

THE HENRY BARBER TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

THE HENRY BARBER TRUST

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THE HENRY BARBER TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2021

Trustees

HB Carslake BA, LLB, Chairman
 JR Bates FCA, DChA
 Prof Sir David Eastwood DL
 SD Maddock OBE, MA
 Mrs VJP Simpson
 Dr AJ Sturgis MA, PhD
 Dr E McAdam MA, DPhil, ClfA, FSAS

Charity registered number

528917

Principal office

The Barber Institute of Fine Arts
 The University of Birmingham
 Edgbaston
 Birmingham
 B15 2TS

Secretary

Mrs RM Poynton BA, FCIS

Independent auditor

Cooper Parry Group Limited
 Chartered Accountants
 Statutory Auditor
 One Central Boulevard
 Blythe Valley Business Park
 Solihull
 West Midlands
 B90 8BG

Bankers

HSBC Bank plc
 130 New Street
 Birmingham
 B2 4JU

Nationwide Building Society
 Nationwide House
 Pipers Way
 Swindon
 SN38 1NW

Shawbrook Bank Limited
 Lutea House
 Warley Hill Business Park
 The Drive
 Great Warley
 Brentwood, Essex
 CM13 3BE

THE HENRY BARBER TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Solicitors	Shakespeare Martineau LLP No 1 Colmore Square Birmingham B4 6AA
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Solicitors	Grove Tompkins Bosworth 54 Newhall Street Birmingham B3 3QG
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Investment Manager	Cazenove Capital 1 London Wall Place London EC2Y 5AU
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Custodian	Schroder & Co Bank AG Central 2 8001 Zurich Switzerland
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Property Agent	Pennycuik Collins 54 Hagley Road Birmingham B16 8PE
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THE HENRY BARBER TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2021

The Trustees present their annual report, together with the audited financial statements of The Henry Barber Trust for the year ended 31 July 2021.

Objectives and aims

a. Policies and objectives

The Charity is for charitable educational purposes at the University of Birmingham and its principal objects are:

- to fund the four professorial chairs of Law, Jurisprudence, Fine Arts and Music, together with a number of other academic prizes and annuities;
- to repair, maintain and equip the Barber Institute building which is for the study and encouragement of art and music, for the benefit of international scholarship, the public, researchers, artists, students and school children, in addition to the staff, postgraduates and undergraduates of the University of Birmingham;
- to purchase works of art or beauty, including paintings, furniture, coins, tapestries, manuscripts and books;
- to support the activities of the Barber Institute through the purchase of musical instruments, printed and manuscript music and musical books; and
- to fund musical recitals by first class vocal and instrumental artists.

Under the terms of the Deed of Settlement the Charity received a permanent endowment fund under the restriction that only the income arising shall be expended, and all works of art or beauty subsequently acquired by the Charity shall be held in perpetuity. The Charity may only acquire works of art or beauty of exceptional and outstanding merit and any painting acquired must have been painted not later than thirty years before the date of purchase. The Charity may accept gifts of any articles to add to its collections provided that such articles fulfil the same criteria as to exceptional and outstanding merit as the existing collections.

The Barber Institute building, which was opened by Queen Mary in 1939, was built under the terms of the Deed of Settlement using funds provided by the Charity on land owned by the University of Birmingham. Accordingly the Barber Institute building is owned by the University of Birmingham.

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)'.

b. Significant activities

The activities funded by the Charity are recorded in the financial statements under three headings:

- professorial chairs and prizes;
- Barber Institute operations; and
- collections.

The operations of the Barber Institute include work carried out through a separate University of Birmingham budget centre, the Barber Institute Budget Centre (BIBC), music activities and the Barber Fine Art Library.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Objectives and aims (continued)

c. Public benefit

The Trustees are satisfied that the Charity's aims and objectives are for the public benefit. The Trustees confirm that they have referred to guidance published by the Charity Commission, including that on public benefit, when reviewing their aims and objectives and when setting grant making policy. All the Charity's activities are in support of the University of Birmingham, which is a body which itself benefits sections of the public and the public as a whole.

All the funds given by the Charity to the Barber Institute were used by the University of Birmingham for the benefit of the public by:

- providing access, once restrictions were relaxed, to the Barber Institute and its galleries, free of charge;
- mounting exhibitions and displays, some online, which, along with the permanent collections themselves, are used extensively as a teaching and research resource, and were available to the public, free of charge;
- providing learning and outreach activities for the public, most of which, during the year under review, were online.

Visitor numbers were significantly reduced because the galleries were closed to the public for much of the year under review, and most activities continued online. As a result, there were:

- 17,770 visits to the building, approximately (2020: 61,278); and of these:
- 5,941 visits to the galleries (2020: 29,308)
- 2,684 visits associated with learning, all of which were online except one on-site session in the autumn of 2020 (2020: 1,869)

During the various closures of the Barber Institute over this difficult period, the efforts of the Director of the Barber Institute and her staff continued to be focused on developing the Barber's digital learning thread, Barber Home, to provide regular learning resources to the public alongside the Barber's on-site activities as and when they were possible.

The Trustees are committed to extending public access to the Charity's collections beyond the Barber galleries, and lend works to scholarly exhibitions, both nationally and internationally, thus substantially increasing the number of people who are able to benefit. During the year under review, the number of loans of works to exhibitions was again reduced by the pandemic, as was the length of the exhibitions' run in most cases:

- three loans were seen by 160,766 visitors at five venues (2020: five; 264,300; five);
- one was in the UK and four were in Europe (2020: three; two).

The various closures of the Barber Institute also caused difficulties for the Peyton and Barber Professor of Music and the Head of University Music & Concerts as it was not possible for any performances to be held in the Barber concert hall during the year under review. The online presence of the Barber music brand was maintained via the University's YouTube channel albeit at a lower level than in the previous year. During the year under review, there was one Barber evening concert, six Barber lunchtime concerts and a number of workshops and talks funded by the Charity which were viewed online or attended by 3,434 people (2020: 21,424). In addition, the University's Summer Festival of Music (SFM), to which the Charity contributed funds, had audiences and participants totalling 1,170 (2020: SFM online views: 33,000). All these events were available to members of the public, many free of charge. The total audience for all musical activities funded by the Charity during the year was 4,604 (2020: 54,424).

The library material both for fine arts and for music, and the musical instruments purchased by the Charity during the year, were all available for use by students of the University.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Objectives and aims (continued)

d. Grant making

The Charity's resources are applied in accordance with the Deed of Settlement for the broad benefit of the University of Birmingham, as set out in more detail above under the heading of objectives and aims. The majority of this expenditure is made in the form of grants which are paid annually to the University of Birmingham; although part of which may be accumulated where the cost of a particular project exceeds the annual grant. All recurring grants are subject to regular review. The Trustees may also receive requests for funding from the University of Birmingham on an ad hoc basis and these are assessed in the context of the objectives set out in the Deed of Settlement and the Charity's available financial resources.

Achievements and performance

a. Charitable activities

Government measures in response to COVID-19 continued to affect the country significantly for much of the financial year under review as lockdowns were reimposed over the winter months and restrictions only gradually relaxed over the spring and summer. Even after most of the measures were removed, following a mass vaccination campaign, many businesses and other organisations voluntarily maintained some of these to provide reassurance to the public.

