

Charity number: 1163401

Company number CE004599

CARPET MUSEUM TRUST

UNAUDITED TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2021

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021

CONTENTS

| | Page |
|--|---------|
| Reference and administrative details of the charity, its trustees and advisers | 1 |
| Trustees' report | 2 - 6 |
| Independent examiner's report | 7 |
| Statement of financial activities | 9 |
| Balance sheet | 10 |
| Notes to the financial statements | 11 - 20 |

CARPET MUSEUM TRUST

TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021 **REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**

Trustees

Mrs E A Pugh-Cook
J R Perrin
H Freeman
G Cooper
D V Adam
T Beirne – Resigned 25th February 2022
J Hopkins
D Wheadon
D H Briggs
V E Bagnall
G Gilbert
D Ross – from 11th August 2021
B Hopkins – from 11th August 2021

Charity Registered Number

1163401

Principal office

Stour Vale Mill, Green Street, Kidderminster, Worcestershire, DY10 1AZ

Independent Examiners

Ormerod Rutter
Chartered Accountants
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Bankers

HSBC UK
31 Church Street,
Kidderminster
DY10 2AY

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNT 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

The Trustees present their annual report together with the financial statements of the charity for the year to 31st December 2021. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019).

Objects

The objects of the CIO are

To establish and maintain a museum and/or art gallery for the benefit of the public and to advance education for the benefit of the public.

Nothing in this constitution shall authorise an application of the property of the CIO for the Purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and [section 2 of the Charities Act (Northern Ireland) 2008.

Powers

The CIO has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. In particular, the CIO has power to:

- (1) borrow money and to charge the whole or any part of its property as security for the repayment of the money borrowed. The CIO must comply as appropriate with sections 124 and 125 of the Charities Act 2011, if it wishes to mortgage land;
- (2) buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- (3) sell, lease or otherwise dispose of all or any part of the property belonging to the CIO. In exercising this power, the CIO must comply as appropriate with sections 117 and 119-123 of the Charities Act 2011 and adherence must be given to the Code of Ethics of the Museum's Association and its Disposal Kit as issued from time to time.

- (4) employ and remunerate such staff as are necessary for carrying out the work of the CIO.

The CIO may employ or remunerate a charity trustee only to the extent that it is permitted to do so by clause 6 (Benefits and payments to charity trustees and connected persons) and provided it complies with the conditions of that clause;

- (5) deposit or invest funds, employ a professional fund-manager, and arrange for the investments or other property of the CIO held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000.

- (6) the Museum shall be a public museum for the exhibition of items of local, historical and educational interest and in particular in any way connected to the manufacture of carpets and similar textiles.

- (7) to hold and acquire collections for the long term public benefit.

Objectives and Activities

1. Policies and objectives

The purpose of the charity is to establish and maintain a museum and/or art gallery for the benefit of the public and to advance education for the benefit of the public. The Museum, its archives and Library were opened to the public on 19 October 2012.

The Museum explains the history of carpet weaving in Kidderminster with working hand and power looms, demonstrations of spinning yarn and weaving, exhibitions and assisted research facilities in its collections. It has a running programme of family, school and adult group visits. Due consideration has been given to the published guidance on the Public benefit requirement under the Charities Act 2011.

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNT 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

2. Achievements and performance

The year began with the third national lock down and the Museum of Carpet was forced to close its doors to the public once again. 2021 was a difficult year for heritage venues, however, the trustees, volunteers and staff at the Museum of Carpet continued to work with enthusiasm and dedication despite lock downs and restrictions.

Staff were part furloughed and all our main activities were stopped. Staff developed new ways of working and offered ticketed talks on zoom. The trustees worked tirelessly behind the scenes to ensure that the museum benefitted from any financial support available.

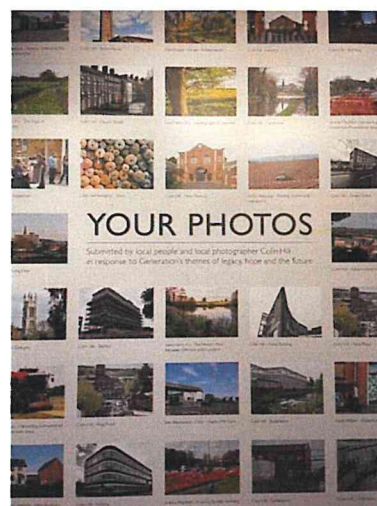
The museum re-opened on 18th May 2021. A month later we opened our summer exhibition which had been postponed from 2020. *Generation, The People and Production of Kidderminster*, was an exhibition of photographs from the museum archive that told stories of an industry and a community. The word 'generation' describes industrial production. It can also mean a group of people born at the same time, and trace family relationships. The word implies progress, community and optimism. The exhibition explored the changes that have taken place in people's lives, the carpet industry, and the landscape of Kidderminster itself over many generations. Through this exhibition we brought together people from different generations to share their experiences after nationwide lock downs had kept us separated.



