
THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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THE TRAMWAY MUSEUM SOCIETY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Patron	HRH The Duke of Gloucester, KG, GCVO
President	I Ross, BSc, CEng, FIET, FIMechE
Vice-Presidents	GB Claydon, CB, LLB, M Inst. TA, CMILT DJH Senior, OBE, MA MC Crabtree IENG, MIET C Heaton
Directors	KR Rigg, ACIB, Chairman DP Webb, Vice Chairman MV Ballinger, FCA (retired 19 December 2020) DA Frodsham DJ Heeley, M.Eng (hons), C.Eng, MIET, MIRSE (appointed 19 December 2020) WJ Lane (retired 19 December 2020) AM Pendleton ID Pleace, FCA, MSc, BSc(Econ) (appointed 19 December 2020) AJ Willis LM Wright, RN, OHNC MC Wright, BSc, C Eng, MI Chem E, CMILT
Company registered number	744229
Charity registered number	313615
Museum premises and registered office	Crich Matlock Derbyshire DE4 5DP
Arts Council England Registered Museum no.	508
Hon. Secretary	AM Pendleton (post abolished 26 September 2020)
Hon. Treasurer	MV Ballinger, FCA (post abolished 26 September 2020)
Auditors	Bates Weston Audit Ltd Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE1 2RJ

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS DIRECTORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Bankers	Barclays Bank PLC Alfreton Derbyshire
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THE TRAMWAY MUSEUM SOCIETY
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Directors of the Board present their report and financial statements of the Society for the year ended 31 March 2021 and confirm the latter comply with the requirements of the Companies Act 2006 and the Charities SORP.

Reference and administrative information

The Society, which is registered as a charity, owns and maintains the Crich Tramway Village, home of the National Tramway Museum at Crich, Derbyshire, (the Museum), which is devoted to tramways and allied interests. It is not liable to corporation tax or income tax.

The Directors of the Board (who act as directors under Company law and trustees under Charity law) are set out on page 1.

At the Annual General Meeting on 19 December 2020 Messrs D J Heeley and I D Pleave were appointed to the Board as Member Directors and Mr I Ross assumed office as President.

Structure, governance and management

Governing document

The Society is governed by the Memorandum and Articles of Association, as last amended by Special Resolution of the Society on 26 September 2020. The Society is a company limited by guarantee and does not have any share capital.

Recruitment and training of Board Members

Voting members of the Society may stand for appointment as Member Directors to the Board. Any two voting members may propose another voting member. The individual must be 18 or over and any such proposal must be in writing and be received by the Society no later than 42 days prior to the Annual General Meeting. If the number of candidates is fewer than or equal to the number of relevant posts available, all such candidates are deemed automatically elected. In the event of there being more candidates than posts available, a vote is held with each member having the right to vote entitled to cast his or her vote in favour of as many candidates as there are vacant posts. Casual vacancies may be filled by the Board but the individual appointed must retire and seek election at the next Annual General Meeting.

The Board also has the power to appoint up to three Non-Member Directors who are neither members of the Society nor employees.

Following election, newly elected directors receive an induction by the person appointed as Secretary and another director. The induction includes a detailed introduction and explanation of Board proceedings and content. Key areas are explained in detail, such as Finance, Personnel, Collection, Operations and Health & Safety.

All directors serve for an initial period of three years and thereafter for no more than two further consecutive periods of three years, Directors may not be eligible for re-election or re-appointment until a period of at least two years has elapsed.

Hon. Treasurer and Hon. Secretary

The persons holding the posts of Hon. Treasurer and Hon. Secretary became ordinary Member Directors at the adoption of the new Articles of Association at the Extraordinary General Meeting on 26 September 2020. The work of the Hon. Treasurer is now carried out by the newly formed Finance Committee and the role of the Hon. Secretary is assumed by one of the ordinary Member Directors.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Organisational structure

Ultimate responsibility for all decisions made by the Society rests with the Board. These decisions are made on the recommendations of individual Society officers, in particular the General Manager, or the relevant standing committees which are currently Finance, Collections Management, Development, Health & Safety, Membership and Tramcar Conservation. All such officers, and committees, are accountable to the Board and report on a regular basis.

A subsidiary company, Tramway Museum Services (R&C) Limited, traded throughout the year from premises under licence from the Society. The subsidiary is wholly owned by the Society and hence the subsidiary's board is directly accountable to the Board of the Society.

Arrangements for setting pay and remuneration of key management personnel

A Board sub-committee chaired by the General Manager sets the pay and remuneration of key management personnel via an annual review in consultation with the recognised Trade Union.

Principal Risks and Uncertainties

The Board has identified the following four key areas of Business Risk;

- Personnel - including Board Members, employees and volunteers,
- Financial - including Visitor numbers, misappropriation and reserve policy,
- Operational - including the Tramcar fleet, accidents and regulation,
- Infrastructure - including buildings and visitor facilities, the tramway and the site.

Systems have been put in place to oversee all of these areas and these are reviewed on a regular basis. Full details are available in the "Business Risk Register" freely available to all members on request and held in electronic form on the Society's server accessible to all system users.

Transformation: Making a Resilient and Sustainable Tramway Museum

Despite Covid19, Transformation continued with an Extraordinary General Meeting held on 26 September 2020 to approve the new Articles of Association, enhance and amended charity purposes approved by the Charity Commission, and from June 2021, the start of the recruitment process for external Non-Member Directors.

