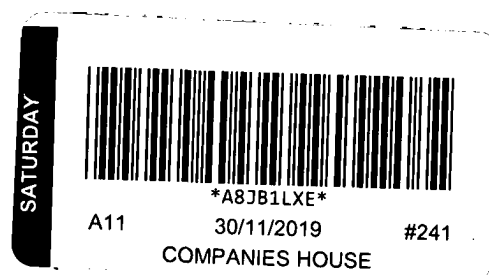


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**THINKTANK TRUST**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**



**Company Registration Number: 03239119**

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THINKTANK TRUST  
*Report and Accounts for the Year Ended 31 March 2019*

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THINKTANK TRUST  
*Report and Accounts for the Year Ended 31 March 2019*

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**Company Details**

Charity Name	Thinktank Trust
Charity Registration Number	1061898
Company Registration Number	03239119
Registered Office	Birmingham Museum and Art Gallery Chamberlain Square Birmingham B3 3DH
Auditor	Cooper Parry Group Ltd Park View One Central Boulevard Blythe Valley Park Solihull Birmingham B90 8BG
Banker	HSBC Bank plc 130 New Street Birmingham B2 4JU
Solicitors	Gowling WLG (UK) LLP Two Snowhill Birmingham B4 6WR

**THINKTANK TRUST**  
*Report and Accounts for the Year Ended 31 March 2019*

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## **Report of the Trustees**

The Board are pleased to present their Annual Report and Financial Statements for the year ended 31 March 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **Board of Trustees**

Members of the Board of Trustees, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out below:

Mr Mohammed Rahman (Resigned 2 May 2019)  
Professor Ian Grosvenor (appointed 25 October 2018)  
Mr Eamon Mooney (appointed 25 October 2018)  
Councillor Randal Brew (resigned 23 May 2018)  
Mrs Deborah de Haes (resigned 23 May 2018)

The Trustees received no remuneration for their services.

### **Legal status**

Thinktank Trust is a registered charity (number 1061898) and a private company limited by guarantee (number 03239119), incorporated on 19 August 1996, and is governed by its Articles of Association (Articles). In the event the charitable company is wound up members are required to contribute an amount not exceeding £1.

### **Objects and activities for the public benefit**

The charity's objects as set out in its Articles of Association are:

*To advance the education of the public by the operation, maintenance, expansion and development of museums in Birmingham and the increasing of public understanding of and opportunities for learning about history, science and technology.*

The strategic aims of Birmingham Museums Trust employed as a whole are to achieve the charitable group's objectives. Birmingham Museums Trust's strategic aims are:

1: Leading in excellence

- Teaching and supporting the next generation of museum professionals;
- Training, consultancy and publishing best practice;
- Leading and participating in cultural networks and festivals; and
- Influencing the future of the sector.

2: Developing the collection and venues

- Capital projects that deliver our purpose at Birmingham Museum and Gallery, the Big Store and Thinktank;
- A masterplan for each of the heritage sites;
- A research framework for the collection; and
- Improving digital and physical access to the collection.

3: Growing and diversifying audiences

- Putting visitors at the centre of our business;
- New approaches to collecting, programming, digital engagement and communications to reach the people and communities of the city and region;
- Positioning Birmingham Museums as a focal point for contemporary art;
- Supporting national health, wellbeing and educational policies; and
- National and International initiatives that contribute to the common good of Birmingham.

## **Report of the Trustees (*continued*)**

### **Objects and activities for the public benefit (*continued*)**

#### **4: Building a sustainable business**

- An audit of to determine the full costs and benefits of areas of BMT's operations and a plan to build sustainability;
- Entrepreneurial culture and innovative approach at all levels of the business;
- Support services that enable managers to take the necessary decisions to deliver our charitable aim; and
- Create a sustainable environment for our collection and buildings.

#### **5: Investing in people**

- Sound governance structures and continuous Board, staff and volunteer development;
- A diverse and highly trained workforce; and
- A framework of career preparation activities for young people.

The Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives in planning future activities. In particular, the Trustees have considered how planned activities will contribute to the strategic aims.

The Charitable group's priorities are aligned with those of its major public funders, Birmingham City Council and Arts Council England.

### **Structure, Governance and Management**

The Trustees of Thinktank Trust have continued to carry out the charitable activities through the parent, Birmingham Museums Trust. Birmingham Museums Trust combines the work of Thinktank Trust together with the principle activities of Birmingham Museums Trust.

