and IPR	2,480	-	-	2,480
Activities, events, displays & exhibitions	1,333	-	-	1,333
Learning programmes and research	(120)	-	-	(120)
Other income	542,544	-	22,522	565,066
	1,858,273	4,681,275	61,995	6,601,543

6. Investment income

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Investment income	-	18,667	**18,667**
Bank interest received	11,571	-	**11,571**
	11,571	18,667	**30,238**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Investment income	-	6,391	6,391
Interest receivable	30	-	30
Bank interest received	7,061	-	7,061
	7,091	6,391	13,482

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Operation of museums	5,821,844	436,456	**6,258,300**

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Operation of museums	1,714,638	164,224	1,878,862

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operation of museums 2022 £	Total funds 2022 £
Staff costs	1,441,508	1,441,508
Depreciation & amortisation	650,093	650,093
Premises and transport	198,818	198,818
Supplies and services	180,219	180,219
Support services	81,680	81,680
Marketing and PR	124,868	124,868
Development	62,898	62,898
Exhibitions	303,220	303,220
Professional fees	18,300	18,300
Learning	27,412	27,412
Collections	2,732,828	2,732,828
	5,821,844	5,821,844

	Operation of museums 2021 £	Total funds 2021 £
Staff costs	993,206	993,206
Depreciation & amortisation	45,668	45,668
Premises and transport	128,252	128,252
Supplies and services	64,698	64,698
Support services	81,680	81,680
Marketing and PR	57,629	57,629
Development	5,292	5,292
Exhibitions	271,343	271,343
Professional fees	31,050	31,050
Learning	27,309	27,309
Collections	8,511	8,511
	1,714,638	1,714,638

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of museums 2022 £	Total funds 2022 £
Staff costs	385,631	**385,631**
Employment expenses	28,868	**28,868**
Bank charges	7,322	**7,322**
Governance costs	9,335	**9,335**
Audit fees	5,300	**5,300**
	436,456	**436,456**

	Operation of museums 2021 £	Total funds 2021 £
Staff costs	152,790	152,790
Employment expenses	2,711	2,711
Bank Charges	2,570	2,570
Governance costs	1,553	1,553
Audit fees	4,600	4,600
	164,224	164,224

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Operation of museums	1,693,058	4,565,242	**6,258,300**

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Operation of museums	1,404,839	474,023	1,878,862

9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**4,800**	4,500

10. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	**1,632,951**	951,910	**1,420,412**	895,557
Social security costs	**123,491**	75,167	**123,491**	75,167
Contribution to defined contribution pension schemes	**283,236**	175,272	**283,236**	175,272
	2,039,678	1,202,349	**1,827,139**	1,145,996

The average number of persons employed by the Company during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Average number of employees	**103**	71	**82**	67

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	1	1

Key Management Remuneration

The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services was £289,816 (2021: £261,594).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Intangible assets

Group and Company

	Computer software £
Cost	
At 1 April 2021	78,779
At 31 March 2022	78,779
Amortisation	
At 1 April 2021	78,779
At 31 March 2022	78,779
Net book value	
At 31 March 2022	-
At 31 March 2021	-

13. Tangible fixed assets

Group and Company

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2021	15,879	16,328,089	69,268	275,093	70,687	16,759,016
Additions	-	252,921	-	-	-	252,921
At 31 March 2022	15,879	16,581,010	69,268	275,093	70,687	17,011,937
Depreciation						
At 1 April 2021	2,681	-	50,189	242,434	67,971	363,275
Charge for the year	836	615,485	11,062	19,994	2,716	650,093
At 31 March 2022	3,517	615,485	61,251	262,428	70,687	1,013,368
Net book value						
At 31 March 2022	12,362	15,965,525	8,017	12,665	-	15,998,569
At 31 March 2021	13,198	16,328,089	19,079	32,659	2,716	16,395,741

14. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2021	**617,394**
Additions	**2,182,605**
Revaluations	**31,552**
At 31 March 2022	**2,831,551**
Net book value	
At 31 March 2022	**2,831,551**
At 31 March 2021	617,394

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2021	**1**	**617,394**	**617,395**
Additions	**-**	**2,182,605**	**2,182,605**
Revaluations	**-**	**31,552**	**31,552**
At 31 March 2022	**1**	**2,831,551**	**2,831,552**
Net book value			
At 31 March 2022	**1**	**2,831,551**	**2,831,552**
At 31 March 2021	1	617,394	617,395

15. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding
Derby Museums Enterprises Limited	08119695	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Derby Museums Enterprises Limited	533,329	(533,329)	1

16. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	42,072	12,149

Company

The company held no stock (2021 - £nil) at the year end.

17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	97,542	517,511	44,763	507,409
Amounts owed by group undertakings	-	-	231,211	173,502
Other debtors	147,784	89,762	79,313	85,441
Prepayments and accrued income	1,182,546	1,103,321	1,182,547	1,070,144
	1,427,872	1,710,594	1,537,834	1,836,496

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	**820,246**	88,194	**798,188**	81,500
Other taxation and social security	**165,138**	31,197	**96,667**	24,417
Other creditors	**35,445**	12,427	**33,644**	12,320
Accruals and deferred income	**69,607**	141,134	**27,365**	133,407
	1,090,436	272,952	**955,864**	251,644

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Deferred income at 1 April	-	414,788	-	397,548
Amounts released from previous periods	-	(414,788)	-	(397,548)
	-	-	-	-

Deferred income relates largely to grants and donations received in advance of its intended purpose along with revenue received in advance of events taking place.

19. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at amortised cost	**1,404,422**	1,666,331	**1,283,172**	1,767,684

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial liabilities				
Financial liabilities measure at amortised cost	**925,298**	241,773	**859,197**	232,447

Financial assets at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, pension fund, other creditors and accruals.

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Designated Funds	69,914	-	-	-	-	69,914
Fixed asset reserve	67,651	-	(40,118)	-	-	27,533
Midlands Maker Challenge	73,539	-	-	(73,539)	-	-
	211,104	-	(40,118)	(73,539)	-	97,447
General funds						
General Funds	1,830,864	2,137,150	(2,093,617)	84,501	(25,836)	1,933,062
Total Unrestricted funds	2,041,968	2,137,150	(2,133,735)	10,962	(25,836)	2,030,509
Endowment funds						
Endowment Fund	993,528	1,086,014	-	-	57,388	2,136,930

20. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Essential Life Skills Project	778	-	(778)	-	-	-
Arts Council England - Joseph Wright Collection	2,569	-	-	-	-	2,569
The Silk Mill Museum of Making Project	16,824,010	583,042	(1,117,948)	-	-	16,289,104
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,680	(81,680)	-	-	-
Great Places	1,073	8,375	(9,448)	-	-	-
Transforming leadership	136,165	93,600	(200,641)	-	-	29,124
Other restricted funds	28,639	77,445	(53,624)	(24,313)	-	28,147
Coronavirus Job Retention Scheme	-	76,181	(15,993)	(60,188)	-	-
Weston Garfield	190,191	-	(175,756)	-	-	14,435
Paul Mellon	33,000	-	(3,322)	-	-	29,678
Artfund - Voices	36,000	-	(1,328)	-	-	34,672
ACE CRF2	-	65,000	(65,000)	-	-	-
Ace Make a Difference	-	40,634	(27,333)	-	-	13,301
Midlands Maker Challenge	-	81,575	(40,673)	73,539	-	114,441
ARG Feasibility	-	45,000	(45,000)	-	-	-
Headley Fellowship	-	4,706	(4,706)	-	-	-
Joesph Wright Acquisition	-	2,727,171	(2,722,012)	-	-	5,159

20. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
	17,337,831	3,884,409	(4,565,242)	(10,962)	-	16,646,036
Total of funds	20,373,327	7,107,573	(6,698,977)	-	31,552	20,813,475

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Designated Funds	34,142	51,959	(16,187)	-	-	69,914
Fixed asset reserve	113,319	-	(45,668)	-	-	67,651
Midlands Maker Challenge	18,734	80,816	(26,011)	-	-	73,539
	166,195	132,775	(87,866)	-	-	211,104
General funds						
General Funds	1,040,212	1,898,112	(1,389,622)	282,162	-	1,830,864
Total Unrestricted funds	1,206,407	2,030,887	(1,477,488)	282,162	-	2,041,968
Endowment funds						
Endowment Fund	819,419	156,715	-	-	17,394	993,528

20. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Essential Life Skills Project	16,309	(12,287)	(3,244)	-	-	778
Arts Council England - Joseph Wright Collection	22,851	117,000	(137,282)	-	-	2,569
The Silk Mill Museum of Making Project	12,904,535	3,917,942	1,533	-	-	16,824,010
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,680	(81,680)	-	-	-
Great Places	3,509	21,644	(24,080)	-	-	1,073
Transforming leadership	70,004	261,000	(194,839)	-	-	136,165
Other restricted funds	27,965	16,157	(15,483)	-	-	28,639
Coronavirus Job Retention Scheme	-	282,162	-	(282,162)	-	-
Weston Garfield	-	203,139	(12,948)	-	-	190,191
Paul Mellon	-	39,000	(6,000)	-	-	33,000
Artfund - Voices	-	36,000	-	-	-	36,000
	13,130,579	4,963,437	(474,023)	(282,162)	-	17,337,831
Total of funds	15,156,405	7,151,039	(1,951,511)	-	17,394	20,373,327

20. Statement of funds (continued)

Description of funds

Designated funds
These funds are not restricted in nature but are designated by the charity to be spent on specific projects.

Fixed Asset Reserve
This represents the amount of funds which are tied up in tangible fixed assets and therefore not necessarily available for use in day to day operations.

Midlands Maker Challenge
A programme for young people across the midlands, that challenges them to create solutions to some of the key issues facing the world.

Essential Life Skills projects
To meet the costs to support activities that benefit disadvantaged children and young people from vulnerable groups in Derbyshire.

Arts Council England - Joseph Wright Collection
To develop a study area to promote understanding and enjoyment of our nationally Designated Joseph Wright collection.

The Silk Mill Museum of Making Project
To meet the costs for development work towards the creation of the Derby Silk Mill Museum of Making. Expenditure has been posted to Assets under construction on the balance sheet. All income received will be restricted. Now in use the asset will be amortised over the life of the lease and matched against restricted income.

General improvements of collections and buildings
Accumulated donations and bequests designated for the general improvement of collections and buildings.

Derby City Council - Support Services
This contract with Derby City Council provides continuation of support services at an agreed annual rate. This is a rolling 12 month contract.

Great Places
This contract with Derbyshire County Council helps us provide for a mobile museum of making project in connection with the vital valley Great Places scheme.

Transforming Leadership
A grant to establish, in partnership with a number of other organisations, the Creative Community Fellow Programme (CCF) to the UK.

20. Statement of funds (continued)

Other restricted funds
These relate to other small restricted fund balances which further the aims and objectives of the museum.

Weston Garfield
This is grant received to help with covid 19 related costs

Paul Mellon
This is a grant to develop an engaging and accessible online catalogue of our collection of the work of artist Joseph Wright of Derby.

Artfund - Voices in the room
A project to establish the needs and desires of diverse communities in Derby to help shape the facilities and museum environment, influencing object selection, stories, exhibition design and programming.

ACE CRF2
Cultural recovery fund from ACE to help with covid costs.

Ace Makes A Difference
Four projects designed to inspire audiences to explore our collections and experiment with processes and materials.

ARG Feasibility
Funding to explore the feasibility of the redevelopment of the Museum and Art Gallery.

Headley Fellowship
Funding to increase curatorial resource to research the Egyptian collection.

Joseph Wright acquisition
Funding to acquire a Joseph Wright self portrait painting.

20. Statement of funds (continued)

Transfer
The Midland Maker Challenge fund has been transferred to the restricted fund to reflect the underlying nature of the agreements.

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	15,998,569	-	**15,998,569**
Fixed asset investments	694,621	-	2,136,930	**2,831,551**
Current assets	2,426,324	647,467	-	**3,073,791**
Creditors due within one year	(1,090,436)	-	-	**(1,090,436)**
Total	2,030,509	16,646,036	2,136,930	**20,813,475**

Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	67,652	16,328,089	-	16,395,741
Fixed asset investments	-	-	617,395	617,395
Current assets	2,247,268	1,009,742	376,133	3,633,143
Creditors due within one year	(272,952)	-	-	(272,952)
Total	2,041,968	17,337,831	993,528	20,373,327

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	**440,148**	**5,216,922**
Adjustments for:		
Depreciation charges	**650,093**	45,667
Gains on investments	**(31,552)**	(17,394)
Dividends, interests and rents from investments	**(30,238)**	(13,482)
(Increase)/Decrease in stocks	**(29,923)**	14,180
Decrease/(Increase) in debtors	**282,723**	(1,113,252)
Increase/(Decrease) in creditors	**817,484**	(931,676)
Net cash provided by operating activities	**2,098,735**	3,200,965

23. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	**1,603,847**	1,910,400
Total cash and cash equivalents	**1,603,847**	1,910,400

24. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	**1,910,400**	**(306,553)**	**1,603,847**

25. Capital commitments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	-	452,111	-	452,111

26. Pension commitments

The Charity is an employer for the purpose of the Derbyshire County Council Local Government Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The LGPS has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Group also operate.

The Charity is an employer for the purpose of the Derby Museums Group Personal Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The Derby Museums Group Personal Pension Scheme has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Group also operate.

During the year 31 March 2022 the Group made total pension contributions totalling £283,836 (2021 - £175,272) to this scheme. As at 31 March 2022 there was a balance outstanding of £27,210 (2021 - £8,782).