Objectives and activities

Objectives

The principal objectives of the Society are:

- To maintain for the benefit of the nation an operating tramway museum.
- To promote the permanent preservation of tramway vehicles and equipment, and items of general transport interest (either historic, scientific or educational) and to work as necessary with other institutions, societies and bodies, having similar aims, in any part of the world.
- To promote and further the study of and research into tramways and other forms of transport.

The objectives of the Society are interpreted through the Mission Statement which, as noted last year, are still under review as part of the Society's strategy development and against which steady progress has been made. Key objectives for the coming year include the continuing improvement to facilities at Crich, the recruitment, training and retention of more volunteers, obtaining grant funding and increasing customer numbers.

The objectives of the Society have been reviewed as part of the National Lottery Heritage Fund (NLHF) funded

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Transformation project, which following the adoption of the new Articles of Association is now complete.

Strategies

The Society receives no core funding and must therefore operate within its earned income, subscriptions, donations and grants. The Board has sought to continue to maximise earned income, take advantage of fiscal benefits and control costs. To contribute to the Society's sustainability the Board also continues to seek donations and grants for its development.

As part of Transformation, the Board worked with an external consultant who looked at the strategy of the Society and developed a new 5 year business plan, with a new 10 year forward plan to take us to 2025 and beyond to 2030, being developed.

Principal activities

The main activities undertaken by the Society in achieving its objectives include the operation of the Museum, education, tramcar restoration and a tramway archive and research library.

In accordance with the established accounting policies set out on pages 18 to 21 the financial results do not take account of the significant voluntary input at all levels of operation of the Museum. Whilst a financial evaluation of this input is difficult, it is estimated that the amount of voluntary input is equivalent to approximately 33 full time equivalent members of staff.

Public Benefit

When planning activities for the year the Board has considered the Charity Commission general guidance on public benefit. In particular it has considered how the planned activities will contribute towards the aims and activities they have set.

As explained in the Objectives and activities section, the Society exists to preserve items of national heritage for the nation and promote these items.

During the financial year, paying visitor numbers were 24,673 (2020: 87,498) with an additional 10,432 (2020: 57,269) of free admissions. The Society offers reduced admission price for senior citizens and children as well as a family ticket to make the collection accessible to as many people as possible. Wheelchairs are freely available for less able visitors and a smoothway around the Museum is available to enhance accessibility for wheelchair and pushchair users.

The preservation and demonstration of tramway vehicles are central to the Society's objectives and restoration work continued on several historic tramcars during the year.

The Society is custodian of archives relating to tramways and other forms of transport, of national and international importance, which is made freely available to members of the public wishing to carry out research.

The Society has full time education staff who work closely with schools to support teachers in their delivery of several areas of the national curriculum by way of facilitating school visits and offering themed workshops.

Further information about how the Society delivers public benefit in meeting its charitable objectives is provided throughout this report.

Achievement and performance

Covid19 presented huge challenges to the viability and sustainability of our organisation in many ways during the year to 31 March 2021.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

During the 2020 season we were unable to open consistently to the public until July 11 2020. This cut our operating season by half. When we were able to open, we achieved approximately 60% of our normal visitors and therefore income. We were not able to run any of our lucrative special events. We were only able to offer a limited tram ride experience due to workforce safety constraints and national guidance relating to public transport social distancing, which cut our visitor offer considerably. The cafeteria and Red Lion pub were only permitted to open on a take-away basis. The majority of our school visits take place during the school summer term and we were unable to host them.

The Museum utilised the government Furlough programme to the greatest extent possible. It enabled us to retain our permanent employed staff team. A few key staff members were unable to be furloughed because their work was essential to the organisation were supported by a grant from the NLHF emergency fund (£250,000). We raised £50,000 from the public and our members towards core costs and £25,000 from the local authority and recently (Feb 2021) a further £14,000.

Many project and development items that were destined to be complete in 2020 were suspended and therefore many items originally indicated for the 2020/21 financial year in the Action Plan, have been forwarded into the 2021/22 financial year, and some of those may need to be adjusted to further years depending on when we are open for the 2021 season and the availability of staff and our resources.

Major restoration work on LCC1 continues, with funding provided by the London County Council Tramways Trust. Input from outside contractors, our workshop technicians and other Society members has produced components to original designs to replace those removed or altered by Leeds City Tramways. In some cases the parts have been re-engineered entirely from photographs. The seat cushions have been fully refurbished with new upholstery moquette and leathercloth trim. The first stages of electrical testing has been completed.

Some work, funded by the Tramcar Sponsorship Organisation, continued on Newcastle 102 with the re-assembled trucks being re-united with the body.

The Cabmen's Shelter has now been fully restored and will be officially opened as and when lockdown restrictions are lifted, hopefully later this year.

Financial review

The main source of income continues to be the paying customers of the Museum. Total customer income combining admissions, retail and catering takings was £486,000 (2020: £1,789,000).

