

THE BIRMINGHAM & MIDLAND INSTITUTE



REPORT OF THE BOARD OF GOVERNORS AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

J W Hinks LLP
Chartered Accountants
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

The governors present their report for the year ended 30 June 2021 and financial statements for the year ended 30 June 2021. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Purpose and aims

The objectives and aims of the Birmingham and Midland Institute are "the Diffusion and Advancement of Science, Literature and Art amongst all Classes of Persons resident in Birmingham and the Midland Counties."

Public benefit

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us to ensure that our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

The focus of our work continues to be the diffusion and advancement of science, literature and art among all classes of persons resident in Birmingham and the Midland counties.

Grantmaking

As a general policy, the charity does not make grants and it never makes grants to individuals. However, upon occasion or, if it considers that the making of a grant to an organisation will assist it in fulfilling its own charitable objectives, then such a grant may be made.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our policy of increasing the range and number of activities is ongoing. Since being able to re-open again, on 6th July 2020, after the Government imposed lockdown, we have endeavoured to re-build our activities, with the Monday Lectures remaining online throughout the year.

The Trustees currently maintain four sub-committees, viz:

- Governance Committee – to examine good practice and create policies for the governance of the Institute and to work towards replacing The Birmingham & Midland Act (1854) with a more relevant Articles of Association
- Library Committee – promotion of reading for enjoyment and maintaining the profile of the library as a key benefit of membership of the Institute
- Marketing & Media Committee – to better promote the work of the Institute to a wider audience
- Roadmap Steering Committee – to map out the future of the Institute and to look at ways of energising and re-invigorating the Institute.

The Governance Committee introduced a Building Management Policy, which was approved by the Council of the Institute, and which seeks to maintain the building in a much tidier way. This means that all book collections of organisations outside of the Institute will be accommodated within the BMI Library, either as a discrete collection, or accessioned into the BMI Library.

The Monday Lecture series remains popular, both with our members and non-members, and is delivered online at lunchtime. Varying from the academic to the entertaining, it thus underlines the educational work of the Institute. We have had speakers, and listeners, from Canada, China and South Africa, Scotland and Bristol, along with regular attendees from Birmingham and the Midlands.

We launched Bookish Club, an online gathering of bibliophiles who meet once a month to discuss a topic, rather than a specific text. This also reflects the literature pillar of the Institute, and gives an opportunity to socialise while being in the building was not always possible due to COVID restrictions.

We have received a number of bookings from societies, groups and organisations over the period since lockdown ended and we continue to provide a room hire service which funds our charitable aims.

We have started to explore the idea of Institute Laureates, in poetry, writing, music, science and history and are in discussions with Ex Cathedra how we might support their educational programme and host their youth choirs at the Institute. These will be developed after the summer and in next year's activities.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

FINANCIAL REVIEW

Financial position

The Statement of Financial Activities for the year ended 30 June 2021 shows incoming resources of £138,302 (2020 - £201,871) and resources expended of £173,849 (2019 - £194,092). This resulted in a deficit of £35,547 (2020 - surplus of £7,779).

Following last year's small surplus, which came after two years of large deficits, it was initially forecast that another surplus could be achieved in 2020-21. However, the effects of the COVID-19 pandemic have been more long-lasting than anyone originally thought, and ultimately the whole of the financial year was affected by it.

As expected, the largest consequence was on income from the letting of spaces. With the building closed for much of the year, this reduced by over £40,000, from an already diminished position in the previous year. This did, however, hold up more than originally expected. We also received no income from the café, which was also closed, and understandably membership income also decreased.

We were able to take advantage of the Government's furlough scheme to mitigate some of the effects, and received £11,000 from this. However, the ongoing poor situation also meant another unfortunate redundancy and related costs.

It is encouraging, nevertheless, that the results in the subsequent financial year have been more promising, as we have start to emerge from lockdowns and welcome members and supporters once more.

Reserves policy

We have a Reserves Policy (F02) which was formulated by the Governance Committee in association with our Honorary Treasurer and Finance Officer. The Policy is to build the charity's unrestricted funds to a level which will enable the charity to fulfil its charitable obligations for the foreseeable future including the maintenance and upkeep of its Grade II* listed premises.

