

THE HENRY BARBER TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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 2023

Trustees

HB Carslake BA, LLB, Chairman
 JR Bates FCA, DChA
 SD Maddock OBE, MA (resigned 23 November 2022)
 Mrs VJP Simpson
 Dr AJ Sturgis MA, PhD
 Dr E McAdam MA, DPhil, ClfA, FSAS
 Professor A Tickell

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
 Statutory Auditor
 Cubo Birmingham
 Two Chamberlain Square
 Birmingham
 B3 3AX

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 2023**

Solicitors	Shakespeare Martineau LLP No 1 Colmore Square Birmingham B4 6AA
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Solicitors	Grove Tompkins Bosworth 2 Water Court 36 Water Street Birmingham B1 1HP
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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 2023

The Trustees present their annual report, together with the audited financial statements of The Henry Barber Trust for the year ended 31 July 2023.

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. This restriction was removed from 8 October 2021 in line with a resolution passed by the Trustees, which received the Charity Commission's concurrence from that date. The Trustees believe that this change to the Deed of Settlement was necessary in order to allow them to adopt a total return approach to investment, thereby giving them and their investment manager the flexibility necessary to ensure the sustainability of the investment portfolio.
- all works of art or beauty 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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 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, some of which, during the year under review, were online.

Visitor numbers to the galleries continued to recover during the year, although remained well below pre-lockdown figures. Most activities were on site, although Barber Institute staff continued with a hybrid offer. As a result, there were 65,438 visits to the building, approximately (2022: 51,190); and of these:

- 40,681 visits to the galleries (2022: 28,284);
- 4,454 visits associated with learning: 4,003 on site; 65 online; 451 in person, off site (2022: 3,950 visits associated with learning: 2,021 on site; 1,080 online; 849 in person, off site).

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 of art to exhibitions and related visitor numbers increased further toward pre-lockdown figures, as follows:

- nine loans were seen by 703,125 visitors at nine venues (2022: eight; 444,078; eight);
- three were in the UK, four were in Europe and two were in the USA (2022: five; three; none).

For a third year, it was not possible for any performances to be held in the Barber concert hall because of a lack of ventilation, and so all Barber concerts continued to be performed in the Elgar Concert Hall in the Bramall Music Building. Audience figures for the Barber lunchtime concert series recovered to pre-lockdown levels, but those for the Barber evening concert series remained low in common with the experience of many other concert halls. During the year under review, the Charity funded:

- thirty Barber concerts, of which four were part of the BBC Radio 3 *New Generation Artists* partnership and three were part of the theme, *Our City of Stories*, which is itself part of the University's *Culture Forward* initiative; and
- the latest Barber opera, *La Forza dell'amor paterno* by Alessandro Stradella, of which there were three performances.

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 5,082 (2022: 3,992).

The library material purchased by the Charity both for fine arts and for music was all available for use by students of the University.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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

During the year under review, the Charity provided financial support amounting to £1,717,741 (2022: £1,686,462) to the University of Birmingham and acquired three (2022: fourteen) works 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 acquisitions and costs associated with these amounted to £754,774 (2022: £344,800). The total sum spent during the year on the Charity's objects was £2,532,264 (2022: £2,094,226).

The funding provided to the University of Birmingham included:

- A major contribution towards the salary costs of the professorial chairs of Law, Jurisprudence, Music and Fine Arts;
- A number of scholarships and prizes, which are listed at note 10 of the notes to the financial statements;
- 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 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, £446,964 was provided (2022: £438,200). Of this, £14,972 (2022: £14,700) was reallocated by the University to cover general costs within the Barber Institute Budget Centre (BIBC).

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

c. Barber Institute operations

The Charity provided a total of £1,046,474 in grants to the BIBC during the year (2022: £977,020) which represented 81% of the BIBC's total income of £1,297,639 (2022: 77% of £1,276,151). This figure comprised the Charity's annual recurring grant to the BIBC, which was increased by 2% to £719,400, 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 £208,642, further details of which are given below:

The Charity contributed:

- £142,437 in support of six exhibitions and displays organised by the Barber Institute, five of which were on display during the year under review, most notably:
 - *Mastering the Market: Dutch and Flemish Paintings from Woburn Abbey*, which was produced by MA Art History students from the University in collaboration with Woburn Abbey;
 - *Peasants and Proverbs: Pieter Brueghel the Younger as Moraliser and Entrepreneur*, the latest show to focus on one of the paintings in the collections; and
 - *Paying Respects: Money and Mortality*, which explored money as it relates to life and death.
- £42,248 for conservation work, most of which was used to carry out conservation work on the equestrian statue of George I outside the Barber Institute;
- £7,554 to cover the salary costs of a part-time, temporary post to assist with the decant of the collections in preparation for major maintenance work in the galleries in the autumn of 2023; and
- £14,972 to cover general costs.