The effect on the activities funded by the Charity has been marked as the Barber Institute remained closed for much of the year under review; in addition, investment income continued to suffer. Activities relating both to fine arts and music continued online, but while the Barber Institute was able to open its doors to the public again on 18 May 2021, and launch its first public exhibition on 11 June 2021, the impact on music was more severe. No public concert performances were given during the entire year under review, despite the easing of restrictions, because the lack of ventilation in the Barber concert hall prevented its further use as a performance space in the post-COVID period. This meant that the Trustees were unable to fulfil one of the key objects contained in the Charity's Deed of Settlement, namely the provision of musical performances in the Barber concert hall.

Nevertheless, as a grant-giving Charity, a significant proportion of its normal expenditure remained unaffected by the extraordinary events of the year, and even though costs were lower in some areas due to the reduction in activities caused by restrictions, for the most part it was business as usual for the Charity itself.

During the year under review, the Charity provided financial support amounting to £1,337,682 (2020: £1,457,886) to the University of Birmingham and acquired one (2020: four) work of art for display in the Barber Institute galleries, in accordance with the objects set out in its Deed of Settlement. The total value of the acquisition and costs associated with acquisitions amounted to £47,831 (2020: £59,174). The total sum spent during the year on the Charity's objects was £1,444,188 (2020: £1,612,627).

The funding provided to the University of Birmingham included:

- A major contribution towards the salary costs of the professorial chairs of Law, Jurisprudence and Music, and of the Director of the Barber Institute whilst the Barber Chair of Fine Arts is vacant;
- A number of scholarships and prizes, which are listed at note 9 of the notes to the financial statements; and
- Financial support for the Barber Institute building and the fine art and musical activities associated with it.

b. Professorial chairs and prizes

As in previous years, the Charity increased by 2% its annual contribution towards the gross salary costs of the professorial chairs of Law, Jurisprudence and Music, and, whilst the professorial chair of Fine Arts remains vacant, towards the salary of the Director of the Barber Institute of Fine Arts, through annuities 1-4 under clause 4 of the Deed of Settlement and the supplementary payment. The same increase was applied to the various scholarships and prizes set out in the Deed of Settlement. In total, £429,600 was provided (2020: £421,180). Of this, £14,412 (2020: £11,526) was reallocated by the University to cover general costs within the Barber Institute Budget Centre (BIBC).

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

c. Barber Institute operations

Although the Barber Institute reopened to the public on 23 September 2020, it was forced to close again from 5 November 2020. The building, as part of the campus, remained open for academic and essential collection activities, except during the third national lock down between 11 January and April 2021. As previously mentioned, many of the Barber Institute's educational activities moved online, although the relaxation of restrictions this year, allowed the public to return to the Barber Institute from 18 May 2021, albeit on a ticketed basis to limit visitor numbers. This permitted the opening on 11 June 2021 of the first public exhibition in the galleries since March 2020. It is likely that the Barber will continue operating on a hybrid basis, with a mixture of online and building-based activities for the foreseeable future.

The Charity provided a total of £873,861 in grants to the BIBC during the year (2020: £912,564) which represented 78% of the BIBC's total income of £1,122,356 (2020: 74% of £1,226,951). This figure comprised the Charity's annual recurring grant to the BIBC, which was increased by 2% to £691,464, the annuities and supplementary payment relating to Fine Arts mentioned above, and additional financial support for exhibitions, conservation and the development of the collections, totalling £68,595, further details of which are given below:

The Charity contributed:

- £23,184 in support of nine exhibitions and displays organised by the Barber Institute, although only four of these, *Sights of Wonder*, *Making a Mark*, (both collaborations between MA Art History students from the University and the Royal Collection Trust), *A Golden Jubilee*, *Celebrating Fifty Years of the Coin Collection*, and *The First Dictators*, took place during the year under review;
- £13,617 for conservation work, most of which was used to carry out the repair and conservation of the tables in the Barber Institute foyer;
- £16,682 from the Galleries Refurbishment Reserve Fund, most of which contributed towards the costs of the renovation of the curtains in the Barber Institute's foyer.
- £550 to cover the continuing costs of the project to catalogue the coin collection and increase the rate at which it becomes available online.
- £150 to purchase material for the numismatics library; and
- £14,412 to cover general costs.

As mentioned above, no public performances took place in the Barber concert hall during the year under review, as the University decided that the lack of external ventilation in the hall made it unsuitable for use, despite the relaxation of restrictions and the opening of the Barber Institute to the public for other purposes. Instead, a much-reduced Barber concerts programme was streamed online, and funds were used to organise a number of workshops and talks, some in collaboration with the Barber's fine arts team. During the year, the Charity spent a total of £220,433 (2020: £302,197) on musical activities associated with the Barber Institute. This figure comprised the annuities and supplement relating to Music mentioned earlier in this review, a contribution towards the costs of the post of Head of University Music & Concerts and financial support for the pared-back range of musical activities associated with the Barber Institute. Further details are given below.

- 2020 was the 75th anniversary of the Barber concert series and, in a muted celebration, a socially distanced performance by Carolyn Sampson and Joseph Middleton, both Music alumni and leading artists in the world of art song and Lieder, was recorded in the University's Elgar Concert Hall, and was premiered on the University's YouTube account on Friday 20th November, together with an online exhibition of photographs, posters and autographs from the archives and a booklet of memories and experiences of staff, former colleagues, audience members and key programming partners. A total of £41,070 was provided by the Charity to cover this concert, six Barber evening concerts, several performances outside the Barber Institute building, and a number of workshops for students or members of the public.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

- £3,037 was used for a commission and to purchase choral and instrumental ensemble sets for use by the University's numerous choirs.
- £6,875 was used to purchase a second-hand tuba and a bass flute for use by the University's various orchestras and groups.
- £6,500, the Charity's annual grant to the Birmingham Contemporary Music Group (BCMG), was to facilitate its long-term relationship with the Department of Music.
- £5,000 was provided for the Barber international postgraduate scholarship.
- £5,000 was used to support the wider Summer Festival of Music as the student opera production, on which the funds were usually spent, could not be staged due to the pandemic.
- £3,144 covered further costs of the next Barber opera, Alessandro Stradella's *La forza dell'amor paterno*, which had originally been planned for September 2020, but which has been postponed until September 2022 because of the pandemic.
- £3,000 covered further costs of a contemporary opera, Professor Michael Zev Gordon's *Icarus*, which was originally to be performed in September 2021, but which has now been moved to April 2022 because of the pandemic.
- £6,274 was provided as a first payment towards the restoration of the Snetzler chamber organ, which was purchased by the Trustees in 1958, to return it to full working order.

As a consequence of the disruptions, expenditure on the Barber concerts series, the Barber opera and the contemporary opera was much reduced. The Trustees agreed that the unspent portion of the grants to these three activities may be carried forward into the next financial year. This money will then be used to cover the significant additional costs which will be involved in hiring performance space, as the Barber concert hall will not be available for use until problems caused by the lack of external ventilation have been resolved.

During the year under review, the Charity provided £35,721 in support of the Barber Fine Art Library, which covered a contribution towards the salary costs of the Senior Learning Adviser; and a grant of £14,586 for the purchase of fine art books and catalogues. This latter sum was significantly lower than normal because it was not possible during the closures to take delivery of library material. The Trustees therefore agreed that the unspent amount may be carried forward for expenditure in next financial year.

d. Collections

The Trustees acquired one work of art during the year:

Portrait of Dr Ferdinand Mainzer

Lovis Corinth (1858-1925)

Oil on canvas, 75 x 58 cms, dated 1899

Accepted in lieu of Inheritance Tax by HM Government from the estates of Evan and Gisela Stone and allocated jointly to the National Gallery and the Henry Barber Trust.