We invited local children, young people and adults to take photographs which show life in Kidderminster now, with themes of legacy, hope and the future.

With funding from the Cultural Recovery Fund we were able to extend the exhibition outside the museum building. By meeting people outside we hoped to put everyone at ease and share our collection more widely.

There has been a fantastic response to the exhibition with many local people recognising friends and relatives in the photographs and sharing their stories. You can listen to some of the conversations about the photographs on our Facebook page.



CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNT 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021



Throughout the autumn our group and school visits began to return and we are enjoying seeing the Museum full of happy visitors again.



Over Christmas the omicron variant knocked everyone's confidence. But we hope that as we move into the spring our visitor numbers will recover. Thanks to funding from Kidderminster Town Hall we were able to offer schools a free visit in the spring term of 2022 and are looking forward to a busy period.

Many of our volunteers decided not to return to their roles at the Museum after lock down. While we are sad to lose some old friends from the team, we have recruited some wonderful new members. We are especially pleased to welcome two new power loom weavers who will ensure the looms continue to weave carpet and fascinate visitors. We have also built partnerships with Kidderminster College, Birmingham University, Birmingham City University and Worcester University who are sending students on placements and bringing heritage and textile students on visits.

The collections team volunteers continue to work hard behind the scenes, keeping the collection of fascinating objects, machinery, designs, carpets, documents and photographs safe. A recent donation of historic carpet samples from Brinton Carpets is currently in the process of being photographed and catalogued.

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNT 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

The collection team deal with enquiries from all over the world, from family history to identifying designs. Making the collection available for education and research is one of our top priorities.

Thanks to the hard work and dedication of trustees, volunteers and staff we made good progress on our application for Accreditation, which was submitted in December. We now await the response of the Arts Council.

Work has resumed on the 'New Talks for New Audiences' project. The first new talk on the art and design aspects of carpet making has been completed. Work developing a new social history talk is underway. This project has taken longer than expected due to the coronavirus lockdowns.

Sue Hetherington continues in the post of Museum Manager. Lara Drew secured a full time job elsewhere. Her work at the museum was highly valued especially curating the summer exhibition and we were sorry to lose her from the team. Alex Hill was appointed on Front of House and Anthea Harris Fry continues as a Technical Demonstrator. We were also able to appoint Anita Hill as a temporary member of staff covering Marketing and Communications. This post finished at the end of the year.

Despite a difficult start to the year, we have resumed our activities and hope to see growth in visitor numbers throughout the coming year.

a. Key financial performance indicators

The charity had income of £120,810 during the year, of which £32,278 was for restricted purposes.

3. Financial Review

a. Covid – 19

The restriction continued to apply during the earlier part of the year with staff being furloughed and the Museum closed. The loss of income was more than offset by grants and so we have not suffered financially in this year as a result of this.

b. Financial Activity

Financially the year has been a successful one with a surplus of £11,679, before depreciation charges and un-restricted funds at 31st December 2021 were £35,862 compared with £24,039 the previous year.

We were able to obtain a grant of £27,558 from the Arts Council as support for the need to close and loss of income. In addition we were also able to claim from the Retail and Leisure grant fund made available by the Government and received £36,214. With staff being furloughed for part of the year we were able to claim £7,988 from the Job Retention Scheme.

We had anticipated a loss of income from the termination of the Lease by Ulster Carpets but were able to obtain a new tenant immediately.

Covid has meant that we have lost a number of volunteers, but the unexpected income has allowed us to employ 2 extra staff during the year to support our reopened activities.

Some of the extra income has been spent in solicitor's costs and agent fees regarding our leases of office space.