27. Operating lease commitments

At 31 March 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	**3,302**	1,117	**3,302**	1,117
Later than 1 year and not later than 5 years	**9,538**	1,570	**9,538**	1,570
	12,840	2,687	**12,840**	2,687

28. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 102 (Section 33), not to disclosure transactions between entities which form part of the Group headed by Derby Museums.

All transactions with Trustees were transacted at a commercial rate.

29. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

DERBY MUSEUMS

England & Wales - Charity number 1149710

Accounts

Registered number: 08036113
Charity number: 1149710

Derby Museums

Trustees' Report and Financial Statements

For the Year Ended 31 March 2021

DAINS
ACCOUNTANTS

DERBY MUSEUMS
(A Company Limited by Guarantee)

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DERBY MUSEUMS
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the Year Ended 31 March 2021

Trustees	Elizabeth Fothergill, CBE, Chair Patricia Coleman, OBE Maxwell Craven, MBE David Ling Roger Merchant Caroline McComb, Vice Chair Heather Broughton Daisy Giuliano Linda Sullivan Councillor Lucy Care, nominated member from Derby City Council Professor Keith McLay Councillor Joanna West, nominated member from Derby City Council Councillor Robin Wood, nominated member from Derby City Council Dr Kiron Griffin Charlotte Holmes (appointed 29 September 2020)
Company registered number	08036113
Charity registered number	1149710
Registered office	Museum and Art Gallery The Strand Derby Derbyshire DE1 1BS
Patron	Lord Cavendish, 12th Duke of Devonshire
Independent auditors	Dains LLP Statutory Auditor Chartered Accountants Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ
Bankers	The Co-Operative Bank 31 East Street Derby Derbyshire DE1 2AL Santander UK Plc 1st Floor 5 Market Place Derby DE1 3PY

Trustees' Report
For the Year Ended 31 March 2021

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Derby Museums (the Group) for the year ended 31 March 2021. The trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The vision is that Derby Museums is for the thinker and maker in all of us. Together we make museums for the head, heart and hands. We do this by:

- Being independent
- Fostering a spirit of experimentation
- Pursuing mutual relationships
- Creating the conditions for well being
- Proving that we are doing it

Objectives and activities (continued)

Derby Museums has been established as a company limited by guarantee with exclusively charitable objects. Its objects and strategies are:

Objectives	Strategies
To know our Wrights: Derby Museums have the largest and most comprehensive collection of work by Joseph Wright of Derby anywhere in the world. Its collection of oils, watercolours and works on paper was designated a collection of outstanding national significance by Arts Council England.	1. We want to make 100% of the collection available digitally by 2022. 2. Raise awareness of his works amongst people of Derby through three significant exhibitions during 2018-22. 3. Explore the nature and feasibility of an international Joseph Wright touring exhibition. 4. Become recognised globally as a premier institution for the study and understanding of the life of Joseph Wright by 2022.
Be relevant to our citizens: The heritage of our city is explicitly used to frame its future ambitions. We'll help people in Derby to recognise their city as one of the UKs centres of innovation and advanced manufacturing.	1. Co-produce the Museum of Making to public and industry acclaim. 2. Reach more people by diversifying our activities and making them more relevant and to increase visitor numbers by 100% by 2022. 3. Continue the phased refurbishment of the Museum and Art Gallery and develop the former central library space. 4. Develop a full scheme to redevelop the entire Museum and Art Gallery complex with an outline scheme by 2023 and full HLF submission by 2025. 5. Increase diversity of ways in which people participate through volunteering and co-production. 6. Create the Derby Story as an advocacy and education resource.
Stand on our own feet: Derby Museums is a social enterprise business-like, opportunity seeking, but with a profound sense of social purpose.	1. Establish a ratio of 45:55 of earned income to public investment in Derby Museums turnover by 2022. 2. Raise £2m for the new Derby Museums Endowment by 2022. 3. Improve the quality of impact research and evaluation. 4. Ensure that by the end of 2022, the Derby Museums board is more diverse and representative of our city. 5. Produce a strategy and implementation plan for the long-term storage needs of the museums' assets and collections by 2023.

Objectives and activities (continued)

Objectives	Strategies
Always in front: Derby Museums has punched well above its weight within the museum sector. It has been recognised for its inventiveness and innovation by museums around the world. Derby Museums is committed to enhancing its reputation for innovation and participation.	1. For Derby Museums to be recognised as a leading organisation and exploring the role of civic museums nationally and at regional level. 2. Develop international collaborations with museums, especially those in the US and Canada, 3. To be a generous organisation which supports people to take risks and realise their own ambitions. 4. Develop a consulting arm of Derby Museums which maximises a return on our skills and intellectual property during 2021-22
Every child a maker: Until recently, Derby's schools had some of the worst records for attainment in the country. In 2017, Derby was designated as a government 'Opportunity Area' to be provided with targeted support to encourage social mobility. Inspired by the Arts Council's Cultural Learning Challenge, we believe every child in Derby should have at least one cultural learning experience a year.	1. Derby Museums will engage children in every school in Derby by 2022. 2. Develop a Derby STEAM curriculum with local education providers from early years to further and higher education by 2022. 3. Create new partnerships with industry to deliver three targeted vocational programmes for vulnerable children and young people by 2022. 4. Develop and implement a strategy for early years learning in our museums by the end of 2020. 5. Increase the ways in which children and young people can participate on an 'everyday' basis in our museums.

Charity registration helps the charity achieve its objects, most significantly in relation to fundraising and gives confidence to third parties, particularly funding partners, that the organisation operates to the highest standards of good governance and is overseen by an independent regulator.

b. Fundraising practices

The approach taken by Derby Museums is to identify the needs of the organisation at the start of the year and to research trusts and foundations that would be interested in funding these. Where no funding is found, then the project would be postponed until funding is found. Generally, all fundraising is done in house by trained members of staff, however for the redevelopment of the Museum of Making a professional organisation carried out some work to obtain funding from other trusts and foundations. Applications submitted to trusts and foundations were reviewed by Derby Museums to ensure they were accurate and met with guidelines of the fundraising regulator, which though the organisation is not formally signed up to, it does follow informally to ensure practices are ethical and transparent.

Derby Museums do not approach vulnerable people in its fundraising activities. No cold calling or street collecting is done and therefore donations are totally voluntary. Derby Museums did not receive any complaints regarding its fundraising practices.

Objectives and activities (continued)

Achievements and performance

a. Review of activities

2020 was to be a year of marvels for Derby Museums. The Derby Ram Trail would have attracted thousands, with visitors seeking these wonderfully decorated icons around the city. In September after years in development, the Museum of Making at Derby Silk Mill would have finally open its doors, celebrating 300 years of Making in Derby.

The year began optimistically, Japanese Ghosts and Demons intrigued visitors, as we looked towards the Tokyo Olympics in July. Our next exhibition was a retrospective of 20th century Derby sculptor Ronald Pope, which included a brilliant gazeteer of his work in public spaces in the region.