Half of tax settled/valuation: £43,800

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

e. Listed investment performance

Although the income focus of the Charity's stock market investment portfolio, underpinned by a UK equity bias and coupled with Cazenove's value style, has performed very well over the long-term, it had come under pressure in recent years when compared with unconstrained indices, and was particularly badly affected by the initial economic shock caused by the pandemic and Government measures in response. Nevertheless, its capital value had recovered substantially by the end of the financial year under review and income was also higher than had originally been feared, although it was well down on pre-pandemic forecasts. The recovery of the portfolio was demonstrated by the following figures. The Charity's portfolio generated a total return of 28.2% (2020: -15.5%) compared with the benchmark's return of 19.4% (2020: -9.9%). Over three and five years, the portfolio has returned 2.7% p.a. and 6.4% p.a. (2020: -2.0% p.a. and 3.2% p.a.) compared with the benchmark's return of 3.8% p.a. and 6.1% p.a. (2020: 0.4% p.a. and 3.9% p.a.), respectively.

The value of the Charity's portfolio rose by 21.7% from £36,864,196 to £44,870,943 (2020: -19.5%). There was a net book profit on the sale of investments in the year of £293,141 (2020: £1,270,917), but, in accordance with the Charity's accounting policy, investments are stated at market value and therefore the Statement of Financial Activities showed a net gain on revaluation in the year of £9,033,255 (2020: net loss of £8,378,587). For a second year, income from dividends and interest fell; in the year under review, it was down from £1,655,435 to £1,548,508, a reduction of 6.5% (2020: -18%). The economic situation continues to be uncertain, not only because it is still unclear how the pandemic will evolve or how governments will respond, but also because of other geopolitical and economic threats, such as inflationary pressures, climate change, and government responses to these.

Although the investment portfolio appeared to be on the way to recovery from the disruptions of the past eighteen months, the effect of the economic shocks on it brought into sharp relief the vulnerability of an income-biased portfolio, which prevents the investment manager from accessing a broader set of stocks to produce a more balanced, and therefore more resilient, portfolio. With this in mind, the Trustees decided to avail themselves of the mechanism contained in section 282 of the Charities Act 2011 and seek to remove the restriction in the Deed of Settlement which prevents the expenditure of capital by passing a resolution to that effect, as they believe that this will give greater flexibility both to them in expending the Charity's funds and to their investment manager in how the funds are invested with a view to producing more sustainable capital and income growth. The Charity Commission subsequently confirmed that it concurred with the Trustees' resolution and that the amendment would take effect from 8 October 2021.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

f. Investment property performance

There were mixed fortunes for the Charity's investment property portfolio as Government measures, while affecting all the Charity's tenants to some extent, had a more severe impact on some. Although restrictions were eased over the summer and autumn 2020, they were reimposed in November and only gradually eased again from spring 2021. The continuing disruption caused hardship for many of the tenants, although a large majority were able to continue paying their rent or committed themselves to a tailored repayment plan. Only two tenants paid no rent at all during the year, but no action can be taken by the Charity until at least March 2022 as a result of Government measures. A provision for doubtful debts of £44,189 was raised to recognise this situation. Despite the restrictions, the work to redevelop the upper floors at 5-7 Upper Brook Street, Rugeley into four flats was completed by the end of the year under review at a total cost of £264,549. The Trustees' long-standing tenant at 57 St Andrew's Crescent decided to leave, and the opportunity was taken to sell as it was not considered an attractive proposition as a rental property once the necessary refurbishment costs were accounted for. The sale of the property was completed just after the end of the year under review for £520,000 gross.

Gross rental income rose by 11.1% from £316,127 to £351,177 (2020: -8.6%). This was mainly as the result of a new income stream from the recently converted upper floors at 547-549 Bristol Road and the receipt of more income as rent-free periods ended. Total costs associated with the properties amounted to £103,955, an increase of 120.4% over the previous year's figure of £47,160. The main reason for this was that a large refund from the service charge account was received in the previous year whereas service charge costs continued to be incurred on the void upper floors at 5-7 Upper Brook Street, Rugeley during the year under review. In addition, there was the provision of £44,189 in respect of the doubtful debt relating to two of the investment properties. These costs were partially offset by lower professional fees (£12,095) compared with the previous year (£31,373), when the costs of both a full valuation and the reinstatement cost assessments of the investment portfolio were borne. Other costs were much in line with the previous year. An interim valuation was carried out as at 31 July 2021 to reflect a number of significant changes to the portfolio. Pennycuik Collins was of the opinion that, over the year, 57 St Andrew's Crescent, Stratford-upon-Avon and 5-7 Upper Brook Street, Rugeley had increased in value by £145,000 and £165,000, respectively, following the sale subject to contract of the former, and the redevelopment of the latter. Conversely, the value of 1A Upper Brook Street, Rugeley was reduced by £25,000 to reflect market conditions. The net effect was to increase the value of the investment property portfolio by £285,000 from £4,394,000 to £4,679,000, a rise of 6.5%.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity 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 aims to maintain reserves on the General Fund of at least £500,000 in order to meet any unforeseen expenditure and to enable it to meet its funding commitments, regardless of an uneven income stream. At the year-end, a balance of £2,323,063 was held on the General Fund.

Moneys from the General Fund are allocated to various designated funds for specific future purposes or projects. At the year-end, a balance of £354,970 was held on the Exhibition Reserve Fund for the Barber Institute's forthcoming exhibitions programme. At the year-end, a balance of £20,260 was held on the Coin Database Reserve Fund for the continuing maintenance of the Charity's database of coins. At the year-end, a balance of £51,815 was held on the Major Conservation Reserve Fund for the continuing programme of conservation of works of art. At the year-end, a balance of £459,115 was held on the Galleries' Refurbishment Reserve Fund for building works and other capital projects in the Barber Institute building, as well as for the purchase of items associated with the galleries.

Moneys from the General Fund are also used to fund major acquisitions of works of art. As it is not possible to predict when a work of art suitable for acquisition might become available, and major acquisitions are, by their nature, expensive, the Trustees believe that it is necessary to maintain a substantial balance of moneys on the General Fund where possible.

The designated Works of Art Fund is to cover discretionary purchases of works of art made by the Director and to enable the Charity to accumulate funds to make such acquisitions. At the year-end, a balance of £71,007 was held on the designated Works of Art Fund for the purchase of works of art at the discretion of the Director.

At the year-end, a balance of £39,939 was held on the Barber Institute Operations Fund for expenditure in connection with the activities of the Barber Institute. At the year-end, a balance of £10,260 was held on the Music Fund for musical activities at the Barber Institute.

In order to make provision for the cost of dilapidations and improvements on the Charity's investment property, £20,000 per annum is transferred to the Investment Property Sinking Fund. At the year-end, following the expenditure on the redevelopment of the upper floors at 5-7 Upper Brook Street, Rugeley, the balance on the fund was -£154,058. As 95% of the costs of this project were attributable to an improvement of the property, it was intended to transfer a capital sum equal to this amount into the fund to restore a positive balance. Unfortunately, the exact amount of the capital transfer could only be calculated shortly after the year-end once all invoices relating to the project had been received. It transpired that the sum was £251,322 and, accordingly, this amount was transferred into the Investment Property Sinking Fund from the net sale proceeds of 57 St Andrew's Crescent, bringing the balance on the fund to £97,263.

c. Financial position and principal funding sources

The Trustees are satisfied with the financial state of affairs of the Charity. The Charity's principal source of funding is its Endowment Fund; comprising listed investments, approximately 88.2% by value, together with a significant proportion held in investment properties, approximately 9.2% by value, with the balance in cash deposits, approximately 2.6% by value.