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNT 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

c. Going concern

We consider that with additional funding from 2021, and the use of some reserves that during 2022 we will still be able to operate as a going concern into 2023 but will be looking for additional funding and also at ways that we can become more sustainable in the future.

d. Reserves policy

The Trustees have established the Charity's Reserves Policy with reference to the Charity Commission guidance (CC 19) and accounting standards (FRS 102). The intention is to have 3 months Unrestricted Reserves which would be £19,200 and cash flow is monitored carefully on a continuing basis to meet this objective. At the end of 2021 they were £35,861 and a designated safety net of £17,500.

4. Structure, governance and management

a. Constitution

The nature of the governing document is a Charitable Incorporated Organisation entered on 3 September 2015. The Deed regulates the election and appointment of the first and subsequent trustees.

In 2018 the Charity Commission had recommended a new governance code for smaller charities. The trustees embrace the aspirations of that code and have implementing its principles and practices.

In 2019 the Constitution was amended to include additional powers to be able to achieve accreditation during 2020.

b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Charitable Incorporated Organisation.

c. Policies adopted for the induction and training of Trustees

All the Trustees use the Charity Commission guidelines for trustees as a reference.

d. Risk management

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

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNT 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

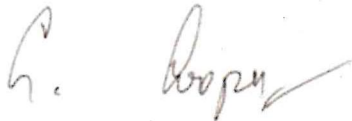
5. Future developments

The long term planning for the future will depend on being able to raise sufficient additional funding to be able to do this.

It should be possible to achieve accreditation during 2022, an application has been submitted. This could result in greater opportunities to expand the activities by making additional grant sources available. The key project will be to have the Axminster loom re strung and to train further volunteers to be able to continue demonstrations, a trainee apprenticeship scheme will be investigated.

There was a Summer Exhibition in 2021 which featured a photographic display and a Summer Exhibition for 2022 is being planned. The Oral History project has again been postponed until 2022. Funding of £5,000 has also been available by the Town Council for spending on youth and school visits funded from this grant.

This report was approved by the Trustees at its meeting on 25th February 2022 and signed on their behalf by:



Trustee

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNT 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

Independent Examiner's Report to the Trustees of Carpet Museum Trust (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 December 2021.

Responsibilities and Basis of Report

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Your attention is drawn to the fact that the charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Following my examination I can confirm that no matters have come to my attention in connection with the examination which give me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed



23/06/2022

Colm McGrory
Ormerod Rutter Limited, Chartered Accountants
The Oakley,
Kidderminster Road
Droitwich,
Worcestershire
WR9 9AY

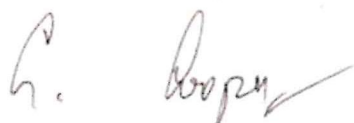
CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNT 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

| | Notes | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ | Total Funds 2020 £ |
|---|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and Legacies | 3 | 3,663 | - | 3,663 | 9,025 |
| Activities for Generating funds | 4 | 70,975 | - | 70,975 | 52,575 |
| Income Sources from Charitable Activities | 5 | 13,894 | 32,278 | 46,172 | 46,417 |
| Total income | | <u>88,532</u> | <u>32,278</u> | <u>120,810</u> | <u>108,017</u> |
| Expenditure on: | | | | | |
| Fundraising | 6/7 | 11,376 | - | 11,376 | 12,386 |
| Charitable Activities | | | | | |
| Museum | 6/7 | 47,707 | 19,059 | 66,766 | 46,319 |
| Community | | 9,055 | 415 | 9,470 | 14,577 |
| Collections | | 6,149 | - | 6,149 | 6,802 |
| Summer Exhibition | | - | 11,574 | 11,574 | 1,302 |
| Oral History Project | | - | 1,230 | 1,230 | 1,240 |
| Retail Shop | | 2,422 | - | 2,422 | 3,605 |
| Accreditation | | - | 144 | 144 | 600 |
| Total outgoing resources | | <u>76,709</u> | <u>32,422</u> | <u>109,131</u> | <u>86,831</u> |
| Net movement in funds before Transfers | | 11,823 | (144) | 11,679 | 21,186 |
| Depreciation Charge | 8 | <u>-</u> | <u>(68,693)</u> | <u>(68,693)</u> | <u>(64,536)</u> |
| Net Income/(Expenditure) for the year | | 11,823 | (68,837) | (57,014) | (43,350) |
| Reconciliation of Funds | | | | | |
| Total funds brought forward | | <u>24,039</u> | <u>1,323,010</u> | <u>1,347,049</u> | <u>1,390,399</u> |
| Total funds carried forward | | <u>35,862</u> | <u>1,254,173</u> | <u>1,290,035</u> | <u>1,347,049</u> |