Going concern

The hard work in making the Institute a much leaner and cost-effective organisation has paid dividends. Despite registering a deficit for the year, this was not as bad as it could have been. This was due to the hard work and tough choices since mid-2019, in making the Institute a leaner and cost-effective organisation.

Current financial year results and future plans are encouraging, and there is no reason to doubt the Institute's going concern basis.

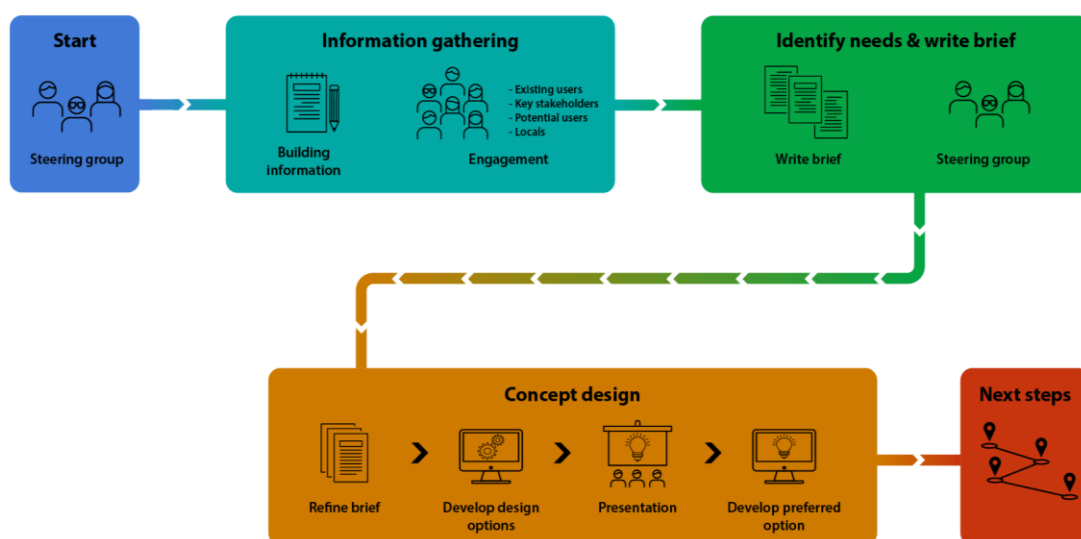
While it should be mentioned at this point that the Institute has sufficient financial assets, these are largely tied up in property and are not easy to realise as cash.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021

FUTURE PLANS

The Institute will continue to develop its programme in order to fulfil its statutory obligations as described in the Birmingham & Midland Act (1854) although we are looking to repeal the Act and replace it with a more up-to-date Articles of Association and work has been ongoing in this matter with our MP since January 2020.

In March 2021, the Roadmap Steering Committee published a document called “The Future of the Institute” which laid down the aspirations for the way the Institute will be transformed into something fit for the next fifty years and which the Council adopted at its March meeting. This was allied with a Business Plan and will form the basis of a Viability Study to be put out to a professional assessment team, who will look to assess the transformation project. This stage in the transformation of the Institute is a precursor to a National Heritage Lottery Fund grant application.



Viability Study Infographic

Pennycuik Collins Limited was instructed by the Council of the Institute to provide a report under Section 117 of the Charities Act to assess the proposed sale of 93-95 Cornwall Street, attached to 9 Margaret Street since 1972. This disposal is part of a review taking place into the refurbishment and upgrading of the accommodation, buildings and services provided by the Institute and how best this can be funded.

The report from Pennicuik Collins concluded that it is in the interests of the Institute that the properties are sold and that the properties should be placed on the open market to fulfil the requirements of the Charities Act, so the Trustees are seen to make all efforts to realise the best price possible on the sale of these assets in line with their duties as Trustees.

The report stated that Pennicuik Collins believed that the sale of these properties will raise a significant sum of money which can be utilised in the refurbishment of 9 Margaret Street and that the funds can be utilised to attract other sources of funding which will be required to meet the financial cost of the refurbishment.

The properties were marketed by Siddall-Jones for offers in the region of £800,000 and the final sale price achieved was £851,000. Pennicuik Collins concluded that this is the best price achievable in the current market conditions.