The Charity does not actively raise funds from the public; but the Trustees are grateful for the donations, grants and gifts-in-kind the Charity receives.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

d. Investment policy and objectives

The Charity's investment policy is to seek real growth in income on an annual basis whilst preserving real capital value. Under the provisions of the Trustees Act 2000 the Charity has a general power of investment enabling it, subject to an overriding duty of care, to invest as widely and freely as though the moneys were the Trustees' own.

e. Principal risks and uncertainties

As an endowed Charity, the Trustees consider that the generation of incoming resources is within their control and they have in place strategies to manage risks associated with the investments under their control. The Trustees ensure that the Charity's grants are spent on activities in accordance with the Charity's objects whilst recognising that the realisation of the majority of these activities is largely outside the Trustees' control: being the responsibility of the University of Birmingham. Security of the Charity's collections is of paramount importance to the Trustees. Whilst remaining the responsibility of the Trustees, the arrangements for the conservation and security of the Charity's collections have been delegated to the University of Birmingham; which owns the buildings in which the collections are housed and employs the staff who work in them. The Trustees' security policy, reinforced by the Trustees in their discussions with the University of Birmingham and its staff, requires the University of Birmingham to provide security arrangements of the highest standard.

f. Future plans

Despite the reduction of the Charity's income as a result of the pandemic over the year, the demand on funds was also reduced as activities were curtailed significantly due to the various restrictions in place throughout most of the year. In most cases, however, the unspent funds will be required assuming restrictions continue to be relaxed, and the Trustees agreed as a special measure that unspent balances on concerts, the two operas and on material for the Barber Fine Art Library may be carried forward for expenditure in 2021/22.

The Trustees passed a resolution in June 2021 to remove the restriction on spending capital contained in the Deed of Settlement, as permitted by section 282 of the Charities Act 2011. Before the resolution can take effect, the concurrence of the Charity Commission is required and this was received on 8 October 2021.

Following the University's decision to close the Barber concert hall due to a lack of external ventilation, its plans as to how to deal with this situation are awaited. The University has committed £10m in its capital programme to the Barber Institute building and it is hoped that some of this money will be used to resolve the problem permanently. The Trustees have expressed their willingness to contribute towards the costs of any solution.

The Trustees agreed to increase the Charity's funding to the University by 2% in 2021/22 in the following areas:

- the annuities and prizes set out in clauses 4, 6C and 7 in the Deed of Settlement;
- the supplement to the four professorial chairs;
- the basic contribution to the BIBC;
- the routine grants for conservation and the coin library; and
- the music international postgraduate scholarship.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

The funding level for future years will be reviewed by the Trustees in March 2022. The Charity will also continue to provide grants to the various rolling funds for expenditure relating to the collections and the galleries. Plans for the exhibitions programme in the next financial year and beyond include:

- a show entitled *Miss Clara and the Celebrity Beast in Art*, featuring the collection's bronze rhinoceros, which is planned to take place in the winter 2021/22;
- the fifth collaboration between the Royal Collection Trust and a team of MA Art History students from the University, planned for summer 2022;
- an exhibition in 2022/23 on Brueghel, the latest in the series which focuses on works in the collection; and
- a new coin exhibition, also planned for 2022/23.

While the majority of the conservation work on the paintings has now been completed for the time being, the statue of George I is likely to require significant treatment in the near future. Once the costs of this project have been established, a picture survey will be scheduled which may identify further necessary conservation work.

Now that the majority of the coin collection has been catalogued, funds are likely to be spent on the services of professional specialists to catalogue the remaining, more obscure sections.

Music will continue to receive the usual financial support through the Charity's regular funding, although the Barber concert series and other performances funded by the Charity, continue to be severely disrupted. As mentioned above, the Barber concert hall cannot be used as a performance venue, because of the lack of ventilation. The Barber concert series will therefore be held, as a temporary measure, in the Bramall Music Building and will mainly comprise rescheduled events originally planned for the year under review. Performers will include Jess Gillam (saxophone), Kitty Whatley and Simon Lepper (voice and piano), Riot Ensemble, the Tippett String Quartet, and concerts presented as part of Birmingham International Piano Festival. A special performance by the Chineke! ensemble will be held to mark the retirement of Professor Sir David Eastwood, the Vice-Chancellor of the University and one of the Charity's Trustees.

Plans are ongoing to mount the contemporary opera in April 2022, and the Barber opera in September 2022. The need for external venues for these productions will come at a significant cost and are likely to absorb all of the underspent element of the concerts and opera budgets from the year under review.

The Charity's regular financial support for the Barber Fine Art Library will also continue through its contribution to the post of the Senior Learning Adviser and through its grant for fine art library material.

Structure, governance and management

a. Constitution

The Henry Barber Trust was established by a Deed of Settlement executed by Lady Barber on 13 December 1932 in memory of her late husband, Sir Henry Barber Bt, a life-governor of the University of Birmingham. The Charity is controlled by its governing document, the Deed of Settlement as amended by several Charity Commission schemes, and constitutes an unincorporated Charity.

The Trustees are an incorporated body under the Charities Act 2011 known as The Trustees of The Barber Institute of Fine Arts Registered. The Trustees were incorporated as a body on 13 November 1952; originally under the now repealed Charitable Trustees Incorporation Act 1872.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Structure, governance and management (continued)

b. Recruitment and appointment of new Trustees

Trustees are nominated by members of the Board of Trustees and appointed where they have the necessary skills and experience to contribute to the management of the Charity or have particular expertise to contribute to the Charity's development. The written consent of the University of Birmingham to the appointment of each Trustee must be obtained. Prior to appointment, nominated Trustees are required to sign a declaration of eligibility and to disclose all relevant interests. The Deed of Settlement requires that there shall be no fewer than three and no more than nine trustees at any one time, and at least one but no more than three of the Trustees shall at any one time be members of the council or staff of the University of Birmingham.

c. Organisational structure and decision making

The Charity is managed by a Board of Trustees. A Secretary to the Trustees is appointed by the Board of Trustees to administer the day-to-day operations of the Charity. The Secretary to the Trustees maintains a register of Trustees' interests and, in accordance with the Charity's policy, Trustees are required to withdraw from decisions where a conflict of interest arises.

d. Induction and training of new Trustees

Upon appointment new Trustees are provided with a copy of the Charity's Deed of Settlement, the most recent report of the Trustees and audited financial statements, the most recent management accounts and copies of the previous three years' minutes of Trustees' meetings. Recent appointees have all been familiar with the duties of a Trustee but the Charity would organise attendance on a suitable course if necessary.

e. Key management remuneration

The Deed of Settlement provides that each Trustee shall receive an annuity of £100 for his or her services. Under the terms of a Charity Commission scheme dated 20 January 2006, this annuity is indexed. Annuities amounting to £14,617 (2020 - £13,289) were paid to six (2020 – seven) Trustees for their contribution to the work of the Charity. Professor Sir David Eastwood has waived his entitlement to receive an annuity.

Staff salaries of £74,397 (2020- £73,503), including pension contributions of £8,356 (2020 - £8,263) were paid in respect of two (2020 – two) people who worked part-time on the management and administration of the Charity. The remuneration of the Secretary to the Trustees is determined by the Trustees with reference to market rates of pay for equivalent posts.

f. Related party relationships

The Charity has close links with the University of Birmingham. The written consent of the University of Birmingham to the appointment of each Trustee must be obtained. At least one but not more than three of the Trustees shall at any time be members of the council or staff of the University of Birmingham.