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

| | Notes | 2021 £ | 2021 £ | 2020 £ |
|-------------------------------------|-------|---------------|------------------|------------------|
| Fixed Assets | | | | |
| Tangible Fixed Assets | | | 1,254,173 | 1,322,866 |
| Current Assets | | | | |
| Stocks | 11 | 3,289 | | 3,579 |
| Debtors | 12 | 12,317 | | 8,004 |
| Cash at Bank and In Hand | | 47,981 | | 40,014 |
| | | <u>63,588</u> | | <u>51,597</u> |
| Creditors | | | | |
| Amounts falling due within one year | 13 | <u>27,726</u> | | <u>27,414</u> |
| Net Current Assets | | | <u>35,862</u> | <u>24,183</u> |
| Net Assets | | | <u>1,290,035</u> | <u>1,347,049</u> |
| Income Funds | | | | |
| <u>Unrestricted Funds</u> | | | | |
| Revenue | | 17,112 | | |
| Revenue - Designated | | <u>18,750</u> | 35,862 | 24,039 |
| <u>Restricted</u> | | | | |
| Capital | | 1,254,173 | | 1,322,866 |
| Revenue | | - | <u>1,254,173</u> | <u>144</u> |
| Total Funds | | | <u>1,290,035</u> | <u>1,347,049</u> |

The Financial Statements were approved by the Trustees and signed on their behalf.



The notes on pages 10 to 19 form part of these Financial Statements

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1. Accounting Policies

Legal status

The Carpet Museum Trust is a Charitable Incorporated Organisation (CIO), whose registered office is Stour Vale Mill, Green Street, Kidderminster, Worcestershire, DY10 1AZ.

a) Accounts Convention.

The accounts have been prepared in accordance with the Charity's Constitution, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (effective 1st January 2019). The charity is a Public Benefit Entity as defined by FRS102.

The accounts are prepared in Sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention.

Capital grants are recognised as designated income when receivable and this departure from financial reporting standards is necessary in order to show a true and fair view, in accordance with SORP (FRS 102)

Three types of fund are held, restricted, general or designated safety net funds cannot be used without the approval of the Directors/Trustees.

When possible, expenditure is charged to the charitable activity to which it relates. Costs that cannot be dealt with in this way are apportioned as a percentage overhead. Apportioned costs are premises and office costs.

Going Concern

At the time of preparing the accounts, the trustees had a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Governance Costs

Any costs that can be identified are charged direct. Staff time is allocated according to the percentage spent directly on governance, together with a proportion of premises and office costs. In accordance with SORP (FRS 102) governance costs are now treated as overheads and allocated over the other services.

b) Incoming resources

Grants receivable

- i) Grants made to finance the activities of the Museum are credited to the income and expenditure account in the period to which they relate.
- ii) Other income
Sales of services are included in the income and expenditure account in the period to which they relate. Other income, including donations, gifts and covenants are included as they were received.
- iii) Deferred income
Grants received in advance of the period in which the funder requires the expenditure to be applied will be reflected in deferred income within the balance sheet.

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

c) Resources expended

All expenditure is accounted for on an accruals basis. All expenditure directly related to the provision of advice services is included within charitable expenditure. Other costs incurred have been allocated between fundraising and publicity and management and administration as appropriate. Where such costs relate to more than one functional cost category they have been split on an estimate of time or floor space basis, as appropriate.

d) Basic financial assets

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price including costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

e) Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flow discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/ (expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised.

The impairment reversal is recognised in net income (expenditure) for the year.

f) Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expires or are settled, or when the charity transfers the financial asset and substantially all the risks and reward of ownership to another entity, or if some significant risk and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

g) Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective rate method.

h) Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged.

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

i) Fixed assets and depreciation

Fixed assets are included at cost less depreciation. Depreciation is charged on a straight line basis on the costs of the assets over their estimated useful lives as follows:

| | | |
|------------------------------|---|----------------------------|
| Long-term leasehold property | - | over the life of the lease |
| Fixtures and fittings | - | 10% straight line |
| Office Equipment | - | 33% Straight Line |

The depreciation policy has been reviewed in accordance with FRS 102 and no change has been made from the previous year.