During the year, the Charity spent a total of £409,613 (2022: £452,515) on musical activities. 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 Barber evening and lunchtime concert series and the Barber opera. Further details are given below.

The prestigious partnership between BBC Radio 3's *New Generation Artists* scheme and Barber concerts continued for a third year with recording and broadcast of four performances in the Barber lunchtime concerts series. The success of the Birmingham 2022 Commonwealth Games inspired Barber Concerts and University Music to work jointly to produce *Our City of Stories*, part of the University's *Culture Forward* initiative, where guest artists across the region were invited to tell their stories and those of their communities through music, including folk, jazz and gospel. Partnerships with Oxford Lieder and Presteigne Festival continued with performances from both during the year. A total of £94,103 was provided by the Charity to cover the costs of twenty Barber lunchtime concerts, seven Barber evening concerts and three *Our City of Stories* themed Barber concerts. The latest Barber opera, *La Forza dell'amor paterno* by Alessandro Stradella, was finally performed in April 2023 to excellent reviews after several postponements and with increased costs as a result of government restrictions over the previous years. The Charity funded the Barber opera, providing £139,179 (net) in the year under review and a further £34,966 in the previous four financial years. In addition,

- £7,545 was used to purchase choral and instrumental ensemble sets for use by the University's many choirs;
- £2,485 was used to cover the costs of tuning and moving pianos used in performances funded by the Charity;
- £5,200 was provided for the Barber international postgraduate scholarship;
- £5,000 contributed towards the costs of the University's Summer Festival of Music and to support music-specific learning programming to complement the work of the Barber's Learning & Engagement team.
- £1,274 was provided as the final payment for the restoration of the Snetzler chamber organ, purchased by the Trustees in 1958. The total cost was £18,821.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

During the year under review, the Charity provided £45,603 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 £23,336 for the purchase of fine art books and catalogues.

d. Collections

During the year, the Charity was gifted three works of art:

Ivory diptych with *Vierge Glorieuse and the Crucifixion*

French (Paris), c. 1320-1340

Attributed to the Workshop of the Master of the Cracow Casket

Two carved elephant ivory panels joined with three hinges

12.6 cm high, 18.8 cm. wide (each leaf)

Value: £400,000

Ivory diptych with the *Nativity*, the *Adoration of the Magi*, the *Crucifixion* and the *Coronation of the Virgin*, with later silver frame

France c. 1330-50

Attributed to the Workshop of the Master of the Cracow Casket

Two carved ivory panels with later silver frames with hinges and a clasp

20.4cm high, 19.4 cm wide (open) (both dimensions incl. frames)

Value: £350,000

Gifted by Sir Paul Ruddock under the Cultural Gifts Scheme.

George Grosz (1893-1959)

Kraft und Anmut (Power and Grace)

Berlin, 1923

Colour offset lithograph, 240x177mm

Value: £750

Gifted by the Rt Revd Mark Santer.

The Trustees are most grateful to Sir Paul Ruddock and to the Rt Revd Mark Santer for their generous gifts to the Charity.

e. Listed investment performance

During the course of the year, the vast majority of the Charity's funds was invested in Cazenove's Responsible Multi Asset Fund (RMAF), a total return strategy specifically for charities with an integrated responsible investment policy. The RMAF strategy targets CPI +4% over the medium to long term.

The charity's portfolio generated a total return of 1.4% (2021/22: 11.4%) compared with the benchmark return of 11.2% (2021/22: 14.5%). Over three and five years, the portfolio has returned 13.8% p.a. and 4.1% p.a. (2021/22: 6.5% p.a. and 6.1% p.a.) compared with the benchmark's return of 10.7% p.a. and 8.7% p.a. (2021/22: 8.5% p.a. and 7.6% p.a.), respectively. The benchmark is CPI +4% for both 2021/22 and 2022/23 returns.

The value of the Charity's portfolio fell by 0.3% from £48,491,013 to £48,346,119 (2022: +8.1%). There was a net book profit on the sale of investments in the year of £554,206 (2022: £4,185,124), 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 loss on revaluation in the year of £1,395,676 (2022: net gain of £3,412,966). For a second year, income from dividends and interest increased; in the year under review, it was up from £1,745,252 to £1,995,654, a rise of 14.3% (2022: +12.7%).

