

Sheffield Galleries & Museums Trust
(Limited by guarantee)

Annual report and financial statements

For the year ended 31 March 2021

Charity registered number 1068850

Company registered number 3527746

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Officers and Professional Advisers

Directors at the date of approval of the financial statements, *who act as Trustees*

CAJ Biggin
JS Cowling (*Chair*)
D Chouings

Company secretary

CAJ Biggin

Registered office

Riverside East
2 Millsands
Sheffield
S3 8DT

Independent Auditor

BHP LLP
Chartered Accountants
2 Ritland Park
Sheffield
S10 2PD

Bankers

The NatWest Bank
42 High Street
Sheffield
S1 2GE

Chair's message

It is an understatement to say it has been an extraordinary year. All credit to the resilience of the team at Museums Sheffield to get through it and remain positive about the future. Most readers will know that all the museums and galleries have been closed to the public for majority of the year as a result of the Coronavirus pandemic, albeit some work has continued to go on behind the scenes when safe to do so including the refurbishment and very temporary reopening of new galleries at Weston Park Museum during the summer of last year.

We are hugely grateful for the continued support of our funders including Sheffield City Council, Arts Council England (ACE), various businesses, trusts and foundations and the charitable giving from individual supporters. The Government's Coronavirus Job Retention Scheme and the ACE Culture Recovery Fund have also provided valuable support. Taken together the funding has allowed the organisation to survive.

Closure of the sites has also meant the retail and commercial operations had to be moth-balled with the corresponding loss of the valuable contribution that these trading operations make to the charity. With all sites closed the related staff were furloughed except for those that were needed to keep things ticking over.

Despite closure and working remotely we pressed ahead with strategic plans to merge the Trust with Sheffield Industrial Museums Trust. The plans had been in place for some time but undoubtedly bringing the two organisations together under one new trust at this time will create a stronger offering for the longer term. Much work has been done to draw up robust plans for the future, and to take stock of the assets that each trust brings to the merger as well as executing the associated legal processes. The new Sheffield Museum Trust was put in place on 1 April 2021 and is chaired by Neil MacDonald. Exciting times are ahead when all the sites reopen under the leadership of the new trust with a cohesive and integrated offering to the people of Sheffield and its visitors.

I and my fellow trustees would like to wish the new trust and its combined workforce well. While some Museum Sheffield trustees become trustees in the new trust to provide continuity and serve out their terms of office, a number also retire. I would like to thank them all for their passion and enthusiasm for the work of Museums Sheffield and its successor organisation and I would also like to thank them for helping to steer us through a very difficult year.

We are also hugely grateful for the work of the Museums Sheffield Executive team led by Kim Streets, Kirstie Hamilton and Jenny Cocker and all of the Museums Sheffield staff for their work over this past year. My thanks to them all.


John Cowling (Aug 17, 2021 10:04 GMT+1)

John Cowling
Chair of Trustees

Date Aug 17, 2021

Chief Executive Officer's report

Inevitably, it has been a tough year for the museums and for everyone who works here, yet there are some real positives. First and foremost, colleagues have adapted brilliantly to the crisis – people who were furloughed have returned to work with energy and enthusiasm and those who worked throughout successive periods of lockdown did so with good grace, bringing their usual pragmatism and flare to find solutions in often complex and difficult situations.

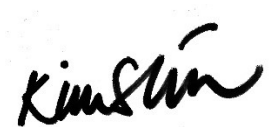
The museums were open to visitors for just over eleven weeks last year and as a result we welcomed just 6% of the visitors in year that we would normally receive. Nevertheless, the team gave every visitor a warm welcome and worked hard to facilitate high quality, and Covid-secure, museum experiences – I would like to thank colleagues for their tenacity in navigating the restrictions and maintaining a positive outlook during such an uncertain period.

Whilst our doors were closed, colleagues adapted their practice to reach audiences remotely through on-line talks and exhibition tours and by making our brilliant series of Sheffield-related films available via the website. We also worked with people from across the city to collect objects and stories that captured Sheffield's experience of the pandemic year – from little knitted teddies to ephemera relating to the vaccination programme – every item has an important story to tell.

Delivered in partnership with Sheffield Churches Council for Community Care, Sheffield Carers and Disability Sheffield, and with support from our brilliant team of volunteers, the extraordinarily successful Museums by Mail project saw over 1,200 handwritten postcards featuring the city's collections sent to isolated people across the city, particularly those living in care homes. The hugely positive and moving responses serve as a reminder of the importance of museums and heritage in peoples' lives and demonstrate our role in the process of recovery.

At the beginning of the crisis, Trustees committed to meeting monthly to keep abreast of changing circumstances and to support and advise the Executive in all aspects of our operation. I would like to thank all the Trustees, and in particular John Cowling, John Biggin and Neil MacDonald for their huge commitment throughout the year. I'd also like to offer special thanks to John Cowling, our Chair, who retires this year. His support and wise counsel over the past eight years and his leadership of the board since 2015 have been invaluable and it has been a great pleasure to work alongside him.

Whilst it has been a difficult year for everyone, colleagues have worked tirelessly to maintain a strong creative presence, to keep in touch with partners and supporters and ensure that, against all the odds, we could complete the transition to Sheffield Museums Trust on 1st April 2021 in a relatively strong financial position and with everyone on board. That we have navigated the year so successfully is entirely down to the support of our partners Sheffield City Council and Arts Council England, the dedication of our Board of Trustees and to the immense work of colleagues throughout the organisation – thank you everyone. As we say a fond farewell to Museums Sheffield, we can look ahead to a bright future as Sheffield Museums.



Kim Streets
Chief Executive Officer

Date 17 August 2021

Trustees' report (including Directors Report and Strategic Report)

The Trustees, who act as Directors for the purposes of company law, present their annual report and audited financial statements including the Directors' report and Strategic Report, of Sheffield Galleries & Museums Trust, a registered charity for the year ended 31 March 2021. The trustees confirm that the Annual Report and Financial Statements of the charitable company comply with the current statutory requirements of the charitable company's governing documents and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

This report and financial statements incorporate the results of Sheffield Galleries & Museums Trust (the "Trust") and its trading subsidiary, SGM Enterprises Limited, (together branded as Museums Sheffield) and will be filed with the Registrar of Companies.

Governing document

The Trust is a company limited by guarantee and a registered charity and is governed by its Memorandum & Articles of Association dated 10 March 1998.

Charitable objectives

The Trust's purpose is embedded in its charitable objectives:

- The advancement of education of the public through the provision, maintenance and support of museums, art and craft galleries within Sheffield and its environs;
- To promote, maintain, improve and advance public education through the acquisition, care, management and display for the public benefit of:
 - a. the non-industrial galleries and museums collections of Sheffield City Council (SCC);
 - b. the arts collection of the Mappin Trust;
 - c. the collection of the Guild of St George; and
 - d. any other collections, groupings, displays or individual items from any other body which will promote the objects of the Company.
- The advancement of the education of the public by the aid, establishment, funding, or sponsorship of bursaries, scholarships or grants to any person or persons, institution, association or corporate body for the purpose of furthering the objects of the Company.
- Such other charitable objects as the Company shall from time to time determine.

Organisation

The board of Trustees, which can have up to fourteen members, administers the charity. The board meets quarterly and Trustees also hold committees to review Development, Finance, Participation, Remuneration and Employment, Risk, Audit and Governance and Nominations.

A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and creative performance related activity. The Chief Executive Officer is assisted by an Executive comprising a Director of Finance and Resources and a Director of Programmes.

The Trust operates from the following sites:
Graves Gallery, Surrey Street, Sheffield
Millennium Gallery, Arundel Gate, Sheffield
Weston Park Museum, Weston Park, Western Bank, Sheffield

The Trust also manages an administrative office at Leader House and a Collections Centre on the outskirts of the City.

Trustees' report (including Directors Report and Strategic Report) -continued

Appointment of Trustees

Three Trustees are nominated by Sheffield City Council ("SCC") and are subject to the appointment process of that body and the guidelines on appointment to public office as they apply to Local Government nominees. One Trustee is appointed by the Victoria & Albert Museum.

All Trustees bring an appropriate balance of experience relevant to the requirements of the operations of the Trust and in line with the requirements of its Memorandum and Articles of Association.

Procedures and policies for the induction and training of Trustees

New Trustees are invited to meet with the senior management team and Chair to brief them about legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. The Chair conducts an annual review with Trustees to review performance, identify training requirements and discuss their view of the charity's performance.

Public benefit

In setting the objectives of the charity and planning our activities, Trustees have considered the Charity Commission's guidance on public benefit and fee charging. The charity generates income from funding applications, commercial operations and donations, as well as charges for educational activities in order to cover operating costs. In setting education charges, the Trustees give careful consideration to the accessibility of the service for people who have a low income.

Access to displays, exhibitions and the majority of events in our galleries and museums is free to everyone. Trustees have taken the decision not to charge for entry to exhibitions and instead to encourage visitors to make a voluntary donation. This approach is reviewed regularly.

Fund Raising Standards

Donors to our museums can be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We do not engage any external fundraising service providers.

Our fundraising effort involves encouraging donations from supporters, gifts in wills, running events and making direct appeals for specific projects.

We are registered with the Fundraising Regulator and comply with all the relevant standards set out in the Code of Fundraising Practice. Our in-house fundraising team are members of the Institute of Fundraising.

Legal and Administrative details

Registered Office

Riverside East
2 Millsands
Sheffield
S3 8DT

Secretary

John Biggin

Company registered number

3527746

Charity registered number

1068850

Trustees' report (including Directors Report and Strategic Report) -continued

Directors

The Directors, who act as Trustees, who held office during the year and to the date of signing are as follows:

CAJ Biggin	N MacDonald (resigned 31 March 2021)
L Bradley (resigned 18 February 2021)	P Meleady (resigned 31 March 2021)
D Chouings	P Rippon * (deceased December 2020)
JS Cowling	I Proctor (resigned 31 March 2021)
M Greaves (resigned 31 March 2021)	J Robinson (resigned 31 March 2021)
D Hurst * (resigned 31 March 2021)	A Singh (resigned 31 March 2021)

* Sheffield City Council nominated Trustee

The Trustees attendance at formally notified general meetings for the year ended 31 March 2021 is as follows:

Trustee	Meetings attended	Maximum no. of meetings
CAJ Biggin	4	4
L Bradley	2	4
D Chouings	3	4
J Cowling	4	4
M Greaves	2	4
Cllr D Hurst	4	4
N MacDonald	4	4
P Meleady	4	4
I Proctor	0	4
Cllr P Rippon	1	3
J Robinson	4	4
A Singh	4	4

Risk Assurance and Governance Committee. Attendance at meetings for the year ended 31 March 2021 was as follows:

N MacDonald (<i>Chair</i>)	4	4
A Singh	4	4
John Cowling	4	4

Risk, Assurance and Governance committee is also attended by a Sheffield City Council representative.

