

Registered number: 08036113
Charity number: 1149710

Derby Museums

Trustees' Report and Financial Statements

For the Year Ended 31 March 2022



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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 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	<ol style="list-style-type: none"> 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 our 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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 STREAM, 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	<ol style="list-style-type: none"> 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

Trustees' Report (continued)
For the Year Ended 31 March 2022

Objectives and activities (continued)

Objectives	Strategies
Make extraordinary work	<ol style="list-style-type: none">1. Make 100% of the Joseph Wright of Derby collection available digitally by 20222. Raise awareness of Joseph Wright of Derby amongst Derby people through new exhibitions or displays which focus on his work, his life, and his peers3. 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 collections5. 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.

DERBY MUSEUMS

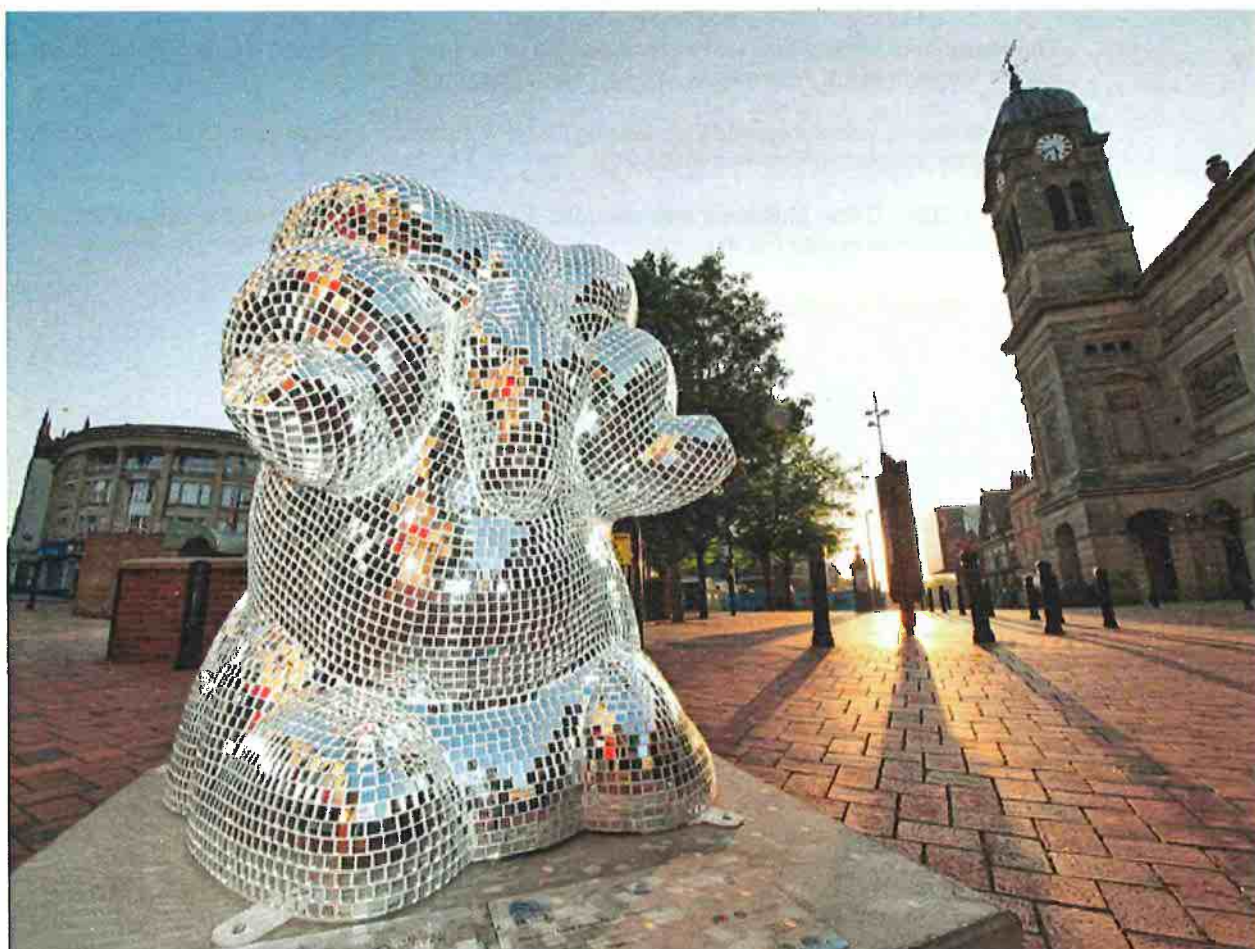
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Trustees' Report (continued)

For the Year Ended 31 March 2022

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

Trustees' Report (continued)
For the Year Ended 31 March 2022

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 its 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.