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

The portfolio's performance was positive in absolute terms over all time periods. Returns have not, however, met the CPI +4% inflation target as inflation levels were sharply elevated during the eighteen months to 31 July 2023. A combination of readjustment following the pandemic, the invasion of Ukraine and a prolonged period of very loose monetary policy resulted in significantly higher levels of inflation which are expected to fall as tighter monetary policy across global economies begins to take effect. Compared with the most representative competitor universe, ARC Steady Growth, returns were comfortably ahead over all time periods. Cazenove expects that an inflation +4% target will remain challenging in the short term, but over the long term it would expect to meet this target as inflation levels begin to normalise with the impact of tighter monetary policy. Cazenove has confirmed that it did not intend to increase risk in the portfolio to pursue an inflation +4% target against this background.

f. Investment property performance

After a prolonged period of difficulty, the portfolio returned to a more stable footing where it was possible to make significant progress in settling a number of rent reviews and lease renewals which had been outstanding for several years, resulting in a good increase in the rent roll. The receipt of rents returned to a more regular pattern and there were no voids during the year.

Gross rental income rose by 21.8% (2022: 1.5%) from £356,337 to £433,935 as a result not only of these rental increases, but because most of the arrears for which a provision had been raised in 2021/22 were recovered, as were significant amounts of back-dated rent. Total costs associated with the properties amounted to £62,236, against which was a reimbursement of service charge of £17,460, giving a net figure of £44,776. This was an increase of 14% (2022: -62%) over the previous year's figure of £39,271.

An interim valuation was carried out as at 31 July 2023. Pennycuik Collins was of the opinion that the relatively steep rise in interest rates over the year had led to higher borrowing costs and a reduction in demand, both of which resulted in a total reduction of £159,000 in the capital value across the majority of the properties within the Charity's portfolio. The exceptions were 1A Upper Brook Street, Rugeley which remained unaltered and 5- 7 Upper Brook Street, Rugeley where the valuation was increased by £40,000. There was therefore a net decrease of £119,000 or 2.8% (2022: -9.7%) in the value of the investment property portfolio from £4,224,000 to £4,105,000.

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 £2,626,449 was held on the General Fund.

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 £104,377 was held on the designated Works of Art Fund for the purchase of works of art at the discretion of the Director.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Moneys from the General Fund are allocated to various designated funds for specific future purposes or projects. At the year-end, a balance of:

- £336,181 was held on the Exhibition Reserve Fund for the Barber Institute's forthcoming exhibitions programme;
- £32,260 was held on the Coin Database Reserve Fund for the continuing maintenance of the Charity's database of coins;
- £41,804 was held on the Major Conservation Reserve Fund for the continuing programme of conservation of works of art;
- £527,022 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;
- £72,792 was held on the Barber Opera Fund for expenditure on future Barber operas.

The Charity received two generous legacies during the year for expenditure in connection with the Barber Institute. The first was in respect of a share of the estate of Mr Cyril Reeves in the sum of £100,997 and the second was in respect of a share of the estate of Mr John Cunningham-Dexter in the sum of £123,000, approximately. The Trustees are most grateful for these legacies. Accordingly, at the year-end, a balance of £259,270 was held on the Barber Institute Operations Fund for such expenditure.

At the year-end, a balance of £21,156 from the sale of Barber concert tickets 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, the balance of £136,221 was held on the Investment Property Sinking Fund.

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 Unrestricted Investment Fund; comprising listed investments, approximately 92.2% by value, together with a significant proportion held in investment properties, approximately 7.8% by value. The balance in cash deposits is negligible.

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.

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.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

e. Principal risks and uncertainties

Having removed the restriction on spending capital in 2021 in order to allow a total return approach to investment, 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

The University has committed £10m in its capital programme to the Barber Institute building and is carrying out work to address some of its most pressing needs over the next few years, including the replacement of the air handling and heating systems and the installation of new building hardware. The first phase began in autumn 2023 and the second phase is planned for 2025 when the Barber concert hall will be retro-fitted with a new fresh-air circulation system. Once complete, this will allow the Barber concert series to return to the Barber Institute.

The Trustees agreed to increase the Charity's funding to the University by 2% in 2023/24 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 routine grants for conservation and the coin library; and
- the music international postgraduate scholarship;

and to increase by 8.9% their basic contribution to the BIBC in recognition of the higher than normal pay settlements which the University is making to its staff to assist with the significant rise in the cost of living over the past eighteen months.