In the financial year paying customers were 24,673, down 62,325 on the previous year. On a calendar basis, the Museum received 25,396 paying customers compared to 90,107 in 2019. Unrestricted donations and membership subscriptions provided a further £808,000 towards the Society's general funds. After costs of generating funds of £360,000 and charity governance costs of £19,000, the net unrestricted incoming resources available for charitable activities was £915,000. Of this amount £605,000 was used for Museum operation including admission expenses, workshop and other tramway costs, exhibitions and education. A further £430,000 was spent on the Museum site itself including infrastructure costs, publicity and promotion, and Society membership expenses. £54,000 was used to fund collection and curatorial activities.

Following the requirements of Financial Reporting Standard 102 (FRS 102) Retirement Benefits, the Society's share of the deficit on the defined benefit staff pension scheme operated by Derbyshire County Council has increased from £188,000 to £334,000.

Restricted income from donating bodies totalled £193,000 in the year. Restricted expenditure in the year of £176,000 included tramcar restoration £100,000, site costs £40,000 and exhibitions £14,000.

The Museum continues to operate successfully its admission scheme incorporating 12-month season tickets. This has allowed the Museum to reclaim £13,000 of Gift Aid in the year (2020 : £97,000).

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The membership of the Society at 31 March 2021 was 1,977, including non-voting members and family members; this reflects an increase of 55 during the year.

Reserves policies

At 31 March 2021 the level of free reserves after the pension deficit was £1,643,000 including the designated fund. The Business Interruption Contingency Fund created to meet potential costs arising due to a significant downturn in customer numbers has been maintained at £545,000, and the Replacement Cafe fund has been set up with the proceeds of the sale of Field Cottage of £274,638 and the Richard Clarke legacy of £544,056. Remaining free reserves after these designated funds were £279,000.

The level of free reserves should cover four months revenue expenditure. Taking account of the need to fund the Museum over the winter months and given the significant impact that an unforeseen event could have upon the future of the Museum, these free reserves are sufficient at present to provide this cover.

Plans for the future

Shortly before the beginning of the year, the Covid 19 pandemic caused the country to go into lockdown, resulting in the Museum being forced to close completely on 24 March 2020 and it remained closed until a partial reopening from 11 July 2020. The loss of revenue over this three and a half month period had a huge impact on the finances of the Society and raised concerns over future viability. However, the Society was able to take advantage of the government's furlough scheme to partly fund staff costs and was also successful in receiving a £250,000 grant from the National Lottery Heritage Fund, £25,000 from the local council and £50,000 from its own appeal. The Directors are very grateful for the support given by these bodies, the Society members and general public. The Society also had a Business Interruption Fund of £545,000 to draw on. Tight controls have been put in place re expenditure for the remainder of the year with no major projects planned for the foreseeable future. The combination of all the above, means that, although reserves will decline during current year, the future viability of the Society is now secure.

Strategy development is ongoing, a working group continues to develop it in order to ensure that it is comprehensive and meets the requirements of the Museum.

The Society will continue to seek to attract customers to the Museum whilst continuing to safeguard its core, and other collections.

Directors' responsibilities

The Board is responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the affairs of the Society and its subsidiary company (the Group) and of the income and expenditure of the Group for that period. In preparing those financial statements, the Board is required to:

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

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Board is, individually, aware:

- there is no relevant audit information of which the Society's auditor is unaware; and
- the Board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Freehold land and buildings

The freehold land and buildings are carried in the Balance Sheet at cost and exclude the value of substantial amounts of unpaid labour, part volunteer, part Government Employment Support Schemes, not funded by the Society. The reinstatement value for insurance purposes of the buildings is about £6,000,000 in excess of the book value. Due to the historical nature of some of the buildings, and the specialised nature of the Museum complex and its unusual location, the Board does not feel able to place a market value on the property.

Auditor

Bates Weston Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

This report, incorporating the Group strategic report, was approved by the Directors, in their capacity as company directors, and signed on their behalf by:

KR Rigg
Chairman
Date: 22 July 2021

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INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE TRAMWAY MUSEUM SOCIETY

Opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

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INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE TRAMWAY MUSEUM SOCIETY
(CONTINUED)

We have nothing to report in this regard.

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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; 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 Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the charitable company for the purposes of company law) 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 Directors 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 Directors 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 Directors either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charitable company and industry in which it operates, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the

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INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF THE TRAMWAY MUSEUM SOCIETY
(CONTINUED)

Companies Act 2006 and Charities Act 2011. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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.

Wayne Thomas ACA (Senior Statutory Auditor)

for and on behalf of

Bates Weston Audit Ltd

Statutory Auditors

Chartered Accountants

The Mills

Canal Street

Derby

DE1 2RJ

23 July 2021

THE TRAMWAY MUSEUM SOCIETY
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds - Revenue 2021 £	Restricted funds - Capital 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and legacies	3	805,104	140,513	-	945,617	1,255,311
Charitable activities	4	316,731	52,000	-	368,731	1,234,160
Other trading activities	5	169,105	-	-	169,105	596,451
Investments		2,244	-	-	2,244	8,994
Total income		1,293,184	192,513	-	1,485,697	3,094,916
Expenditure on:						
Raising funds	6	359,455	-	-	359,455	576,994
Charitable activities	7,8	1,108,120	99,708	76,089	1,283,917	1,966,126
Total expenditure		1,467,575	99,708	76,089	1,643,372	2,543,120
Net (expenditure)/ income before other recognised gains/(losses)		(174,391)	92,805	(76,089)	(157,675)	551,796
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	23	(138,000)	-	-	(138,000)	125,000
Net movement in funds		(312,391)	92,805	(76,089)	(295,675)	676,796
Reconciliation of funds:						
Total funds brought forward		3,138,838	925,670	2,169,892	6,234,400	5,557,604
Net movement in funds		(312,391)	92,805	(76,089)	(295,675)	676,796
Total funds carried forward		2,826,447	1,018,475	2,093,803	5,938,725	6,234,400

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 41 form part of these financial statements.

