

**FRIENDS OF BIRMINGHAM MUSEUMS AND ART
GALLERY**

COMMITTEE REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2021

Harwoods
Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

**FRIENDS OF BIRMINGHAM MUSEUMS
AND ART GALLERY**

CONTENTS

	Page
Trustees' Annual Report for the 2021 AGM:	
Reference and Administrative Information of the Charity for the Year Ended 31 March 2021	3
Trustees' Annual Report for the 2021 AGM	4
Independent Examiner's Report	8
Financial Statements for the Year Ended 31 March 2021:	
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

Trustees' Annual Report for the 2021 AGM

REFERENCE AND ADMINISTRATIVE INFORMATION OF THE CHARITY FOR THE YEAR ENDED 31 March 2021

Trustees

Due to COVID-19, the Committee held its meetings on Zoom throughout the year from 1 April 2020 until 31 March 2021. The Committee held seven Zoom meetings during the year. Attendance at these events is shown in brackets. Due to COVID-19, the AGM was abandoned. Unfortunately, some of the Committee were unable to access Zoom and were thus unable to attend the online meetings. However, they had contributed comments and suggestions for inclusion at the meetings.*

Peter Miles	(7/7)	Appointed Deputy Chair, 10 February 2021; Appointed Chair, 25 March 2021
Bill Lane	(7/7)	Appointed Deputy Chair, 25 March 2021
John Bragg	(6/7)	Hon. Treasurer
David Foster	(4/4)	Chair, resigned 1 December 2020
Jane Howell	(6/6)	Deputy Chair; Appointed Chair, 7 January 2021; resigned 22 February 2021
Margaret Lister	(2/2)	Resigned 30 July 2020
John Pownall	(7/7)	
Judith Hurst	(0/7)*	
John Alden	(0/2)	Resigned 30 July 2020
Jim Wells	(0/7)*	
Councillor Kath Hartley	(4/7)	Council nominee
Councillor Peter Fowler	(2/7)	Council nominee
In attendance	-	
Birmingham Museums Trust's Representative	(6/7)	
Melissa Hughes	(3/3)	Administrator, on Maternity Leave from February 2020 until January 2021

Charity registered number

528895

Principal office

Friends Office
Birmingham Museum & Art Gallery
Chamberlain Square
Birmingham
B3 3DH

Independent Examiner

Zoe Walsh FCCA
Harwoods Chartered Accountants,
Registered Auditors,
1 Trinity Place,
Midland Drive,
Sutton Coldfield,
B72 1TX

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 March 2021

The Trustees present their report and the financial statements for the year ended 31st March 2021. Reference and administrative information set out on this page forms part of this report. The financial statements comply with current statutory requirements, the charity's constitution, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

a. Principal Objective

The principal object of the charity, as declared in its current Constitution, approved in 2010, is *“to support and assist the Birmingham Museums and Art Gallery and to promote their use and enjoyment by the public. In furtherance of the above- . . . to provide money, by receipt of subscriptions, gifts, bequests or otherwise and by sale of artistic works or other trading activities such money to be applied either directly or after accumulation or investment.”*

In making its annual review of the aims, objectives and activities, the Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives that have been set.

b. Contributions and Acquisitions to Birmingham Museums Trust

During the year, the Friends contributed £6,000 to Birmingham Museums Trust.

c. Membership

At the end of March 2021, Membership stood at 667, 107 fewer than at March 2020 and a decrease of 13.8%. The number of new members was 4 compared with 32 last year, a decrease of 87.5% and the number of leavers was 111 compared with 86 last year, an increase of 29.1%. Members from whom we received no response to renewal reminders accounted for 63% of all leavers. Subscription renewals for about half of this group were due on 1st April 2020, coinciding with the first Covid-19 lockdown.

d. Social Events

Due to COVID-19, the Friends were unable to offer a programme of social events. We hope to restart our events programme as soon as possible.

e. Friends Magazine

Due to COVID-19, *Artefacts* was not able to be produced during 2020-2021.

f. Priorities for the Year 2020-2021 – and how were these achieved?

2020-2021 was a year of uncertainty and change due to COVID-19. Many of the Friends' activities were sidelined by the pandemic.

Last year, the Committee identified three priorities for the coming year:

- 1. In line with our defining objective, we shall continue to work with BMT to understand their plans in order that the Friends can best anticipate the manner of support which might be required.**

The Committee continued to have regular Meetings using Zoom which included updates on BMT from Rachel Cockett, BMT's Director of Development. This ensured that, despite the pandemic, the Committee were kept up to date with BMT's plans including the redevelopment of BMAG and the planned closure of the offices, including the Friends' Office, in autumn 2021.

