

Registered number: 08036113
Charity number: 1149710

Derby Museums

Trustees' Report and Financial Statements

For the Year Ended 31 March 2021



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

DERBY MUSEUMS
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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

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Trustees' Report (continued)
For the Year Ended 31 March 2021

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
<p>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.</p>	<ol style="list-style-type: none"> 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.
<p>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 UK's centres of innovation and advanced manufacturing.</p>	<ol style="list-style-type: none"> 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.
<p>Stand on our own feet: Derby Museums is a social enterprise business-like, opportunity seeking, but with a profound sense of social purpose.</p>	<ol style="list-style-type: none"> 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.

DERBY MUSEUMS
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Trustees' Report (continued)
For the Year Ended 31 March 2021

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.	<ol style="list-style-type: none">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.	<ol style="list-style-type: none">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.

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Trustees' Report (continued)
For the Year Ended 31 March 2021

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 gazetteer 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 Museum 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.

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Trustees' Report (continued)
For the Year Ended 31 March 2021

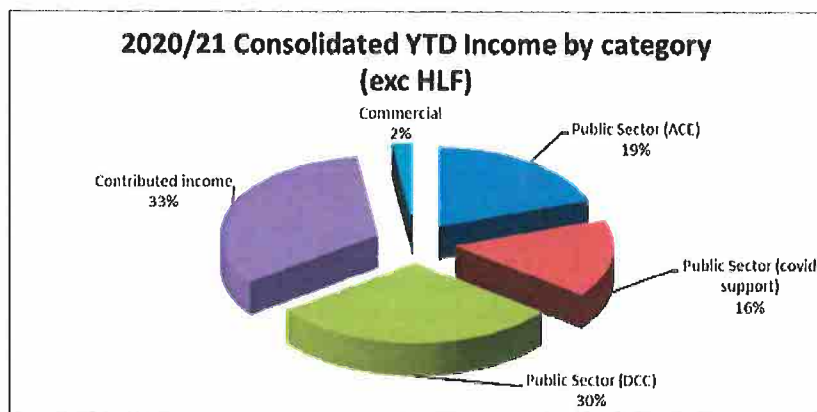
Achievements and performance (continued)

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:



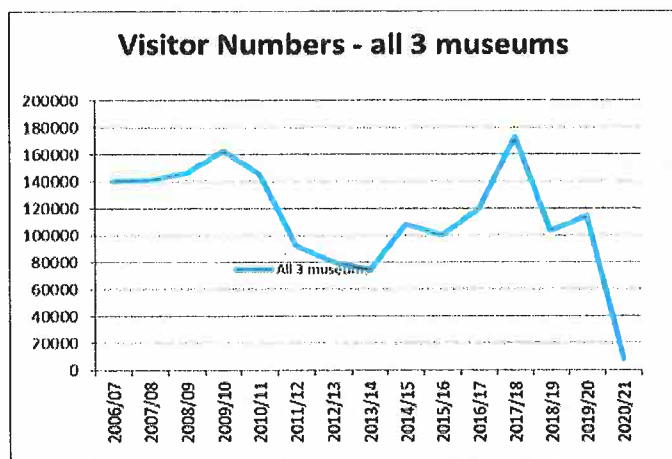
The percentage of income from Derby City Council reduced from 31% last year to 30% this year. However Covid support was new this year accounting for 16% of all turnover. The Arts Council funding increased from 15% to 19% as a result of additional Covid grants. This means that the percentage of income 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.

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Trustees' Report (continued)
For the Year Ended 31 March 2021

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.

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Trustees' Report (continued)
For the Year Ended 31 March 2021

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 endowment 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.

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Trustees' Report (continued)
For the Year Ended 31 March 2021

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 (nominated 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.

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Trustees' Report (continued)
For the Year Ended 31 March 2021

Members' liability

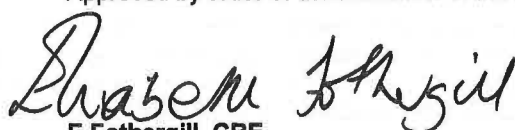
The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

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

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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.

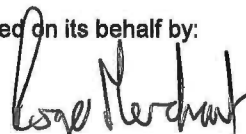
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

DERBY MUSEUMS
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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.

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Independent Auditors' Report to the Members of Derby Museums (continued)

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.

Independent Auditors' Report to the Members of Derby Museums (continued)

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.

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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*

DERBY MUSEUMS
(A Company Limited by Guarantee)

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.

DERBY MUSEUMS
(A Company Limited by Guarantee)

Consolidated Balance Sheet
As at 31 March 2021

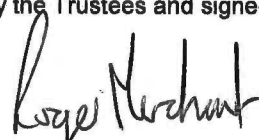
	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	13	16,395,741	12,808,139
Investments	14	617,395	-
		<u>17,013,136</u>	<u>12,808,139</u>
Current assets			
Stocks	16	12,149	26,331
Debtors	17	1,710,594	597,342
Cash at bank and in hand		1,910,400	2,929,221
		<u>3,633,143</u>	<u>3,552,894</u>
Creditors: amounts falling due within one year	18	(272,952)	(1,204,628)
Net current assets		<u>3,360,191</u>	<u>2,348,266</u>
Total net assets		<u><u>20,373,327</u></u>	<u><u>15,156,405</u></u>
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		<u><u>20,373,327</u></u>	<u><u>15,156,405</u></u>

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



Elizabeth Fothergill
Trustee - Chair of Board

Date: 28 September 2021



Roger Merchant
Trustee - Chair of Finance, Resources and Audit

The notes on pages 21 to 45 form part of these financial statements.