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REGISTERED NUMBER: 744229

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,423,333	3,686,428
		<u>3,423,333</u>	<u>3,686,428</u>
Current assets			
Stocks	14	74,413	93,999
Debtors	15	273,615	749,830
Cash at bank and in hand		2,609,361	2,143,830
		<u>2,957,389</u>	<u>2,987,659</u>
Creditors: amounts falling due within one year	16	(107,997)	(251,687)
		<u>2,849,392</u>	<u>2,735,972</u>
Net current assets		2,849,392	2,735,972
Total assets less current liabilities		6,272,725	6,422,400
Net assets excluding pension liability		6,272,725	6,422,400
Defined benefit pension scheme liability	23	(334,000)	(188,000)
Total net assets		5,938,725	6,234,400

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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds:			
Restricted funds - Revenue	17	1,018,475	925,670
Restricted funds - Capital	17	2,093,803	2,169,892
Total restricted funds	17	<u>3,112,278</u>	3,095,562
Unrestricted funds			
Unrestricted funds excluding pension asset	17	3,160,447	3,326,838
Pension reserve	17	(334,000)	(188,000)
Total unrestricted funds	17	<u>2,826,447</u>	3,138,838
Total funds		<u><u>5,938,725</u></u>	<u><u>6,234,400</u></u>

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

KR Rigg

Date: 22 July 2021

The notes on pages 18 to 41 form part of these financial statements.

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REGISTERED NUMBER: 744229

SOCIETY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,423,333	3,686,428
Investments	13	2	2
		<u>3,423,335</u>	<u>3,686,430</u>
Current assets			
Stocks	14	56,665	56,665
Debtors	15	511,732	1,686,765
Cash at bank and in hand		2,394,427	1,114,458
		<u>2,962,824</u>	<u>2,857,888</u>
Creditors: amounts falling due within one year	16	(103,797)	(238,058)
Net current assets		<u>2,859,027</u>	<u>2,619,830</u>
Total assets less current liabilities		<u>6,282,362</u>	<u>6,306,260</u>
Net assets excluding pension liability		<u>6,282,362</u>	<u>6,306,260</u>
Defined benefit pension scheme liability	23	(334,000)	(188,000)
Total net assets		<u><u>5,948,362</u></u>	<u><u>6,118,260</u></u>

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 744229

SOCIETY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds:			
Restricted funds - Revenue	17	1,018,475	925,670
Restricted funds - Capital	17	2,093,803	2,169,892
Total restricted funds	17	<u>3,112,278</u>	3,095,562
Unrestricted funds			
Unrestricted funds excluding pension liability	17	3,170,084	3,210,698
Pension reserve	17	(334,000)	(188,000)
Total unrestricted funds	17	<u>2,836,084</u>	3,022,698
Total funds		<u><u>5,948,362</u></u>	<u><u>6,118,260</u></u>

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

KR Rigg

Date: 22 July 2021

The notes on pages 18 to 41 form part of these financial statements.

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net cash provided by operating activities	465,531	613,927
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(317,466)
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	-	(317,466)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	465,531	296,461
Cash and cash equivalents at the beginning of the year	2,143,830	1,847,369
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2,609,361	2,143,830
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 41 form part of these financial statements

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

1. General information

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Society is able to continue to cater for significant visitor levels and to support the exhibits only as a result of the activities disclosed in the accounts, combined with a major and unrecorded input of voluntary labour from its members.

The financial statements have been prepared on a going concern basis as the Directors believe that no material uncertainties exist. The Directors have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Accounting policies

2.1 Income

All income is recognised once the Society has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably, that being when the charity has been notified of the amounts and the settlement date in writing.

Donations and grants are credited to the Statement of Financial Activities (SOFA) as they become due.

Annual subscriptions are apportioned to calendar years and include the income tax reclaimable in respect of those under gift aid. Subscriptions for life membership are credited in full in the years of receipt. Although this is not in accordance with the recommendations of the SORP, the number of life members is small and the Board considers any amortisation of the life membership income would not be material to the figures.

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax.

Turnover from shop, food and drink sales is recognised at the date of supply.

Several independent organisations exist for the purpose of generating resources to be used on behalf of the Society. The activities of these organisations are recorded in these accounts only to the extent of cash received from them by the Society.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Directors' Report.

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.2 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Expenditure includes any VAT which cannot be fully recovered and is included within the costs of activities.

Charitable expenditure and the costs of the generating funds comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, including administration or support costs, they have been allocated to activities on a basis consistent with the use of the resource.

Support costs are those that assist the work of the Society but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Society. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The Museum uses many of its key exhibits as operating assets. Because the historic value of the tramcars is the prime justification for the Museum's existence, the workshop expenditure on them is at a much higher level than would be needed if purely commercial considerations applied.