FUTURE PLANS - continued

An immediate plan upon completion of the sale is to install Full Fibre broadband (FTTP) which will be of use to members and will allow us to broadcast lectures at a high quality and speed. The current speed is under 17 mbps, whereas FTTP will deliver speeds at 900 mbps. This will also support hybrid meetings in the future, with the appropriate technology onsite for audio and visual facilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Birmingham and Midland Institute is a charity registered with the Charity Commission (registered number 522852) and is incorporated by The Birmingham and Midland Act (1854) which defines its constitution; although in the spring of 2020 members voted in an online poll (due to COVID-19 restrictions) to support the Board of Trustees decision to seek to repeal the 1854 Act and replace it with an up-to-date Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The governing body of the Institute consists of official governors, city governors and elective governors.

Of the official governors, four are elected by the membership, two are ex-officio office holders and one is appointed by the University of Birmingham to be their representative.

Of the five city governors, one, the Lord Mayor for the time being is an ex-officio governor with the other four being appointed by Birmingham City Council as their representatives.

Of the elective governors, all thirteen are elected by the membership.

Elections to the governing body are held at each annual general meeting.

The full council of officers meets monthly but there are also sub-committees which vary from time to time. All sub-committees report and make recommendations to the full council which is the Institute's policy making body. Since January 2020 a new Governance sub-committee has been constituted which has enhanced and extended the Policies which give daily guidance for good governance of the Institute and these may be viewed on the Institute's website.

Membership

The Trustees created additional membership categories of Junior Membership and Corporate Membership, which will look to increase our membership, as well as expanding the numbers in all other existing membership categories. This was ratified by the Membership at our 2021 AGM, held on 10th April. Membership fees were also increased in accordance with the provisions of the Birmingham & Midland Act (1854).

THE BIRMINGHAM AND MIDLAND INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity number

522852

Principal address

9 Margaret Street
Birmingham
B3 3BS

Trustees

Official Governors

Professor C. Chinn	President	Retired 10 April 2021
Professor Sir David Cannadine	President	Appointed 10 April 2021
Dr S. Trowbridge	Vice-President	
Ms. S. Ansari	Vice-President	
Mr J. L. Fletcher	Honorary Treasurer	
Dr K. Ricks	Chief Master, King Edwards School	
Professor C. Marsh	Principal, The Queen's Foundation	
Mr M. Eccleston	University of Birmingham Representative	Appointed 24 May 2021

City Governors

The Lord Mayor of Birmingham -	
Councillor P. Fowler	Appointed 22 February 2021
Councillor M. Locke	
Councillor R. Pocock	
Councillor M. Ward	

Elective Governors

Ms. G. Chant	Resigned 24 November 2020
Mr. S. J. Hartland	
Mr. K. O. Morris	
Mr. M. A. Vaughan	
Mr. P. E. L. T. Borrow-Longain	
Mr. R. S. Chumber	Resigned 28 November 2020
Mr. M. I. Blake	
Mrs R. E. Dobson	Resigned 28 September 2020
Mr P. Miles	
Miss A. Round	
Mr. A. V. Pritchard-Jones	Appointed 22 February 2021
Mr. J. D. Blewitt	Appointed 22 March 2021

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

Independent Examiner

Peter Smith ACA
J W Hinks LLP
Chartered Accountants
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

Solicitors

Tyndallwoods Solicitors
29 Woodbourne Road
Harbourne
Birmingham
B17 8BY

Bankers

Bank of Scotland
33 Old Broad Street
London
BX2 1LB

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Approved by order of the board of trustees on 20 December 2021 and signed on its behalf by:



.....
Stephen Hartland
Honorary Secretary

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE BIRMINGHAM AND MIDLAND INSTITUTE**

Independent examiner's report to the trustees of The Birmingham and Midland Institute

I report to the charity trustees on my examination of the accounts of The Birmingham and Midland Institute (the Trust) for the year ended 30 June 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the 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.