In March 2020, Jerry Barrett's famous painting of Florence Nightingale Mission of Mercy on loan from the National Portrait Gallery was displayed at the Musuem and Art Gallery. Nightingale, with her strong family connections in Derbyshire, was to be the subject of a major programme of events as we commemorated her bicentenary.

Fatefully the very week we were due to open an exhibition of her studies on health at home at Pickford's House, the first lockdown caused by the Covid-19 pandemic was announced. Derby Museums were closed for nearly four months.

The team responded magnificently to enforced closure, creating a slew of on-line content. We joined in with BBC Arts' #MuseumFromHome publishing V21's virtual reality tour of the previous years' Leonardo da Vinci exhibition; we created a new microsite #DerbyMuseumsatHome, which featured virtual tours of recent exhibitions (including that Florence Nightingale show!); we presented activities and games for families such as Weekend Makes, Make Your Monday, and Drawing for Relaxation. We've made podcasts with experts and academics, who have shone new light on our museums. We've even broadcast live events such as the Derby Museums quiz and an evening with celebrity antiques expert and museum ambassador Charles Hanson.

Zoom and video conferencing has become an essential part of our lives. It's been a vital way of managing our work and a means to keep in touch with supporters and volunteers, who play such an important part of the life of the museum. Some volunteers have been able to come back into the museum, and others have carried out vital work remotely. Textile artist Toni Buckby delivered a lace making masterclass online to contribute to her installation for the Museum of Making.

Derby Museum and Art Gallery reopened in early July 2020 and were one of the first regional museums to do so. Re-opening made us all feel hopeful; that we were playing our part in the recovery of Derby's city centre. We were able to run a summer Midlands Maker Challenge and in September we were thrilled to open an exhibition of work entitled Dandy-Lion by Ed Burkes the winner of this year's Jonathan Vickers award. This energetic and confident exhibition put Derby people at its heart.

The pandemic has caused many to look differently about the world and encouraged us to explore new perspectives on our collections. In the world Collections gallery storyteller Alison Solomons created the Human Programme which looks at the way racist attitudes have been embedded in society through representations of cultural heritage. Benjamin West's painting of "General Johnson Saving a Wounded French Officer from a North American Indian" was re-hung alongside Alison's work to contextualise the historic version of 18th century British colonialism. Workshops with community members were held to explore different ways to interpret the impressive painting The Community Kitchen for All (Free Community Meals) by Gurbux Singh Theathi.

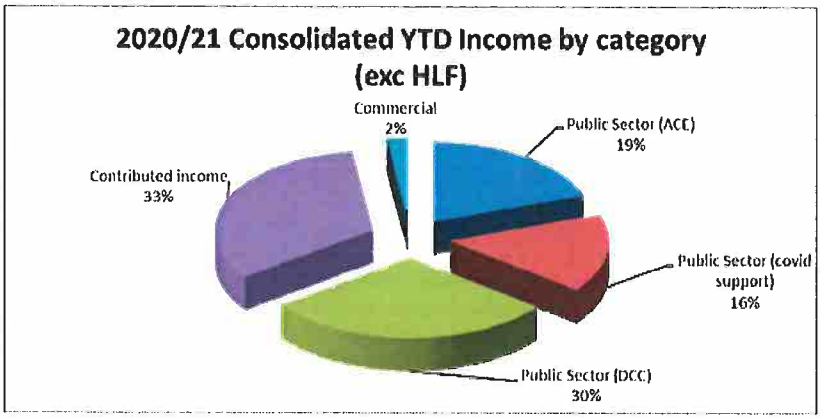
Achievements and performance (continued)

There were valuable and innovative cultural and community learning programmes. We announced the first 25 Creative Community Fellows, who'll join our National programme to create a new generation of cultural leaders committed to civic action. With other cultural organisations, we are teaching English as a Second Language to new arrivals who are making Derby their home.

The second lockdown from November 2020 was disappointing, just as visitors had begun to reacquaint themselves with the Museum and Art Gallery. From January to March 2021 Derby Museums focussed on delivering the Museum of Making. Most of the team were remobilised over the winter and the fabulous new museum was opened to the public in May 2021.

b. Key performance indicators

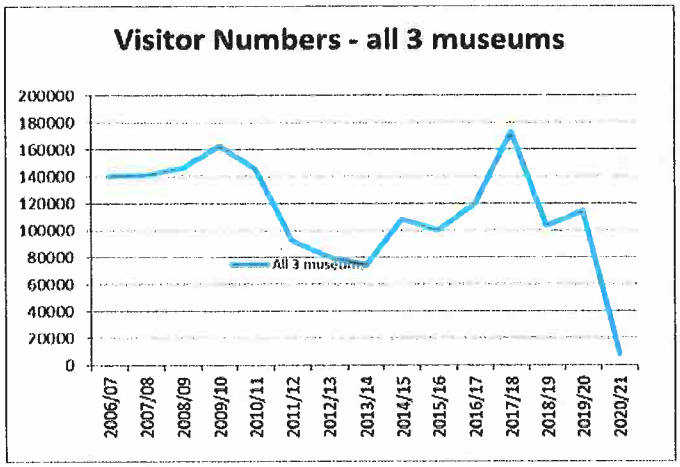
Sources of income:



The percentage of income from Derby City Council reduced from 31% last year to 30% this year. However Covid support was new this year accounting for 16% of all turnover. The Arts Council funding increased from 15% to 19% as a result of additional Covid grants. This means that the percentage of income from the public purse is now 65% up from a then record low last year of 46%. Contributed income, which is money mainly from trusts and foundations reduced from 42% to 33% . As expected Commercial income took the brunt of the hit as it fell from 12% to 2% . Derby Museums have also received capital funding for the redevelopment of The Museum of Making at Derby Silk Mill which has not been included above.

Achievements and performance (continued)

Visitor numbers:



Visitor numbers fell drastically in 2020/21 as the government implemented national lockdown.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The charity's policy is to hold reserves to cover six months of unrestricted expenditure. As at 31 March 2021, the unrestricted reserves (excluding designated funds) stood at £1,830,864 which represents 14 months of expenditure. Due to the current uncertainties in funding, the trustees have deemed it necessary to increase the level of reserves above the charity's policy, until there is more clarity in the funding situation.

c. Material investments policy

As required in its Memorandum, in furtherance of its objects, and for no other purposes, the Company has the power to invest the monies of the Company not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

d. Principal funding

The charity's main source of income is grant income from Arts Council England and Derby City Council. Total income during the year amounted to £7,151,039 (2020: £8,639,946) which included unrestricted income of £2,030,887 (2020: £1,717,603), of which, £1,100,099 (2020: £1,092,870) was from Arts Council England and Derby City Council to be applied for the charity's work.

Details of the restricted funds totalling £17,337,831 (2020: £13,130,579) and the endownment funds of £993,528 (2020: £819,419) and their purpose can be found in Note 21 to the financial statements.