During the year a number of additional meetings of the Board were held to determine and govern the Trust's Covid-19 response.

On 1 April 2021, Sheffield Galleries & Museum Trust transferred all operations to Sheffield Museums Trust. Sheffield Galleries & Museums Trust will be governed by a smaller cohort of Trustees until the formal winding up of the Trust later in 2021. Several Trustees from Sheffield Galleries & Museums Trust have been appointed as Trustees of Sheffield Museum Trust.

Executive

Kim Streets	Chief Executive Officer
Kirstie Hamilton	Director of Programmes
Jennifer Cocker	Director of Finance and Resources

Executive remuneration is reviewed and discussed by the Remuneration and Employment Committee, proposals are brought to the meeting of the Board of Trustees for approval.

Trustees' report (including Directors Report and Strategic Report) -continued

Objectives and activities

The role of the Trustees is to ensure the fulfilment of the objects of the Memorandum and Articles of Association, summarised above. The charity has a core vision and mission that underpins all activity:

Our vision: Inspirational museums and galleries where people can reflect upon the past, question the present and imagine the future.

Our mission is to connect with our visitors, share stories about Sheffield and the wider world, and care for the city's collections.

Employees and Volunteers

All individuals considered for employment are assessed based on their relative experience, knowledge, skills and qualifications. Our aim is that our workforce will be representative of the city region population and that each employee feels respected and able to give of their best. It is against Museums Sheffield's policy to discriminate either directly or indirectly against any person because of their protected characteristics.

Museums Sheffield recognises that training is a key way in which employees and potential employee develop the knowledge, skills, qualifications and experience necessary for the effective performance of their job. Where training needs are identified through the performance management process, training opportunities will be made available, subject to financial and operational constraints, to all staff.

Volunteers continue to contribute enormously to the Trust. In 2021 volunteer involvement was curtailed by Covid-19 restrictions. Despite the closure of our sites for the majority of the year 112 volunteers contributed their time and energy to the Trust (2020:277). Volunteers contributed 1,363 hours (2020: 8,606 hours) of their time and skills to support our service. We run the programme on a strictly practical basis, recruiting volunteers to fit roles and undertake tasks identified by museum staff. All our volunteering opportunities are advertised via the website and to registered volunteers. Arts Council England NPO funding has enabled the development of volunteering opportunities across Museums Sheffield and Sheffield Industrial Museums Trust sites and activities. This has made an important contribution to the quality, variety and sustainability of the volunteering programme at both Trusts.

Pensions

The Financial Statements are prepared under Financial Reporting Standard 102 ("FRS102"). In accordance with paragraph 17.14 of the SORP (FRS102), we have charged against the funds of the charity, a provision equivalent to the pension deficit reported under FRS102. This has resulted in a cumulative reduction in Funds available to the Trust of £492,000 in 2021 (£626,000 in 2020).

The Trust currently operates one pension scheme that is affected by the provisions of FRS102. Employees transferred from SCC on 6 April 1998 are members of the South Yorkshire Pension Scheme, providing benefits based on final pensionable pay. The expected cost of providing these pensions, as calculated periodically by professionally qualified actuaries, is charged to the Statement of Financial Activities, so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payrolls. One employee was a member of the defined benefit scheme at 31 March 2021 (2020: 2).

The most recent actuarial valuation showed that the market value of the scheme's assets was £4,625,000 at 31 March 2021 and that the actuarial value of those assets represented 90% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

Each year the Trust and the scheme's actuaries review the underlying assumptions of the calculation of the valuation of the scheme for the purposes of FRS102. In the FRS102 calculation for these financial statements, we have increased liabilities by 9.5% (to £5.117m) to reflect recent changes in members.

The Trustees currently consider that the performance of the investment portfolio and the increase in employer deficit reduction contributions implemented in the last year and for all future years are sufficient to anticipate that the deficit will be eliminated over the longer term.

Trustees' report (including Directors Report and Strategic Report) -continued

Relationship with other organisations

The Trust liaises closely with SCC in pursuit of its charitable objectives. The relationship is conducted in accordance with a formal funding agreement signed on 8 April 1998 and the Council provides services to the Trust.

The Council remains the principal funding provider of the Trust, providing approximately 40% (2020:39%) of total incoming resources in the year. During the year two Sheffield City Councillors served on the Board of Trustees, Cllr Dianne Hurst, and Cllr Peter Rippon. Sadly, Cllr Rippon died in December 2020, Trustees would like to record their thanks for Cllr Rippon's service to the Trust and also for his dedication and wider contribution to the City.

In 2018 Museums Sheffield was awarded £200,000 per annum of Arts Council England NPO funding for a four-year programme of work with Sheffield Industrial Museums Trust (SIMT). The two Trusts committed to a programme of activity that included the development of joint opportunities in volunteering, education, collection management and in exhibition programming. A Joint Working Group of Trustees and senior staff from both Trusts met quarterly to provide governance and oversight of the relationship and activities.

At Board meetings held in May 2020 the two respective Boards resolved to form a new Trust and to transfer the operations, assets and liabilities from each existing Trust into that new Trust. Sheffield Museums Trust was incorporated on 4th December 2020. The assets, liabilities and operations of Sheffield Industrial Museums Trust and Sheffield Galleries & Museums Trust were transferred to Sheffield Museums Trust on 1 April 2021.

Sheffield Museums Trust will see the city's historic and cultural collections, which span industrial and social history through to natural science and visual art, unite to tell a compelling and comprehensive story of Sheffield and its people.

Payments to suppliers

It is the policy of the Trust to agree terms of payment with their suppliers when the order for goods and services is placed and to adhere to these arrangements when making payment. At the year end, trade creditor days were equivalent to 10 days (2020: 31 days). Payment days at 31 March 2021 were influenced by the winding down of the Trust in readiness for transfer to Sheffield Museums Trust

Related parties

The Trust has a subsidiary, SGMT Enterprises Limited, which undertakes the non-charitable activities based within the sites operated by the Trust. Any surpluses generated by the activities of the subsidiary are donated to the Trust to support its charitable activities.

Key management personnel remuneration policy and benefits

The Trust bases its reward policies and strategies on the needs of the organisation. Salaries in general are determined by reference to similar museum services in the UK, and consistency is ensured by regular evaluation of employees' performance. Senior executive's remuneration is decided by the Trustee remuneration and employment committee which has access to external data. A Personal Pension Plan is available to all staff that is auto-enrolment compliant.

Trustees' report (including Directors Report and Strategic Report) -continued

In order to achieve the charity's objectives, the Trust is working to the following strategic aims:

- To be an organisation that is resilient, well-managed and generating independent income to deliver our charitable objectives
- To enhance the attainment, aspirations and well-being of Sheffield's people
- To promote a sense of place, city-pride and cultural identity
- To care for and develop the City's art, human and natural history collections

Covid-19

On 17 March 2020, in response to Public Health guidance on Covid-19 and in the best interests of our employees and visitors, Museums Sheffield closed all sites and limited our engagement activities to online. This closure period ended on 17 August with the reopening of the Millennium Gallery and Weston Park Museum with reduced opening hours and limited visitor capacity to accommodate social distancing. Then, on 5 November we closed our doors again in response to government guidance and with the exception of a short period of opening for the shop at the Millennium Gallery in December, all our sites remained closed until May 2021. In 2020/21 only two of our three sites opened and only for a period of 11.5 weeks.

As the pandemic continued, the majority of staff were furloughed under the government's Coronavirus Job Retention Scheme ("CJRS") either on a full time or part time basis. The Trust has received financial support from CJRS of £494k.

Museums Sheffield has been fortunate that our principal funders – Sheffield City Council and Arts Council England – have been supportive and have continued to provide agreed funding during the closure. Together with payments received under CJRS, this has helped our financial position in the face of a collapse in commercial income. We are also grateful for donations made by members of the public. In addition to this we have received significant support from the Culture Recovery Fund via Arts Council England.

Government and sector advice has been followed throughout the crisis and the safety of our employees and visitors has been at the forefront of all our planning. Opening periods were fully risk assessed and Covid guidance was followed with appropriate measures being taken including enhanced cleaning, running air conditioning systems with fresh air and investment in protective equipment. A small cohort of staff have continued to work on site during this period, again fully risk assessed and adhering to guidance and following appropriate measures.

The impact of closure, the limitations of social distancing on our activities and understandable visitor caution have had a substantial impact on our financial results for the year and will continue to impact in the year ahead.

Cashflow projections and recovery plans have been regularly reviewed by Trustees.

Financial and operational review

The result for the year is set out in detail on page 28.

Total income for the year was £3,636k. This was a £241k decrease on the previous year and reflects the impact of Covid-19 and site closures.

Following a successful grant application process in 2017, Museums Sheffield was awarded an Arts Council England National Portfolio Organisation grant of £800k. The four-year funding agreement began on 1 April 2018.

Trustees' report (including Directors Report and Strategic Report) -continued

Museums Sheffield received £600k funding for a programme of activity that delivers an ambitious and diverse creative programme and supports our learning, participation and volunteering programme.

Museums Sheffield was also awarded £200k through the NPO grant programme to work with Sheffield Industrial Museums Trust to develop a joint programme of activity that explores how the two trusts can work together to develop joint opportunities and to provide the best museum experience for our audiences.

In addition to this Museums Sheffield was awarded £500k from the first round of the government's Culture Recovery Fund via Arts Council England making a significant positive impact on our financial position.

Additional grant income was received in the year from national and local funders to support specific projects. Significantly this year, grant funding has enabled us to embark on a £455k five year redisplay project at the Graves Gallery.

This year's exhibition programme has encountered significant challenge with the extensive closure period and the need to re-negotiate and honour the commitments we had made with partners to the extent that circumstances would allow.

Visitor donations have been understandably minimal, however, loyal Friends and supporters have made significant donations despite their limited access and we are appreciative of their support. Donations for the year totalled £64k (2020: £146k)

Expenditure totalled £4,055k in the year (2020: £4,136k). A significant amount of expenditure is relatively fixed, so despite being closed for the majority of the year, expenditure did not significantly fall. Of the total expenditure, £1,056k related to restricted funds, and of this a significant £588k relates to depreciation on assets that were originally funded by restricted grants.

Expenditure was well controlled and reflects a lean staffing structure and careful attitude to spending. Establishment and dilapidation costs continue to be a concern for the organisation. Millennium Gallery and Weston Park Museum are both substantial buildings that are leased from SCC on a full repairing basis. Both buildings are requiring increasing levels of maintenance and repair with some substantial items of plant nearing the end of their lives. The need to sustain stable environmental conditions means that our energy usage is high and not easily reduced. Energy costs have been further increased by the need to ensure fresh air circulation within our buildings in line with Covid-19 safety measures. Electricity contracts are regularly reviewed to ensure value for money, but costs are increasing at an above inflation rate.

The Trust made a net operating deficit of £419k. Of this, the Trust made a deficit of £26k on unrestricted activities. This compares to a budgeted expectation for the year before tax relief of a surplus of £33k on unrestricted activities. Given the circumstances of the year, this is a good result. The Trust recognises that without the CJRS scheme and the support of major funders, the financial position of the Trust would have been a cause for serious concern.