The Board of Trustees oversees the development of the Trust and the work of the executive team of Birmingham Museums Trust in relation to Thinktank Trust's activities. The Trustees are responsible for ensuring and maintaining control over all activities and authorise all major transactions of the charitable company.

Day to day management of Thinktank Trust is delegated to Dr Ellen McAdam, Chief Executive Officer of Birmingham Museums Trust.

The remuneration of key personnel and Directors is met wholly by the parent, Birmingham Museums Trust, which also provides indemnity for the Directors.

### ***Recruitment and Appointment of Trustees/Directors***

Trustees are appointed by the Directors of the parent, Birmingham Museums Trust, after they have considered the desirability of:

- making such a recommendation after the advertisement of the vacancy and the response to such an advertisement;
- a board of directors with a range of skills experience and abilities relevant to the objects and activities of the charity; and
- a board of directors' representative of the diverse community within the City of Birmingham

### ***Trustee Induction and Training***

All Trustees are provided with an induction to the organisation on appointment.

THINKTANK TRUST  
*Report and Accounts for the Year Ended 31 March 2019*

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## **Report of the Trustees (*continued*)**

### **Funds Statement at 31 March 2019**

The Trustees have considered the level of reserves required to maintain sufficient working capital and to meet unforeseen liabilities that may arise.

At 31 March 2019, Thinktank Trust had unrestricted reserves deficit of £0.601m (2018: £0.393m) and restricted reserves surplus of £1.521m (2018: £1.946m). Total reserves at 31 March 2019 were £0.920m (2018: £1.553m).

Thinktank Trust receives grant directly linked to expenditure, therefore it is in a position to build or hold unrestricted funds. The deficit on unrestricted funds represents unavoidable expenditure incurred in 2018-19. Thinktank Trust continues to be supported by its parent, Birmingham Museums Trust.

The restricted funds were created when assets were purchased for continuing use by Thinktank utilising restricted funds. They represent depreciation to be charged in future periods.

### **Going Concern**

The financial statements have been prepared on a going concern basis. The Trustees consider that there is a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future and for this reason they have adopted the going concern basis in preparing the financial statements.

### **Investment policy**

The company maintains bank accounts with HSBC plc. In order to maximise the return on available funds, these are invested in low risk short-term deposits with HSBC plc, a bank which operates in the United Kingdom and which is subject to regulation under the Financial Services Act 2012.

### **Related parties**

Birmingham Museums Trust is the sole member of the company. Birmingham Museums Trading Limited is also a related party through being wholly owned by Birmingham Museums Trust. Any conflicts of interest involving Trustees in these respects are declared where appropriate.

### **Plans for Future Periods**

The Trustees of Thinktank Trust plan to continue to carry out the charitable activities through the parent company, Birmingham Museums Trust.

Formal transfers of assets and funds to Birmingham Museums Trust remain under consideration by the Trustees following the transfer of most operations from 1 April 2012.

## **Statement of Trustees' Responsibilities**

### **Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

Each of the persons who are directors at time when this Trustees' report is approved has confirmed that:

- so far as the trustee is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the trustee has taken all steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

The Auditor, Cooper Parry Group Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **Small company provisions**

*This report has been prepared in accordance with the provisions*

Approved by the Board of Trustees on 31 October 2019 and signed on their behalf by:

  
Ian Grosvenor  
Trustee

## **Independent Auditor's Report to the Members and Trustees of Thinktank Trust**

### **Opinion**

We have audited the financial statements of Thinktank Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet, and notes to the financial statements, 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 FRS 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 charitable company's affairs as at 31 March 2019 and of its 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 and the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



## **Independent Auditor's Report to the Members and Trustees of Thinktank Trust (continued)**

### **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 Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities Statement set out on page 6, the trustees are responsible for the preparation of the financial statements 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 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 charitable group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

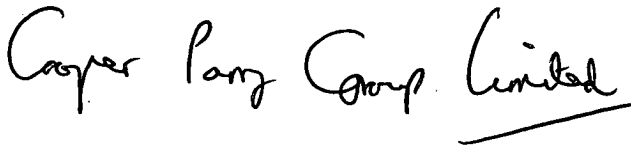
THINKTANK TRUST  
*Report and Accounts for the Year Ended 31 March 2019*

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**Independent Auditor's Report to the Members and Trustees of Thinktank Trust**  
*(continued)*

**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 and to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Simon Atkins FCA**