All workshop costs are charged to tramway operation, except for those identified as tramcar restoration. The treatment of tramcar restoration is described in accounting policy 2.5..

2.3 Government grants

Government grants are recognised in income when the grant proceeds are received or receivable unless future performance-related conditions are specified that have not been met. Grants received before the income recognition criteria are satisfied are recognised as a liability.

2.4 Basis of consolidation

The financial statements consolidate the accounts of The Tramway Museum Society and its subsidiary undertaking.

The Society has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

2.5 Tangible fixed assets and depreciation

The value of fixed assets represents cash paid by the Society, and does not take into account donations in kind, or members' voluntary labour.

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	- Nil
Assets in course of construction	- Nil
Buildings	- 2% or 10% on cost
Woodland Walk and Sculpture Trail	- 10% on cost
Permanent exhibition	- 10% on cost
Permanent way and overhead	- 10% on cost
Plant and equipment, including temporary buildings dependent on the anticipated life of the asset	- 10%, 20% or 33.3% on cost
IT equipment	- 33.3% on cost
Motor vehicles	- 25% on cost

2.6 Heritage assets

The Society maintains 75 tramcars and associated artefacts in support of its objective to protect these historic vehicles for the benefit of future generations. The Directors consider that owing to the unique nature of the collection and the absence of an open market for these items, conventional valuation approaches lack sufficient reliability and costs of any valuations obtained would be excessive compared with the additional benefits derived by the Society and users of the accounts. As a result, no value has been reported for these assets in the Society's Balance Sheet.

Expenditure on major restoration

The costs of associated major repairs of tramcars is reported in the SOFA in the year they are incurred. Tramcar restoration is defined as work done on a major element of each tramcar (body, electrical, mechanical) to make it operable, or, if body only, exhibitable, for ten years. The cost of remedying defects coming to light within two years of the tramcar leaving the workshop is also charged to tramcar restoration. Although of a capital nature, the cost of tramcar restoration is written off each year to the SOFA.

2.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.8 Stocks

Stocks represent goods for resale and rail for future use and are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Cost is based on the latest purchase invoice value.

Rail stock is to be used on future projects and repair work.

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.9 Taxation

The Society 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.

2.10 Pensions

The Society participates in the Derbyshire County Council local government pension scheme which is a defined benefit plan. Under defined benefit plans, the employer's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the employer. The Society recognises a liability for its obligations under the defined benefit plan net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the Society is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The Society also operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

2.11 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Directors.

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds - Revenue 2021 £	Restricted funds - Capital 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants					
Coronavirus Job Retention Scheme	314,281	-	-	314,281	-
Amber Valley Borough Council	43,750	-	-	43,750	-
	<u>358,031</u>	<u>-</u>	<u>-</u>	<u>358,031</u>	<u>-</u>
Donations and legacies	141,471	140,508	-	281,979	928,536
Members' subscriptions	45,130	-	-	45,130	27,472
Grants	250,000	-	-	250,000	-
Sundry receipts	10,472	5	-	10,477	299,303
	<u>447,073</u>	<u>140,513</u>	<u>-</u>	<u>587,586</u>	<u>1,255,311</u>
	<u>805,104</u>	<u>140,513</u>	<u>-</u>	<u>945,617</u>	<u>1,255,311</u>
<i>Total 2020</i>	<u><u>1,018,723</u></u>	<u><u>226,491</u></u>	<u><u>10,097</u></u>	<u><u>1,255,311</u></u>	

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Admission	316,471	-	316,471	1,155,191
Education	-	-	-	5,294
Grants	-	52,000	52,000	73,052
Library income	260	-	260	623
	<u>316,731</u>	<u>52,000</u>	<u>368,731</u>	<u>1,234,160</u>
<i>Total 2020</i>	<u><u>1,161,108</u></u>	<u><u>73,052</u></u>	<u><u>1,234,160</u></u>	

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

4. Income from charitable activities (continued)

	2021 £	2020 £
Grants received during the period comprised:		
Arts Council	22,000	25,000
Heritage Lottery Fund	-	40,602
AIM Biffa	-	7,450
Pilgrim's Trust	10,000	-
The Association for Industrial Archeology	20,000	-
	52,000	73,052
	52,000	73,052

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Retail	80,238	80,238	238,240
Catering	88,867	88,867	358,211
	169,105	169,105	596,451
	169,105	169,105	596,451
<i>Total 2020</i>	<i>596,451</i>	<i>596,451</i>	
	<i>596,451</i>	<i>596,451</i>	

6. Expenditure on raising funds

	2021 £	2020 £
Retail costs	109,833	166,110
Catering costs	189,313	338,828
Fundraising costs	22,395	31,367
Administration	37,914	40,689
	359,455	576,994
	359,455	576,994

THE TRAMWAY MUSEUM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Admission and customer costs	624,219	14,145	638,364	819,990
Collections and research	54,031	121,664	175,695	415,609
Museum costs	429,870	39,988	469,858	730,527
	<u>1,108,120</u>	<u>175,797</u>	<u>1,283,917</u>	<u>1,966,126</u>
<i>Total 2020</i>	<u><u>1,512,219</u></u>	<u><u>453,907</u></u>	<u><u>1,966,126</u></u>	