The provision for depreciation of fixed assets is shown as part of notes to the Statement of Financial Activities. Fixed assets are either financed from grants or by using Reserves. When Reserves are used the cost is written as a charge to Revenue, but when financed from a grant then the income resource is shown in the Statement of Financial Activities and credited to a Designated Capital Reserve.

j) Restricted funds

Income received for the restricted purposes is included in a separate restricted fund against which appropriate expenditure is allocated. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor that any unused funds may have to be refunded, if the objective of the funding is met and there is no obligation to refund any surplus then those funds are treated as unrestricted.

k) Designated funds

Designated funds are allocated out of unrestricted funds by the trustees for specific purposes. The use of such funds is at the trustees' discretion.

l) Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

m) Cash Flow

The charity has taken advantage of the provisions in the SORP for charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flow.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

n) Taxation

The Carpet Museum Trust is registered with the Charity Commission and under the provisions of the Income and Corporation Taxes Act 1988 and exempt from liability to taxation.

o) Capital Grants

Capital grants are recognized as income in the designated fund when receivable and a departure from Financial Reporting Standards is necessary in order to show a true and fair view in accordance with the Statement of Recommended Practice SORP (FRS102).

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

p) Pensions

All employees who qualify for a workplace pension have been enrolled in the National Employers Savings Trust (NEST) pension scheme and the statutory deductions are made or other such arrangements as agreed with employees.

q) 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. Role of Volunteers

The charity has in the region of 35 volunteers. The value of these is not incorporated within the accounts.

| 3. Income donations | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ | Total Funds 2020 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 3,663 | - | 3,663 | 9,025 |
| Total | 3,663 | - | 3,663 | 9,025 |

| 4. Activities for Generating funds | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ | Total Funds 2020 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Room Hire | 12,910 | - | 12,910 | 5,262 |
| Rental Income | 18,447 | - | 18,447 | 13,788 |
| Shop Sales | 1,939 | - | 1,939 | 1,696 |
| Commission | 324 | - | 324 | 182 |
| Corporate Sponsorship | 500 | - | 500 | 3,200 |
| Crowd Funding Appeal | - | - | - | 15,394 |
| Friends – Stock for Shop | - | - | - | 53 |
| Other Income | 641 | - | 641 | - |
| HMG – Retail Support | 36,214 | - | 36,214 | 13,000 |
| Total | 70,975 | - | 70,975 | 52,575 |

CARPET MUSEUM TRUST

TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

| 5. Charitable Income | Unrestricted | Restricted | Total | Total |
|--|--------------|------------|---------|---------|
| Income | Funds | Funds | Funds | Funds |
| | 2021 | 2021 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Admissions | 5,346 | - | 5,346 | 2,303 |
| Insurance Claim | - | - | - | 9,021 |
| HMRC – CJRS | 7,988 | - | 7,988 | 10,724 |
| Community Activities | 208 | - | 208 | 479 |
| Grants – Heritage Lottery Fund | - | 1,231 | 1,231 | 15,340 |
| Kidderminster Town Council | - | 415 | 415 | - |
| Arts Council – Cultural Recovery Grant | - | 27,558 | 27,558 | - |
| Grant – WCC (Div Funds) | - | - | - | 4,720 |
| Newcomen Society | - | 2,000 | 2,000 | - |
| Grant Golf Tournament | - | - | - | 2,379 |
| Dementia Group | - | - | - | 149 |
| Grant – Arts Society | - | 1,074 | 1,074 | 1,302 |
| Other Income | 352 | - | 352 | - |
| | 13,894 | 32,278 | 46,172 | 46,417 |
| Total | 88,532 | 32,278 | 120,810 | 108,017 |