**Senior Statutory Auditor**

For and on behalf of Cooper Parry Group Ltd

Cooper Parry Group Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Park View, One Central Boulevard  
Blythe Valley Park  
Solihull  
Birmingham  
B90 8BG

Date: 20/11/19

**THINKTANK TRUST**  
*Report and Accounts for the Year Ended 31 March 2019*

**Statement of Financial Activities**

(Incorporating an Income and Expenditure Account) for the year ended 31 March 2019

	<i>Note</i>	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>					
Charitable activities	4	-	1,417,000	1,417,000	1,417,000
<b>Total</b>		-	<b>1,417,000</b>	<b>1,417,000</b>	<b>1,417,000</b>
<b>Expenditure on:</b>					
Charitable Activities	5	(207,936)	(1,842,338)	(2,050,274)	(2,191,679)
<b>Total</b>		<b>(207,936)</b>	<b>(1,842,338)</b>	<b>(2,050,274)</b>	<b>(2,191,679)</b>
<b>Net movement in funds</b>		<b>(207,936)</b>	<b>(425,338)</b>	<b>(633,274)</b>	<b>(774,679)</b>
<b>Fund balances brought forward</b>	14	<b>(392,794)</b>	<b>1,945,908</b>	<b>1,553,114</b>	<b>2,327,793</b>
<b>Fund balances carried forward</b>	14	<b>(600,730)</b>	<b>1,520,570</b>	<b>919,840</b>	<b>1,553,114</b>

The incoming resources, resources expended and resulting net movement in funds arise from continuing operations and includes all gains and losses recognised in the year.

THINKTANK TRUST  
Report and Accounts for the Year Ended 31 March 2019

**Statement of Financial Activities**

(Incorporating an Income and Expenditure Account) for the year ended 31 March 2018

	<i>Note</i>	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Income and endowments from:</b>				
Charitable activities	4	-	1,417,000	1,417,000
<b>Total</b>		-	<b>1,417,000</b>	<b>1,417,000</b>
Charitable Activities	5	(358,682)	(1,832,997)	(2,191,679)
<b>Total</b>		<b>(358,682)</b>	<b>(1,832,997)</b>	<b>(2,191,679)</b>
<b>Net (expenditure)</b>		<b>(358,682)</b>	<b>(415,997)</b>	<b>(774,679)</b>
Transfer between funds		(562,817)	562,817	-
<b>Net movement in funds</b>	14	<b>(921,499)</b>	<b>146,820</b>	<b>(774,679)</b>
<b>Fund balances brought forward</b>	14	<b>528,705</b>	<b>1,799,088</b>	<b>2,327,793</b>
<b>Fund balances after transfers carried forward</b>	14	<b>(392,794)</b>	<b>1,945,908</b>	<b>1,553,114</b>

The incoming resources, resources expended and resulting net movement in funds arise from continuing operations and includes all gains and losses recognised in the year.

THINKTANK TRUST  
Report and Accounts for the Year Ended 31 March 2019

**Balance Sheet as at 31 March 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Fixed Assets</b>			
Tangible assets	9	1,520,570	1,945,908
		<b>1,520,570</b>	<b>1,945,908</b>
<b>Current Assets</b>			
Debtors	10	75,497	67
Cash at bank and in hand	11	16,440	24,343
		91,937	24,410
Creditors: amounts falling due in one year	12	(692,667)	(417,204)
<b>Net Current Assets</b>		<b>(600,730)</b>	<b>(392,794)</b>
<b>Net Assets</b>		<b>919,840</b>	<b>1,553,114</b>
<b>Funds</b>			
Restricted funds	14	1,520,570	1,945,908
Unrestricted funds – designated	14	-	-
Unrestricted funds – general	14	(600,730)	(392,794)
<b>Total funds</b>	14	<b>919,840</b>	<b>1,553,114</b>

These financial statements were approved and authorised for issue by the Board of Trustees on 31 October 2019 and were signed on its behalf by:

Ian Grosvenor  
Trustee



The notes on pages 12 to 19 form integral part of these accounts.

**Company Registration Number: 03239119**

## **Notes to the Financial Statements**

### **1. General information**

Thinktank Trust is a charitable company limited by guarantee, incorporated and domiciled in England and Wales (Company number 03239119, Charity number 1061898). The Trust has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office is Birmingham Museum & Art Gallery, Chamberlain Square, Birmingham, B3 3DH.