The funding level for future years will be reviewed by the Trustees in March 2024. 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 have been curtailed because of the closure of the galleries during phase one of the building works, but include a possible partnership with the V&A (Department of Art, Architecture, Photography & Design) and a research-led exhibition in autumn 2024 exploring the work of the Pre-Raphaelites and their interest in the sense of smell.

Conservation work will continue to be carried out on those works identified in the recent picture survey as requiring treatment over the next few years.

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.

The Charity's regular funding will continue to support musical activities associated with the Barber in the future. In 2023/24 the Barber lunchtime concerts series will include an increased number of lecture-recitals as requested by audiences. Six Barber evening concerts have been scheduled which include the Jessica Gillam Ensemble, the pianist, Stephen Osborne and the Manchester Collective; and a family concert featuring Groove Baby is planned for the autumn. Gallery-based activities are also being developed in collaboration with the Barber's Learning & Engagement team to bring together music and gallery attendees, whilst reaching out more widely to the student body and community.

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.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

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 Trustees' resolutions, 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.

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 £12,295 (2022: £14,898) were paid to six (2022: six) Trustees for their contribution to the work of the Charity. Professor Adam Tickell has waived his entitlement to receive an annuity and Dr Ellen McAdam has waived her entitlement as from December 2022.

Staff salaries of £72,576 (2022: £76,576), including pension contributions of £8,084 (2022: £8,576) were paid in respect of two (2022: two) people who worked part-time on the management and administration of the Charity. In February 2023, the assistant to the Trust Secretary resigned and has not been replaced. The remuneration of the Secretary to the Trustees is determined by the Trustees with reference to market rates of pay for equivalent posts.

THE HENRY BARBER TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Structure, governance and management (continued)

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.

TPIC (Birmingham) Limited is the Charity's wholly-owned dormant subsidiary undertaking.

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 continue to 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. The University committed £10m to the Barber Institute building in the next phase of its capital plan and is currently carrying out maintenance work to secure the condition of the building and thus the collections it houses. Further work is planned in 2025 to resolve the problem of a lack of ventilation in the Barber concert hall. 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;
- 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 2023**

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:

Hugh Carslake

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HB Carslake BA, LLB

Chairman

Date: 30 November 2023

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 2023 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 2023 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.

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;

THE HENRY BARBER TRUST

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

- 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.

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.



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Cooper Parry Group Limited

Statutory Auditor
Cubo Birmingham
Two Chamberlain Square
Birmingham
B3 3AX

Date: 5 December 2023

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 2023

	Note	Unrestricted income funds 2023 £	Unrestricted investment funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	3	223,997	-	750,750	974,747	50,200
Barber Institute operations	4	7,696	-	-	7,696	3,579
Investments	5	2,465,896	-	-	2,465,896	2,106,212
Total income and endowments		2,697,589	-	750,750	3,448,339	2,159,991
Expenditure on:						
Raising funds	6	139,283	(9,553)	-	129,730	246,215
Charitable activities	7	1,781,514	-	750,750	2,532,264	2,094,226
Total expenditure		1,920,797	(9,553)	750,750	2,661,994	2,340,441
Net expenditure before net (losses) on investments		776,792	9,553	-	786,345	(180,450)
Net gains on Investments		-	(1,514,676)	-	(1,514,676)	3,477,966
Net movement in funds		776,792	(1,505,123)	-	(728,331)	3,297,516
Reconciliations of funds:						
Total funds brought forward		3,380,742	53,954,827	-	57,335,569	54,038,053
Net movement in funds	19	776,792	(1,505,123)	-	(728,331)	3,297,516
Total funds carried forward		4,157,534	52,449,704	-	56,607,238	57,335,569

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


The notes on pages 20 to 38 form part of these financial statements.

THE HENRY BARBER TRUST

BALANCE SHEET
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Heritage assets	15	-	-
Investments	16	48,347,125	49,757,308
Investment property	14	4,105,000	4,224,000
		<u>52,452,125</u>	<u>53,981,308</u>
Current assets			
Debtors	17	373,839	222,195
Cash at bank and in hand		<u>4,050,255</u>	<u>3,367,133</u>
		4,424,094	3,589,328
Creditors: amounts falling due within one year	18	<u>(268,981)</u>	<u>(235,067)</u>
Net current assets		4,155,113	3,354,261
Total net assets		<u>56,607,238</u>	<u>57,335,569</u>
Charity funds			
Unrestricted Investment funds	19	52,449,704	53,954,827
Unrestricted income funds	19	4,157,534	3,380,742
Total funds		<u>56,607,238</u>	<u>57,335,569</u>

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

DocuSigned by:

 2905C8F4692E4C9.....
HB Carlisle BA
 Chairman
 Date: 30 November 2023

The notes on pages 20 to 38 form part of these financial statements.