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

6. Direct Costs

| Item | Museum £ | Community £ | Collection £ | Retail £ | Fundraising £ | Accreditation £ | Exhibitions £ | Oral History £ | Total 2021 £ | Total 2020 £ |
|------------------------------|---------------|----------------|-----------------|--------------|------------------|--------------------|------------------|----------------------|--------------------|--------------------|
| Staff – Pay, NI and Pensions | 42,727 | 5,236 | 1,257 | 1,257 | 2,513 | 44 | 1,074 | 33 | 54,141 | 41,833 |
| Card Reader Charges | 52 | - | - | 51 | - | - | - | - | 103 | 70 |
| Subscriptions | 62 | - | - | - | - | - | - | - | 62 | 158 |
| Marketing | 18 | - | - | - | - | - | - | - | 18 | 69 |
| Advertising, Leaflets | 1,312 | - | - | - | 11 | - | 3,500 | - | 4,823 | 649 |
| Travel Costs | - | 85 | - | - | - | - | - | - | 85 | - |
| Fundraising | - | - | - | - | - | - | - | - | - | 116 |
| Childrens Craft Materials | - | - | - | - | - | - | - | - | - | 28 |
| Tutors Fees | - | - | - | - | - | - | - | - | - | 150 |
| Refreshments | 1 | 129 | - | - | - | - | 55 | - | 185 | 83 |
| Volunteers Expenses | - | 10 | - | - | - | - | - | - | 10 | 25 |
| Conservation | - | - | 91 | - | - | - | - | - | 91 | (133) |
| Exhibition & Event Costs | - | 120 | - | - | - | - | 6,945 | - | 7,065 | - |
| Equip & Fittings | 82 | - | - | - | - | 89 | - | 747 | 918 | 114 |
| Axial Software | - | - | 2,037 | - | - | - | - | - | 2,037 | 2,059 |
| Professional Services | - | - | 100 | - | 3,262 | - | - | - | 3,362 | 1,717 |
| Consultant | - | - | - | - | - | 11 | - | 450 | 461 | 1,744 |
| Overheads | 22,512 | 3,890 | 2,664 | 1,114 | 5,590 | - | - | - | 35,770 | 38,149 |
| Total | 66,766 | 9,470 | 6,149 | 2,422 | 11,376 | 144 | 11,574 | 1,230 | 109,131 | 86,831 |

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

7. Support Costs

| Item | Museum £ | Community £ | Collection £ | Retail £ | Fundraising £ | Total £ | 2020 £ |
|------------------------------------|---------------|----------------|-----------------|--------------|------------------|---------------|---------------|
| Staff - Pay, NI and Pensions | 5,427 | 1,230 | 843 | 352 | 1,768 | 9,620 | 11,657 |
| Building Maintenance Contracts | 2,662 | 330 | 226 | 95 | 474 | 3,787 | 1,991 |
| Building Repairs | 4,614 | 817 | 558 | 232 | 1,176 | 7,397 | 10,373 |
| Examiners Fee | 850 | - | - | - | - | 850 | 860 |
| Furniture & Equipment | 55 | 14 | 10 | 4 | 21 | 104 | 42 |
| Gas | 2,475 | 540 | 370 | 155 | 777 | 4,317 | 3,145 |
| Insurance | 2,506 | 410 | 281 | 118 | 589 | 3,904 | 3,752 |
| IT Software | 177 | 46 | 32 | 13 | 66 | 334 | 374 |
| Kidderminster BID | 1,038 | 10 | 7 | 3 | 14 | 1,072 | 804 |
| Professional Services incl Payroll | 286 | 75 | 51 | 21 | 107 | 540 | 485 |
| Sanitary & Cleaning | 391 | 50 | 34 | 14 | 71 | 560 | 1,241 |
| Security Call Outs | 178 | 46 | 32 | 13 | 67 | 336 | 420 |
| Stationary & Postages | 97 | 25 | 17 | 7 | 36 | 182 | 496 |
| Sundries | 20 | 6 | 3 | 3 | 7 | 39 | 129 |
| Telecoms | 1,394 | 201 | 138 | 58 | 289 | 2,080 | 2,079 |
| Travel & Expenses | 4 | 1 | 1 | - | 1 | 7 | 8 |
| Waste Disposal | 144 | 38 | 26 | 11 | 54 | 273 | 109 |
| Water | 194 | 51 | 35 | 15 | 73 | 368 | 184 |
| Total | 22,512 | 3,890 | 2,664 | 1,114 | 5,590 | 35,770 | 38,149 |

8. Tangible Fixed Assets

| | Long Term Leasehold Property £ | Fixtures & Fittings £ | Office Equipment £ | Total £ |
|-----------------------|---|-----------------------------|--------------------------|------------------|
| Cost | | | | |
| At 1st January 2021 | 1,556,255 | 346,904 | 36,742 | 1,939,901 |
| Disposals | - | - | - | - |
| At 31st December 2021 | <u>1,556,255</u> | <u>346,904</u> | <u>36,742</u> | <u>1,939,901</u> |
| Depreciation | | | | |
| At 1st January 2021 | 270,956 | 309,337 | 36,742 | 617,035 |
| Charges in year | 31,126 | 37,567 | - | 68,693 |
| At 31st December 2021 | <u>302,082</u> | <u>346,904</u> | <u>36,742</u> | <u>685,728</u> |
| Net Book Value | | | | |
| At 1st January 2021 | <u>1,285,299</u> | <u>37,567</u> | <u>-</u> | <u>1,322,866</u> |
| At 31st December 2021 | <u>1,254,173</u> | <u>-</u> | <u>-</u> | <u>1,254,173</u> |

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

9. Net Income (expenditure)

| | | |
|--|--------|--------|
| This is stated after charging | 2021 | 2020 |
| | £ | £ |
| Depreciation of tangible fixed assets -owned by charity | 68,693 | 64,536 |

Independent examiners remuneration.