After accounting for an actuarial pension gain of £170k and benefitting from tax relief of £32k from the Museums and Galleries Exhibitions Tax relief, the net decrease in funds for the year was £217k. This is split between a gain to unrestricted funds of £94k and a reduction in restricted funds of £311k.

The Trust continues to operate in a landscape where public funding for arts and culture is falling. The Trust is grateful for SCC's continued financial support and the recognition that it gives to culture as an opportunity to increase well-being, vibrancy and the City's economy.

The Trust's funds have all been applied with a view to meeting the objects of the Trust. The Company's Memorandum and Articles of Association do not permit the payment of a dividend.

The Trust has a wholly owned trading subsidiary, SGMT Enterprises Limited, which is incorporated in England and Wales, and distributes its reserves to the Trust by gift aid. SGMT Enterprises Limited operates the shops, cafes, events and corporate hospitality trading operations carried on at the Trust. During the year, the trading activities of the subsidiary have been severely curtailed by Covid-19. No distribution will be made to the Trust this year. (2020: £115,000).

There are significant financial challenges facing Sheffield Museums Trust – notably, recovery from the impact of Covid-19, medium term planned reduction in SCC income, rising salary and increasing establishment costs.

Trustees' report (including Directors Report and Strategic Report) -*continued*

Growing commercial income to replace some of the falling funding was a priority in business plans. However, in the short term the impact of Covid-19 means that commercial income will be at reduced levels. Business plans will be fully reviewed and regularly updated as recovery from closure begins. However, it is recognised that changes to the expected business model may be required.

Further details of the activities of the trading subsidiary are set out in note 4 of the consolidated financial statements.

This has been a challenging year. However, the Trust has finished the year in a sound financial position and has worked hard to build resilience that will allow Sheffield Museums Trust to respond positively to the many challenges ahead.

Going concern and post balance sheet event

Sheffield Museums Trust launched in April 2021 after four years of collaboration between Museums Sheffield and Sheffield Industrial Museums Trust. The operations, assets and liabilities of Museums Sheffield were transferred to Sheffield Museums Trust with the understanding that Museums Sheffield charitable objectives and activities would be continued and developed in Sheffield Museums Trust. In this regard the underlying operations of Museums Sheffield and the related financial plans, its current year performance and the balance sheet have all been assessed and prepared on a going concern basis.

Following the transfer of operations on 1 April 2021, Museum Sheffield ceased trading and it is planned that Museums Sheffield will be wound up within the next financial year. Accordingly, the residual Trust is not a going concern, however, no material adjustments are required because the Trust's net assets were all transferred at their book values. Following the completion of regulatory matters, an application will be made to Companies House to wind up and strike the company from the register and remove the charity from the Charity Commission register and apply to the Charity Commission register of mergers.

Audiences

Total visitor numbers for the three sites in 2020/21 were 55,581 (2020: 944,151), 94% down on prior year and 95% down on budget. With only two sites open for 11.5 weeks throughout the whole year and with reduced opening hours and visitor capacity as well as a considerable level of visitor caution, this is to be expected. The Graves Gallery remained closed throughout the year due to staffing capacity and then the beginning of the five year redisplay project.

During 2020/21 the pandemic not only closed our doors, it also curtailed our work on audience insight, which had been progressing well in the previous year. Ensuring visitors could visit with comfort and confidence when we were open became our first priority; as such we limited visitor capacity and minimised unnecessary contact in our spaces, including visitor surveys, which meant no Audience Finder or Impact & Insight surveys were conducted during the short period we were open.

We were however able to gather useful data on how our visitors were finding their return to the museums and their response to the measures that we had put in place through an online post-visit survey sent to pre-bookers at both the Millennium Gallery and Weston Park Museum. The survey demonstrated a hugely positive response to the steps we'd taken and in particular, the work of the Visitor Experience team in making people feel safe and welcome whilst enabling them to still enjoy a rewarding visit to their museums. In addition, data gathered through the Millennium Gallery survey was also shared with the University of Sheffield to inform their work exploring the impact of the pandemic on the City's cultural sector.

Trustees' report (including Directors Report and Strategic Report) -continued

Achievements and performance

Aim 1: To be an organisation that is resilient, well-managed and generating independent income to deliver our charitable objectives

Our success in income generation and prudence in expenditure control over the past few years together with the commitment of major funders to continue funding through this difficult period has provided sufficient financial resilience to survive and ultimately respond to the current Covid-19 difficulties. The Coronavirus Job Retention Scheme and a successful application to the first round of Arts Council's Culture Recovery Fund have also provided much needed financial support.

Relationships and partnering opportunities with the private sector were developing well pre Covid with an increase in sponsorship income, however during 2020/21 this has been problematic with commercial businesses having to revisit their priorities and our extended closure period. We are maintaining relationships for the future.

Employment and utility costs remain our largest areas of expenditure whilst our extended closure period significantly reduced programme expenditure in 2020/21.

Trustees' report (including Directors Report and Strategic Report) -continued

Aim 2: To enhance the attainment, aspirations and well-being of Sheffield's people

The significant closure period during 2020/21 and the furloughing or partial furloughing of the Learning Team impacted the delivery of this aim considerably and made this a year unlike any other.

The majority of schools were unable to visit our sites, with only one school visiting Weston Park Museum. As schools were unable to come to us, we adapted our offer and wherever possible visited them; 147 children from three schools took part in workshops in their school space. Changes and increases to Covid restrictions prevented us from developing this approach further in 2020/21 however we will explore future opportunities to work in this way in the year ahead.

During the October half-term 186 adults and children attended our weather-related simple Covid-secure activities at Weston Park Museum. The autumn also saw the return of Covid-secure Life Drawing classes at the Millennium Gallery that were well received. We were able to welcome the Burton Street Group back to site in October as well as provide space for partner organisations such as the Art House to hold classes in our larger spaces. An adult trail for Weston Park Museum was also shared with visitors. In addition to the activities that took place on site we planned, risk assessed, organised and then cancelled many other events due to the changing situation including Christmas activities and craft markets.

The majority of our engagement was either digital or with partner organisations such as Create Sheffield. During spring and early summer we published 11 creative ideas for families in films broadcast on our social media channels. We also contributed to the Learn Sheffield supplement in The Star newspaper as well as each of the five Healthy Holidays supplements and website. We donated 350 activity packs to the Children's Hospital, resources and activity sheets to Pitsmoor Adventure Playground and shared activity sheets with Foxhill Fourm. We created and contributed five postcards to the Create Sheffield Bags of Creativity initiative. We then facilitated the packing and delivery of the bags to the MAST teams at Sheffield City Council for distribution.

At the start of the pandemic we focussed our attention on creating resources for our family audience as most children were at home. As schools began to reopen we moved our focus to creating activities for adult audiences. From September to March we held 35 virtual events including lunchtime talks, art classes and discussion groups. Over 300 people have taken part in art classes and discussion groups. The 14 Live Streamed talks have had close to 15,000 views via our Facebook page (1,689 during the actual live streaming). The two bookable afternoon talks we have held via Zoom have had an average of 80 participants. In addition, these events have generated over £270 in donations via the Eventbrite booking system. As well as the target adult audience a number of schools watched the Live streamed Ancient Egypt tour. Following this one boy was inspired to create his own tour that his school published on social media.

Although we were unable to meet people in person the new online meeting world has allowed us to meet with groups in different ways and we have held meaningful conversations with the Health and Well-being commissioner from Sheffield City Council, Sharrow Community Forum and SOAR amongst others.

In the run up to Christmas we worked with some of the contacts made via the People Keeping Well network as well as existing ones to launch the Museums by Mail project. This saw postcards featuring the city's collections being sent to people across the city and to those who may have been feeling isolated in particular such as those in residential homes. Over 1,200 postcards were written by a team of volunteers with a unique, personalised message on each one. We worked with Sheffield Churches Council for Community Care, Sheffield Carers, Disability Sheffield, Sheffcare as well as the network of lunch clubs.

The pandemic has paused our school programme and given us time to reflect and think about what it should look like in the future. We have an ambition that Sheffield's school age children and young people feel ownership of and connection to their museum collections through inclusive, inspiring and engaging learning activities and resources. To help us look at our programme with fresh eyes we started to work with two external organisations who are writing reports on our current school offer across Museums Sheffield and Sheffield Industrial Museums Trust that will inform our future approach; Kate Travers Associates are considering the school programme in general and True Talk Africa are considering inclusion and representation with a focus on the workshops/resources based on Ancient Egypt. Both groups have consulted with staff, stakeholders and teachers.

Trustees' report (including Directors Report and Strategic Report) -continued

Volunteering

Our volunteering programme has been severely impacted by the pandemic, yet some activity has continued. We have focussed on maintaining relationships and regularly communicating with volunteers to maximise engagement, retention and volunteer wellbeing.

From April 2020 to March 2021, 112 volunteers generously gave 1,363 hours to support Museums Sheffield. This represents activity equivalent to 15% of the previous year's volunteer activity (8,606 hours). Volunteering during 2020/21 has been entirely home-based and we established various remotely accessible volunteer projects, including exhibition preparation research, research to support decolonising the collections, interview transcription from the *Proud!* project, and research into fundraising strategies.

In addition, the *Museums by Mail* project engaged over 30 volunteers and generated over 10% of the total year's activity. The project generated very positive feedback from local residential home communities, plus blog and social media posts and local press coverage. Also, *Talking Life, Talking Art*, formerly a live monthly activity at Graves Gallery, moved online and a volunteer researched and delivered this as a regular livestream event.

We have also continued to work with Sheffield Industrial Museums Trust to bring volunteering activity together this included staging online volunteer event attended by volunteers from each organisation.

Despite the challenges of the past year, many volunteers continue to be engaged and willing to support us as we plan for re-opening.

Trustees' report (including Directors Report and Strategic Report) -continued

Aim 3: To promote a sense of place, city-pride and cultural identity

Partnerships

The V&A

The city has had a strategic partnership with the Victoria & Albert Museum since 1999. It has enabled the people of Sheffield to enjoy high quality collections and exhibitions and the Trust has benefitted from curatorial advice and professional expertise through talks, secondments, trustee involvement and training. In this year we worked with the V&A on the Design Lab Nation project that connected young people with creative processes and works in the Sheffield and the V&A collections. We also welcomed James Robinson from the V&A to our board of trustees.

The Guild of St George

Museums Sheffield continue to work in partnership with The Guild of St George as we care for, research, display and manage the Ruskin Collection. The Guild continue to support us to care for and display the Ruskin Collection. The Guild have agreed a five year funding plan with total investment over this period of £200,000. The newly formed Collection Steering Group comprising Guild Directors (chaired by Nichola Johnson, Guild Director for Collections) and Museums Sheffield's Director of Programmes has met regularly throughout this exceptional year and developed a close working relationship.