- 2. The consequences of the lockdown and BMT's closure have drastically changed the operating environment for the Friends. A major priority is to preserve our financial resources so that we can support BMT for the future.**

With the closure of BMAG as a result of the COVID-19 pandemic there was very limited access to the Friends' office during the year. Lynda Perrin worked from home and was able to continue to process the Memberships. Regular liaison between Lynda and John Bragg, our Treasurer, ensured that the Committee were kept up to date and that the Friends remained financially secure and stable. Preparations needed to be made in light of the closure of the Friends' Office from autumn 2021.

The net income of £2,805 before surplus on investments was achieved only because BMT's application for grants fell from £18,589 in 2019-2020 to £6,000 in 2020-2021.

3. **The other activities of the Friends have an uncertain future. The progress and nature of the exit from the lockdown and the ongoing impact of the coronavirus pandemic will have an impact on our members and their attitude to the traditional social activities of the Friends. Monitoring the changes to their attitudes will be an important role in the coming months.**

Lynda Perrin continued to maintain regular correspondence with the Membership throughout the year, for which the Friends are extremely grateful. With the continuation of the pandemic and subsequent lockdowns, the Friends' activities were severely impacted and no Members' events were able to be held during 2020-2021.

g. Priorities for the current Year 2020-2021

The priorities for the coming year have been severely affected by the COVID-19 pandemic, national lockdowns and the aftermath.

1. **Continuing to work with BMT to understand their future plans in order that the Friends can anticipate the manner of support which might be required.**
2. **Planning and preparing for the closure of the Friends' Office in Autumn 2021 and the subsequent change in operations as a result of the BMAG Redevelopment.**
3. **Communicating with the Membership by developing a Friends Newsletter whilst COVID-19 prevents the publication of *Artefacts*.**
4. **Recruiting new Trustees.**
5. **Developing the Friends online presence – website and social media (e.g. Facebook, Twitter) – in scale and quality.**
6. **Raising awareness of the Friends and increasing the Friends membership.**
7. **In light of the changes due to COVID-19, looking for more volunteer support in order to rethink and develop the Friends' Events programme and to provide further support across the organisation.**

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The principal object of the charity is as declared in the current Constitution of the charity, approved in 2010.

b. Method of Appointment or Election of Committee

The management of the charity is the responsibility of the Committee. Its members are the Trustees of the charity and are approved by the membership under the terms of the Constitution. This also allows for additional members to be co-opted when necessary.

The officers are appointed by the Committee and approved by the meeting of members.

The Constitution of the charity provides for the Museum Director to be a member of the Committee. Ellen McAdam, BMT's Director until September 2020, and subsequently Sara Wajid and Zak Mensah, BMT's Co-CEOs since September 2020, have delegated this role to Rachel Cockett, Director of Development. Furthermore, Birmingham City Council is entitled to appoint two Councillors to the Committee. The current Councillors attend our meetings regularly and have contributed greatly to our deliberations at various times. The Museum CEOs and the Birmingham City Councillors are non-voting members of the Committee.

No nominations were put forward for Trustees and the vacancies were therefore left unfilled. All the existing members of the Committee have participated enthusiastically, and we are very grateful for their contributions. The Committee had five Committee meetings during the year. Individual members have collaborated in specific projects outside of the official meetings, so enabling the formal meetings to be effective.

The Trustees must be members of the charity. They have no beneficial interest in the charity. All Trustees and volunteers give their time voluntarily and receive no benefits from the charity.

c. Organisational Structure and Decision Making

The Association was established in 1931 and is constituted under a Charity Commission Scheme dated 22 May 1969 and is a registered charity, number 528895. It is regulated by its Constitution approved by the Annual General Meeting, 21 July 2010.

d. Risk Management

The Committee has assessed the major risks to which the charity is exposed, in particular those related to its operations and finances. We are satisfied that the procedures for managing our finances are sound.

COVID-19 and the national lockdowns drastically reduced the activities of the Friends and BMT throughout 2020-2021. We have had limited access to our office facilities since March 2020. The officers have used online resources to maintain efficient operations: email, videoconferencing, and online banking.

e. Office and Administration

We continue to be grateful to Lynda Perrin, our Membership Secretary, for her dedication and hard work and to Melissa Hughes, our Administrator, who returned to work in February but was able to use 'Keeping in Touch' days to return from maternity leave early to support the Friends.

Unfortunately, with BMAG having been closed due to COVID-19, the Information Desk in the Industrial Gallery has been closed and there has only been very limited access to the Friends' office.

f. Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Annual 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 the incoming resources and application of resources of the charity 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 in the Charities SORP 2019 (FRS 102).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards 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 operation.