THE HENRY BARBER TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	21	(1,797,281)	(2,340,715)
Cash flows from investing activities			
Dividends, interests and rents from investments		2,465,896	2,106,212
Proceeds from sale of investments		3,255,759	46,101,372
Purchase of investments		(4,506,541)	(46,308,477)
Proceeds from sale of property		-	520,000
Net cash provided by investing activities		1,215,114	2,419,107
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		(582,167)	78,392
Cash and cash equivalents at the beginning of the year		4,632,428	4,554,036
Cash and cash equivalents at the end of the year	22	4,050,261	4,632,428

The notes on pages 20 to 38 form part of these financial statements

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

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, TPIC (Birmingham) Limited, are not consolidated on a line for line basis. TPIC (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 2023

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%.

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%.

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 objects, 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 2023

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 Unrestricted Investment 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 2023

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 2023

2. Critical Accounting Estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions and areas of judgement:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The Trustees consider that there are no critical accounting estimates or significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described above.

3. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Gifts in kind	-	750,750	750,750	50,200
Legacies	223,997	-	223,997	-
Total 2023	<u>223,997</u>	<u>750,750</u>	<u>974,747</u>	<u>50,200</u>

During the year, three works of art were gifted to the charity by two donors. The valuation of the works was £750,750. More details about these works of art are provided under Achievements and Performance – Collections on page 7. The Charity also received two legacies amounting to £100,997 and approximately £123,000 from the estates of Mr Cyril Reeves and Mr John Cunningham-Dexter, respectively. The Trustees are most grateful to all those who so generously donated to the Charity.

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from charitable activities – Barber Institute Operations: music and other events	<u>7,696</u>	<u>7,696</u>	<u>3,579</u>
Total 2023	<u>7,696</u>	<u>7,696</u>	<u>3,579</u>
Total 2022	<u>3,579</u>	<u>3,579</u>	

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 2023

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rents receivable	433,935	433,935	356,337
Tenants' contributions	2,217	2,217	265
Listed investment dividends	1,782,346	1,782,346	1,265,181
Listed investment interest	207,806	207,806	472,175
Investment manager's interest	5,502	5,502	7,895
Bank and other interest	34,090	34,090	4,359
Total 2023	2,465,896	2,465,896	2,106,212

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted income funds 2023 £	Unrestricted investment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment manager's fees	34,758	(9,553)	25,205	144,191
Cost of Sale – Investment Property	-	-	-	6,780
Property agent's commission	29,697	-	29,697	21,547
Property repairs and maintenance	16,680	-	16,680	(14,261)
Insurance, rates and service charges	(14,973)	-	(14,0973)	5,672
Professional charges	20,118	-	20,118	17,563
Bad debts	-	-	-	8,750
Costs of raising voluntary income - administrative costs	5,578	-	5,578	5,988
Costs of raising voluntary income - wages and salaries	39,917	-	39,917	42,117
Allocated centrally incurred fundraising and governance costs	7,508	-	7,508	7,868
Total 2023	139,283	(9,553)	129,730	246,215
Total 2022	207,374	38,841	246,215	

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Professorial chairs and prizes	441,155	-	441,155	433,117
Barber Institute operations	1,326,345	-	1,326,345	1,305,816
Collections	14,014	750,750	764,764	355,293
Total 2023	1,781,514	750,750	2,532,264	2,094,226

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Professorial chairs and prizes	-	431,992	9,163	441,155	433,118
Barber Institute operations	-	1,285,749	40,596	1,326,345	1,305,816
Collections	754,774	-	9,990	764,764	355,292
Total 2023	754,774	1,717,741	59,749	2,532,264	2,094,226
Total 2022	344,800	1,686,462	62,964	2,094,226	

Analysis of direct costs

	Unrestricted Collections 2023 £	Restricted Collections 2023 £	Total funds 2023 £	Total funds 2022 £
Collections sundry expenses	4,024	-	4,024	23,600
Acquisitions of works of art	-	750,750	750,750	321,200
Total 2023	4,024	750,750	754,774	344,800