The Board of Trustees and staff would like to thank the Guild of St George for their ongoing support throughout this year and continued commitment to Sheffield and the work of the Trust. We continue to work together to deliver our five year plan.

Sheffield Culture Consortium

The Trust's membership of the Sheffield Culture Consortium continues to be of strategic importance as we seek to position culture as a key component in the City's recovery and City-Centre vibrancy. The Consortium includes Sheffield Theatres Trust, Site Gallery, The Showroom, Sheffield International Venues, Sheffield Libraries, Doc/Fest, Yorkshire Artspace and the Universities. Our CEO acted as vice-chair in 2020/21 and took up the role of chair in September 2020 for the second time. The Consortium has had a supporting role for cultural organisations during 2020 and is now returning to a being a more strategic group.

Museums Sheffield continues to employ a part time Visual Art Co-ordinator who works across the City and is funded by Sheffield City Council. This post is a legacy of the successful *Making Ways* project.

South Yorkshire Museums

The Director of Programmes meets regular with museum colleagues in Barnsley, Doncaster and Rotherham to share opportunities and information.

Trustees' report (including Directors Report and Strategic Report) -continued

Exhibitions and displays

Our creative programme combines rich collections and welcoming spaces that inspire people to reflect on the past, question the present and imagine the future. The exhibition programme was significantly impacted by the Covid pandemic with extended periods of closure and limited capacity when we could physically open. We extended exhibitions where possible and have revisited our exhibition plans to meet changing needs and resources. All the exhibitions listed below offered free entry.

Lines of Beauty: Master Drawings from Chatsworth, Millennium Gallery, Special exhibition gallery, 14 Feb – 25 May 2020 reopened 12 September – 1 November 2020

Visitor number to 16 March 2020, 19,076

Visitor number 12 September – 1 November 2020, 7,549

This exhibition was a partnership between Chatsworth, Museums Sheffield and The Lightbox, Woking. It featured works by Carpaccio, Poussin, Rembrandt, Rubens, Van Dyck and more and was the largest display of drawings from the collection in over twenty years. When the collection was originally established over 300 years ago, viewing of these works would have been reserved for the social elites of the time in marked contrast to this large-scale free exhibition.

Funders: SCC, ACE, GIS, CMS, Duke of Devonshire Charitable Trust, The University of Sheffield

Richard Bartle: Nomadic Tales, Millennium Gallery, exhibition gallery, 18 Jan – 12 Apr 2020 and then reopened 17 August – 20 September 2021

Visitor number to 16 March 2020, 23,361

Visitor number 17 August – 20 September, 1,651

When Richard Bartle discovered the drawings of Siyah Kalem, or Black Pen, 15 years ago, it began an enduring fascination. He became captivated by these 14th century images which had crossed the borders of Iran, Turkey, China and Mongolia. The exhibition showed a new series of large-scale paintings in which Bartle consciously re-presented visual symbols and social and political images he observed on the streets of contemporary Istanbul creating his own personal version of the drawings of Black Pen.

Funders: SCC, ACE, Making Ways

Not Without My Ghosts: The Artist as Medium, Millennium Gallery, main exhibition gallery, 3 December 2020 – 28 February 2021

We had no visitors to this exhibition due to Covid restrictions. The exhibition was installed before we went into the third lockdown and had to be taken down before reopening to travel to the next venue on the tour and to accommodate the Cecil Beaton exhibition.

Not without My Ghosts is curated by Hayward Gallery Touring and includes works ranging from the late 19th century to the present day. It brings together artists and artworks inspired by spiritualist methodologies and its deep cultural history. It features around 50 exhibits that span drawing, painting and installation, including works by William Blake and Victor Hugo.

Funders: SCC, ACE, Hayward Touring

Trustees' report (including Directors Report and Strategic Report) -continued

The Sheffield Project, 23 October – 3 May 2021, Weston Park Museum, Harold Cantor Gallery

Visitor number to 2 November 2020, 3.813

During the 1980s Untitled Gallery (now Site Gallery) commissioned and exhibited a series of photographers to document and explore the city at a monumental stage in its history. This exhibition displays a selection of this work. We have extended the run of this exhibition in response to the impact of Covid.

Funders: SCC, ACE

My Path: Art by People in the Criminal Justice System

A Koestler Arts Exhibition For Yorkshire, curated by young people in partnership with Sheffield Youth Justice Service, 23 January – June 2021, Millennium Gallery

This Koestler Arts exhibition sees the charity bring their work to Yorkshire for the first time. The exhibition is a creative walk through art in the criminal justice system; each of the 61 artworks on display has been made by someone in a prison, secure hospital, young offender institution or on probation. These have been selected from over 300 artworks entered into the 2020 Koestler Awards from across Yorkshire. Many of the artworks therefore were created during the height of the pandemic in establishments which had 23-hour lockdowns in place, so prisoners had access to few materials. Works are displayed alongside captions telling some of the stories behind their creation, and insights from the curators who are all young people working with Sheffield Youth Justice Service.

Funders: ACE, SCC

Stories from Ancient Egypt to Sheffield: two new permanent collection displays, Weston Park Museum

The Ancient Egyptian gallery opened in February 2020 and the Sheffield Stories; Sheffield in the 1950s, 60s and 70s gallery was due to open in March 2020 but was delayed due to the pandemic and therefore the project was finally completed in summer 2020. The galleries now display more than 200 additional objects from the collections and the displays were created in collaboration with communities, visitors and specialists, working together to select items, themes and create interpretation.

Funders: DCMS Wolfson Museum Improvement Fund, Charles Hayward Foundation, Foyle Foundation, Sheffield Town Trust, J G Graves Charitable Trust, Earl Fitzwilliam Charitable Trust

Trustees' report (including Directors Report and Strategic Report) -continued

Aim 4: To care for and develop the City's art, human and natural history collections

Collections Partnerships

The Trust has worked in partnership with the Assay Office and Yorkshire Artspace to commission new work as part of the Precious Little Gems Programme which has resulted in the acquisition of Helena Russell's 9ct Gold and Sterling Silver Candlestick. Partnership working alongside Yorkshire Artspace and South Yorkshire Housing Association also saw the commission of ceramic vessels by Kate Langrish-Smith and Carla Murdoch.

We have also worked in partnership with the National Gallery hosting a Curatorial Trainee, Corinna Henderson, who will be with us until July 2021. She has been working remotely focusing on researching 'Untold Stories' within Sheffield's collection of 19th century European painting. Outcomes will include; a *Talking Art* film, online talks, online exhibitions, online entries for the collections database and works highlighted for conservation.

Collection Access

Over the past year, collections access has predominantly focused on online opportunities; generating content and also supporting colleagues to produce engaging online programmes. For example, we have presented online talks and tours including a What on Earth gallery tour, a painting store tour and Social History collection tour, presentations on the history of the Weston Park Museum, the weather station and an online tour of female portraits in the Graves Gallery. We have worked in partnership on an online webinar with Wessex Archaeology and facilitating filming at the store for a documentary about the Bronze Age finds from Wigber Low. We also contributed to an online NHS Staff Art Club to support the wellbeing of Sheffield Teaching Hospital staff and worked with Mash Productions Healthy Holidays project, filming a virtual nature walk and a tour of the weather station.

During the past year we have worked to increase the profile of the collections online working with Art UK and The Guardian, initially on the Great British Art Quiz which featured Sheffield's art collections in April 2020 and subsequently on the Great British Art Tour which featured an article about Lady Mary Wortley Montagu, highlighting her role in the promotion of the small pox inoculation in the early 18th century.

<https://www.theguardian.com/artanddesign/2021/jan/22/the-great-british-art-tour-sheffield-lady-mary-wortley-montagu> We have also worked closely with Art UK and the charity VocalEyes to produce an audio description of Edna Manley's sculpture Eve which is one of 25 works featured on the Art UK website to represent sculptures collections across the country. <https://artuk.org/learn/learning-resources/audio-description-of-eve-by-edna-manley>

The closure of the museums and galleries also provided an opportunity to explore the creation of online exhibition with *Art for Change – Black British Artists & Activism in the 1980s* going online in October to coincide with Black History Month.

We have continued to respond to enquiries remotely including providing photographs and information about collection items for researchers unable to visit, for example photographs of carved Greenhill panelling, Sheffield Children's home war memorial, LGBT+ items in collection and working-class clothing in collection. Interest in Sheffield's weather data has continued throughout the pandemic and we are now providing a bespoke weather report to a PHD student studying the connection between coronary artery disease and weather patterns.

Collections Management

During 2020/21 Museums Sheffield continued to work toward Arts Council Accreditation targets and despite the constraints we made steady progress in a number of areas. Work focused on reducing the accessioning backlog with 553 items being accessioned and entered onto TMS, 1,222 records were also upgraded to SPECTRUM standard and 59 new records were added online. Significant pieces of work included the rehousing and cataloguing of the vertebrate Pleistocene palaeontology to SPECTRUM standards and research into the Thomas Bateman material across both Archaeology and Natural Science collections prior to the forthcoming exhibition. Collections management activities also included the ongoing improvement of TMS records, adding classifications for ease of searching and retrieval of information which will help with future access and research.

Alex Bromley Consulting undertook a review of the Collections Management System (TMS) in order to ensure that we have the most effective and sustainable CMS going forward into the new Trust. This piece of work also looked at improvements required to create a more engaging interface with Sheffield's collections online.

Trustees' report (including Directors Report and Strategic Report) -continued

Research

Over the past year research has taken place into the history of the Weston Park Museum, the antiquarian Thomas Bateman and has also seen the publication of *Dragonflies of the Sheffield Area* co-authored by the Curator of Natural Science. Volunteers have worked remotely on transcribing Henry Clifton Sorby's diaries creating a valuable resource for researchers interested in aspects of Victorian Sheffield and the nature of science in the city.

Work has started on a programme of research to decolonise Sheffield's collections, including researching collectors, benefactors and the provenance and wider context of objects as well as exploring connections to British colonies and global communities. This programme extends across all collections and feeds into the wider review of the collections including language, reinterpretation, redisplay and potential repatriation of objects. We have also been working with colleagues from Sheffield City Council on a report about Sheffield's cultural assets for the Race Equality Commission.

Conservation and Collections Care

Over 2020-21 our programme of conservation on flood damaged works continued with the conservation of 21 works on paper. The flood damaged *View of Cottages, Woodseats, Sheffield*, by Arthur Wilson was returned after extensive conservation revealing detail previously completely obscured. In addition, the final group of ancient Egyptian textiles were conserved as part of the Stories from Ancient Egypt to Sheffield project.

Loans

During 2020-21 we have lent six artworks to national and regional galleries including *Giant Head of Gbenga Profile*, 2003, by Nahem Shoa to Southampton Art Gallery, *Seascape with a Boat*, 1835, by JMW Turner to Tate Britain and *Corner of the Artists Room* by Gwen John to the Laing Art Gallery.