The Trustees are responsible for keeping proper accounting records that 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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 Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

FINANCIAL REVIEW

The Committee confirm that the annual report and financial statements of the charity have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice 'Accounting and reporting by Charities' - SORP applicable to charities preparing their accounts in accordance with FRS 102.

The Reserves were built up in the late 1970s, mainly through the sale of works donated through the Friends' and are all Unrestricted Funds, none of these or subsequent donations received being designated or restricted for a particular purpose. The major part of these Reserves has been invested on the Friends' behalf by the Trustees giving discretion to our Investment Manager, Brewin Dolphin, within the overall Investment policy set by the Trustees, which is to limit risk while aiming for long-term growth of capital and income. There is an international spread of our investments both in equities and in fixed interest securities.

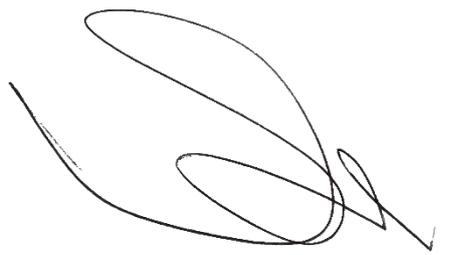
During the year the Investment Sub-Committee met twice with Brewin Dolphin and our Independent Financial Advisor, Punter Southall, to review the performance of our investments against the agreed investment criteria.

The financial aim of a charity is usually to achieve no more than a small surplus, taking one year with another. The Friends achieved this aim in the year to 31 March 2021 with net gains before losses on investments of £2,805.

The Trustees annual report has been approved by the Trustees on 1st September 2021 and signed on their behalf by:

A handwritten signature in blue ink that reads "Peter Miles". The signature is written in a cursive style and is underlined with a single horizontal stroke.

.....
Peter Miles, Chair

A handwritten signature in black ink that is highly stylized and abstract, consisting of several overlapping loops and a long horizontal stroke.

.....
William Lane, Deputy Chair

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FRIENDS OF BIRMINGHAM
MUSEUMS AND ART GALLERY FOR THE YEAR ENDED 31 March 2021**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st March 2021 which are set out on pages 10 to 16.

Responsibilities and basis of report

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

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

Independent examiner's statement

I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

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

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

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

Zoe Walsh FCCA

Harwoods, Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
West Midlands
B72 1TX

1 September 2021

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

**Statement of Financial Activities
for the year ended 31 March 2021**

	Note	Total funds 2021 <i>(all unrestricted)</i> £	Total funds 2020 <i>(all unrestricted)</i> £
Income			
Donations and legacies	3	-	2,714
Income from charitable activities	4	19,415	33,751
Investment income		13,992	15,351
Other income	5	4,795	-
Total income		38,202	51,816
Expenditure			
Costs of raising funds	6	5,149	10,182
Expenditure on charitable activities	7	30,248	39,694
Total expenditure		35,397	49,876
Net income/ (expenditure) before net gains/(losses) on investments		2,805	1,940
Net gains (losses) on investments	11	96,364	(45,898)
Net income/(expenditure) and net movement in funds for the year		99,169	(43,958)
Total funds brought forward		484,380	528,338
Total funds carried forward	15	583,549	484,380

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

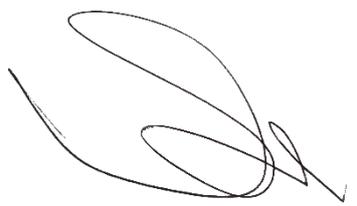
**Balance Sheet
as at 31 March 2021**

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	10	-	4,978
Investments	11	540,576	456,186
		<hr/>	<hr/>
Total fixed assets		540,576	461,164
Current assets			
Debtors	12	1,482	2,305
Short term deposits		16,805	10,101
Cash at bank and in hand		28,683	24,833
		<hr/>	<hr/>
Total current assets		46,970	37,239
Liabilities			
Creditors: amounts falling due in less than one year	13	(3,997)	(14,023)
		<hr/>	<hr/>
Net current assets		42,973	23,216
		<hr/>	<hr/>
Net assets		583,549	484,380
		<hr/> <hr/>	<hr/> <hr/>
Represented by:			
Unrestricted funds	15	583,549	484,380
		<hr/>	<hr/>

The financial statements were approved by the Trustees on 1st September 2021 and signed on their behalf by:



.....
Peter Miles, Chair



.....
William Lane, Deputy Chair

The notes on pages 11 to 15 form part of these financial statements.