Peter Smith ACA
J W Hinks LLP
Chartered Accountants
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

THE BIRMINGHAM AND MIDLAND INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	4,503	-	4,503	21,693
Charitable activities					
Rents receivable		90,959	-	90,959	135,521
Other trading activities	4	39,988	1,150	41,138	42,402
Investment income	5	<u>1</u>	<u>1,701</u>	<u>1,702</u>	<u>2,255</u>
Total		135,451	2,851	138,302	201,871
EXPENDITURE ON					
Raising funds	6	777	-	777	1,895
Charitable activities					
Charitable activities	7	7,691	48	7,739	29,543
Support costs		164,758	500	165,258	162,280
Other		<u>75</u>	<u>-</u>	<u>75</u>	<u>374</u>
Total		173,301	548	173,849	194,092
NET INCOME/(EXPENDITURE)		(37,850)	2,303	(35,547)	7,779
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,320,262</u>	<u>12,084</u>	<u>1,332,346</u>	<u>1,324,567</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,282,412</u>	<u>14,387</u>	<u>1,296,799</u>	<u>1,332,346</u>


The notes form part of these financial statements

THE BIRMINGHAM AND MIDLAND INSTITUTE

BALANCE SHEET
30 JUNE 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	1,480,338	1,496,740
CURRENT ASSETS			
Debtors	13	37,314	23,430
Cash at bank		9,549	26,991
		46,863	50,421
CREDITORS			
Amounts falling due within one year	14	(135,874)	(124,890)
NET CURRENT ASSETS		(89,011)	(74,469)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,391,327	1,422,271
CREDITORS			
Amounts falling due after more than one year	15	(94,528)	(89,925)
NET ASSETS		1,296,799	1,332,346
FUNDS	20		
Unrestricted funds		1,282,412	1,320,262
Restricted funds		14,387	12,084
TOTAL FUNDS		1,296,799	1,332,346

The financial statements were approved by the Board of Trustees and authorised for issue on 20 December 2021 and were signed on its behalf by:


.....
James Fletcher
Honorary Treasurer

The notes form part of these financial statements

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

GENERAL INFORMATION AND BASIS OF PREPARING THE FINANCIAL STATEMENTS

General information

The Birmingham and Midland Institute is an incorporated charity registered in England and Wales. The address of the charity's registered office is 9 Margaret Street, Birmingham, B3 3BS.

Accounting convention

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)' and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. This has been explained further in the trustees' report. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected level of income and expenditure is sufficient with the level of reserves for the Institute to be able to continue as a going concern.

FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from local authority grants and grants from other third parties are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES - continued

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

ALLOCATION AND APPORTIONMENT OF COSTS

All costs are allocated between the expenditure categories of the Statement of Financial Activities on the basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

TANGIBLE FIXED ASSETS

Freehold property, fittings and equipment and armorial bearings are included at cost including any incidental expenses of acquisition. Library books and gifted assets are included at the governors' valuation.

Depreciation is provided to write off the cost or valuation of all fixed assets except freehold property, library books, gifted assets and armorial bearing over their expected useful lives. The expected length of the depreciated assets has been reviewed and the charge for the year has been calculated at the following rates.

Freehold property	- Nil
Fixtures and equipment	- 10%, 20% and 6.67% straight line method
Computer equipment	- 20% straight line method
Library books	- Nil
Gifted assets	- Nil
Armorial bearings	- Nil

TAXATION

The charity is exempt from tax on its charitable activities.

FUND ACCOUNTING

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

Designated funds are amounts which have been set aside at the discretion of the governors for a specific but not legally binding purpose.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

HIRE PURCHASE AND LEASING COMMITMENTS

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements.

1. ACCOUNTING POLICIES - continued

HIRE PURCHASE AND LEASING COMMITMENTS

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

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial statements.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction 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.

Other financial assets

Other financial assets are initially measured at fair value which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income and expenditure account, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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 end 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.

1. ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income and expenditure account.

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 the income and expenditure account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all of the risks and rewards of ownership to another entity, or if some significant risks 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income and expenditure account in finance costs or finance income as appropriate unless hedge accounting is applied and the hedge is a cash flow hedge.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES - continued

EMPLOYEE BENEFITS

When employees have rendered service to The Birmingham and Midland Institute, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when The Birmingham and Midland Institute is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	4,503	11,693
Grants	-	10,000
	<u>4,503</u>	<u>21,693</u>

Grants received, included in the above, are as follows.