DERBY MUSEUMS
(A Company Limited by Guarantee)

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
		<u>17,013,136</u>	<u>12,808,140</u>
Current assets			
Debtors	17	1,836,496	740,304
Cash at bank and in hand		1,775,340	2,754,773
		<u>3,611,836</u>	<u>3,495,077</u>
Creditors: amounts falling due within one year	18	(251,644)	(1,146,812)
Net current assets		<u>3,360,192</u>	<u>2,348,265</u>
Total net assets		<u><u>20,373,328</u></u>	<u><u>15,156,405</u></u>
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		<u><u>20,373,328</u></u>	<u><u>15,156,405</u></u>

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.

DERBY MUSEUMS
(A Company Limited by Guarantee)

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

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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 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 the 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 County 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 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.

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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
	<u>124,980</u>	<u>282,162</u>	<u>88,329</u>	<u>495,471</u>
	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
	<u>1,858,273</u>	<u>4,681,275</u>	<u>61,995</u>	<u>6,601,543</u>

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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
	<u>1,306,114</u>	<u>6,419,467</u>	<u>13,757</u>	<u>7,739,338</u>

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
	<u>7,091</u>	<u>6,391</u>	<u>13,482</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Interest receivable	53	53
Bank interest received	13,032	13,032
	<u>13,085</u>	<u>13,085</u>

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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
	<u>1,653,318</u>	<u>1,653,318</u>

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
	<u>164,224</u>	<u>164,224</u>

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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
	<u>1,202,349</u>	<u>1,191,147</u>	<u>1,145,996</u>	<u>1,115,363</u>

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).

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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	-

DERBY MUSEUMS
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Notes to the Financial Statements
For the Year Ended 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 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

DERBY MUSEUMS
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Notes to the Financial Statements
For the Year Ended 31 March 2021

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

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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.

DERBY MUSEUMS
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Notes to the Financial Statements
For the Year Ended 31 March 2021

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 endowment 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 Endowment 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.

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

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
	<u>166,195</u>	<u>132,775</u>	<u>(87,866)</u>	<u>-</u>	<u>-</u>	<u>211,104</u>
General funds						
General Funds	1,040,212	1,898,112	(1,389,622)	282,162	-	1,830,864
	<u>1,206,407</u>	<u>2,030,887</u>	<u>(1,477,488)</u>	<u>282,162</u>	<u>-</u>	<u>2,041,968</u>
Total Unrestricted funds						
Endowment funds						
Endowment Fund	819,419	156,715	-	-	17,394	993,528

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Notes to the Financial Statements
For the Year Ended 31 March 2021

21. Statement of funds (continued)						
Statement of funds - current year (continued)		Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)
		£	£	£	£	£
Restricted funds						
Essential Life Skills Project		16,309	(12,287)	(3,244)	-	-
Arts Council England - Joseph Wright Collection		22,851	117,000	(137,282)	-	-
The Silk Mill Museum of Making Project		12,904,535	3,917,942	1,533	-	-
General Improvements of collections and buildings		85,406	-	-	-	-
Derby City Council - Support Services		-	81,680	(81,680)	-	-
Great Places		3,509	21,644	(24,080)	-	-
Transforming leadership		70,004	261,000	(194,839)	-	-
Other restricted funds		27,965	16,157	(15,483)	-	-
Coronavirus Job Retention Scheme		-	282,162	-	(282,162)	-
Weston Garfield		-	203,139	(12,948)	-	-
Paul Mellon		-	39,000	(6,000)	-	-
Artfund - Voices		-	36,000	-	-	-
		13,130,579	4,963,437	(474,023)	(282,162)	-
Total of funds		15,156,405	7,151,039	(1,951,511)	-	17,394
						20,373,327

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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
	<u>189,330</u>	<u>159,948</u>	<u>(191,869)</u>	<u>8,787</u>	<u>166,196</u>
General funds					
General Funds	1,102,453	1,614,603	(1,645,914)	(30,931)	1,040,211
	<u>1,291,783</u>	<u>1,774,551</u>	<u>(1,837,783)</u>	<u>(22,144)</u>	<u>1,206,407</u>
Total Unrestricted funds					
Endowment funds					
Endowment Funds	375,143	444,276	-	-	819,419

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Notes to the Financial Statements
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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
	<u>6,936,121</u>	<u>6,421,119</u>	<u>(248,805)</u>	<u>22,144</u>	<u>13,130,579</u>
Total of funds	<u>8,603,047</u>	<u>8,639,946</u>	<u>(2,086,588)</u>	<u>-</u>	<u>15,156,405</u>

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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.

Notes to the Financial Statements
For the Year Ended 31 March 2021

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 Coronavirus Job Retention Scheme income for salaries which have been historically included within unrestricted reserves.

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Notes to the Financial Statements
For the Year Ended 31 March 2021

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

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Notes to the Financial Statements
For the Year Ended 31 March 2021

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

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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	<u>452,111</u>	<u>4,085,380</u>	<u>452,111</u>	<u>4,085,380</u>

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
	<u>2,687</u>	<u>23,304</u>	<u>2,687</u>	<u>23,304</u>

29. 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.

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.