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Admission and customer costs	333,143	148,973	156,248	638,364	819,990
Collections and research	28,375	28,525	118,795	175,695	415,609
Museum costs	209,862	77,659	182,337	469,858	730,527
	<u>571,380</u>	<u>255,157</u>	<u>457,380</u>	<u>1,283,917</u>	<u>1,966,126</u>
<i>Total 2020</i>	<u><u>532,261</u></u>	<u><u>314,071</u></u>	<u><u>1,119,794</u></u>	<u><u>1,966,126</u></u>	

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Admission and customer costs	601,818	36,546	638,364	819,990
Collections and research	154,557	21,138	175,695	415,609
Museum costs	365,249	104,609	469,858	730,527
	<u>1,121,624</u>	<u>162,293</u>	<u>1,283,917</u>	<u>1,966,126</u>
<i>Total 2020</i>	<u>1,790,000</u>	<u>176,126</u>	<u>1,966,126</u>	

9. Auditors remuneration

The auditors' remuneration amounts to an auditor fee of £5,000 (2020 - £5,000), and accountancy and taxation work of £2,800 (2020 - £2,700).

10. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £NIL were reimbursed or paid directly to Directors (2020 - £557 to 2 Directors).

In addition the Directors have personally incurred expenses which they have not reclaimed from the Museum.

11. Staff costs

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Wages and salaries	723,822	797,281	723,822	797,281
Social security costs	55,060	60,241	55,060	60,241
Contribution to defined contribution pension schemes	32,338	37,911	32,338	37,911
	<u>811,220</u>	<u>895,433</u>	<u>811,220</u>	<u>895,433</u>

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

11. Staff costs (continued)

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

	Group 2021 No.	<i>Group 2020 No.</i>	Charity 2021 No.	<i>Charity 2020 No.</i>
Finance and administration	5	4	5	4
Sales outlets	12	21	-	-
Others	22	29	22	29
	39	<i>54</i>	27	<i>33</i>

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

The total remuneration received by key management personnel is £55,887 (2020: £55,911). The Society considers its key management personnel comprise those who are making day-to-day delegated executive decisions.

12. Tangible fixed assets

Group and Charity

Included in cost of land and buildings is freehold land of £64,897 (2020: £64,897) which is not depreciated.

For insurance purposes, tramcars are assessed at sums determined by the Board. Tramcars awaiting restoration are insured at a nominal £1,000 each plus inflation and other tramcars at higher figures based on the amounts spent on restoration, these figures being adjusted for inflation from time to time.

	Freehold property £	Permanent exhibition £	Permanent way & overhead £	Plant and machinery £	Computer equipment £	Total £
Cost						
At 1 April 2020	4,520,608	1,482,712	1,066,171	756,770	175,308	8,001,569
At 31 March 2021	4,520,608	1,482,712	1,066,171	756,770	175,308	8,001,569
Depreciation						
At 1 April 2020	1,606,266	1,212,200	689,292	644,537	162,846	4,315,141
Charge for the year	92,530	85,934	54,161	22,145	8,325	263,095
At 31 March 2021	1,698,796	1,298,134	743,453	666,682	171,171	4,578,236

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

12. Tangible fixed assets (continued)

Group and Charity (continued)

	Freehold property £	Permanent exhibition £	Permanent way & overhead £	Plant and machinery £	Computer equipment £	
						Total £
Net book value						
At 31 March 2021	<u>2,821,812</u>	<u>184,578</u>	<u>322,718</u>	<u>90,088</u>	<u>4,137</u>	<u>3,423,333</u>
At 31 March 2020	<u>2,914,342</u>	<u>270,512</u>	<u>376,879</u>	<u>112,233</u>	<u>12,462</u>	<u>3,686,428</u>

Heritage assets not recognised in the balance sheet

The Society maintains 75 tramcars and associated artefacts which were acquired over a period of time. Other tramway-related artefacts are also held by the Society. Restoration work is carried out in order to bring the tramcars into a display condition and once they have reached this condition they are maintained in a state of good repair.

Acquisition, disposal, prevention and management

The acquisition, disposal, preservation and management of the Society's collection are governed in accordance with the Museum's Acquisition, Disposal and Conservation policies. Collection records are maintained in accordance with the Museum standards laid out in the Museum Documentation Association's "SPECTRUM" guidelines. Access to the Society's collections is available during advertised Museum opening times and by pre-arranged appointment. The Society's policies and procedures were overseen and approved by the Museums, Libraries and Archives Council accreditation scheme. The Society has achieved full Accredited status.

13. Fixed asset investments

	Investments in subsidiary companies £
Society	
Cost	
At 1 April 2020	<u>2</u>
At 31 March 2021	<u>2</u>

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

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

13. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Society:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
Tramway Museum Services (R&C) Limited	06058747	Crich Tramway Village, Crich, Matlock, Derbyshire, DE4 5DP	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Loss for the year £	Net liabilities £
Tramway Museum Services (R&C) Limited	270,098	(279,735)	9,637	9,637

14. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Goods for resale	17,748	37,334	-	-
Permanent way	56,665	56,665	56,665	56,665
	74,413	93,999	56,665	56,665

THE TRAMWAY MUSEUM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Amounts owed by group undertakings	-	-	239,043	936,974
Other debtors	256,491	716,670	255,565	716,631
Prepayments and accrued income	4,524	5,456	4,524	5,456
Tax recoverable	12,600	27,704	12,600	27,704
	273,615	749,830	511,732	1,686,765

16. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Trade creditors	48,100	176,926	43,900	164,298
Accruals and deferred income	59,897	74,761	59,897	73,760
	107,997	251,687	103,797	238,058
	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Deferred income brought forward	33,272	48,172	33,272	48,172
Resources deferred during the year	31,768	33,272	31,768	33,272
Amounts released from previous periods	(33,272)	(48,172)	(33,272)	(48,172)
	31,768	33,272	31,768	33,272

Deferred income relates to advance subscriptions and prepaid tickets.