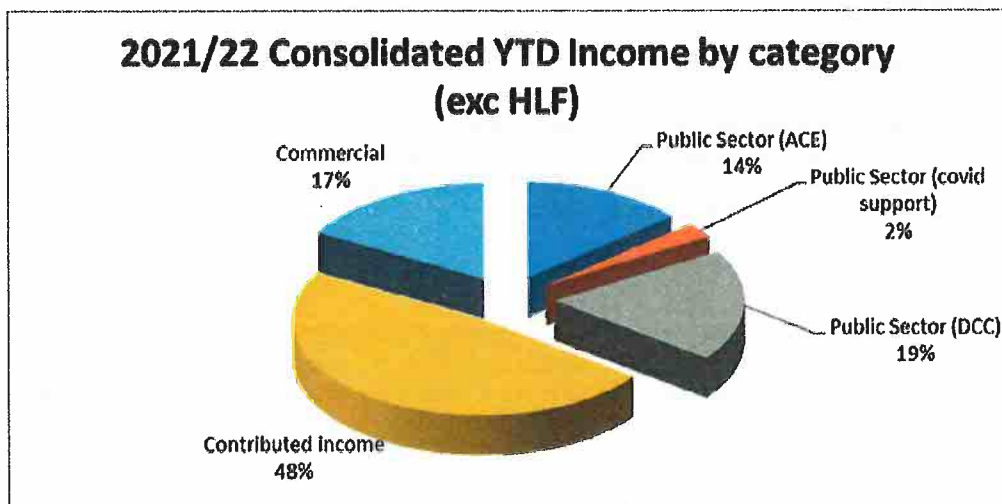


Trustees' Report (continued)
For the Year Ended 31 March 2022

Achievements and performance (continued)

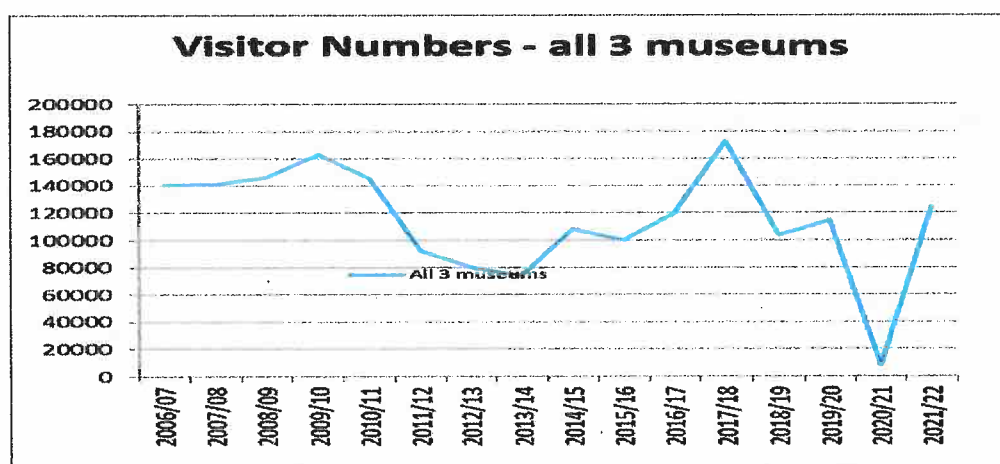
b. Key performance indicators

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:



Trustees' Report (continued)
For the Year Ended 31 March 2022

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.

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Trustees' Report (continued)

For the Year Ended 31 March 2022

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

Trustees' Report (continued)
For the Year Ended 31 March 2022

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

Trustees' Report (continued)
For the Year Ended 31 March 2022

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.

Trustees' Report (continued)
For the Year Ended 31 March 2022

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

DERBY MUSEUMS

(A Company Limited by Guarantee)

**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).

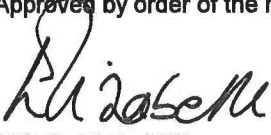
Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming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

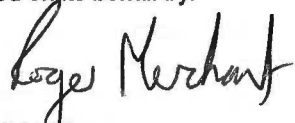
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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.

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

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.

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:

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.

DERBY MUSEUMS**(A Company Limited by Guarantee)****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.

DERBY MUSEUMS
(A Company Limited by Guarantee)

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
		<u>18,830,120</u>	<u>17,013,136</u>
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
		<u>3,073,791</u>	<u>3,633,143</u>
Creditors: amounts falling due within one year	18	(1,090,436)	(272,952)
Net current assets		<u>1,983,355</u>	<u>3,360,191</u>
Total net assets		<u><u>20,813,475</u></u>	<u><u>20,373,327</u></u>
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		<u><u>20,813,475</u></u>	<u><u>20,373,327</u></u>

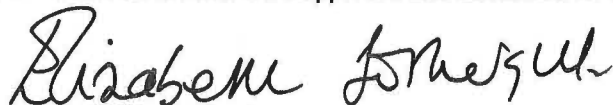
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DERBY MUSEUMS

(A Company Limited by Guarantee)

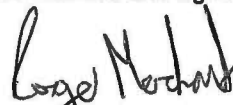
Consolidated Balance Sheet (continued)
As at 31 March 2022

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

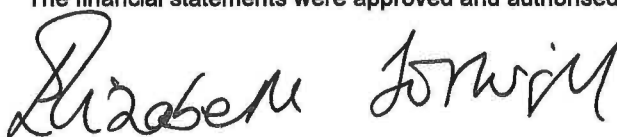
The notes on pages 25 to 52 form part of these financial statements.