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Professorial chairs and prizes 2023 £	Barber Institute operations 2023 £	Collections 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,452	29,030	2,177	32,659	34,459
Office expenses	79	1,591	119	1,789	1,693
Office insurance	13	253	19	285	284
Pension annuities	111	2,215	166	2,492	2,924
Governance costs	7,508	7,508	7,508	22,524	23,604
Total 2023	9,163	40,596	9,990	59,749	62,964

9. Governance costs

	2023 £	2022 £
Trustees' annuities	12,295	14,897
Trustees' insurance and costs	2,138	886
Legal Fees	-	1,290
Auditors' remuneration	15,600	14,400
	30,033	31,473

Governance costs are disclosed as follows: raising funds £7,508 (2022: £7,868) and support costs £22,524 (2022: £23,605).

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

10. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £	Total funds 2022 £
Grants, professorial chairs and prizes	431,992	431,992	423,500
Grants, Barber Institute operations	1,285,749	1,285,749	1,262,962
Total 2023	1,717,741	1,717,741	1,686,462

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

	2023 £	2022 £
Recipient, clause and annuity reference		
Barber Chair of Law, clause 4, first annuity	1,560	1,530
Barber Chair of Jurisprudence, clause 4, second annuity	2,232	2,190
Barber Chair of Fine Arts, clause 4, third annuity	3,294	3,230
Barber Chair of Music, clause 4, fourth annuity	1,380	1,354
Barber Institute staff costs, clause 4, fifth annuity	1,470	1,440
School of Law, clause 4, sixth annuity	700	686
Department of Music, clause 6(C), annuity	700	686
School of Law Library, clause 7, first annuity	4,200	4,116
Clerical assistance to School of Law Library, clause 7, second annuity	8,388	8,226
Sir Henry Barber Law scholarship, clause 7, third annuity	700	686
Lady Barber Post Graduate Scholarship, clause 7, fourth annuity	12,590	12,342
Department of Music Scholarship, clause 7, fifth annuity	2,800	2,744
School of Law essay prize, clause 7, sixth annuity	142	140
School of Law debating prize, clause 7, seventh annuity	142	140
Holdsworth Club, clause 7, eighth annuity	142	140
Supplement to the annuities	391,552	383,850
Barber Institute operations	1,285,749	1,262,962
	1,717,741	1,686,462

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 and the Barber Chair of Music. 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 2023

10. Analysis of grants (continued)

	2023 £	2022 £
Barber Institute Budget Centre		
Annual recurring grant	719,400	705,300
Virement from supplement to the annuities	14,972	14,700
Exhibitions grant	142,437	106,351
Major conservation of works of art and related costs grant	42,247	7,764
Improvements to the galleries: gallery equipment	-	20,094
Barber Health Coordinator		4,666
Exhibitions & Loans Assistant	7,554	-
Barber Institute staff Christmas dinner	1,431	-
Routine conservation grant	-	1,397
Coin library grant	-	650
Coin collections database	-	-
	928,041	860,922
Music		
Music staff costs grant	52,997	47,742
Barber concert fees and expenses funding	94,103	102,941
Other concert fees and expenses funding	-	379
Music books and manuscripts funding	7,545	6,718
Musical instruments funding	2,485	2,234
BCMG Ensemble-in-Association grant	6,500	-
Barber International Post Graduate Scholarship grant	5,200	5,100
Student opera grant	5,200	-
Barber opera funding	139,179	20,666
Contemporary opera funding	(2,178)	159,869
Restoration of the Snetzler chamber organ	1,274	11,274
	312,105	356,923
Barber Fine Art Library		
Library staff costs grant	22,267	20,793
Books grant	23,336	24,324
	45,603	45,117
	1,285,749	1,262,962

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 2023

11. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	15,600	14,400

12. Staff costs

	2023 £	2022 £
Wages and salaries	58,115	61,395
Social security costs	6,377	6,605
Contribution to defined benefit pension scheme	8,084	8,576
	72,576	76,576

Staff salaries of £72,576 (2022: £76,576), including pension contributions of £8,084 (2023: £8,576) were paid in respect of 2 (2022: 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:

	2023 No.	2022 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 (2022: 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 35 (2022: 38) staff working at the Barber Institute, all of whom were paid by the University of Birmingham.