### **2. Statement of principal accounting policies**

#### **Basis of Accounting**

The financial statements have been prepared under the Charities Act 2011 on a going concern basis and under the historical cost convention. 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 (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

Thinktank Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value, unless otherwise stated in the relevant account policy notes.

The financial statements are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Trust's accounting policies (see note 3).

The financial statements have been prepared on a going concern basis. The Trustees consider that there is a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future and, for this reason, they have adopted the going concern basis in preparing the financial statements.

The following principal accounting policies have been applied:

#### **Incoming Resources**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature are recognised once Thinktank Trust has an entitlement to the resources and it is probable that the resources can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### **Donations**

Such voluntary income is accounted for on the date when it becomes receivable.

#### **Legacies**

Income is recognised on an accruals basis to the extent that Thinktank Trust has been notified that it is a beneficiary and it is probable that monies will be received.

#### **Grants receivable**

Grants are recognised in the Statement of Financial Activities when the conditions for receipt have been complied with.

#### **Income from investments**

Investment income is accounted for on a receivable basis.

## **Notes to the Financial Statements (continued)**

### **2. Statement of principal accounting policies (continued)**

#### ***Sponsorship in kind***

Sponsorship in kind includes provision of commercial services. Such incoming resources are included in the Statement of Financial Activities where the benefit to the charity is reasonably quantifiable and measurable. The value placed on these resources is the estimated value to the charity of the service received; being the price the charity estimates it would pay in the open market for an equivalent service.

#### ***Fund accounting***

The charitable company maintains three types of funds as follows:

##### ***Restricted funds***

Restricted funds represent grants and donations received which are allocated by the donor for specific purposes.

##### ***Unrestricted funds***

Unrestricted funds represent funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

##### ***Designated funds***

Designated funds represent unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of such funds are set out in the notes to the financial statements.

#### **Resources Expended**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing Thinktank Trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

#### ***Costs of generating voluntary income***

These costs are incurred in relation to staff members and consultants who are engaged directly in fundraising and also include the costs of campaigns for raising donations.

#### ***Charitable activities***

Charitable expenditure includes expenditure associated with the operation of Thinktank.

#### ***Basis of allocation of costs***

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated on a basis consistent with the use of resources. Costs relating to the management of Thinktank Trust and support departments have been allocated to other functions based on the time they consume in pursuing the objectives of Thinktank Trust.

#### ***Operating leases***

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the term of the lease.

#### ***Foreign currency translation***

Transactions in foreign currencies are translated into Sterling at the rates of exchange current at the dates of the transactions. Foreign currency liabilities in the balance sheet are translated into Sterling at the rates of exchange ruling at the year end except where hedged. Resulting exchange gains and losses are taken to the Statement of Financial Activities in the year in which they arise.

#### ***Taxation***

Thinktank Trust is exempt from taxation on its income and gains where they are applied for charitable purposes.

## Notes to the Financial Statements *(continued)*

### 2. Statement of principal accounting policies *(continued)*

#### Tangible Fixed Assets

##### *Operating assets*

Operating assets are stated at cost less depreciation.

Depreciation is provided on a straight-line basis using rates calculated to write down the cost of each asset to its estimated residual value over its anticipated useful life as follows:

Leasehold improvements	over the period of the lease
Plant and equipment	3 to 10 years
Fixtures and fittings	3 to 8 years
Computer equipment	3 to 5 years.

Assets in the course of construction are not depreciated until completion where upon they are transferred to the appropriate fixed asset category and depreciated as above.

##### *Fixed asset investments*

Investments are held at cost less any permanent diminution in value.

#### Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

#### Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

#### Operating lease commitments

The Trust has entered into commercial property leases as a lessee on its property portfolio and as a lessee it obtains use of property, plant and equipment. The classification of such leases as an operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. The trustees consider there is no value to be recognised in the commercial leases held by Thinktank Trust. Leasehold improvements are recognised as assets when it is appropriate to do so.

The following are the Trust's key sources of estimation uncertainty:

#### Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Trust performs impairment tests based on fair value less costs to sell, or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices.