THE TRAMWAY MUSEUM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Business Interruption Contingency Fund (xiii)	545,000	-	-	-	-	545,000
New Cafe Fund (xiv)	274,638	-	-	544,056	-	818,694
	<u>819,638</u>	<u>-</u>	<u>-</u>	<u>544,056</u>	<u>-</u>	<u>1,363,694</u>
General funds						
General funds	2,507,200	1,293,184	(1,459,575)	(544,056)	-	1,796,753
Pension reserve	(188,000)	-	(8,000)	-	(138,000)	(334,000)
	<u>2,319,200</u>	<u>1,293,184</u>	<u>(1,467,575)</u>	<u>(544,056)</u>	<u>(138,000)</u>	<u>1,462,753</u>
Total Unrestricted funds	<u>3,138,838</u>	<u>1,293,184</u>	<u>(1,467,575)</u>	<u>-</u>	<u>(138,000)</u>	<u>2,826,447</u>
Restricted funds - Revenue						
Cabmen's Shelter	25,000	52,002	(63,440)	-	-	13,562
Track Fund	11,948	-	-	-	-	11,948
Subscriber Plus Fund (vi)	21,942	3,943	-	-	-	25,885
Disabled Access	15,599	-	-	-	-	15,599
Audience Development	5,600	-	-	-	-	5,600
Edinburgh 35	20,546	-	-	-	-	20,546
Blackpool 236	7,065	-	-	-	-	7,065

THE TRAMWAY MUSEUM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Manchester replica (vii)	213,236	-	-	-	-	213,236
Sheffield Trams (viii)	348,626	-	-	-	-	348,626
P.C.C. fund (ix)	19,211	-	-	-	-	19,211
Car no: 5 appeal	6,409	-	-	-	-	6,409
Heavy Restoration (xi)	27,392	-	-	-	-	27,392
Depots/Exhibition (xii)	194,894	-	-	-	-	194,894
Tramcar restoration - LCC 1 (x)	-	15,008	(15,008)	-	-	-
Cadisch - Tramcar acquisition and restoration	-	90,000	-	-	-	90,000
Blackpool 298	-	15,003	(15,003)	-	-	-
Newcastle 102	(8,000)	14,257	(6,257)	-	-	-
Other restricted funds under £5k	16,202	2,300	-	-	-	18,502
	925,670	192,513	(99,708)	-	-	1,018,475
Restricted funds - Capital						
Barnsley Bus No. 5	58,500	-	(6,500)	-	-	52,000
Clay Cross Extension (i)	31,739	-	(1,004)	-	-	30,735
Workshop Extension (ii)	192,927	-	(5,898)	-	-	187,029
Library Extension (iii)	697,407	-	(20,952)	-	-	676,455
Stone Workshop (iv)	788,594	-	(19,140)	-	-	769,454

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17. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Depot Improvements (xii)	185,782	-	(3,952)	-	-	181,830
Victoria Park (v)	75,342	-	(1,837)	-	-	73,505
Woodland Walk/ Wakebridge	68,608	-	(8,152)	-	-	60,456
Holroyd Smith Exhibition	61,905	-	(7,645)	-	-	54,260
Bandstand Trackwork	9,088	-	(1,009)	-	-	8,079
	<u>2,169,892</u>	<u>-</u>	<u>(76,089)</u>	<u>-</u>	<u>-</u>	<u>2,093,803</u>
Total Restricted funds	<u>3,095,562</u>	<u>192,513</u>	<u>(175,797)</u>	<u>-</u>	<u>-</u>	<u>3,112,278</u>
Total of funds	<u><u>6,234,400</u></u>	<u><u>1,485,697</u></u>	<u><u>(1,643,372)</u></u>	<u><u>-</u></u>	<u><u>(138,000)</u></u>	<u><u>5,938,725</u></u>

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
Designated funds						
Business Interruption Contingency Fund (xiii)	545,000	-	-	-	-	545,000
New Cafe Fund (xiv)	-	-	-	274,638	-	274,638
	<u>545,000</u>	<u>-</u>	<u>-</u>	<u>274,638</u>	<u>-</u>	<u>819,638</u>

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17. Statement of funds (continued)

General funds

General Funds - all funds	2,083,293	2,783,758	(2,085,213)	(274,638)	-	2,507,200
General funds	(309,000)	-	(4,000)	-	125,000	(188,000)
	<u>1,774,293</u>	<u>2,783,758</u>	<u>(2,089,213)</u>	<u>(274,638)</u>	<u>125,000</u>	<u>2,319,200</u>
Total Unrestricted funds	<u>2,319,293</u>	<u>2,783,758</u>	<u>(2,089,213)</u>	<u>-</u>	<u>125,000</u>	<u>3,138,838</u>