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Birmingham City Council:				
Covid-19 revenue grant	10,000	-	-	10,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

4. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Commissions received	39	8,676
Members' subscriptions	8,620	10,745
Management charges	500	500
Events	140	2,420
Book sales, recorded music and other sundry income	<u>31,839</u>	<u>20,061</u>
	<u>41,138</u>	<u>42,402</u>

5. INVESTMENT INCOME

	2021	2020
	£	£
Bank interest receivable	<u>1,702</u>	<u>2,255</u>

Bank interest receivable during the year ended 30 June 2021 includes £1,701 (2020 - £2,223) which has arisen from the Grew Bequest, bequested specifically for the furtherance of the study of music and poetry at the Birmingham and Midland Institute, and has been recognised in the financial statements within the Grew Bequest restricted fund.

6. RAISING FUNDS

OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Hire equipment costs - rechargeable	-	1,895
Bad debts	<u>777</u>	<u>-</u>
	<u>777</u>	<u>1,895</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Charitable activities	7,739	-	7,739
Support costs	<u>-</u>	<u>165,258</u>	<u>165,258</u>
	<u>7,739</u>	<u>165,258</u>	<u>172,997</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	4,239	24,904
Lecture fees	-	272
General expenses	3,500	4,367
	<u>7,739</u>	<u>29,543</u>

9. SUPPORT COSTS

Support costs, included in the above, are as follows:

	2021	2020
	Support costs	Total activities
	£	£
Salaries	40,400	46,744
Pensions	831	791
Rates	1,573	4,510
Water	(4,118)	8,759
Electricity	4,973	12,781
Gas	8,927	7,042
Insurances	13,260	17,319
Professional fees	5,350	7,472
Management charges	500	500
Bank charges	43	402
Interest payable and similar charges	103	-
Redundancy payments	20,553	-
Cleaners' wages	11,685	11,936
Maintenance of equipment and lift	3,387	3,254
Repairs and renewals	23,871	38
Cleaning	1,744	5,339
Printing, stationery and publicity	4,941	7,005
Telephone	7,989	6,895
Postages	729	47
Website and IT	79	908
Finance charges	-	498
Depreciation of tangible fixed assets	16,402	19,999
Interest payable	36	41
Legal fees	2,000	-
	<u>165,258</u>	<u>162,280</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no governors' remuneration for the year ended 30 June 2021 nor for the year ended 30 June 2020.

One governor had their full membership fee of £nil (2020: £40) waived during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

10. TRUSTEES' REMUNERATION AND BENEFITS - continued

TRUSTEES' EXPENSES

The governors' expenses paid for the year ended 30 June 2021 totalled £692 (2020: £790).

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	53,181	79,188
Social security costs	3,142	4,396
Pension costs	<u>907</u>	<u>1,165</u>
	<u>57,230</u>	<u>84,749</u>

The average monthly number of employees during the year was as follows.

	2021	2020
Administrative	<u>4</u>	<u>6</u>
	<u>4</u>	<u>6</u>

No individual employee received emoluments in excess of £60,000 during the year ended 30 June 2021 nor during the year ended 30 June 2020.

All staff are employed by the Institute.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fittings and equipment £	Library books £
COST			
At 1 July 2020 and 30 June 2021	<u>681,045</u>	<u>200,338</u>	<u>680,275</u>
DEPRECIATION			
At 1 July 2020	-	121,668	-
Charge for year	<u>-</u>	<u>16,402</u>	<u>-</u>
At 30 June 2021	<u>-</u>	<u>138,070</u>	<u>-</u>
NET BOOK VALUE			
At 30 June 2021	<u>681,045</u>	<u>62,268</u>	<u>680,275</u>
At 30 June 2020	<u>681,045</u>	<u>78,670</u>	<u>680,275</u>
	Gifted assets £	Armorial bearings £	Totals £
COST			
At 1 July 2020 and 30 June 2021	<u>49,300</u>	<u>7,450</u>	<u>1,618,408</u>
DEPRECIATION			
At 1 July 2020	-	-	121,668
Charge for year	<u>-</u>	<u>-</u>	<u>16,402</u>
At 30 June 2021	<u>-</u>	<u>-</u>	<u>138,070</u>
NET BOOK VALUE			
At 30 June 2021	<u>49,300</u>	<u>7,450</u>	<u>1,480,338</u>
At 30 June 2020	<u>49,300</u>	<u>7,450</u>	<u>1,496,740</u>

Freehold property

The governors are of the view that the current value of the Institute's freehold property is greater than the net book value and therefore continue not to depreciate the property.