We have continued providing support to local researchers through the Inter-herbarium Loans Scheme, which involves us borrowing material from international herbaria, which we then make accessible to the researcher.

Acquisitions

During 2020/21 we continued to actively acquire items for Sheffield's collection, in particular relating to Covid-19 and broadly relating to the experiences of people within the city. Significant additions include:

- A Pilot Whale skeleton, from a local biologist who found it in the Outer Hebrides and articulated it during lockdown. This has now been installed, suspended from the ceiling of the Hub in Weston Park Museum.
- Phlegm's *Pandemic Diary* with support from the Contemporary Art Society Rapid Response Fund. This unique collection of 67 drawings and one print illustrates the artist's own experience and reflects on his observations during the lockdown period.
- Pete McKee - *Be Kind To The Front Line* prints.
- Over 2500 knitted hearts donated by the Northern General Hospital after an appeal for people to knit a heart for a patient and their relatives who couldn't visit them. The hospital were sent over 5,000 and we have taken in the spares alongside the letters and notes that were sent with them which will make a very impactful display.
- Objects from across the City have been donated to reflect the everyday experience including social distancing signs donated by shops e.g. Specsavers, Atkinson's and the Moor Market, the letter from Boris Johnson, signs from Pitsmoor Adventure playground, T-shirts donated by Gripple Ltd with humorous social distancing messages initially worn by staff and then sold in aid of the NHS, Covid-19 test kit, ephemera relating to vaccinations and communion wine sachets and order of service handouts, used during pandemic from Rev Suzanne Nockles.

In addition, Sheffield also acquired:

- *Duet for a Duo (Solar Symphony 7)* by Haroon Mirza, donated by the artist through the CAS
- *Sheffield from Meersbrook Park*, 2015 by Mark H Wilson
- A rare specimen of water shrew from Sorby Natural History Society
- Archaeological archives deposited by Wessex Archaeology including the archives from Sheffield Castle
- Items from the Right to Roam campaign items including photos, poster, flyers, badges, map, booklet to complement the GHB Ward collection

Trustees' report (including Directors Report and Strategic Report) -continued

Investment policy and returns

The Trust currently does not benefit from a surplus of long-term reserves. All cash held at present is primarily for working capital or specific projects and as a result, is held in liquid accounts at the bank that can be called upon at short notice. However, where surplus funds do arise, the Executive seek to place them on deposit in the highest interest-bearing account provided by the Trust's bankers, whilst still retaining the ability to draw down these funds as and when required. The Trustees will review the investment policy as funds grow in the future, although current cash flow projections do not show any significant increase in cash reserves.

Reserves policy

Trustees adopt a risk-based approach to the management of reserves that seeks to balance long term financial sustainability and flexibility with current operational requirements. In assessing the level of free reserves required the Trustees have taken due note of the major risks facing the charity, considered the likelihood of the risks and the potential financial impact of those risks.

The major financial risks that have been considered in determining the level of free reserves required by the Trust are the security of the funding that we receive from our major funders; our ability to supplement funding with self-generated income; and the level of expenditure that we need to maintain our buildings in the appropriate conditions to operate as publicly accessible accredited museum and galleries.

At 31 March 2021 total funds held were £8,788k (2020: £9,005k). Of these £7,114k of funds were restricted (2020: £7,425k) Restricted funds include a capital depreciation reserve relating to grant funded capital assets.

Where appropriate Trustees may designate funds for specific strategic projects. At 31 March 2021 £24k of funds were designated for future capital developments (2020: £35k). Designated funds are currently supporting a programme of digital development within our museums.

At 31 March 2021 Trustees determined that based on the assessment of principal risks the appropriate targeted free reserves level for the Trust was £500k. At 31 March 2021 free reserves, calculated as unrestricted funds less fixed assets not included within the restricted capital reserve fund plus the long-term guaranteed defined benefit pension liability, were £604k (2020: £556k).

The Covid -19 crisis has increased the magnitude and likelihood of many of the funding, financial and operational risks facing the Trust. Enforced and sustained closure of our sites followed by expected lower visitor attendance for some months will also adversely impact on the level of free reserves that we will be able to maintain. In response to these circumstances, Sheffield Museums Trust will have a focus on tight budgetary control, stabilising the cash position and developing future sustainable income streams.

Trustees' report (including Directors Report and Strategic Report) -continued

Principal risks

The Trustees are committed to the identification and management of the major strategic, business and operational risks that the charity faces. The Executive and Heads of Services communicate with colleagues throughout the organisation to identify risk and regularly update a detailed register. The Board consolidates this into a Board Assurance Framework (BAF) of the most significant risks that would impact on our prospects, together with any assurances and controls. Any key gaps are addressed with plans to mitigate the risk and a timeframe for actions to be discussed by the board. They rate these risks as high, medium and low through an impact and likelihood matrix. The risks identified by Sheffield Galleries & Museums Trust will be equally applicable to Sheffield Museums Trust. Key risks identified are:

- Covid-19 closure and recovery – as with all visitor attractions, the Trust's operations and finances will be severely impacted by the current pandemic. Recovery planning including budget revisions will be closely monitored by the Board and relevant committees.
- Establishment of the New Trust – the formation of a new Trust reflects strong ambition and expected opportunity. However, it is also recognised that such significant change will bring new risk.
- Funding and income generation – the current climate of reduced funding from key stakeholders is set to continue and we are constantly working to provide new income streams as well as reducing costs throughout the organisation.
- People – our people have been very loyal. Continued funding issues mean that we have not always been able to financially reward our staff as we would like to. Our staff have understood our financial constraints and we thank them for their continuing commitment.
- Graves Gallery – Graves Gallery occupies the top floor of the Central Library building on Surrey Street. The building, owned by Sheffield City Council, requires significant maintenance work. There is an opportunity for SCC and ourselves to work together to appraise the future use of the building and consider how redevelopment might meet City wide Heart of the City objectives. The current uncertainty around these plans raises risk for Museums Sheffield. The Executive and Trustees are working closely with SCC on future strategies and development plans.

The BAF is considered as part of the Risk, Audit and Governance committee and presented to the board for discussion and action planning.

Future Developments

Sheffield Museums Trust launched in April 2021 after four years of collaboration between Museums Sheffield and Sheffield Industrial Museums Trust. In resolving to become one new organisation, Trustees believe that the museums will be stronger, more resilient, and better placed to develop and share Sheffield's extraordinary collections into the future.

Trustees' report (including Directors Report and Strategic Report) -continued

Our ambition is that Sheffield's collections fire the imaginations of the audiences we serve, that Sheffield's museums are celebrated for being inspiring, culturally inclusive places to work and visit, and that they are operationally, financially, and environmentally resilient and sustainable.

We anticipate that the first few years in the life of Sheffield Museums Trust are likely to be turbulent and challenging. Initially, our focus is on bringing the new team together, developing our people and culture, continuing to deliver an outstanding creative programme and reopening sites after nearly six months of lockdown. So far feedback from visitors and colleagues is positive and we are hopeful that the year ahead will begin to see signs of recovery and stabilisation.

We will use the year to review site operations and identify opportunities to develop and improve our displays, exhibitions, educational programmes as well as our retail, events and hospitality offer across all sites. This masterplan for our sites and services will guide our development over the next decade and will see Sheffield's Museums play a vital role in the City's recovery.

Independent Auditor

Pursuant to Section 487 of the Companies Act 2006, BHP LLP were appointed as auditors of the Trust on 13 February 2020.

Trustees' report (including Directors Report and Strategic Report) -continued

Statement of trustees' responsibilities

The trustees (who are also directors of Sheffield Galleries & Museums Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditor

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board


Charles Arnold John Biggin (Aug 17, 2021 10:26 GMT+1)

CAJ Biggin
Trustee and Company Secretary

Riverside East
2 Millsands
Sheffield
S3 8DT

Company Number 3527746

Date: Aug 17, 2021

Independent auditor's report to the members of Sheffield Galleries and Museums Trust

Opinion

We have audited the financial statements of Sheffield Galleries and Museums Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated 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 group's and parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

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 group and parent charitable company 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.

Emphasis of matter

We draw attention to note 1 to the financial statements which explains that following the transfer of the activities, assets and liabilities to a newly formed company, the directors intend to liquidate the company and therefore do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1.

Our opinion is not modified in respect of this matter.

Independent auditor's report to the members of Sheffield Galleries and Museums Trust

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members Sheffield Galleries and Museums Trust

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the and for being satisfied that they 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 group's and the parent charitable company'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 group or the parent charitable company 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 auditors under the Companies Act 2006 and report in accordance with this Act.

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. These specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experiences of the charity's sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent auditor's report to the members Sheffield Galleries and Museums Trust

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims..

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Aug 17, 2021 12:56 GMT+1)

Jane Marshall (Senior statutory auditor)
for and on behalf of
BHP LLP
2 Rutland Park Sheffield
S10 2PD

Date: Aug 17, 2021

Consolidated Statement of Financial Activities (including income and expenditure account)

for the year ended 31 March 2021

	<i>Note</i>	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
Income from:					
Donations and Legacies					
Grants	2	1,303	663	1,966	1,228
Donations	6	64	-	64	146
Charitable Activities					
Income from charitable activities		74	-	74	229
Management service charge		1,454	-	1,454	1,504
Commercial Income		78	-	78	731
Other		-	-	-	39
Total Income and Endowments		2,973	663	3,636	3,877
Expenditure on:					
5					
Raising Funds					
Commercial trading operations		(294)	-	(294)	(611)
Fund-raising costs		(96)	-	(96)	(135)
Charitable activities					
Curatorial & exhibitions		(447)	(45)	(492)	(1,001)
Operational		(1,771)	(882)	(2,653)	(1,673)
Education		(249)	(18)	(267)	(452)
Other		(142)	(111)	(253)	(264)
Total expenditure		(2,999)	(1,056)	(4,055)	(4,136)
Net expenditure		(26)	(393)	(419)	(259)
Transfers between funds		(82)	82	-	-
Other recognised gains					
Actuarial gain on defined benefit pension scheme	23	170	-	170	482
Corporation tax Relief		32	-	32	137
Net movement in funds		94	(311)	(217)	360
Total funds brought forward		1,580	7,425	9,005	8,645
Total funds carried forward	18	1,674	7,114	8,788	9,005

The results are wholly derived from the continuing operations which will be carried out by Sheffield Museums Trust from 1 April 2021. Restricted expenditure includes a depreciation charge of £588k that relates to grant funded assets. Depreciation on these assets is funded from the restricted capital reserve.