T.P.I.C. (Birmingham) Limited is the Charity's wholly-owned dormant subsidiary undertaking.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Structure, governance and management (continued)

g. Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have assessed the major risks to which the Charity is exposed, particularly those related to the activities and finances of the Charity, and they are satisfied that systems are in place to manage the Charity's exposure to the major risks. The Trustees consider that the principal risks which face the Charity relate to the security of its collections and its income-producing assets, and, whilst the Barber concert hall is out of use, their inability to fulfil one of the principal objects of the Deed of Settlement, namely the funding of musical performances in the Barber concert hall. With regard to the security of the collections, the Trustees have, of necessity, delegated all aspects of this to the University of Birmingham, whilst emphasising that it must be given the highest priority. Funds are made available to the University to ensure that security measures are maintained to the highest standards. Discussions are also underway with the University to ensure that the condition of the Barber Institute building is maintained so as not to pose a threat to the security of the collections and to resolve the problem of a lack of ventilation in the Barber concert hall. The University has recently committed £10m to the Barber Institute building in the next phase of its capital plan. The Trustees have appointed an investment manager and a property manager to manage the Charity's income producing assets. The performance of these managers is kept under careful and regular review, as is the performance of the assets, in order to ensure that they are being properly managed and are performing well.

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its 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 judgements 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Deed of Settlement. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HENRY BARBER TRUST

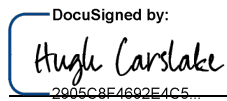
**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Disclosure of information to auditor

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 Charity's auditor is 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 Charity's auditor is aware of that information.

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

DocuSigned by:

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HB Carslake BA, LLB
Chairman
Date: 23 November 2021

THE HENRY BARBER TRUST**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HENRY BARBER TRUST****Opinion**

We have audited the financial statements of the Henry Barber Trust (the 'Charity') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 Charity's affairs as at 31 July 2021 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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.

THE HENRY BARBER TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HENRY BARBER TRUST (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 are responsible for the preparation of the financial statements which 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

THE HENRY BARBER TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HENRY BARBER TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Our assessment focussed on key laws and regulations the Charity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charity and how the Charity is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charity's control environment and how the Charity has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charity's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

THE HENRY BARBER TRUST

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HENRY BARBER TRUST
(CONTINUED)**

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditor's 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 Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 25 November 2021

Cooper Parry Group Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE HENRY BARBER TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	2	-	43,800	-	43,800	5,800
Barber Institute operations	3	-	-	-	-	16,437
Investments	4	1,909,126	-	-	1,909,126	1,987,287
Total income and endowments		<u>1,909,126</u>	<u>43,800</u>	<u>-</u>	<u>1,952,926</u>	<u>2,009,524</u>
Expenditure on:						
Raising funds	5	421,973	-	154,594	576,567	209,671
Charitable activities	6	1,400,388	43,800	-	1,444,188	1,612,627
Total expenditure		<u>1,822,361</u>	<u>43,800</u>	<u>154,594</u>	<u>2,020,755</u>	<u>1,822,298</u>
Net income/(expenditure) before net gains/(losses) on investments						
		86,765	-	(154,594)	(67,829)	187,226
Net gains/(losses) on investments		-	-	9,318,255	9,318,255	(7,754,607)
Net movement in funds		<u>86,765</u>	<u>-</u>	<u>9,163,661</u>	<u>9,250,426</u>	<u>(7,567,381)</u>
Reconciliation of funds:						
Total funds brought forward		3,089,606	-	41,698,021	44,787,627	52,355,008
Net movement in funds		86,765	-	9,163,661	9,250,426	(7,567,381)
Total funds carried forward		<u>3,176,371</u>	<u>-</u>	<u>50,861,682</u>	<u>54,038,053</u>	<u>44,787,627</u>

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

The notes on pages 23 to 41 form part of these financial statements.

THE HENRY BARBER TRUST

BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021 £	2020 £
Fixed assets			
Heritage assets	14	-	-
Investments	15	46,196,599	37,315,189
Investment property	13	4,679,000	4,394,000
		<u>50,875,599</u>	<u>41,709,189</u>
Current assets			
Debtors	16	62,679	63,759
Investments	17	2,173,274	2,163,549
Cash at bank and in hand		1,056,106	1,018,672
		<u>3,292,059</u>	<u>3,245,980</u>
Creditors: amounts falling due within one year	18	(129,605)	(167,542)
Net current assets		<u>3,162,454</u>	<u>3,078,438</u>
Total net assets		<u><u>54,038,053</u></u>	<u><u>44,787,627</u></u>
Charity funds			
Endowment funds	19	50,861,682	41,698,021
Restricted funds	19	-	-
Unrestricted funds	19	3,176,371	3,089,606
Total funds		<u><u>54,038,053</u></u>	<u><u>44,787,627</u></u>

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

DocuSigned by:

Hugh Carslake

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HB Carslake BA

Chairman

Date: 23 November 2021

The notes on pages 23 to 41 form part of these financial statements.

THE HENRY BARBER TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(2,013,812)	(2,224,770)
Cash flows from investing activities		
Dividends, interests and rents from investments	1,909,126	2,186,048
Proceeds from sale of investments	9,039,482	5,135,877
Purchase of investments	(8,012,976)	(4,556,740)
Investment property additions	-	(81,020)
Net cash provided by investing activities	2,935,632	2,684,165
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	921,820	459,395
Cash and cash equivalents at the beginning of the year	3,632,216	3,172,821
Cash and cash equivalents at the end of the year	4,554,036	3,632,216

The notes on pages 23 to 41 form part of these financial statements

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Henry Barber Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The results of the Charity and its wholly-owned subsidiary, T.P.I.C (Birmingham) Limited, are not consolidated on a line for line basis. T.P.I.C (Birmingham) Limited is a dormant Company. Under these circumstances the Trustees consider the results of the subsidiary undertaking are not material to the group and the preparation of consolidated financial statements is inappropriate to the better understanding of the Charity.

1.2 Income

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

Dividend income is included by reference to the payment date of the dividend. Items donated to the Charity's collections are included at market value at the time of receipt.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies (continued)

1.3 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. The costs of raising funds comprise those costs directly attributable to managing the Charity's fixed asset investments, including investment property; together with an allocation of governance support costs based on an estimate of time devoted to this activity of 25%, and an allocation of administration support costs based on an estimate of time devoted to this activity of 55%. The latter has been increased from 10% on review to reflect the situation more accurately.

Administration support costs in connection with charitable activities comprise the costs of processing annuities and grants to the University of Birmingham, supporting activities within the Barber Institute, particularly in the area of music, and ancillary costs associated with the Charity's collections. Administration support costs are allocated between the Charity's activities on the basis of time devoted to each activity: professorial chairs and prizes 2%, Barber Institute operations 40% and collections 3%. These allocations were changed from 10%, 70% and 10%, respectively, on review to reflect more accurately the time spent on each area.

Governance support costs comprise those costs directly attributable to organisational administration and compliance with constitutional and statutory requirements and are allocated between the Charity's activities and costs of raising funds on the basis of time devoted to each activity: professorial chairs and prizes 25%, Barber Institute operations 25% collections 25% and costs of raising funds 25%.