Structure, governance and management

a. Constitution

The company and the group is registered as a charitable company limited by guarantee (charity number 1149710) and was set up by a Memorandum of Association on 18 April 2012 as amended 18 December 2012. The company was registered as a charity on 12 November 2012.

Derby Museum started trading on 1 October 2012 as an independent Trust. It has a subsidiary called Derby Museums Enterprises Limited which started trading on 1 April 2014.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Patron
- Lord Cavendish, 12th Duke of Devonshire

Ambassador
- Charles Hanson

Board members during the year are as follows
- Elizabeth Fothergill, CBE (Chair)
- Patricia Coleman, OBE
- Maxwell Craven, MBE
- David Ling
- Roger Merchant
- Caroline McComb (Vice Chair)
- Heather Broughton
- Daisy Giuliano
- Linda Sullivan
- Councillor Lucy Care (nominated member from Derby City Council)
- Professor Keith McLay
- Councillor Joanna West (nomintaed member from Derby City Council)
- Councillor Robin Wood (nominated member from Derby City Council)
- Dr Kiron Griffin
- Charlotte Holmes - appointed 29 September 2020

During the year, the following trustees were reappointed for another three year term
- Elizabeth Fothergill, CBE

Board members represent a range of skills and competencies including:

- Education
- Community Engagement
- Arts and heritage
- Technology & engineering
- Accountancy & general finance
- Legal
- Commercial
- Social & economic regeneration
- Strategic management & business development
- Tourism
- Health and wellbeing

Members of the senior management team are:

- Tony Butler – Executive Director
- Mohammed Suleman – Director of Resources
- Hannah Fox – Director of Projects and Programming
- Sue Jacklin – Associate Director of Development and Communications

Structure, governance and management (continued)

c. Policies adopted for the induction and training of Trustees

Trustees undergo a briefing on their legal obligations under charity law, the content of the Memorandum and Articles of Association, the board of trustees committee and decision-making processes, the business plan and recent financial performance of the charity. New trustees also meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

d. Organisational structure and decision making

The Memorandum and Articles of Association for the organisation provide that the board shall consist of at least 3 and not more than 18 individuals comprised as follows:

- Up to three Trustees nominated by Derby City Council
- Up to fourteen Community Trustees

e. Financial risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and can be listed below:

Risk	Plans & Strategy
The Company receives 45% of its funding from the local authority. The current proposals suggest the same level of funding for 2021/22 however discussions are underway. The risk is that talks fail, and a further cut is implemented.	The senior management team have been working closely with the local authority in working on a plan to give the Company more time to find alternative sources of funds. A strategy has been developed involving setting up an endowment fund to help maintain the museum. Should a further cut be implemented then a major restructure would be undertaken to ensure the organisation remains a going concern.
The organisation opened The Museum of Making at Derby Silk Mill post year end. There is a risk that due to Covid, the commercial income is not as high as expected exposing the organisation's cash flow.	There are a number of funds available via a number of funders to apply for additional costs incurred as a result of Covid19. We will look to apply for these to ensure the financial impact is minimised. We have also set prudent budgets and have an agreed strategy of using reserves built over the last few years, for the next couple of years by which time, the commercial operation will have stabilised in a more favourable environment.

Plans for future periods

The Trust has a clear set of aims and objectives (see above). The challenges facing this new organisation are to evidence a strengthened commercialism and resilience plus an improved customer offer in order to attract continued financial support from its two main funders. This will include, but not be restricted to, increasing funding from other sources, both donations / fundraising and commercial income.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

Disclosure of information to auditors

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

E Fothergill, CBE
Trustee - Chair of Board
Date: 28 September 2021

R Merchant
Trustee - Chair of Finance, Resources and Audit

Statement of Trustees' responsibilities
For the Year Ended 31 March 2021

The Trustees (who are also the directors of the Company 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

Elizabeth Fothergill
Trustee - Chair of Board
Date: 28 September 2021

Roger Merchant
Trustee - Chair of Finance, Resources and Audit

Independent Auditors' Report to the Members of Derby Museums

Opinion

We have audited the financial statements of Derby Museums (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2021 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 Annual Report, other than the financial statements and our Auditors' 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.

In connection with our audit of the financial statements, 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 the 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.

Auditors' 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 is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of 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.

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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Independent Auditors' Report to the Members of Derby Museums (continued)

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dains LLP

Simon Hawkins (Senior Statutory Auditor)
for and on behalf of
Dains LLP
Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Date: 28-9-21

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	4	**124,980**	**282,162**	**88,329**	**495,471**	632,253
Charitable activities	5	**1,858,273**	**4,681,275**	**61,995**	**6,601,543**	7,739,338
Other trading activities		**40,543**	**-**	**-**	**40,543**	255,270
Investments	6	**7,091**	**-**	**6,391**	**13,482**	13,085
Total income and endowments		**2,030,887**	**4,963,437**	**156,715**	**7,151,039**	8,639,946
Expenditure on:						
Raising funds		**72,649**	**-**	**-**	**72,649**	207,936
Charitable activities	8	**1,404,839**	**474,023**	**-**	**1,878,862**	1,878,652
Total expenditure		**1,477,488**	**474,023**	**-**	**1,951,511**	2,086,588
Net gains on investments	21	**-**	**-**	**17,394**	**17,394**	-
Net income		**553,399**	**4,489,414**	**174,109**	**5,216,922**	6,553,358
Transfers between funds	21	**282,162**	**(282,162)**	**-**	**-**	-
Net movement in funds		**835,561**	**4,207,252**	**174,109**	**5,216,922**	6,553,358
Reconciliation of funds:						
Total funds brought forward (restated)		**1,206,407**	**13,130,579**	**819,419**	**15,156,405**	8,603,047
Net movement in funds		**835,561**	**4,207,252**	**174,109**	**5,216,922**	6,553,358
Total funds carried forward		**2,041,968**	**17,337,831**	**993,528**	**20,373,327**	15,156,405

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 45 form part of these financial statements.

Consolidated Balance Sheet
As at 31 March 2021

	Note	2021 £		As restated 2020 £	
Fixed assets					
Tangible assets	13	**16,395,741**		12,808,139	
Investments	14	**617,395**		-	
		17,013,136		12,808,139	
Current assets					
Stocks	16	**12,149**		26,331	
Debtors	17	**1,710,594**		597,342	
Cash at bank and in hand		**1,910,400**		2,929,221	
		3,633,143		3,552,894	
Creditors: amounts falling due within one year	18	**(272,952)**		(1,204,628)	
Net current assets			**3,360,191**		2,348,266
Total net assets			**20,373,327**		15,156,405
Charity funds					
Endowment funds	21		**993,528**		819,419
Restricted funds	21		**17,337,831**		13,130,579
Unrestricted funds	21		**2,041,968**		1,206,407
Total funds			**20,373,327**		15,156,405

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Elizabeth Fothergill

Elizabeth Fothergill
Trustee - Chair of Board
Date: 28 September 2021

Roger Merchant

Roger Merchant
Trustee - Chair of Finance, Resources and Audit

The notes on pages 21 to 45 form part of these financial statements.