Library books

The Institute owns a library containing approximately 107,000 volumes. The governors have included a valuation of these books as at the balance sheet date based on an in-house valuation. In the opinion of the governors this is the best estimate available of the current valuation of the Institute's library books. Additions since valuation have been included at cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

12. TANGIBLE FIXED ASSETS - continued

Gifted assets

Gifted assets are comprised of material items donated to the Institute stated at the governors' valuation.

Assets on hire purchase

Included in fittings and equipment are assets under hire purchase agreements with a net book value of £53,763 (2020 - £60,769).

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	14,895	3,413
Other debtors	<u>22,419</u>	<u>20,017</u>
	<u>37,314</u>	<u>23,430</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 16)	10,000	667
Hire purchase (see note 17)	14,549	10,309
Trade creditors	5,338	13,211
Taxation and social security	17,838	26,771
Other creditors	<u>88,149</u>	<u>73,932</u>
	<u>135,874</u>	<u>124,890</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 16)	39,167	19,333
Hire purchase (see note 17)	30,120	45,351
Other creditors	<u>25,241</u>	<u>25,241</u>
	<u>94,528</u>	<u>89,925</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	10,000	667
Other loans	12,620	<u>12,620</u>
	<u>22,620</u>	<u>13,287</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	10,000	4,000
Other loans - 1-2 years	25,241	<u>25,241</u>
	<u>35,241</u>	<u>29,241</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>29,167</u>	<u>15,333</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	14,549	10,309
Between one and five years	30,120	39,360
In more than five years	<u>-</u>	<u>5,991</u>
	<u>44,669</u>	<u>55,660</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

17. LEASING AGREEMENTS - continued

	2021 £	2020 £
Within one year	128	2,298
Between one and five years	-	128
	<u>128</u>	<u>2,426</u>

At the reporting date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as detailed above.

18. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Hire purchase contracts	<u>44,669</u>	<u>55,660</u>

Hire purchase liabilities are secured against the assets to which they relate.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	1,480,338	-	1,480,338	1,496,740
Current assets	32,476	14,387	46,863	50,421
Current liabilities	(135,874)	-	(135,874)	(124,890)
Long term liabilities	<u>(94,528)</u>	<u>-</u>	<u>(94,528)</u>	<u>(89,925)</u>
	<u>1,282,412</u>	<u>14,387</u>	<u>1,296,799</u>	<u>1,332,346</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

20. MOVEMENT IN FUNDS

	At 1.7.20 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	1,320,262	(37,850)	1,282,412
Restricted funds			
Alfred and Mary Wilkins Memorial Poetry fund	1,764	-	1,764
Grew Bequest fund	8,356	2,351	10,707
Bookbinding Appeal fund	228	-	228
Library fund	1,716	(48)	1,668
Library Carpet Tiles fund	20	-	20
	<u>12,084</u>	<u>2,303</u>	<u>14,387</u>
TOTAL FUNDS	<u>1,332,346</u>	<u>(35,547)</u>	<u>1,296,799</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	135,451	(173,301)	(37,850)
Restricted funds			
Grew Bequest fund	2,851	(500)	2,351
Library fund	-	(48)	(48)
	<u>2,851</u>	<u>(548)</u>	<u>2,303</u>
TOTAL FUNDS	<u>138,302</u>	<u>(173,849)</u>	<u>(35,547)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.7.19 £	Net movement in funds £	At 30.6.20 £
Unrestricted funds			
General fund	1,305,084	15,178	1,320,262
Restricted funds			
Alfred and Mary Wilkins Memorial Poetry fund	1,764	-	1,764
Grew Bequest fund	5,998	2,358	8,356
Bookbinding Appeal fund	228	-	228
Library fund	1,716	-	1,716
Library Carpet Tiles fund	20	-	20
Presidential Appeal fund	580	(580)	-
Arts Council National Lottery Project Grants fund	9,177	(9,177)	-
	<u>19,483</u>	<u>(7,399)</u>	<u>12,084</u>
TOTAL FUNDS	<u>1,324,567</u>	<u>7,779</u>	<u>1,332,346</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	199,013	(183,835)	15,178
Restricted funds			
Grew Bequest fund	2,858	(500)	2,358
Presidential Appeal fund	-	(580)	(580)
Arts Council National Lottery Project Grants fund	-	(9,177)	(9,177)
	<u>2,858</u>	<u>(10,257)</u>	<u>(7,399)</u>
TOTAL FUNDS	<u>201,871</u>	<u>(194,092)</u>	<u>7,779</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.19 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	1,305,084	(22,672)	1,282,412
Restricted funds			
Alfred and Mary Wilkins Memorial Poetry fund	1,764	-	1,764
Grew Bequest fund	5,998	4,709	10,707
Bookbinding Appeal fund	228	-	228
Library fund	1,716	(48)	1,668
Library Carpet Tiles fund	20	-	20
Presidential Appeal fund	580	(580)	-
Arts Council National Lottery Project Grants fund	9,177	(9,177)	-
	<u>19,483</u>	<u>(5,096)</u>	<u>14,387</u>
TOTAL FUNDS	<u>1,324,567</u>	<u>(27,768)</u>	<u>1,296,799</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	334,464	(357,136)	(22,672)
Restricted funds			
Grew Bequest fund	5,709	(1,000)	4,709
Library fund	-	(48)	(48)
Presidential Appeal fund	-	(580)	(580)
Arts Council National Lottery Project Grants fund	-	(9,177)	(9,177)
	<u>5,709</u>	<u>(10,805)</u>	<u>(5,096)</u>
TOTAL FUNDS	<u>340,173</u>	<u>(367,941)</u>	<u>(27,768)</u>