Expenditure on raising funds includes all expenditure incurred by the Charity in connection with the costs of maintaining its investments and subsequent income.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Annuities and grants awarded to the University of Birmingham are included in the Statement of Financial Activities when approved by the Trustees and agreed with the University. The value of grants unpaid at the year end is accrued. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.4 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable entity for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets and heritage assets

Office fittings and equipment held for the Charity's own use costing more than £2,500 are capitalised and depreciated over four years on a straight-line basis.

The Barber Institute building, although built with moneys provided by the Charity, is situated on land owned by the University of Birmingham. The building is therefore owned by the University of Birmingham and is not reflected in these financial statements.

The Charity's collections are heritage assets and are not capitalised in the financial statements. The Charity's collections are inalienable assets as the Deed of Settlement requires that all the works of art or beauty acquired by the Charity shall be held in perpetuity. The Trustees may apply the remaining income arising from the Permanent Endowment Fund, having discharged certain prior obligations, for a variety of purposes, including the purchase of works of art or beauty. The cost of acquisitions for the Charity's collections are included within expenditure as the Trustees consider this enables them to demonstrate better their compliance with the terms of the Deed of Settlement. The cost of heritage assets acquired prior to 31 July 1999 is not available. The Trustees consider the cost of carrying out a valuation to include heritage assets at valuation in the financial statements to be considerable compared with the limited additional benefit derived by the users of the financial statements. FRS 102, together with the Charities SORP (FRS 102), requires the capitalisation of acquisitions for the Charity's collections since 1 August 1999. The Trustees consider the inclusion of the cost of acquisitions made since 1 August 1999 on the Charity's Balance Sheet would give a misleading picture of the financial value of the Charity's collections as the cost of these acquisitions is minor in relation to the aggregate value of its collections and therefore relatively not material.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

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

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 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.

1.8 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.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies (continued)

1.9 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 Charity 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.10 Financial instruments

The Charity 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.

1.11 Pensions

The Charity's staff are members of the University of Birmingham's defined benefit pension scheme. Contributions payable for the year are re-invoiced by the University of Birmingham to the Charity and charged to the statement of financial activities. The Charity's obligation in respect of the scheme cannot be separately identified and as such the payments are treated as if they were to a defined contribution scheme.

The Charity also pays unfunded non-contracted pension annuities to certain former employees, or their spouses.

Pension annuities payable for the year are charged to the statement of financial activities.

1.12 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 Charity and which have not been designated for other purposes.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity 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.

Investment income, gains and losses are allocated to the appropriate fund.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gifts in kind	-	43,800	43,800	800
Legacies	-	-	-	5,000
Total 2021	-	43,800	43,800	5,800

During the year, one work of art was allocated by HM Government under the Acceptance in Lieu (AIL) scheme to the Charity and the National Gallery, London, jointly. The valuation of the work was £87,600 and, accordingly, half has been allocated to the Charity. More details about this work of art is provided in note 14 under Heritage Assets.

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from charitable activities - Barber Institute Operations: music and other events	-	-	16,437
Total 2021	-	-	16,437
Total 2020	16,437	16,437	

Incoming resources from charitable activities in respect of music and other events solely represents income from the sale of Barber concert tickets.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rents receivable	351,177	351,177	316,127
Listed investment dividends	1,084,291	1,084,291	1,140,959
Listed investment interest	464,217	464,217	513,729
Investment manager's interest	-	-	747
Bank and other interest	9,441	9,441	15,725
Total 2021	1,909,126	1,909,126	1,987,287

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment manager's fees	-	154,594	154,594	151,936
Property agent's commission	22,902	-	22,902	19,762
Property repairs and maintenance	269,210	-	269,210	(3,091)
Insurance, rates and service charges	19,429	-	19,429	(7,316)
Professional charges	12,095	-	12,095	31,373
Bad debts	44,189	-	44,189	2,123
Costs of raising voluntary income - administrative costs	6,642	-	6,642	1,138
Costs of raising voluntary income - wages and salaries	40,918	-	40,918	7,350
Allocated centrally incurred fundraising and governance costs	6,588	-	6,588	6,396
Total 2021	421,973	154,594	576,567	209,671
Total 2020	57,735	151,936	209,671	

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Professorial chairs and prizes	423,504	-	423,504	424,538
Barber Institute operations	963,671	-	963,671	1,114,035
Collections	13,213	43,800	57,013	74,054
Total 2021	1,400,388	43,800	1,444,188	1,612,627

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Professorial chairs and prizes	-	415,188	8,316	423,504	424,538
Barber Institute operations	-	922,493	41,178	963,671	1,114,035
Collections	47,831	-	9,182	57,013	74,054
Total 2021	47,831	1,337,681	58,676	1,444,188	1,612,627
Total 2020	59,174	1,457,886	95,567	1,612,627	

Analysis of direct costs

	Collections 2021 £	Total funds 2021 £	Total funds 2020 £
Collections sundry expenses	4,031	4,031	-
Acquisitions of works of art	43,800	43,800	59,174
Total 2021	47,831	47,831	59,174

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Professorial chairs and prizes 2021 £	Barber Institute operations 2021 £	Collections 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,488	29,759	2,232	33,479	66,153
Office expenses	102	2,082	156	2,340	4,205
Office insurance	11	215	16	242	465
Pension annuities	127	2,534	190	2,851	5,558
Governance costs	6,588	6,588	6,588	19,764	19,186
Total 2021	8,316	41,178	9,182	58,676	95,567

8. Governance costs

	2021 £	2020 £
Trustees' annuities	14,617	13,289
Trustees' insurance and costs	634	1,493
Auditors' remuneration	11,100	10,800
	26,351	25,582

Governance costs are disclosed as follows: raising funds £6,588 (2020: £6,396) and support costs £19,763 (2020: £19,186).

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

9. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Grants, professorial chairs and prizes	415,188	415,188	409,654
Grants, Barber Institute operations	922,493	922,493	1,048,232
Total 2021	1,337,681	1,337,681	1,457,886

The Charity has made the following material grants to institutions during the year:

	2021 £	2020 £
Recipient, clause and annuity reference		
Barber Chair of Law, clause 4, first annuity	1,500	1,470
Barber Chair of Jurisprudence, clause 4, second annuity	2,146	2,104
Barber Chair of Fine Arts, clause 4, third annuity	3,168	3,106
Barber Chair of Music, clause 4, fourth annuity	1,326	1,300
Barber Institute staff costs, clause 4, fifth annuity	1,410	1,382
School of Law, clause 4, sixth annuity	672	660
Department of Music, clause 6(C), annuity	672	660
School of Law Library, clause 7, first annuity	4,034	3,954
Clerical assistance to School of Law Library, clause 7, second annuity	8,064	7,907
Sir Henry Barber Law scholarship, clause 7, third annuity	672	660
Lady Barber Post Graduate Scholarship, clause 7, fourth annuity	12,100	11,864
Department of Music Scholarship, clause 7, fifth annuity	2,690	2,638
School of Law essay prize, clause 7, sixth annuity	136	133
School of Law debating prize, clause 7, seventh annuity	136	133
Holdsworth Club, clause 7, eighth annuity	136	133
Supplement to the annuities	376,326	371,550
Barber Institute operations	922,493	1,048,232
	1,337,681	1,457,886

In addition to the annuities payable under the terms of the Deed of Settlement, the Charity awards each year a supplement to the annuities which is paid to the University of Birmingham in respect of the salary costs of the Barber Chair of Law, the Barber Chair of Jurisprudence, the Barber Chair of Fine Arts (vacant since May 2012) and the Barber Chair of Music. Although the Barber Chair of Fine Arts is vacant the annuity continues to be applied to the salary of the Director of the Barber Institute. The Charity makes no direction as to how the supplement is to be divided between the chairs. The amount of the supplement to the annuities is reviewed regularly.