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

Notes to the Financial Statements for the year ended 31 March 2021

1. Legal Status of the Charity

Friends of Birmingham Museums and Art Gallery is a charitable unincorporated organisation in England & Wales, which is regulated by its Constitution approved by the Annual General Meeting, 21 July 2010.

The address of the charity's principal place of business can be found on the reference and administration page.

2. Accounting Policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value.

The financial statements have been prepared on the going concern basis and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The charity meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling, which is the functional currency of the charity and rounded to the nearest £1.

Fund Accounting

Unrestricted income funds comprise those funds, which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds, which are to be used in accordance with specific restrictions imposed by the donor. During the reporting period and in the previous year the charity had no restricted or designated funds.

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. Subscriptions including Gift Aid are recognised when received.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor of the estate has communicated in writing both the amount and settlement date.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

Tangible Fixed Assets

Tangible fixed assets consist of collection boxes, which are treated as non-depreciable. Computer equipment is depreciated on a 3-year straight line basis.

Fixed Asset Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Current Asset Investments

Current asset investments are short-term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

	Total Funds 2021 (unrestricted) £	Total Funds 2020 (unrestricted) £
3. Income from Donations and Legacies		
Donations	-	-
Legacy	-	2,714
	<u>-</u>	<u>2,714</u>
4. Income from Charitable Activities		
Members Subscriptions	16,624	19,461
Members Events	2,791	14,290
	<u>19,415</u>	<u>33,751</u>
5. Other income		
Maternity leave contribution towards salaries (note 8)	4,410	-
Bank compensation	385	-
	<u>4,795</u>	<u>-</u>
6. Costs of Raising Funds		
Members Events	-	5,355
Investment Management Costs	5,149	4,827
	<u>5,149</u>	<u>10,182</u>
7. Expenditure on Charitable Activities		
Contributions to BMAG	6,000	18,589
Governance and Support Costs	24,248	21,105
	<u>30,248</u>	<u>39,694</u>
8. Analysis of governance and support costs		
Staff costs – salaries	14,188	12,735
Office costs	717	999
Independent examiner	1,980	1,890
AGM expenses	-	282
Printing and postage	941	3,196
Bank charges	402	668
Insurance	901	847
Other costs	141	195
Depreciation	4,978	293
	<u>24,248</u>	<u>21,105</u>

The average number of staff employed during the year was 2 (2020: 2).

No employee received employee benefits in the year in excess of £60,000 (2020: nil)

9. Related party transactions and trustees' remuneration and expenses

No trustee or any person connected with them received any remuneration or benefits in kind during the year (2020: £nil).

No trustee received reimbursement of travel expenses during the year (2020: £nil.)

There are no related party transactions during the period (2020: £ nil).

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

10. Fixed Assets

	Collection Boxes	Computer Equipment	Total
Cost	£	£	£
At 1 April 2020 and 31 March 2021	4,978	883	5,861
Depreciation			
At 1 April 2020	-	883	883
Charge for the year	4,978	-	-
At 31 March 2021	<u>4,978</u>	<u>883</u>	<u>883</u>
Net Book Value			
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2020	<u>4,978</u>	<u>-</u>	<u>4,978</u>

11. Investments

	2021 £	2020 £
Market Value at 1 April 2020	456,186	490,386
Add: additions at cost	94,916	93,638
Sale proceeds from disposals	(106,890)	(81,940)
Gains (losses) in year	96,364	(45,898)
Market Value at 31 March 2021	<u>540,576</u>	<u>456,186</u>
Investments at fair value comprise:		
Equities	324,592	241,702
Fixed interest securities	215,984	214,484
	<u>540,576</u>	<u>456,186</u>

12. Debtors

	2021 £	2020 £
Prepayments and accrued income	1,482	2,305
	<u>1,482</u>	<u>2,305</u>

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	3,333	13,379
Other creditors	664	644
	<u>3,997</u>	<u>14,023</u>

FRIENDS OF BIRMINGHAM MUSEUMS AND ART GALLERY

14. Summary of movement in funds – all unrestricted

	2021 £	2020 £
At 1 April 2020	484,380	528,338
Income	37,817	51,816
Expenditure	(35,012)	(49,876)
Losses/Gains on Investments	96,364	(45,898)
At 31 March 2021	<u>583,549</u>	<u>484,380</u>

15. Analysis of Net Assets between Funds – all unrestricted

	2021 £	2020 £
Tangible Assets	-	4,978
Fixed Asset Investments	540,576	456,186
Cash at bank and in hand	28,683	24,833
Other current assets	18,287	12,406
Current liabilities	(3,997)	(14,023)
Total	<u>583,549</u>	<u>484,380</u>