20. MOVEMENT IN FUNDS - continued

Purpose of unrestricted funds

General fund

This fund represents the free funds of the Institute that are not designated for particular purposes which the governors are free to use in accordance with the Institute's objects .

Purpose of restricted funds

Alfred and Mary Wilkins Memorial Poetry fund

This fund's purpose is to provide income for the Institute to enable the Institute to organise competitions to seek new talent in the world of poetry.

Grew Bequest fund

This fund's purpose is to provide income for the Institute to enable the Institute to promote the furtherance and study of music and poetry at the Institute.

Bookbinding Appeal fund

This fund's purpose is to provide income for the Institute to enable the Institute to rebind its valuable collection of books in the Institute's library.

Library fund

This fund is reserved for the Institute's library, contributing to maintenance and the purchase of materials and equipment.

Library Carpet Tile fund

This was set up to direct funds to the maintenance of the library, focusing on the carpet tiles which are in need of repair/replacement.

Presidential Appeal fund

This fund is supported by the BMI's President each year and aims to garner support from Members and raise the Institute's profile as a registered charity. Money raised contributes towards the Institute's general funds and maintenance.

Arts Council National Lottery Project Grants fund

This fund's purpose was to form a new Creators Group of current patrons and new, young beneficiaries, empowering them to devise and produce a live literature show that is held in and inspired by our building.

The objective was to capture the imaginations of a fresh, eclectic group of people, connecting them with outstanding artists and supporting them to make an innovative performance. The outcome would be the re-invigoration of cultural offering and bringing great art to audiences from across Birmingham and beyond.

21. RELATED PARTY DISCLOSURES

A Trustee was owed £1,200 as at the year end in respect of fees paid personally on behalf of the Institute.

22. POST BALANCE SHEET EVENTS

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon The Birmingham and Midland Institute being able to continue to operate and come to terms with the significant impact of the Covid-19 pandemic. At the present time there are many unknown variables which makes forecasting the future results and impact on the charity challenging.

Covid-19 represents a significant event both during and since the end of the financial period. The impact of this and the countermeasures being taken to suppress it are considered to be non-adjusting post year end events and therefore have not been taken into account in preparing the Balance Sheet as at 30 June 2021.

Since the year end The Birmingham and Midland Institute has sold properties for £851,000. This income is expected to enable the Institute to continue to operate.

23. RETIREMENT BENEFIT SCHEMES

The Institute operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Institute in an independently administered fund.

During the year the pension contributions totalled £907 (2020 - £1,873).

24. SUPPORT OF CULTURAL AND EDUCATIONAL ACTIVITIES

During the year ended 30 June 2021 the Birmingham and Midland Institute discounted fees in respect of rental and hiring charges made to various cultural or charitable activities. This amount represents, in effect, the Institute's contribution or donation towards these activities.

25. ULTIMATE CONTROLLING PARTY

The Institute is controlled by the governors as disclosed in the report of the council as governors.