An analysis of the grants and funding payable to the University of Birmingham for the Barber Institute building, and its activities, is given below:

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

	2021 £	2020 £
Barber Institute Budget Centre		
Annual recurring grant	691,464	677,900
Virement from supplement to the annuities	14,412	11,526
Exhibitions grant	23,184	59,264
Major conservation of works of art and related costs grant	13,617	29,514
Improvements to the galleries: gallery equipment	16,682	7,803
Coin library grant	150	-
Coin collections database	550	12,384
	<hr/> 760,059	<hr/> 798,391
Music		
Music staff costs grant	46,814	49,562
Barber Concert fees and expenses funding	41,070	107,979
Other concert fees and expenses funding	-	6,955
Music books and manuscripts funding	3,037	3,793
Musical instruments funding	6,875	6,959
BCMG Ensemble-in-Association grant	6,500	6,500
Barber International Post Graduate Scholarship grant	5,000	4,900
Student opera grant	5,000	5,000
Barber opera funding	3,144	9,499
Contemporary opera funding	3,000	9,166
Restoration of the Snetxler chamber organ	6,273	-
	<hr/> 126,713	<hr/> 210,313
Barber Fine Art Library		
Library staff costs grant	21,135	20,858
Books grant	14,586	18,670
	<hr/> 35,721	<hr/> 39,528
	<hr/> 922,493	<hr/> 1,048,232

Analysis of grants (continued)

In advance of each financial year the Charity agrees an annual budget with the University of Birmingham for the amounts payable by the Charity in respect of the annuities and its contribution towards Barber Institute operations. The actual amounts payable may be varied with the Charity's prior approval. Grants are amounts paid by the Charity directly to the University of Birmingham and funding represents amounts paid by the Charity, under the above headings, at the direction of the University of Birmingham.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

10. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,100	10,800

11. Staff costs

	2021 £	2020 £
Wages and salaries	59,762	59,024
Social security costs	6,279	6,216
Contribution to defined benefit pension scheme	8,356	8,263
	74,397	73,503

Staff salaries of £74,397 (2020: £73,503), including pension contributions of £8,356 (2020: £8,263) were paid in respect of 2 (2020: 2) people who worked part-time on the management and administration of the Charity. The remuneration of the Secretary to the Trustees is determined by the Trustees with reference to market rates of pay for equivalent posts.

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

	2021 No.	2020 No.
Management and administration	2	2

No employee received remuneration amounting to more than £60,000 in either year.

As noted above, during the year, 2 (2020: 2) people worked part-time on the management and administration of the Charity. The Secretary to the Trustees has a contract of employment with the Charity and is paid via the University of Birmingham. During the year, in addition to those engaged on the Charity's management and administration, there were on average a further 40 (2020: 39) staff working at the Barber Institute, all of whom were paid by the University of Birmingham.

Pension annuities of £6,336 (2020: £6,177) were paid during the year to 3 (2020: 3) former employees or their spouses.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

12. Trustees' remuneration and expenses

The Deed of Settlement provides that each Trustee shall receive an annuity of £100 for his or her services. Under the terms of a Charity Commission scheme dated 20 January 2006 this annuity is indexed. Annuities amounting to £14,617 (2020: £13,289) were paid to 6 (2020: 7) Trustees. Professor Sir David Eastwood has waived his entitlement to receive an annuity. Annuities paid during the year are analysed as follows:

HB Carslake	£4,091	(2020: £4,011)
JR Bates	£2,105	(2020: £2,065)
Canon Professor MG Clarke	£Nil	(2020: £969)
Dr E McAdam	£2,105	(2020: £51)
SD Maddock	£2,105	(2020: £2,065)
Mrs VJP Simpson	£2,105	(2020: £2,064)
Dr AJ Sturgis	£2,105	(2020: £2,064)

During the year ended 31 July 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £109 to 2 Trustees).

13. Investment property

	Freehold investment property £
Valuation	
At 1 August 2020	4,394,000
Surplus on revaluation	285,000
	<hr/>
At 31 July 2021	4,679,000 <hr/>

In accordance with the Charity's accounting policies, investment property is stated at market value. During the year, one of the Charity's investment properties was sold subject to contract at the year-end, and the upper floors of another was redeveloped. Accordingly, Pennycuik Collins was asked to provide an interim valuation of the portfolio as at 31 July 2021.

The historical cost of investment property at the year end is £2,710,686 (2020: £2,459,364).

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

14. Heritage assets

The Charity's collections are heritage assets and include paintings, prints, drawings, watercolours and portrait miniatures; sculpture, art objects, furniture and decorative art; manuscripts and books; and coins, seals and weights. The Charity's collections include items ranging in age from the fifth century BC to the twentieth century AD. Details of the Charity's collections are provided in the Barber Institute of Fine Arts Handbook, published in 1999, which is available for purchase from the Barber Institute of Fine Arts, the University of Birmingham, Edgbaston, Birmingham B15 2TS. Details of acquisitions during each financial year since 1999 are provided in the Charity's financial statements.

Work at the Barber Institute continues to provide public access to the Charity's collections online. At present, approximately 80% of the Barber collections, excluding the coin collection, are available via the University's website; this includes all of the paintings (except all but one of those in the Lady Barber collection). Online public access is also available via the National Inventory of Continental European Paintings database for old master paintings, hosted by the Visual Arts Data Services, although these entries cover only pre-1900 continental European oil paintings. All the Charity's oil paintings, sculptures and drawings (excluding those by Edmund Kapp and some of the new acquisitions) however, appear on the Art UK website: a joint initiative between Art UK and around 3,000 museums and art collections. There is also now access to about 12,000 items in the coin collection at the Barber Institute (about 75% of the total) via the University's website. Progress in increasing this number fell significantly during the year, following the departure of the four cataloguers in 2020, and is now likely to be in the region of 500 a year.

Before the pandemic, the Trustees regularly loaned items from the Charity's collections to other museums and also accepted paintings and other items on short- or medium-term loan, both for display with the permanent collections and for exhibitions, and this activity has now resumed. Under normal circumstances, approximately 70% of the paintings is on display; 3% of the collection of works on paper is on display; and less than 1% of the collection of coins is on display. As temporary exhibitions are no longer held in the main galleries, these figures remain fairly constant throughout the year. In addition, 85% of the collection of sculpture and 75% of other works of art are on display at all times. The remaining items are held in storage, but access is permitted to scholars and others for research by prior appointment.

During the year, the Charity acquired one work of art:

Portrait of Dr Ferdinand Mainzer

Louis Corinth (1858-1925)

Oil on canvas, 75 x 58 cms, dated 1899

Accepted in lieu of Inheritance Tax by HM Government from the estates of Evan and Gisela Stone and allocated jointly to the National Gallery and the Henry Barber Trust.