Pension annuities of £5,537 (2022: £6,496) were paid during the year to 3 (2022: 3) former employees or their spouses. At the end of the financial year, there was one surviving pensioner.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

13. 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 £12,295 (2022: £14,898) were paid to 6 (2022: 6) Trustees. Professor Adam Ticknell has waived his entitlement to receive an annuity and Dr Ellen McAdam has waived her entitlement as from December 2022. Annuities paid during the year are analysed as follows:

HB Carslake	£4,251	(2022: £4,171)
JR Bates	£2,186	(2022: £2,145)
Dr E McAdam	£798	(2022: £2,145)
SD Maddock	£688	(2022: £2,145)
Mrs VJP Simpson	£2,186	(2022: £2,145)
Dr AJ Sturgis	£2,186	(2022: £2,145)

During the year ended 31 July 2023, £120 was reimbursed to one Trustee (2022: £68 to one Trustee) in respect of travelling expenses and £1,607 was spent on three Trustees' lunches following meetings (2022: nil).

14. Investment property

	Freehold investment property £
Valuation	
At 1 August 2022	4,224,000
Loss on revaluation	(119,000)
At 31 July 2023	<u>4,105,000</u>

In accordance with the Charity's accounting policies, investment property is stated at market value. Pennycuik Collins carried out an interim valuation of the portfolio as at 31 July 2023. They consider that the value had fallen by £119,000, or approximately 2.8%, over the previous year.

The historical cost of investment property at the year end is £2,622,320 (2022: £2,622,320).

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

15. Heritage assets

Work at the Barber Institute continues to provide public access to the Charity's collections online. At present, approximately 55% of the Barber collections, excluding the coin collection, is 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) 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. Some progress was made during the year in cataloguing the remaining sections.

The Trustees regularly loan items from the Charity's collections to other museums and also accept 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. Normally, approximately 50% of the paintings is on display; 2% of the collection of works on paper is on display; and less than 1% of the collection of coins is on display. 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.

The Trustees acquired three works of art during the year, all of which were gifted to the Charity. Further details may be found under **Achievements and Performance – Collections** above. The Trustees are most grateful to those who have so generously donated to the Charity.

The Charity's expenditure on the purchase of, or the value on receipt of, heritage assets in the period 1 August 1999 to 31 July 2023 amounted in total to £10,200,580; comprising £10,144,452 on works of art and £56,128 on coins. An analysis of this expenditure or value on receipt of heritage assets over the last five years is given below:

Analysis of heritage asset transactions

	2023 £	2022 £	2021 £	2020 £	2019 £
Purchases					
Works of art	750,750	321,200	43,800	59,144	267,700

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

16. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Cash and settlements pending £	Total £
Cost or valuation				
At 1 August 2022	1,000	48,491,013	1,265,295	49,757,308
Additions	-	4,506,541	3,255,759	7,762,300
Disposals	-	(3,255,759)	(4,506,541)	(7,762,300)
Revaluations	-	(1,395,676)	-	(1,395,676)
Transfers intra group	-	-	(14,507)	(14,507)
At 31 July 2023	1,000	48,346,119	6	48,347,125

Listed investments at the year-end include one material holding:

100,273,721.58 units in Cazenove Charity Responsible Multi Asset Fund with a market value of £47,168,759

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 £47,228,171 (2022: £45,423,184) .

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
TPIC (Birmingham) Limited	511555	England and Wales	Dormant

Class of shares	Holding	Included in consolidation
Ordinary	100%	No

The financial results of the subsidiary for the year were:

Name	Net Assets £
TPIC (Birmingham) Limited	1,000

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

17. Debtors

	2023 £	2022 £
Due within one year		
Rents receivable	23,514	35,504
Provision for bad debts	-	(29,350)
Other debtors	345,581	213,763
Prepayments and accrued income	4,744	2,278
	<u>373,839</u>	<u>222,195</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts owed to subsidiary undertaking	1,000	1,000
Other taxation and social security	294	405
Grants payable	183,765	149,774
Accruals	53,792	52,542
Deferred income	30,130	31,346
	<u>268,981</u>	<u>235,067</u>

	2023 £	2022 £
Deferred income at 1 August 2022	31,346	18,369
Resources deferred during the year	30,130	31,346
Amounts released from previous periods	(31,346)	(18,369)
	<u>30,130</u>	<u>31,346</u>

Most tenants of the investment properties pay their rents quarterly in advance. The financial year-end falls during a quarter and that portion of the quarterly rent which relates to the period falling after the financial year-end is deferred income.