Company Statement of financial position
As at 31 March 2021

	Note		2021 £		As restated 2020 £
Fixed assets					
Tangible assets	13		**16,395,741**		12,808,139
Investments	14		**617,395**		1
			17,013,136		12,808,140
Current assets					
Debtors	17	**1,836,496**		740,304	
Cash at bank and in hand		**1,775,340**		2,754,773	
		3,611,836		3,495,077	
Creditors: amounts falling due within one year	18	**(251,644)**		(1,146,812)	
Net current assets			**3,360,192**		2,348,265
Total net assets			**20,373,328**		15,156,405
Charity funds					
Endowment funds	21		**993,528**		819,419
Restricted funds	21		**17,337,831**		13,130,579
Unrestricted funds	21		**2,041,969**		1,206,407
Total funds			**20,373,328**		15,156,405

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Elizabeth Fothergill

Elizabeth Fothergill
Trustee - Chair of Board
Date: 28 September 2021

Roger Merchant

Roger Merchant
Trustee - Chair of Finance, Resources and Audit

The notes on pages 21 to 45 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	**3,200,966**	7,784,541
Cash flows from investing activities		
Dividends and interest from investments	**13,482**	-
Purchase of tangible fixed assets	**(3,633,269)**	(7,897,726)
Purchase of investments	**(600,000)**	-
Net cash used in investing activities	**(4,219,787)**	**(7,897,726)**
Net cash provided by financing activities	**-**	-
Change in cash and cash equivalents in the year	**(1,018,821)**	**(113,185)**
Cash and cash equivalents at the beginning of the year	**2,929,221**	3,042,406
Cash and cash equivalents at the end of the year	**1,910,400**	2,929,221

The notes on pages 21 to 45 form part of these financial statements

1. General information

Derby Museums is a Charitable Company, limited by guarantee incorporated in England and Wales.

The Group's registered office is Museum and Art Gallery, The Strand, Derby, DE1 1BS.

The principal activity of the Group was that of a museum and art gallery.

2. Accounting policies

2.1 Basis of preparation of financial statements

Derby Museums is a charitable company registered in England / Wales . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities was that of a museum and art gallery.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

2.2 Basis of consolidation

The financial statements consolidate the accounts of Derby Museums and all of its subsidiary undertakings ('subsidiaries').

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The net surplus in the income and expenditure account for the year dealt with in the accounts of the Company was £5,216,922 (2020 - £6,553,358)

2.3 Going concern

These accounts are prepared on a going concern basis, the Charitable company is confident of remaining a going concern for the foreseeable future.

2. Accounting policies (continued)

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets held by the charity to fulfil its objectives and are permanent in nature.

2.5 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Group which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Those costs incurred directly in support of expenditure on the objects of the Group and include project management carried out at Headquarters.

Charitable activities and Governance costs are incurred on the Group's operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

2.7 Government grants

Government grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2. Accounting policies (continued)

2.8 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 33 %

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Short-Term leasehold property	- Not depreciated
Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33.33% straight line

2.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

2. Accounting policies (continued)

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.16 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. Accounting policies (continued)

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The company also provides retirement to employees of the charity wich are provided by the Derbyshire County Council Local Goverment Pension Scheme ("LGPS"). This is a defined benefit scheme, is contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of Charity in a separate Trustee administered fund. Pension scheme asets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

Derbyshire County Council has agreed to fund the liabilities of the LGPS scheme for relevant staff prior to 1 September 2012 ("the transfer date") upon signing the Business Transfer Agreement. The charity has been credited by the Derbyshire Council with a notional fund within the LGPS at the transfer date of level required to meet the cost of providing one hundred percent (100%) of the beneifts accrued and in respect of the Eligible Employees prior to the transfer date (the "Notional Fund"). The value of the notional fund has been determined by an actuary appointed by the Derbyshire Country Council using the ongoing actuarial methods and assumptions used in the last actuarial valuation of the Derbysire County Council Pension Fund.

In addition to the above, Derbyshire County Council has issued a Risk Share to the charity to cover any accrued deficits on exit by scheme members or the charity. All contributions are determined by Derbyshire County Council on the basis of triennial valuationsusing a prospective beneift method. As the charity is indemnified against prior and future liabilities of the scheme, the LGPS has been treated as a defined contribution scheme and the contributions recognised as they are paid each year.

2.18 Financial instruments

The Group 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 bank loans which are subsequently measured at amortised cost using the effective interest method.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees believe that there are no material areas impacted by judgement or estimation uncertainty.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Donations	124,980	-	88,329	**213,309**
Government grants	-	282,162	-	**282,162**
	124,980	282,162	88,329	**495,471**

	As restated Unrestricted funds 2020 £	As restated Restricted funds 2020 £	As restated Endowment funds 2020 £	As restated Total funds 2020 £
Donations	200,082	1,652	430,519	632,253

The group has been eligible to claim additional funding in year from the government in relation to the coronavirus job retention scheme. This funding received is shown above under 'Government grants'.

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Arts Council England - Strategic fund	400,099	-	-	**400,099**
Derby City Council - Support	700,000	-	-	**700,000**
Derby City Council - Services	-	81,680	-	**81,680**
Arts Council England - Designation fund	-	117,000	-	**117,000**
Income from charitable activities -	12,834	-	-	**12,834**
Partnerships and grants	199,103	4,482,595	39,473	**4,721,171**
Income from retail, catering and IPR	2,480	-	-	**2,480**
Activities, events, displays & exhibitions	1,333	-	-	**1,333**
Learning programmes and research	(120)	-	-	**(120)**
Other income	542,544	-	22,522	**565,066**
	1,858,273	4,681,275	61,995	**6,601,543**

5. Income from charitable activities (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Arts Council England - Strategic fund	392,870	-	-	392,870
Derby City Council - Support	700,000	-	-	700,000
Derby City Council - Services	-	81,680	-	81,680
Partnerships and grants	98,642	6,335,746	-	6,434,388
Income from retail, catering and IPR	2,980	-	-	2,980
Activities, events, displays & exhibitions	14,127	-	-	14,127
Learning programmes and research	20,609	2,041	-	22,650
Other income	76,886	-	13,757	90,643
	1,306,114	6,419,467	13,757	7,739,338

6. Investment income

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Investment income	-	6,391	**6,391**
Interest receivable	30	-	**30**
Bank interest received	7,061	-	**7,061**
	7,091	6,391	**13,482**

	Unrestricted funds 2020 £	Total funds 2020 £
Interest receivable	53	53
Bank interest received	13,032	13,032
	13,085	13,085

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Operation of museums	1,714,638	164,224	**1,878,862**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Operation of museums	1,653,318	225,334	1,878,652