DERBY MUSEUMS
(A Company Limited by Guarantee)

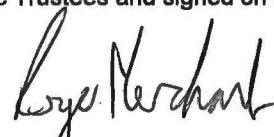
Company Statement of financial position
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	15,998,569	16,395,741
Investments	14	2,831,552	617,395
		<u>18,830,121</u>	<u>17,013,136</u>
Current assets			
Debtors	17	1,537,834	1,836,496
Cash at bank and in hand		1,401,386	1,775,340
		<u>2,939,220</u>	<u>3,611,836</u>
Creditors: amounts falling due within one year	18	(955,864)	(251,644)
Net current assets		<u>1,983,356</u>	<u>3,360,192</u>
Total net assets		<u><u>20,813,477</u></u>	<u><u>20,373,328</u></u>
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		<u><u>20,813,477</u></u>	<u><u>20,373,328</u></u>

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.

DERBY MUSEUMS
(A Company Limited by Guarantee)

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

Notes to the Financial Statements
For the Year Ended 31 March 2022

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.

Notes to the Financial Statements
For the Year Ended 31 March 2022

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.

Notes to the Financial Statements
For the Year Ended 31 March 2022

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 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 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.

Notes to the Financial Statements
For the Year Ended 31 March 2022

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
	<u>86,784</u>	<u>103,531</u>	<u>1,033,729</u>	<u>1,224,044</u>
	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>

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'.

DERBY MUSEUMS
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2022

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
	<u>1,505,466</u>	<u>3,780,878</u>	<u>33,618</u>	<u>5,319,962</u>
	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>

Notes to the Financial Statements
For the Year Ended 31 March 2022

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
	<u>11,571</u>	<u>18,667</u>	<u>30,238</u>

	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>

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

Notes to the Financial Statements
For the Year Ended 31 March 2022

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

Notes to the Financial Statements
For the Year Ended 31 March 2022

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

Notes to the Financial Statements
For the Year Ended 31 March 2022

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	<u>1,404,839</u>	<u>474,023</u>	<u>1,878,862</u>

9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>4,800</u>	<u>4,500</u>

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
	<u>2,039,678</u>	<u>1,202,349</u>	<u>1,827,139</u>	<u>1,145,996</u>

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	<u>103</u>	<u>71</u>	<u>82</u>	<u>67</u>

Notes to the Financial Statements
For the Year Ended 31 March 2022

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	-

DERBY MUSEUMS
(A Company Limited by Guarantee)

**Notes to the Financial Statements
For the Year Ended 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 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

Notes to the Financial Statements
For the Year Ended 31 March 2022

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	<u>2,831,551</u>
Net book value	
At 31 March 2022	<u>2,831,551</u>
At 31 March 2021	<u>617,394</u>

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	<u>1</u>	<u>2,831,551</u>	<u>2,831,552</u>
Net book value			
At 31 March 2022	<u>1</u>	<u>2,831,551</u>	<u>2,831,552</u>
At 31 March 2021	<u>1</u>	<u>617,394</u>	<u>617,395</u>

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Notes to the Financial Statements
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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
	<u>1,427,872</u>	<u>1,710,594</u>	<u>1,537,834</u>	<u>1,836,496</u>

Notes to the Financial Statements
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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.

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**Notes to the Financial Statements
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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)	-	-
	<u>211,104</u>	<u>-</u>	<u>(40,118)</u>	<u>(73,539)</u>	<u>-</u>	<u>97,447</u>
General funds						
General Funds	1,830,864	2,137,150	(2,093,617)	84,501	(25,836)	1,933,062
Total Unrestricted funds	<u>2,041,968</u>	<u>2,137,150</u>	<u>(2,133,735)</u>	<u>10,962</u>	<u>(25,836)</u>	<u>2,030,509</u>
Endowment funds						
Endowment Fund	993,528	1,086,014	-	-	57,388	2,136,930

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Notes to the Financial Statements
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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)	-	-	-
Joeph Wright Acquisition	-	2,727,171	(2,722,012)	-	-	5,159

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**Notes to the Financial Statements
For the Year Ended 31 March 2022**

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

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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

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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
	<u>13,130,579</u>	<u>4,963,437</u>	<u>(474,023)</u>	<u>(282,162)</u>	<u>-</u>	<u>17,337,831</u>
Total of funds	<u>15,156,405</u>	<u>7,151,039</u>	<u>(1,951,511)</u>	<u>-</u>	<u>17,394</u>	<u>20,373,327</u>

DERBY MUSEUMS
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Notes to the Financial Statements
For the Year Ended 31 March 2022

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.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

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.

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Notes to the Financial Statements
For the Year Ended 31 March 2022

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.

Notes to the Financial Statements
For the Year Ended 31 March 2022

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

Notes to the Financial Statements
For the Year Ended 31 March 2022

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

Notes to the Financial Statements
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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 disclose 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.