Consolidated and Trust Balance Sheets

at 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000	Trust 2021 £'000	Trust 2020 £'000
Fixed assets					
Tangible assets	10,11	8,329	8,894	8,271	8,810
Investments	12	-	-	-	-
		<u>8,329</u>	<u>8,894</u>	<u>8,271</u>	<u>8,810</u>
Current assets					
Stocks and WIP	13	41	62	-	-
Debtors and prepayments	14	274	240	504	507
Cash at bank and in hand – unrestricted	15	1,237	781	1,184	625
Cash at bank and in hand – restricted reserve support	15	125	147	125	147
		<u>1,677</u>	<u>1,230</u>	<u>1,813</u>	<u>1,279</u>
Creditors: amounts falling due within one year	16	(350)	(327)	(335)	(303)
Net current assets		<u>1,327</u>	<u>903</u>	<u>1,478</u>	<u>976</u>
Provision for liabilities and charges	17	(376)	(166)	(376)	(166)
Net assets excluding pension liability		<u>9,280</u>	<u>9,631</u>	<u>9,373</u>	<u>9,620</u>
Defined benefit pension scheme liability	23	(492)	(626)	(492)	(626)
Net assets including pension liability		<u>8,788</u>	<u>9,005</u>	<u>8,881</u>	<u>8,994</u>
The funds of the charity					
<i>Restricted funds</i>					
Capital depreciation reserve	18	6,791	7,279	6,791	7,279
Acquisition fund	18	50	52	50	52
Social History Collection Recovery	18	46	53	46	53
Restricted projects	18	227	41	227	41
Total Restricted Funds		<u>7,114</u>	<u>7,425</u>	<u>7,114</u>	<u>7,425</u>
<i>Unrestricted funds</i>					
General funds	18	1,650	1,545	1,743	1,534
Designated funds	18	24	35	24	35
Total funds	18	<u>8,788</u>	<u>9,005</u>	<u>8,881</u>	<u>8,994</u>

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The deficit of the Trust only was £113,000 (2020: surplus (£360,000))

These financial statements on pages 28 to 56 were approved and authorised for issue by the Board of Trustees on Aug 17, 2021 and were signed on its behalf by:


John Cowling (Aug 17, 2021 10:04 GMT+1)
John Cowling
Chair of Trustees
Company Number 3527746

Consolidated Statement of Cashflow
for the year ended 31 March 2021

	<i>Note</i>	2021	2020
		£'000	£'000
Net cash generated/(used) from operating activities	<i>20</i>	555	(345)
Cash flows used from investing activities			
Purchase of property, plant and equipment		(121)	(91)
Purchase of assets for SCC collection		<u> </u>	<u>(2)</u>
Net increase/(decrease) in cash and cash equivalents		434	(438)
Cash and cash equivalents at 1 April 2020		<u>928</u>	<u>1,366</u>
Cash and cash equivalents at 31 March 2021	<i>15</i>	<u>1,362</u>	<u>928</u>

Notes

(forming part of the financial statements)

1. Accounting policies

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared 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 issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements are prepared on basis other than going concern under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £000.

Going concern

Sheffield Museums Trust launched in April 2021 after four years of collaboration between Museums Sheffield and Sheffield Industrial Museums Trust. The operations, assets and liabilities of Museums Sheffield were transferred to Sheffield Museums Trust with the understanding that Museums Sheffield charitable objectives and activities would be continued and developed in Sheffield Museums Trust. In this regard the underlying operations of Museums Sheffield and the related financial plans, its current year performance and the balance sheet have all been assessed and prepared on a going concern basis.

Following the transfer of operations on 1 April 2021, Museum Sheffield ceased trading and it is planned that Museums Sheffield will be wound up within the next financial year. Accordingly, the residual Trust is not a going concern, however, no material adjustments are required because the Trust's net assets were all transferred at their book values. Following the completion of regulatory matters, an application will be made to Companies House to wind up and strike the company from the register and remove the charity from the Charity Commission register and apply to the Charity Commission register of mergers.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Group financial statements

These financial statements consolidate the results of the Trust and its wholly owned subsidiary SGMT Enterprises Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the Trust itself is not presented because the Trust has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Income

Income represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. It includes sponsorship and various merchandising.

The following accounting policies are applied to income:

Voluntary income- Grants

Grants are recognised as income when receivable, provided that any conditions attached to the donation of the grant have been fulfilled. Grants are classified as restricted funds where appropriate in accordance with SORP (FRS 102).

The Coronavirus Job Retention Scheme (CJRS) income is recognised in the period to which it relates on an accruals basis.

Notes (continued)

Voluntary income- Donations

Donations and all other receipts from fund-raising are reported gross and the related fund-raising costs are reported in other expenditure. Cash collections to which the Trust is entitled but which it has not received by the period end are included in incoming resources in the statement of financial activities and shown as debtors in the balance sheet.

Management service charge

The Trust has entered into an agreement with Sheffield City Council (“the Council”) to manage the museums and galleries listed at page 4 on behalf of the council. The management service charge is accounted for when receivable.

Accounting policies (continued)

Income from charitable activities

Income from charitable activities represents income received from schools and other educational bodies for the provision of educational services, and the generation of income from the use of collections by other external organisations. Income from charitable activities is accounted for when receivable.

Commercial income

Commercial income includes the management of shops, cafes and corporate hospitality undertaken at the sites operated from, namely the Millennium Gallery, Graves Gallery and Weston Park Museum. Income from commercial income is accounted for when receivable.

Expenditure

Raising Funds

Raising funds represent expenditure in relation to staff members who are directly engaged in and fundraising, and related costs of fundraising activity.

Charitable Activities

Charitable activities expenditure includes all expenditure directly related to the objects of the Trust, this is analysed between three category headings: curatorial and exhibitions, operational and education.

Other costs

Other costs include marketing and publicity relating to exhibitions and other operational activities.

Operational costs

The Trust’s operating costs include staff costs, premises costs, governance and other related costs. Such costs are allocated between other charitable expenditure, fundraising and publicity, and management and administration. Staff costs are allocated according to the costs of staff working directly in the relevant activity and property costs are allocated according to the space used by each activity. Where costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

Governance costs

Governance costs represent expenditure incurred in the management of the Trust’s assets, organisational administration, and compliance with constitutional and statutory requirements.

Notes (continued)

Accounting policies (continued)

Fund accounting

The Trust maintains various types of funds as follows:

Restricted funds

Restricted funds represent grants and donations received which are allocated by the grantor, provider and donor for specific purposes. The purpose and use of the restricted funds are set out in the notes to the financial statements.

Capital depreciation reserve

The capital depreciation reserve, a restricted fund, represents restricted grants received to finance capital expenditure. The grants have been recognised as income in the Statement of Financial Activities, but the cost of the assets has been capitalised rather than recognised as expenditure. The reserve increases as new grants are received and is reduced each year by an amount equivalent to the depreciation charged on these assets.

Acquisition Fund

The acquisition fund has been set up to allow the Trust to acquire further items for the collections. The Collection belongs to, and is recorded as an asset of, Sheffield City Council. Museums Sheffield manages the Collection on behalf of Sheffield City Council.

General unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Trust. Such funds may be held in order to finance both working capital and capital investment.

Designated unrestricted funds

The Trustees agree when able to designate funds and hold them for a specific purpose.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold Land & Buildings	-	4% or period of lease, whichever is lower.
Gallery improvements	-	12½%
Fixtures, fittings and equipment	-	10-25%
Plant and Equipment	-	10%

Large scale capital projects are accounted for as capital works in progress. As the project is completed, transfers are made between capital works in progress and the most appropriate fixed asset account.

Stock

Stock is stated at the lower of cost and net realisable value. In determining the cost of goods, the average cost is used. Provision is made for slow moving and obsolete stock.

Post-retirement benefits

The Group operates both defined benefit and defined contribution schemes. The assets of the defined contribution schemes are held separately from those of the Group in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

Notes (continued)

Accounting policies (continued)

Post-retirement benefits - continued

The assets of the defined benefit scheme are also held separately from those of the Group. Pension scheme assets are measured using market values. For quoted securities the mid-market price current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Agency Arrangements

The Trust may agree to administer the funds of another entity as its agent. As agent, the Trust will act in line with the instructions of the entity that acts as the principal.

Funds received by the Trust as agent are not recognised as an asset in its accounts because the funds are not within its control. Consequently, the receipt of funds as agent is not recognised as income nor is its distribution recognised as expenditure.

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.

The Trust benefits from Museums and Galleries Exhibition Tax relief. This relief supports museums and galleries to develop new exhibitions and to display their collections to a wider audience. A claim for relief is submitted based on qualifying expenditure on exhibitions.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Contributions made towards the costs of exhibits

Any exhibit the Trust acquires is added to the Sheffield Collections, which are the property of Sheffield City Council and are covered by a Collections Agreement between Sheffield City Council and the Trust. Where the Trust makes a contribution towards the cost of the exhibit the cost is charged to the income and expenditure account in the period in which the payment is made.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Notes (continued)

Accounting policies (continued)

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or

(c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Critical accounting judgements and estimation uncertainty

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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Notes *(continued)*

i. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment.

ii. Dilapidations Provision

The provision for dilapidations reflects anticipated future expenditure on the repair of leased premises based on current assessments of the condition and the necessary repairs requirement in the short term. The Trust has full repairing lease obligations for two properties, Weston Park Museum and Millennium Galleries.

iii. Pensions

The pension liability is calculated using assumptions on the discount rate, increases in inflation, salaries, pension and morality. The discount rate is determined by reference to market yields on high quality corporate bonds. The rates of inflation, salaries, pension and morality are detailed in the notes of the accounts.

iv. Support cost allocations

Allocation of support costs is estimated based on resources used as detailed in the expenditure – operational costs noted above.

Notes *(continued)*

2. Grants

	2021	2020
	£'000	£'000
Revenue grants		
Arts Council England – National Portfolio Organisation Funding	815	800
Coronavirus Job Retention Scheme	494	-
Others	(6)	-
Arts Council England – Culture Recovery Funding	450	-
Grant towards research and exhibitions - Ampersand Foundation	99	-
Grants towards Ancient Egypt and Sheffield Stories gallery refurbishments– Charles Hayward Trust	20	48
Grant towards research and exhibitions - John Ellerman Foundation	-	25
Education grants – V & A	-	16
Education grants – Children & the Arts	-	2
Education grants – Duke of Devonshire Charitable Trust	-	2
Grants toward management of Ruskin Gallery and exhibitions	-	62
Grant towards collection acquisition and development – Art Fund	-	22
Grants towards exhibitions – HLF	-	13
Education grants – Royal Collection Trust	-	7
Community Participation grants – TESCO	-	1
Sustain, connect, create	94	-
	1,966	998
Capital Grants		
Grants towards capital projects – Arts Council England	-	47
Grants towards Ancient Egypt and Sheffield Stories gallery refurbishments – DCMS	-	183
	1,966	1,228
	1,966	1,228

Income from grants was £1,966k (2020: £1,228k) of which £663k (2020: £428k) was attributable to restricted funds and £1,303k (2020: £800k) was attributable to unrestricted funds.