Analysis of direct costs

	Operation of museums 2021 £	Total funds 2021 £
Staff costs	993,206	**993,206**
Depreciation & amortisation	45,668	**45,668**
Premises and transport	128,252	**128,252**
Supplies and services	64,698	**64,698**
Support services	81,680	**81,680**
Marketing and PR	57,629	**57,629**
Development	5,292	**5,292**
Exhibitions	271,343	**271,343**
Professional fees	31,050	**31,050**
Learning	27,309	**27,309**
Collections	8,511	**8,511**
	1,714,638	**1,714,638**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Operation of museums 2020 £	Total funds 2020 £
Staff costs	934,401	934,401
Depreciation	80,320	80,320
Premises and transport	147,967	147,967
Supplies and services	65,279	65,279
Support services	81,680	81,680
Marketing and PR	35,898	35,898
Development	1,712	1,712
Exhibitions	201,631	201,631
Professional fees	25,550	25,550
Learning	73,208	73,208
Collections	5,672	5,672
	1,653,318	1,653,318

Analysis of support costs

	Operation of museums 2021 £	Total funds 2021 £
Staff costs	152,790	152,790
Employment expenses	2,711	2,711
Bank charges	2,570	2,570
Governance costs	1,553	1,553
Audit fees	4,600	4,600
	164,224	164,224

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Operation of museums 2020 £	Total funds 2020 £
Staff costs	180,962	180,962
Employment expenses	18,152	18,152
Bank Charges	2,745	2,745
Governance costs	17,325	17,325
Audit fees	6,150	6,150
	225,334	225,334

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Operation of museums	1,404,839	474,023	**1,878,862**

	As restated Unrestricted funds 2020 £	As restated Restricted funds 2020 £	As restated Total funds 2020 £
Operation of museums	1,629,847	248,805	1,878,652

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**4,500**	4,350

10. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	**951,910**	964,080	**895,557**	888,296
Social security costs	**75,167**	69,839	**75,167**	69,839
Contribution to defined contribution pension schemes	**175,272**	157,228	**175,272**	157,228
	1,202,349	1,191,147	**1,145,996**	1,115,363

The average number of persons employed by the Company during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Average number of employees	**71**	81	**71**	81

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	**1**	1

Key Management Remuneration

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services was £261,594 (2020: £257,244).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. Intangible assets

Group and Company

	Computer software £
Cost	
At 1 April 2020	**78,778**
At 31 March 2021	**78,778**
Amortisation	
At 1 April 2020	**78,778**
At 31 March 2021	**78,778**
Net book value	
At 31 March 2021	-
At 31 March 2020	-

13. Tangible fixed assets

Group and Company

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2020	15,879	12,694,820	69,268	275,093	70,687	13,125,747
Additions	-	3,633,269	-	-	-	3,633,269
At 31 March 2021	15,879	16,328,089	69,268	275,093	70,687	16,759,016
Depreciation						
At 1 April 2020	1,846	-	38,450	220,448	56,864	317,608
Charge for the year	835	-	11,739	21,986	11,107	45,667
At 31 March 2021	2,681	-	50,189	242,434	67,971	363,275
Net book value						
At 31 March 2021	13,198	16,328,089	19,079	32,659	2,716	16,395,741
At 31 March 2020	14,033	12,694,820	30,818	54,645	13,823	12,808,139

14. Fixed asset investments

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2020	1	-	1
Additions	-	600,000	600,000
Revaluations	-	17,394	17,394
At 31 March 2021	1	617,394	617,395
Net book value			
At 31 March 2021	1	617,394	617,395
At 31 March 2020	1	-	1

15. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding
Derby Museums Enterprises Limited	08119695	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Derby Museums Enterprises Limited	40,543	(40,543)	1

16. Stocks

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	12,149	26,331

16. Stocks (continued)

Company

The company held no stock (2020 - £nil) at the year end.

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	**517,511**	83,928	**507,409**	66,416
Amounts owed by group undertakings	**-**	-	**173,502**	179,578
Other debtors	**89,762**	270,387	**85,441**	251,283
Prepayments and accrued income	**1,103,321**	243,027	**1,070,144**	243,027
	1,710,594	597,342	**1,836,496**	740,304

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	**88,194**	618,203	**81,500**	603,019
Other taxation and social security	**31,197**	48,982	**24,417**	24,024
Pension fund loan payable	**-**	694	**-**	694
Other creditors	**12,427**	8,499	**12,320**	8,499
Accruals and deferred income	**141,134**	528,250	**133,407**	510,576
	272,952	1,204,628	**251,644**	1,146,812

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred income at 1 April	**414,788**	1,729	**397,548**	1,729
Resources deferred during the year	**-**	414,788	**-**	397,548
Amounts released from previous periods	**(414,788)**	(1,729)	**(397,548)**	(1,729)
	-	414,788	**-**	397,548

Deferred income relates largely to grants and donations received in advance of its intended purpose along with revenue received in advance of events taking place.

19. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at amortised cost	**1,666,331**	565,806	**1,767,684**	529,190

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial liabilities				
Financial liabilities measure at amortised cost	**241,773**	789,841	**232,447**	732,025

Financial assets at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, pension fund, other creditors and accruals.

20. Prior year adjustments

In the previous year £56,948 of income and £42,055 of expenditure had been included within the endownment fund. In order to accurately reflect the nature of this funding, all of the income and £38,214 of the expenditure has been reclassified to the designated fund. A remaining expenditure of £3,841 has been reclassified to unrestricted expenditure.

In addition the net book value of the tangible fixed assets, less short-term leasehold property, has been reclassified to designated funds at 1 April 2019 and 31 March 2020 to accurately reflect their nature.

In the prior period the following has occurred:

- The balance of Designated funds have been increased by £132,053 at 31 March 2020.
- The balance of Endownment funds have been reduced by £14,893 at 31 March 2020
- The balance of Unrestricted funds have been reduced by £117,159 at 31 March 2020.

The overall net effect on the surplus in the prior year is £nil.