THINKTANK TRUST  
Report and Accounts for the Year Ended 31 March 2019

## Notes to the Financial Statements (continued)

### 4. Analysis of Income from Charitable Activities

	2018 £	2018 £
<b>Restricted funds</b>		
Grant to cover rent and service charges	1,417,000	1,417,000
<b>Unrestricted funds</b>		
Other income	-	-
<b>Total incoming resources</b>	<b>1,417,000</b>	<b>1,417,000</b>

### 5. Analysis of Expenditure from Charitable Activities

Costs directly allocated to activities	Fundraising £	Museum Costs £	Governance £	2019 £	2018 £
Other operating expenditure	-	1,623,937	1,000	1,624,937	1,765,184
Depreciation	-	425,337	-	425,337	426,495
<b>Direct costs total</b>	<b>-</b>	<b>2,049,274</b>	<b>1,000</b>	<b>2,050,274</b>	<b>2,191,679</b>
<b>Support costs allocated to activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total costs</b>	<b>-</b>	<b>2,049,274</b>	<b>1,000</b>	<b>2,050,274</b>	<b>2,191,679</b>

### 6. Trustees' expenses

No expenses were paid either directly to Trustees or on their behalf in the current or preceding financial years.

### 7. Staff Costs

No staff were employed by the company in the current or preceding financial years. The former Thinktank Trust staff transferred to the employment of Birmingham Museums Trust from 1 April 2012.

No remuneration was paid to Trustees in the current or preceding financial year. Key management personnel are remunerated through the parent company, Birmingham Museums Trust.

### 8. Net movement in funds

Net movement in funds is stated after charging the following:

	2018 £	2018 £
Depreciation	425,337	426,495
Auditor's remuneration	1,000	1,000

The auditor's remuneration the previous year was paid by the parent entity, Birmingham Museums Trust.

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**Notes to the Financial Statements (continued)**

**9. Fixed Assets**

	Leasehold Improvements £	Plant and Equipment £	Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>					
At 1 April 2018	5,208,866	64,889	5,234,272	139,112	10,647,139
Additions	-	-	-	-	-
<b>At 31 March 2019</b>	<b>5,208,866</b>	<b>64,889</b>	<b>5,234,272</b>	<b>139,112</b>	<b>10,647,140</b>
<b>Depreciation</b>					
At 1 April 2018	5,206,766	64,889	3,290,464	139,112	8,701,231
Charge for the year	2,100	-	423,238	-	425,338
<b>At 31 March 2019</b>	<b>5,208,866</b>	<b>64,889</b>	<b>3,713,702</b>	<b>139,112</b>	<b>9,126,569</b>
<b>Net Book Value At 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>1,520,570</b>	<b>-</b>	<b>1,520,570</b>
<b>At 31 March 2018</b>	<b>2,100</b>	<b>-</b>	<b>1,943,808</b>	<b>-</b>	<b>1,945,908</b>

All fixed assets are held for charitable purposes.

Capital expenditure contracted for, but not provided in the financial statements, was £nil (2017: £nil).

**10. Debtors**

	2019 £	2018 £
Amounts owed by group companies	-	-
VAT receivable	75,497	67
Prepayments and accrued income	-	-
	<b>75,497</b>	<b>67</b>

**11. Cash and Cash Equivalent**

	2019 £	2018 £
Cash at bank and in hand	<b>16,440</b>	<b>24,343</b>

**12. Creditors**

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Amounts owed to group companies	655,539	384,807
Accruals and deferred income	37,128	32,397
	<b>692,667</b>	<b>417,204</b>

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## Notes to the Financial Statements (continued)

### 13. Financial Instruments

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through statement of financial activities	16,440	24,343
Financial assets that are debt instruments measured at amortised cost	75,497	67
	<b>91,937</b>	<b>24,410</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>692,667</b>	<b>417,204</b>

Financial assets are measured at fair value through statement of financial activities comprises cash held at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprises trade and other debtors, other taxation and social security and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprises Trade and other creditors, amounts owed to group undertakings and accruals.

### 14. Funds Analysis

	Balance as 1 April 2018 £	Incoming Resources £	Outgoing Resources £	Balance at 31 March 2019 £
<b>Restricted Funds</b>				
Planetarium	2,100	-	(2,100)	-
Science for all Seasons	1,116,834	-	(247,318)	869,515
Made in Birmingham	826,974	-	(175,919)	651,055
Building rent	-	1,417,000	(1,417,000)	-
<b>Total Restricted Funds</b>	<b>1,945,908</b>	<b>1,417,000</b>	<b>(1,842,337)</b>	<b>1,520,570</b>
<b>Unrestricted Funds</b>	<b>(392,794)</b>	<b>-</b>	<b>(207,936)</b>	<b>(600,730)</b>
<b>TOTAL</b>	<b>1,553,114</b>	<b>1,417,000</b>	<b>(2,050,274)</b>	<b>919,840</b>

#### Restricted funds

- Planetarium - This fund is being released as the asset depreciates.
- Science for All Seasons - The Science Garden was completed prior to 2012 and this fund is being released as the asset depreciates.
- Made in Birmingham - This fund is being released as the asset depreciates.
- Building Rent - Grant support from Birmingham City Council.