The Independent Examiner's remuneration amounts to an Independent Examination fee of £850 (2020 - £850).

10. Net Movement of Funds

| | At 1.1.2021 | Net Movement in Funds | Transfers between Funds | At 31.12.2021 |
|---------------------------|------------------|--------------------------|-------------------------------|------------------|
| | £ | £ | £ | £ |
| Unrestricted Funds | | | | |
| General Funds | 24,039 | 11,823 | - | 35,862 |
| Total | 24,039 | 11,823 | - | 35,862 |
| | £ | £ | £ | £ |
| Restricted Funds | | | | |
| General Funds | 144 | (144) | - | - |
| Capital Fund | 1,322,866 | (68,693) | - | 1,254,173 |
| Total | 1,323,010 | (68,837) | - | 1,254,173 |
| Total Both | 1,347,049 | (57,014) | - | 1,290,035 |

The Restricted General Fund amount of £144 is for the completion of the accreditation process in 2021.

The Capital Fund is the amount spent on renovation and fitting out of the building and is written down each year.

| | | |
|-------------------|--------------|--------------|
| 11. Stocks | 2021 | 2020 |
| | £ | £ |
| Merchandise | <u>3,289</u> | <u>3,579</u> |

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

12. Debtors

| | 2021 | 2020 |
|--------------------------------|---------------|--------------|
| | £ | £ |
| Trade Debtors | 696 | - |
| Other Debtors | - | 1,271 |
| Prepayments and Accrued Income | <u>12,317</u> | <u>6,733</u> |
| Total | <u>13,013</u> | <u>8,004</u> |

13. Creditors

| | 2021 | 2021 |
|------------------------------|---------------|---------------|
| | £ | |
| Trade Creditors | 1,924 | 2,192 |
| Other Creditors | 13,393 | 12,872 |
| Accruals and Deferred Income | <u>12,409</u> | <u>12,350</u> |
| Total | <u>27,726</u> | <u>27,414</u> |

14. Deferred Income

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| 1 st January 2021 | 11,500 | 7,773 |
| Resources Deferred during year | 3,700 | 7,747 |
| Amounts Released from previous year | <u>(4,720)</u> | <u>(4,020)</u> |
| Deferred Income 31 st December 2021 | <u>10,480</u> | <u>11,500</u> |

15. Financial Instruments

| | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| Financial assets measured at amortised cost | <u>49,982</u> | <u>46,747</u> |
| Financial liabilities measured at amortised cost | <u>16,927</u> | <u>15,343</u> |

Financial assets measured at amortised cost comprising cash at bank and in hand, and trade debtor.

Financial liabilities measured at amortised cost comprising trade creditors, VAT, PAYE and other creditors and accruals.

CARPET MUSEUM TRUST
TRUSTEES ANNUAL REPORT AND ACCOUNTS 2021
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

16. Staff Costs

| | | |
|---|---------------|---------------|
| Staff costs were as follows | 2021 | 2020 |
| | £ | £ |
| Wages and salaries and pension contributions. | <u>63,761</u> | <u>53,490</u> |

No employee received remuneration amounting to more than £60,000 in either year. The key management personnel of the charity consist of the Trustees and the Museum Manager. The total remuneration paid to the key management personnel during the year was £25,299 (2020 - £22,700). Average staff 2021 – 2.51 and 2020 – 2.6. During the year, no Trustees received any remuneration (2020 - £NIL). During the year, no trustees received any benefits in kind (2020 - £NIL). During the year, no trustees received any reimbursement of expenses (2020 - £NIL).

17. Operating lease commitments

At 31 December 2021 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

| | | |
|-------------------------|----------|----------|
| | 2021 | 2020 |
| Amount payable | £ | £ |
| After more than 5 years | <u>1</u> | <u>1</u> |

18. Related party transactions

There were no related party transactions during the year.