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Designated Funds	34,142	51,959	(16,187)	-	-	69,914
Fixed asset reserve	113,319	-	(45,668)	-	-	67,651
Midlands Maker Challenge	18,734	80,816	(26,011)	-	-	73,539
	166,195	132,775	(87,866)	-	-	211,104
General funds						
General Funds	1,040,212	1,898,112	(1,389,622)	282,162	-	1,830,864
Total Unrestricted funds	1,206,407	2,030,887	(1,477,488)	282,162	-	2,041,968
Endowment funds						
Endowment Fund	819,419	156,715	-	-	17,394	993,528

21. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Essential Life Skills Project	16,309	(12,287)	(3,244)	-	-	778
Arts Council England - Joseph Wright Collection	22,851	117,000	(137,282)	-	-	2,569
The Silk Mill Museum of Making Project	12,904,535	3,917,942	1,533	-	-	16,824,010
General Improvements of collections and buildings	85,406	-	-	-	-	85,406
Derby City Council - Support Services	-	81,680	(81,680)	-	-	-
Great Places	3,509	21,644	(24,080)	-	-	1,073
Transforming leadership	70,004	261,000	(194,839)	-	-	136,165
Other restricted funds	27,965	16,157	(15,483)	-	-	28,639
Coronavirus Job Retention Scheme	-	282,162	-	(282,162)	-	-
Weston Garfield	-	203,139	(12,948)	-	-	190,191
Paul Mellon	-	39,000	(6,000)	-	-	33,000
Artfund - Voices	-	36,000	-	-	-	36,000
	13,130,579	4,963,437	(474,023)	(282,162)	-	17,337,831
Total of funds	15,156,405	7,151,039	(1,951,511)	-	17,394	20,373,327

21. Statement of funds (continued)

Statement of funds - prior year

	As restated Balance at 1 April 2019 £	As restated Income £	As restated Expenditure £	As restated Transfers in/(out) £	As restated Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Designated Funds	23,801	103,000	(92,308)	(350)	34,143
Fixed asset reserve	165,529	-	(61,347)	9,137	113,319
Midlands Maker Challenge	-	56,948	(38,214)	-	18,734
	189,330	159,948	(191,869)	8,787	166,196
General funds					
General Funds	1,102,453	1,614,603	(1,645,914)	(30,931)	1,040,211
Total Unrestricted funds	1,291,783	1,774,551	(1,837,783)	(22,144)	1,206,407
Endowment funds					
Endowment Funds	375,143	444,276	-	-	819,419

21. Statement of funds (continued)

Restricted funds					
Essential Life Skills Project	41,357	37,054	(62,102)	-	16,309
Arts Council England - Joseph Wright Collection	22,851	-	-	-	22,851
The Silk Mill Museum of Making Project	6,786,507	6,118,028	-	-	12,904,535
General Improvements of collections and buildings	85,406	-	-	-	85,406
Derby City Council - Support Services	-	81,680	(81,680)	-	-
Great Places	-	33,471	(29,962)	-	3,509
Transforming leadership	-	118,600	(48,596)	-	70,004
Other restricted funds	-	32,286	(26,465)	22,144	27,965
	6,936,121	6,421,119	(248,805)	22,144	13,130,579
Total of funds	8,603,047	8,639,946	(2,086,588)	-	15,156,405

21. Statement of funds (continued)

Description of funds

Designated funds
These funds are not restricted in nature but are designated by the charity to be spent on specific projects.

Fixed Asset Reserve
This represents the amount of funds which are tied up in tangible fixed assets and therefore not necessarily available for use in day to day operations.

Midlands Maker Challenge
A programme for young people across the midlands, that challenges them to create solutions to some of the key issues facing the world.

Essential Life Skills projects
To meet the costs to support activities that benefit disadvantaged children and young people from vulnerable groups in Derbyshire.

Arts Council England - Joseph Wright Collection
To develop a study area to promote understanding and enjoyment of our nationally Designated Joseph Wright collection.

The Silk Mill Museum of Making Project
To meet the costs for development work towards the creation of the Derby Silk Mill Museum of Making. Expenditure has been posted to Assets under construction on the balance sheet. All income received will be restricted. When in use the asset will be amortised over the life of the lease and matched against restricted income.

Esmee
Funding to help us to use our World Cultures collection to create a more inclusive museum, relevant to people's lives today.

General improvements of collections and buildings
Accumulated donations and bequests designated for the general improvement of collections and buildings.

Derby City Council - Support Services
This contract with Derby City Council provides continuation of support services at an agreed annual rate. This is a rolling 12 month contract.

21. Statement of funds (continued)

Great Places
This contract with Derbyshire County Council helps us provide for a mobile museum of making project in connection with the vital valley Great Places scheme.

Transforming Leadership
A grant to establish, in partnership with a number of other organisations, the Creative Community Fellow Programme (CCF) to the UK.

Other restricted funds
These relate to other small restricted fund balances which further the aims and objectives of the museum.

Weston Garfield
This is grant received to help with covid 19 related costs

Paul Mellon
This is a grant to develop an engaging and accessible online catalogue of our collection of the work of artist Joseph Wright of Derby.

Artfund - Voices in the room
A project to establish the needs and desires of diverse communities in Derby to help shape the facilities and museum environment, influencing object selection, stories, exhibition design and programming.

Transfers
During the current year, the charity has transferred £282,162 of restricted reserves to unrestricted reserves. The balance relates to Coronoavirus Job Retention Scheme income for salaries which have been historically included within unrestricted reserves.

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	67,652	16,328,089	-	**16,395,741**
Fixed asset investments	-	-	617,395	**617,395**
Current assets	2,247,268	1,009,742	376,133	**3,633,143**
Creditors due within one year	(272,952)	-	-	**(272,952)**
Total	2,041,968	17,337,831	993,528	**20,373,327**

Analysis of net assets between funds - prior year (Restated)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	113,319	12,694,820	-	12,808,139
Current assets	1,900,168	833,307	819,419	3,552,894
Creditors due within one year	(807,080)	(397,548)	-	(1,204,628)
Total	1,206,407	13,130,579	819,419	15,156,405

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	**5,216,922**	6,553,358
Adjustments for:		
Depreciation charges	**45,667**	61,347
Amortisation charges	**-**	18,972
Gains/(losses) on investments	**(17,394)**	-
Dividends, interests and rents from investments	**(13,482)**	-
Decrease/(increase) in stocks	**14,181**	(5,366)
(Increase)/decrease in debtors	**(1,113,252)**	869,650
(Decrease)/increase in creditors	**(931,676)**	286,580
Net cash provided by operating activities	**3,200,966**	7,784,541

24. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	**1,910,400**	2,929,221
Total cash and cash equivalents	**1,910,400**	2,929,221

25. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	**2,929,221**	**(1,018,821)**	**1,910,400**
Debt due within 1 year	**(694)**	**694**	**-**
	2,928,527	**(1,018,127)**	**1,910,400**

26. Capital commitments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	**452,111**	4,085,380	**452,111**	4,085,380

27. Pension commitments

The Charity is an employer for the purpose of the Derbyshire County Council Local Government Pension Scheme. As noted in the accounting policies, the charity is indemnified against prior and future liabilities of the scheme. The LGPS has therefore been treated as a defined contribution scheme for accounting purposes along with the separate defined contribution pension scheme which the Company also operate.

During the year 31 March 2021 the Charity made contributions totalling £175,272 (2020 - £157,228) to this scheme. As at 31 March 2021 there was a balance outstanding of £8,782 (2020 - £8,407).

28. Operating lease commitments

At 31 March 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	**1,117**	20,617	**1,117**	20,617
Later than 1 year and not later than 5 years	**1,570**	2,687	**1,570**	2,687
	2,687	23,304	**2,687**	23,304

29. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 102 (Section 33), not to disclosure transactions between entitites which form part of the Group headed by Derby Museums.

All transactions with Trustees were transacted at a commercial rate.

30. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.