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

19. Statement of funds

Statement of Funds – Current Year

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 July 2023 £
Unrestricted Funds						
Investment Fund	53,954,827	-	9,553	-	(1,514,676)	52,449,704
General Fund	2,123,688	2,465,896	(1,586,163)	(376,971)	-	2,626,450
Exhibition Programme	363,619	-	(142,437)	115,000	-	336,182
Reserve Fund	26,260	-	-	6,000	-	32,260
Coin Database Reserve Fund	64,051	-	(42,248)	20,000	-	41,803
Major Conservation Reserve Fund	483,021	-	-	44,000	-	527,021
Galleries' Refurbishment Fund	78,402	-	(4,024)	30,000	-	104,378
Works of Art Fund	35,273	223,997	-	-	-	259,270
Barber Institute Operations Fund	13,460	7,696	-	-	-	21,156
Music Fund	122,968	-	(6,746)	20,000	-	136,222
Investment Property Sinking Fund	70,000	-	(139,179)	141,971	-	72,792
Barber Opera Fund	57,335,569	2,697,589	(1,911,244)	-	(1,514,676)	56,607,238
Restricted Funds						
Works of Art Fund	-	750,750	(750,750)	-	-	-
Total of Funds	57,335,569	3,448,339	(2,661,994)	-	(1,514,676)	56,607,238

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 July 2022
	£	£	£	£	£	£
Unrestricted Funds						
Investment Fund	-	-	(112,130)	51,563,556	2,503,401	53,954,827
General Fund	2,323,063	2,106,212	(1,733,258)	(572,329)	-	2,123,688
Exhibition Programme						
Reserve Fund	354,970	-	(106,351)	115,000	-	363,619
Coin Database Reserve Fund	20,260	-	-	6,000	-	26,260
Major Conservation Reserve Fund	51,815	-	(7,764)	20,000	-	64,051
Galleries' Refurbishment Fund	459,115	-	(20,094)	44,000	-	483,021
Works of Art Fund	71,007	-	(294,600)	301,995	-	78,402
Barber Institute Operations Fund	39,939	-	-	(4,666)	-	35,273
Music Fund	10,260	3,579	(379)	-	-	13,460
Investment Property Sinking Fund	(154,058)	-	(23,176)	253,850	-	122,968
Barber Opera Fund	-	-	-	70,000	-	70,000
	<u>3,176,371</u>	<u>2,109,791</u>	<u>(2,251,400)</u>	<u>51,797,406</u>	<u>2,503,401</u>	<u>57,335,569</u>
Endowment Fund						
Endowment Fund	50,861,682	-	(38,841)	(51,797,406)	974,565	-
Restricted Funds						
Works of Art Fund	-	50,200	(50,200)	-	-	-
Total of Funds	<u>54,038,053</u>	<u>2,159,991</u>	<u>(2,340,441)</u>	<u>-</u>	<u>3,477,966</u>	<u>57,335,569</u>

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

19. 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 three works of art during the year, which are described in detail under Achievements and Performance – Collections on page 7. The designated fund balance at the year end of £104,378 (2022: £78,402) 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.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted income funds 2023 £	Unrestricted investment funds 2023 £	Total funds 2023 £
Fixed asset investments	-	48,347,125	48,347,125
Investment property	-	4,105,000	4,105,000
Current assets	4,424,094	-	4,424,094
Creditors due within one year	(266,560)	(2,421)	(268,981)
Total	4,157,534	52,449,704	56,607,238

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Fixed asset investments	49,757,308	-	49,757,308
Investment property	4,224,000	-	4,224,000
Current assets	3,589,328	-	3,589,328
Creditors due within one year	(235,067)	-	(235,067)
Total	57,335,569	-	57,335,569

THE HENRY BARBER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	(728,331)	3,297,516
Adjustments for:		
Dividends, interests and rents from investments	(2,465,896)	(2,106,212)
(Increase)/decrease in debtors	(151,644)	(159,516)
Increase/(decrease) in creditors	33,914	105,463
Net loss/(gain) on investments	1,514,676	(3,477,966)
Net cash used in operating activities	<u>(1,797,281)</u>	<u>(2,340,715)</u>

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	4,050,255	1,189,836
Cash on deposit and current cash at investment manager	-	2,177,297
Cash at investment manager for investment	6	1,265,295
Total cash and cash equivalents	<u>4,050,261</u>	<u>4,632,428</u>

23. Analysis of changes in net debt

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Cash at bank and in hand	3,367,133	683,122	4,050,255
Cash at investment manager for investment	1,265,295	(1,265,289)	6
	<u>4,632,428</u>	<u>(582,167)</u>	<u>4,050,261</u>