Notes (continued)

3. Movement in restricted group funds

Restricted group funds, comprise the following unexpended income for capital and revenue purposes:

	Balance brought forward £'000	Income £'000	Expenditure £'000	Transfers Between funds £'000	Balance carried forward £'000
Capital Depreciation reserve					
Weston Park Museum – Project Funding	6,350	-	(496)	-	5,854
Collection Management Store – Capital Funding	356	-	(48)	-	308
Other funded capital additions	571	-	(43)	100	628
Acquisition fund	53	-	(3)	-	50
Social History collection recovery	53	-	(7)	-	46
Restricted projects	42	663	(459)	(18)	228
	<u>7,425</u>	<u>663</u>	<u>(1,056)</u>	<u>82</u>	<u>7,114</u>

Movement in unrestricted group funds

Unrestricted group funds comprise the following:

	Balance brought forward £'000	Income £'000	Expenditure £'000	Actuarial Loss provision and tax relief £'000	Transfers between funds £'000	Balance carried forward £'000
General fund including designated	1,580	2,973	(2,999)	202	(82)	1,674

Notes *(continued)*

Movement in restricted group funds for the year ended 31 March 2020:

	Balance brought forward £'000	Income £'000	Expenditure £'000	Balance carried forward £'000
Capital Depreciation reserve				
Weston Park Museum – Project Funding	6,818	-	(468)	6,350
Collection Management Store – Capital Funding	397	-	(41)	356
Other funded capital additions	375	230	(34)	571
Acquisition fund	34	22	(3)	53
Social History collection recovery	67	-	(14)	53
Restricted projects	31	186	(175)	42
	<u>7,722</u>	<u>438</u>	<u>(735)</u>	<u>7,425</u>

Movement in unrestricted group funds

Unrestricted group funds comprise the following:

	Balance brought forward £'000	Income £'000	Expenditure £'000	Actuarial Loss provision and tax relief £'000	Balance carried forward £'000
General fund including designated	<u>924</u>	<u>3,439</u>	<u>(3,402)</u>	<u>619</u>	<u>1,580</u>

Notes *(continued)*

Analysis of group assets and liabilities (excluding agency agreements) for the year ended 31 March 2021

	Restricted Funds	Designated Funds	General Funds	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	6,791	-	1,538	8,329	8,894
Current assets	323	24	1,330	1,677	1,230
Current liabilities	-	-	(350)	(350)	(327)
Defined benefit pension liability	-	-	(492)	(492)	(626)
Provision for dilapidations	-	-	(376)	(376)	(166)
	<u>7,114</u>	<u>24</u>	<u>1,650</u>	<u>8,788</u>	<u>9,005</u>

Analysis of group assets and liabilities (excluding agency agreements) for the year ended 31 March 2020

	Restricted Funds	Designated Funds	General Funds	2020 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	7,279	-	1,615	8,894	9,197
Current assets	146	35	1,049	1,230	1,612
Current liabilities	-	-	(327)	(327)	(749)
Defined benefit pension liability	-	-	(626)	(626)	(1,112)
Provision for dilapidations	-	-	(166)	(166)	(303)
	<u>7,425</u>	<u>35</u>	<u>1,545</u>	<u>9,005</u>	<u>8,645</u>

Notes (continued)

4. Commercial trading operations and investment in trading subsidiary

The wholly owned trading subsidiary, SGMT Enterprises Limited, which is incorporated in the United Kingdom, makes an annual gift aid distribution to the Trust. SGMT Enterprises Limited operates the shops, cafes and corporate hospitality trading operations carried on at the Trust. The Trust owns the entire issued share capital of two ordinary shares of £1 each. A summary of its trading results is shown below.

	2021	2020
<i>Profit and loss account</i>	£'000	£'000
Turnover	78	723
Change in stocks of goods for resale	(30)	(4)
Purchase of goods for resale	(10)	(318)
Staff costs	(228)	(245)
Other operating income	119	-
Other operating charges and interest payable	(33)	(41)
(Loss) / Profit on ordinary activities before tax	<u>(104)</u>	<u>115</u>
Amount distributed to the Trust	-	(115)
Retained in the subsidiary	<u><u>(104)</u></u>	<u><u>0</u></u>
	2021	2020
	£'000	£'000
<i>Summary balance sheet</i>		
Tangible fixed assets	58	84
Stocks	41	62
Debtors	3	29
Cash at bank and in hand	53	157
Creditors falling due within one year	(247)	(321)
Net (liabilities) / assets	<u><u>(92)</u></u>	<u><u>11</u></u>
Called up share capital	-	-
Profit and loss account	<u>(92)</u>	<u>11</u>
Shareholders' funds	<u><u>(92)</u></u>	<u><u>11</u></u>

Notes (continued)

5. Analysis of total expenditure

	Staff costs £'000	Other £'000	Governance £'000	Depreciation £'000	2021 Total £'000	2020 Total £'000
Raising funds						
Commercial trading operations	(228)	(40)	-	(26)	(294)	(611)
Fundraising	(94)	(1)	(1)	-	(96)	(135)
	<u>(322)</u>	<u>(41)</u>	<u>(1)</u>	<u>(26)</u>	<u>(390)</u>	<u>(746)</u>
Charitable activities						
Curatorial and exhibitions	(319)	(173)	-	-	(492)	(1,001)
Operational	(724)	(1,268)	(1)	(660)	(2,653)	(1,673)
Education	(246)	(21)	-	-	(267)	(452)
	<u>(1,289)</u>	<u>(1,462)</u>	<u>(1)</u>	<u>(660)</u>	<u>(3,412)</u>	<u>(3,126)</u>
Other expenditure	<u>(117)</u>	<u>(136)</u>	<u>-</u>	<u>-</u>	<u>(253)</u>	<u>(264)</u>
	<u><u>(1,728)</u></u>	<u><u>(1,639)</u></u>	<u><u>(2)</u></u>	<u><u>(686)</u></u>	<u><u>(4,055)</u></u>	<u><u>(4,136)</u></u>

Analysis of total expenditure for the year ended 31 March 2020:

	Staff costs £'000	Other £'000	Governance £'000	Depreciation £'000	2020 Total £'000	2019 Total £'000
Raising funds						
Commercial trading operations	(245)	(343)	(7)	(16)	(611)	(563)
Fundraising	(85)	(27)	(1)	(22)	(135)	(160)
	<u>(330)</u>	<u>(370)</u>	<u>(8)</u>	<u>(38)</u>	<u>(746)</u>	<u>(723)</u>
Charitable activities						
Curatorial and exhibitions	(531)	(326)	(4)	(140)	(1,001)	(1,009)
Operational	(522)	(805)	(8)	(338)	(1,673)	(1,866)
Education	(309)	(70)	(2)	(71)	(452)	(346)
	<u>(1,362)</u>	<u>(1,201)</u>	<u>(14)</u>	<u>(549)</u>	<u>(3,126)</u>	<u>(3,221)</u>
Other expenditure	<u>(130)</u>	<u>(90)</u>	<u>-</u>	<u>(44)</u>	<u>(264)</u>	<u>(265)</u>
	<u><u>(1,822)</u></u>	<u><u>(1,661)</u></u>	<u><u>(22)</u></u>	<u><u>(631)</u></u>	<u><u>(4,136)</u></u>	<u><u>(4,209)</u></u>

Notes (continued)

6. Donations

	2021	2020
	£'000	£'000
Voluntary income donations	<u>64</u>	<u>146</u>

Income from donations was £64k (2020: £146k) of which £64k (2020: £146k) was attributable to unrestricted funds and £nil (2020: nil) was attributable to restricted funds.

7. Other finance costs

	2021	2020
	£'000	£'000
Expected return on pension scheme assets (see note 23)	95	103
Interest on pension scheme liabilities (see note 23)	<u>(108)</u>	<u>(129)</u>
	<u>(13)</u>	<u>(26)</u>

8. Net expenditure for the year is stated after charging

	2021	2020
	£'000	£'000
<i>Net expenditure for the year is stated after charging</i>		
Auditor's remuneration		
- audit of these financial statements	11	10
- audit/accountant's report on financial statements of subsidiaries	4	1
- non audit services	3	2
Depreciation	686	631
Amounts payable under operating leases	<u>11</u>	<u>14</u>

Notes (continued)

9. Staff numbers and costs

The average number of employees and their full time equivalent employed by the Group was as follows:

	2021	2021	2020	2020
	headcount	FTE	headcount	FTE
Curatorial and exhibitions	18	14	18	15
Operations	48	28	48	31
Learning	4	3	5	4
Fundraising and publicity	9	7	7	6
Management and administration	6	4	5	5
	85	56	83	61

	2021	2020
	£'000	£'000
Wages and salaries	1,471	1,430
Social security costs	104	92
Other pension costs (see note 23)	107	210
Redundancy costs	29	1
	1,711	1,733

Key management personnel emoluments

No Trustee or person related or connected by business to them received any remuneration during the year, or the prior year. Travelling and subsistence expenses paid to the Trustees of the Trust amounted to £0 (2020: £0).

Key management personnel, received total employee benefits of £228,332 (2020: £176,406). The executive team comprises 3 employees– Chief Executive, Director of Programmes and Director of Finance & Resources.

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021	2020
	Number	Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

Volunteers

Volunteers work throughout the organisation and contributed 1,363 hours of service during the year (2020: 8,606).

Notes (continued)

10. Tangible fixed assets – Group

	Leasehold land & buildings	Gallery Improvements	Fixtures, fittings & equipment	Plant & equipment	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At beginning of year	15,216	4,129	480	920	20,745
Additions	2	-	90	29	121
At end of year	15,218	4,129	570	949	20,866
<i>Depreciation and diminution in value</i>					
At beginning of year	7,317	3,484	314	736	11,851
Charge for year	435	150	39	62	686
At end of year	7,752	3,634	353	798	12,537
<i>Net book value</i>					
At 31 March 2021	7,466	495	217	151	8,329
At 31 March 2020	7,899	645	166	184	8,894

11. Tangible fixed assets – Trust

	Leasehold land & buildings	Gallery Improvements	Fixtures, fittings & equipment	Plant, equipment & vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At beginning of year	15,216	4,129	373	879	20,597
Additions	2	-	89	30	121
At end of year	15,218	4,129	462	909	20,718
<i>Depreciation and diminution in value</i>					
At beginning of year	7,317	3,485	282	703	11,787
Charge for year	435	150	12	63	660
At end of year	7,752	3,635	294	766	12,447
<i>Net book value</i>					
At 31 March 2021	7,466	494	168	143	8,271
At 31 March 2020	7,899	644	91	176	8,810

Notes (continued)

Tangible fixed assets – Trust (continued)

All the tangible fixed assets are used for charitable purposes. The Trust was established to take over management and care of Sheffield City Council’s art, natural and social history collections.

All the collections remain the property of Sheffield City Council and the Trust’s management of them is governed by a Collections Agreement.

The standards of care adopted by the Trust are governed by the requirements of the National Museum Accreditation Scheme.

12. Investments – Trust

	Shares in group undertakings £
<i>Cost and net book value</i>	
At beginning and end of year	2
	2

The Trust owns the entire issued ordinary share capital of SGMT Enterprises Limited, incorporated in the UK. The principal activity of SGMT Enterprises Limited is the management of shops, cafes, events and corporate hospitality at sites owned by the Trust. The registered office of SGMT Enterprises Limited is Riverside East, 2 Millsands, Sheffield, S3 8DT.