Half of tax settled/valuation: £43,800

The Charity's expenditure on the purchase of heritage assets in the period 1 August 1999 to 31 July 2021 amounted in total to £9,084,030; comprising £9,027,902 on works of art and £56,128 on coins. An analysis of expenditure on the purchase of heritage assets over the last five years is given below:

Analysis of heritage asset transactions

	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases					
Works of art	-	58,344	267,700	3,200	208,046
Total additions	-	58,344	267,700	3,200	208,046

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

15. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Cash and settlements pending £	Total £
Cost or valuation				
At 1 August 2020	1,000	36,864,196	449,993	37,315,189
Additions	-	8,012,976	8,766,412	16,779,388
Disposals	-	(8,766,412)	(8,009,611)	(16,776,023)
Revaluations	-	8,760,183	-	8,760,183
Transfers intra group	-	-	117,862	117,862
At 31 July 2021	1,000	44,870,943	1,324,656	46,196,599

Listed investments at the year end include four material individual holdings:

11,244,203.04 units in Schroder Sterling Corporate Bond Fund with a market value of £7,306,483
 2,313,515,491 units in Charities Property Fund with a market value of £2,918,962
 2,375,692,87 units in Schroder QEP Global Active Value Fund with a market value of £2,618,014
 50,383,854 units in Schroder UK Real Estate Fund with a market value of £2,407,341.

In accordance with the Charity's accounting policies, fixed asset investments are stated at market value. The historical cost of listed investments at the year end is £41,030,955 (2020: £41,764,323) .

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
T.P.I.C (Birmingham) Limited	511555	England and Wales	Dormant

Class of shares	Holding	Included in consolidation
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Ordinary	100%	No
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The financial results of the subsidiary for the year were:

Name	Net assets £
T.P.I.C (Birmingham) Limited	1,000

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

16. Debtors

	2021 £	2020 £
Due within one year		
Rents receivable	51,026	33,003
Provision for bad debts	(44,189)	-
Other debtors	55,218	27,852
Prepayments and accrued income	624	2,904
	<u>62,679</u>	<u>63,759</u>

17. Current asset investments

	2021 £	2020 £
Cash at bank on deposit	<u>2,173,274</u>	<u>2,163,549</u>

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to subsidiary undertaking	1,000	1,000
Other taxation and social security	398	345
Grants payable	54,183	108,965
Accruals	55,655	36,270
Deferred income	18,369	20,962
	<u>129,605</u>	<u>167,542</u>
	2021 £	2020 £
Deferred income at 1 August 2020	20,962	38,039
Resources deferred during the year	18,369	20,962
Amounts released from previous periods	(20,962)	(38,039)
	<u>18,369</u>	<u>20,962</u>

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

19. Statement of funds

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
General Fund	2,149,364	1,909,126	(1,500,427)	(235,000)	-	2,323,063
Exhibition Programme Reserve Fund	263,154	-	(23,184)	115,000	-	354,970
Coin Database Reserve Fund	14,810	-	(550)	6,000	-	20,260
Major Conservation Reserve Fund	45,432	-	(13,617)	20,000	-	51,815
Galleries' Refurbishment Reserve Fund	431,797	-	(16,682)	44,000	-	459,115
Works of Art Fund	45,038	-	(4,031)	30,000	-	71,007
Barber Institute Operations Fund	39,939	-	-	-	-	39,939
Music Fund	10,260	-	-	-	-	10,260
Investment Property Sinking Fund	89,812	-	(263,870)	20,000	-	(154,058)
	<u>3,089,606</u>	<u>1,909,126</u>	<u>(1,822,361)</u>	<u>-</u>	<u>-</u>	<u>3,176,371</u>
Endowment funds						
Endowment Fund	<u>41,698,021</u>	<u>-</u>	<u>(154,594)</u>	<u>-</u>	<u>9,318,255</u>	<u>50,861,682</u>
Restricted funds						
Works of Art Fund	<u>-</u>	<u>43,800</u>	<u>(43,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>44,787,627</u></u>	<u><u>1,952,926</u></u>	<u><u>(2,020,755)</u></u>	<u><u>-</u></u>	<u><u>9,318,255</u></u>	<u><u>54,038,053</u></u>

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Unrestricted funds						
General Fund	1,896,654	1,987,287	(1,499,577)	(235,000)	-	2,149,364
Exhibition Programme Reserve Fund	207,418	-	(59,264)	115,000	-	263,154
Coin Database Reserve Fund	21,194	-	(12,384)	6,000	-	14,810
Major Conservation Reserve Fund	54,946	-	(29,514)	20,000	-	45,432
Galleries' Refurbishment Reserve Fund	395,601	-	(7,804)	44,000	-	431,797
Works of Art Fund	73,411	-	(58,373)	30,000	-	45,038
Barber Institute Operations Fund	34,939	5,000	-	-	-	39,939
Music Fund	778	16,437	(6,955)	-	-	10,260
Investment Property Sinking Fund	65,503	-	4,309	20,000	-	89,812
	<u>2,750,444</u>	<u>2,008,724</u>	<u>(1,669,562)</u>	<u>-</u>	<u>-</u>	<u>3,089,606</u>
Endowment funds						
Endowment Fund	<u>49,604,564</u>	<u>-</u>	<u>(151,936)</u>	<u>-</u>	<u>(7,754,607)</u>	<u>41,698,021</u>
Restricted funds						
Works of Art Fund	<u>-</u>	<u>800</u>	<u>(800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>52,355,008</u></u>	<u><u>2,009,524</u></u>	<u><u>(1,822,298)</u></u>	<u><u>-</u></u>	<u><u>(7,754,607)</u></u>	<u><u>44,787,627</u></u>

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Statement of funds (continued)

The Reserve Funds are amounts set aside by the Trustees to fund the Barber Institute's programme of exhibitions, the maintenance of the coin collection database, conservation of the Charity's collection of works of art and capital projects in the Barber Institute building.

The designated and restricted Works of Art Funds are for the purchase of works of art. The Trustees acquired one work of art during the year, which is described in detail at note 13, Heritage assets. The designated fund balance at the year end of £71,007 (2020: £12,038) is for the purchase of works of art at the discretion of the Director of the Barber Institute.

The Barber Institute Operations Fund is for expenditure in connection with the activities of the Barber Institute and the Music Fund is for expenditure on musical activities at the Barber Institute.

The Investment Property Sinking Fund is to cover the cost of dilapidations on some of the Charity's investment property. Shortly after the year-end, a transfer from capital of £251,322 was made to bring the balance on the fund to £97,263.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Fixed asset investments	-	46,196,599	46,196,599
Investment property	-	4,679,000	4,679,000
Current assets	3,292,059	-	3,292,059
Creditors due within one year	(115,688)	(13,917)	(129,605)
Total	3,176,371	50,861,682	54,038,053

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Fixed asset investments	-	37,315,189	37,315,189
Investment property	-	4,394,000	4,394,000
Current assets	3,245,980	-	3,245,980
Creditors due within one year	(156,374)	(11,168)	(167,542)
Total	3,089,606	41,698,021	44,787,627

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	9,250,426	(7,567,381)
Adjustments for:		
Dividends, interests and rents from investments	(1,909,126)	(2,158,937)
Decrease/(increase) in debtors	1,080	(13,555)
Decrease in creditors	(37,937)	(239,504)
Net (gain)/ loss on investments	(9,318,255)	7,754,607
Net cash used in operating activities	(2,013,812)	(2,224,770)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,056,106	1,018,672
Cash on deposit and current cash at investment manager	2,173,274	2,163,549
Cash at investment manager for investment	1,324,656	449,995
Total cash and cash equivalents	4,554,036	3,632,216

23. Analysis of changes in net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	1,018,672	37,434	1,056,106
Cash at investment manager for investment	449,995	874,661	1,324,656
Cash on deposit and current cash at investment manager	2,163,549	9,725	2,173,274