A detailed review of fund balances was undertaken, and adjustments made, shown as funds transfer. The carry forward balance reflects the net book value of assets in the relevant fund balance.

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**Notes to the Financial Statements (continued)**

**14. Funds Analysis (continued)**

	Balance at 1 April 2017 £	Incoming Resources £	Outgoing Resources £	Funds Transfer £	Balance at 31 March 2018 £
<b>Restricted Funds</b>					
Planetarium	63,256	-	(2,627)	(58,529)	2,100
Science for all Seasons	1,219,907	-	(236,820)	133,747	1,116,834
Made in Birmingham	515,926	-	(176,550)	487,598	826,974
Building rent	-	1,417,000	(1,417,000)	-	-
<b>Total Restricted Funds</b>	<b>1,799,089</b>	<b>1,417,000</b>	<b>(1,832,997)</b>	<b>562,816</b>	<b>1,945,908</b>
<b>Designated Funds (Unrestricted)</b>					
Planetarium	50,000	-	-	(50,000)	-
Renewal Fund	220,000	-	-	(220,000)	-
Science for All Seasons	573,502	-	(10,498)	(563,004)	-
<b>Total Designated Funds</b>	<b>843,502</b>	<b>-</b>	<b>(10,498)</b>	<b>(833,004)</b>	<b>-</b>
<b>General Funds (Unrestricted)</b>	<b>(314,798)</b>	<b>-</b>	<b>(348,184)</b>	<b>270,188</b>	<b>(392,794)</b>
<b>TOTAL</b>	<b>2,327,793</b>	<b>1,417,000</b>	<b>(2,191,679)</b>	<b>-</b>	<b>1,553,114</b>

**15. Analysis of net assets between funds**

	Restricted £	Unrestricted £	Total £
Fixed Assets	1,520,570	-	1,520,570
Net Current Assets	-	(600,730)	(600,730)
<b>Total as at March 2019</b>	<b>1,520,570</b>	<b>(600,730)</b>	<b>919,840</b>
Fixed Assets	1,945,908	-	1,945,908
Net Current Assets	-	(392,794)	(392,794)
<b>Total as at March 2018</b>	<b>1,945,908</b>	<b>(392,794)</b>	<b>1,553,114</b>

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## Notes to the Financial Statements *(continued)*

### 16. Lease commitments

At 31 March 2019 the trust had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within one year	600,702	586,052
Between two to five years	2,556,787	2,494,428
More than 5 Years	4,149,122	4,812,188
	<u>7,306,612</u>	<u>7,892,668</u>

### 17. Taxation

The charitable company's income is exempt from taxation under section 505 of the Income and Corporation Taxes Act 1988 and its chargeable gains are exempt under section 256 of the Taxation of Capital Gains Act 1992.

### 18. Financial Commitments

#### Debentures and charges

The Thinktank Trust has granted a first mortgage charge over certain of its assets to the Millennium Commission to secure all monies owing to the Commission by the Trust under the terms of a grant agreement dated 10 December 2004.

The Thinktank Trust has granted a mortgage charge over certain of its assets to the National Heritage Memorial Fund under the terms of an agreement date 20 April 2011.

#### Value Added Tax

As a result of group registration arrangements for Value Added Tax (VAT), the charitable company is jointly and severally liable with other members of the group for any VAT due by the representative member of the group. At 31 March 2019 the group debtor in respect of VAT was £177k (2018: liability £165k).

### 19. Related party transactions

There were no related party transactions during 2018-19.

Key management personnel are remunerated through the parent company. As such details of their remuneration are disclosed in the consolidated financial statements of Birmingham Museum Trust.

### 20. Member and ultimate controlling party

The charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the charitable company being wound up. At 31 March 2018 Birmingham Museums Trust was the sole member of Thinktank Trust. Birmingham Museums Trust, a charitable company (company number 07737797, charity number 1147014) incorporated in England and Wales and limited by guarantee, is controlled by Birmingham City Council who is the sole member of Birmingham Museums Trust.

Consolidated accounts are available from Birmingham Museums Trust, Birmingham Museum & Art Gallery, Chamberlain Square, Birmingham, B3 3DH.