13. Stocks

	Group 2021 £’000	Group 2020 £’000	Trust 2021 £’000	Trust 2020 £’000
Goods for resale	41	62	-	-

Stock provisions amount to nil (2020: £245)

Notes *(continued)*

14. Debtors and prepayments

	Group	Group	Trust	Trust
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	1	75	1	48
Prepayments and accrued income	119	51	118	49
Amount due from subsidiary undertakings	-	-	231	296
Other debtors	154	114	154	114
	<u>274</u>	<u>240</u>	<u>504</u>	<u>507</u>

Nil provisions have been made against trade debtors (2020: £6k)

15. Cash

	Group	Group	Trust	Trust
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Cash at bank and in hand - unrestricted	1,237	781	1,184	625
Cash at bank and in hand – restricted reserve support	125	147	125	147
Cash at bank and in hand – funds relating to agency arrangements	-	-	-	-
	<u>1,362</u>	<u>928</u>	<u>1,309</u>	<u>772</u>

The trustees aim to ensure that the cash balance is sufficient to ensure that all restricted reserve project commitments are met. At 31 March 2021 £141k cash (2020: £147k) was required to meet restricted reserve commitments.

16. Creditors: amounts falling due within one year

	Group	Group	Trust	Trust
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	42	106	42	106
Accruals and deferred income	302	199	287	175
Other tax and social security	6	22	6	22
	<u>350</u>	<u>327</u>	<u>335</u>	<u>303</u>

Notes *(continued)*

17. Provisions for Liabilities and charges

	Group	Trust
	2021	2021
	£'000	£'000
At 1 April 2020	166	166
Additions during the year	232	232
Amount charged against the provision	(22)	(22)
At 31 March 2021	<u>376</u>	<u>376</u>
	Group	Trust
	2020	2020
	£'000	£'000
At 1 April 2019	303	303
Amount charged against the provision	(137)	(137)
At 31 March 2020	<u>166</u>	<u>166</u>

The provision for dilapidations relates to specific identified dilapidations at Millennium Gallery and Weston Park Museum.

Notes (continued)

18. Reconciliation of movements in consolidated funds

	Capital depreciation reserve	Social History Collection Recovery Fund	Acquisition Fund	Restricted projects	Total Restricted Funds	General Fund	Designated Funds	Total Reserves, excluding agency agreements
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At beginning of year	7,279	53	52	41	7,425	1,545	35	9,005
(Deficit) / surplus for the year	(588)	(7)	(2)	204	(393)	187	(11)	(217)
Transfers	100	-	-	(18)	82	(82)	-	-
At end of year	6,791	46	50	227	7,114	1,650	24	8,788

The capital depreciation reserve represents restricted grants received to finance capital expenditure. The grants have been recognised as restricted income in the Statement of Financial Activities, but the cost of the assets has been capitalised rather than recognised as expenditure. The reserve is reduced each year by an amount equivalent to the depreciation charged on these assets.

The Social History Collection Recovery fund was created following the receipt of insurance monies to refurbish items that were damaged whilst in a former store at Kelham Island. The aim is to spend the monies on conservation and new storage facilities to improve access to the collection.

The acquisition fund has been set up to allow the Trust to acquire further items for the collections. The source of this is income generated from the sale of surplus assets or donations made specifically for this purpose.

Restricted projects are those where income has been received in the current year to fund future specific activities.

Notes *(continued)*

19. Commitments

At 31 March 2021 the Trust had capital commitments of £nil (2020: £ nil).

The Group and the Trust have the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Other 2021 £'000	Other 2020 £'000
Less than one year	2	2
Between two and five years	2	4
	4	6

Notes *(continued)*

20. Reconciliation of net expenditure to net cash flow from operating activities

	2021	2020
	£'000	£'000
Net expenditure for the year (as per the statement of financial activities)	(419)	(259)
Adjustments for:		
Depreciation charges	686	631
Decrease/(increase) in stocks	21	(4)
(Increase)/Decrease in debtors	(34)	(50)
Increase/(decrease) in creditors and provisions	301	(663)
Net cash generated/(used in) operating activities	555	(345)

	At 1 April 2020	Cashflows	At 31 March 2021
	£'000	£'000	£'000
Cash at bank and in hand	928	434	1,362
Net cash	928	434	1,362

Notes *(continued)*

21. Indemnity insurance

Indemnity insurance has been purchased from Trust Funds to:

- protect the Trust from loss arising from the neglect or defaults of its Trustees or employees; and
- indemnify the Trustees against the consequences of any neglect or default on their part.

The cost incurred during the year was £627 (2020: £627).

22. Company status and members

The Trust is a private company limited by guarantee. Every member of the Trust undertakes to contribute such amount as may be required (not exceeding one pound) to the assets of the Trust if it should be wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the Trust before they cease to be a member, and of the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributors.

23. Post-retirement benefits

The Trust currently provides post-retirement benefits to employees in three ways. These are detailed below together with the accounting policy for each.

Employees transferred from Sheffield City Council on 6 April 1998 are members of the South Yorkshire Pension Scheme providing benefits based on final pensionable pay. The expected cost of providing these pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payrolls. Two employees were members of the defined benefit scheme on 31 March 2020.

From 1st April 1999, employees were eligible to join the Sheffield Galleries & Museums Trust Group Personal Pension Plan, until it closed on 31st December 2012, which is a defined contribution scheme. Employer contributions are paid over to the Plan at the rate of 7.5% of basic pay. Contributions are then invested in the employees Personal Pension Plan currently administered by Scottish Widows.

From 1st January 2013, a NOW pension scheme was made available to new employees, this is auto-enrolment compliant. Employer contributions to this plan are 3% of basic pay. From 1st May 2015, an additional NOW pension scheme was made available to new employees. Employee contributions to this plan are currently 5% of basic pay.

During the year, the pension contributions paid to South Yorkshire Pension Authority totalled £51,053 (2020: £68,315). The contributions paid during the year to the Sheffield Galleries & Museums Trust Group Personal Pension Plan totalled £31,528 (2020: £54,093). The contributions paid during the year to NOW Pensions totalled £24,455 (2020: £58,812).

The performance of the South Yorkshire Pension Scheme defined benefit scheme has been reported under FRS102, which was adopted fully in 2016. The balance sheet disclosures as at 31 March 2021 were based on a full valuation at 31 March 2019, updated where necessary by an actuary on an FRS102 basis. The information disclosed below is in respect of the South Yorkshire Pension Scheme defined benefit scheme for which the Trust has been allocated a share of cost under an agreed policy throughout the periods shown.

Notes *(continued)*

Post-retirement benefits *(continued)*

	2021	2020
	£000	£000
Present value of funded defined benefit obligations	4,989	4,548
Fair value of plan assets	(4,625)	(4,044)
	<hr/>	<hr/>
	364	504
Present value of unfunded defined benefit obligations	128	122
	<hr/>	<hr/>
Deficit	492	626
	<hr/>	<hr/>
Net liability	492	626
	<hr/> <hr/>	<hr/> <hr/>

Movements in present value of defined benefit obligation

	2021	2020
	£000	£000
At 1 April	4,670	5,440
Current service cost	29	28
Past service cost	-	18
Interest cost	108	129
Actuarial losses / (gains)	497	(796)
Curtailments	2	-
Contributions by members	9	8
Benefits paid	(198)	(157)
	<hr/>	<hr/>
At 31 March	5,117	4,670
	<hr/> <hr/>	<hr/> <hr/>

Movements in fair value of plan assets

	2021	2020
	£000	£000
At 1 April	4,044	4,328
Interest on plan assets	95	103
Remeasurement of assets	667	(314)
Contributions by employer	8	76
Contributions by members	9	8
Benefits paid	(198)	(157)
	<hr/>	<hr/>
At 31 March	4,625	4,044
	<hr/> <hr/>	<hr/> <hr/>

Expense recognised in the Statement of Financial Activities

	2021	2020
	£000	£000
Current service cost	29	28
Past Service Gain	-	18
Effect of curtailments	2	-
Interest on defined benefit pension plan obligation	13	26
	<hr/>	<hr/>
Total	44	72
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

Post-retirement benefits *(continued)*

The expense is recognised in the following line items in the Statement of Financial Activities:

	2021	2020
	£000	£000
Curatorial and exhibitions	16	28
Operational	19	28
Education	9	16
	44	72
	44	72

The fair value of the plan assets and the return on those assets were as follows:

	2021	2020
	Fair value	Fair value
	£000	£000
Equities	2,271	2,091
Government debt	624	546
Corporate bonds	379	295
Property	421	364
Cash/Liquidity	65	121
Other	865	627
	4,625	4,044
	4,625	4,044
Actual return on plan assets	764	(128)

None of the Trust's own financial instruments and property occupied, or other assets used, are included within fair value of plan assets.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.5 years (male), 25.3 years (female) (2020: 65: 22.4 years (male), 25.2 years (female))
- Future retiree upon reaching 65: 24.0 years (male), 27.2 years (female) (2020: 65: 23.9 years (male), 27.1 years (female))

Notes (continued)

Post-retirement benefits (continued)

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

History of plans

The history of the plans for the current and prior periods is as follows:

Balance sheet

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Present value of scheme liabilities	5,117	4,670	5,440	5,197	5,444
Fair value of scheme assets	(4,625)	(4,044)	(4,328)	(4,223)	(4,115)
Deficit	492	626	1,112	974	1,329

The Company expects to contribute approximately £nil (2020: nil) to its defined benefit plans in the next financial year.

24. Related parties

During the year £nil gift aid distributions have been received from SGMT Enterprises Limited, the subsidiary company. (2020: £115,000). During the year the Trust granted £8k to SGMT Enterprises through the Culture Recovery Grant due to obsolete stock. At the 31 March 2021 amounts owed to the Trust totalled £231,000 and are included in debtors (2020: £296,000).

Under an agreement dated 8 April 1998 between the Trust and Sheffield City Council the Trust is paid by SCC to manage the non-industrial galleries and museums of Sheffield.

During the year the Trust entered into the following transactions with SCC:

- The Council paid £1,454,000 (2020: £1,504,000) to the Trust under the Service Agreement to manage the non-industrial museums and galleries of Sheffield. The Trust purchased goods and services from the Council of £99,435 (2020: £100,662);
- The Council purchased goods and services from the Trust of nil (2020: £82,608);

At the year-end the Council owed the Trust nil (2020: £4,796). The Trust owed the Council £nil (2020: nil).

25. Post Balance Sheet Event

On 1 April 2021 the activities, assets and liabilities of the charity transferred to Sheffield Museums Trust. Following completion of regulatory matters, an application will be made to Companies House to wind up and strike the company from the register and remove the charity from the Charity Commission register and apply to the Charity Commission register of mergers.