Restricted funds - Revenue

Cabmen's Shelter	-	25,000	-	-	-	25,000
Jubilee Fund	13,213	-	(13,213)	-	-	-
Track Fund	11,948	-	-	-	-	11,948
Subscriber Plus Fund (vi)	18,887	5,193	(2,138)	-	-	21,942
Disabled Access	17,249	-	(1,650)	-	-	15,599
Audience Development	7,000	-	(1,400)	-	-	5,600
Edinburgh 35	20,546	-	-	-	-	20,546
Blackpool 236	7,065	-	-	-	-	7,065
Manchester replica (vii)	212,836	400	-	-	-	213,236
Sheffield Trams (viii)	348,026	600	-	-	-	348,626
P.C.C. fund (ix)	19,211	-	-	-	-	19,211
Car no: 5 appeal Heavy	71,434	170	(195)	(65,000)	-	6,409
Restoration (xi)	100,000	200	(72,808)	-	-	27,392
Depots/Exhibition (xii)	186,500	9,894	(1,500)	-	-	194,894
Tramcar restoration - LCC 1 (x)	-	63,622	(63,622)	-	-	-
Newcastle 102	-	145,080	(153,080)	-	-	(8,000)
Other restricted funds under £5k	11,625	9,532	(4,955)	-	-	16,202

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
	1,045,540	259,691	(314,561)	(65,000)	-	925,670
Restricted funds - Capital						
Barnsley Bus No. 5	-	-	(6,500)	65,000	-	58,500
Clay Cross Extension (i)	32,743	-	(1,004)	-	-	31,739
Workshop Extension (ii)	198,825	-	(5,898)	-	-	192,927
Library Extension (iii)	718,359	-	(20,952)	-	-	697,407
Stone Workshop (iv)	807,734	-	(19,140)	-	-	788,594
Exhibition Hall (v)	63,257	-	(63,257)	-	-	-
Depot Improvements (xii)	189,734	-	(3,952)	-	-	185,782
Victoria Park (v)	77,179	-	(1,837)	-	-	75,342
Woodland Walk/Wakebridge	42,840	33,920	(8,152)	-	-	68,608
Holroyd Smith Exhibition	62,100	7,450	(7,645)	-	-	61,905
Bandstand Trackwork	-	10,097	(1,009)	-	-	9,088
	2,192,771	51,467	(139,346)	65,000	-	2,169,892
Total Restricted funds	3,238,311	311,158	(453,907)	-	-	3,095,562
Total of funds	5,557,604	3,094,916	(2,543,120)	-	125,000	6,234,400

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17. Statement of funds (continued)

Each restricted fund has sufficient resources to enable the fund to be applied in accordance with the restrictions imposed. A summary of the nature and purpose of each of the more significant funds is set out below.

Restricted Funds

- (i) Grant received from the Heritage Lottery Fund for the extension of the existing store at Clay Cross.
- (ii) Grants received from the Heritage Lottery Fund and Museums, Libraries and Archives Council (MLA) for the construction of an extension to the tramcar workshop facility, incorporating a new public viewing gallery and exhibition.
- (iii) Grants received from the Heritage Lottery Fund and MLA for the extension of the library.
- (iv) Grants received from the Heritage Lottery Fund for the restoration of the Stone Workshop.
- (v) The development of the Victoria Park area funded by individual donations and a transfer from the Subscriber Plus Fund.
- (vi) Donations received from members towards a variety of small revenue tramway related projects.
- (vii) Legacy received towards the re-creation of a Manchester bogie car.
- (viii) Legacy received towards the restoration of Sheffield tramcars in the collection.
- (ix) Donation received for the restoration and conservation of PCC cars.
- (x) Donations received for the restoration and conservation of LCC 1.
- (xi) Legacy received for restoration or heavy repairs of electric tramcars.
- (xii) Legacy received for extensions and improvements to tramcar accommodation and exhibitions.

Designated Funds

- (xiii) Fund designated to meet potential costs arising due to a downturn in visitor numbers.
- (xiv) Fund designated to build new catering facilities.

Transfers

The transfer reflects the designation of the R Clarke legacy.

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	819,638	-	-	544,056	-	1,363,694
General funds	2,319,200	1,293,184	(1,467,575)	(544,056)	(138,000)	1,462,753
Restricted funds						
- Revenue	925,670	192,513	(99,708)	-	-	1,018,475
Restricted funds						
- Capital	2,169,892	-	(76,089)	-	-	2,093,803

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

18. Summary of funds (continued)

6,234,400	1,485,697	(1,643,372)	-	(138,000)	5,938,725
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Summary of funds - prior year

	<i>Balance at 1 April 2019</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 March 2020</i> £
Designated funds	545,000	-	-	274,638	-	819,638
General funds	1,774,293	2,783,758	(2,089,213)	(274,638)	125,000	2,319,200
Restricted funds						
- Revenue	1,045,540	259,691	(314,561)	(65,000)	-	925,670
Restricted funds						
- Capital	2,192,771	51,467	(139,346)	65,000	-	2,169,892
	5,557,604	3,094,916	(2,543,120)	-	125,000	6,234,400

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds - Revenue 2021 £	Restricted funds - Capital 2021 £	Total funds 2021 £
Tangible fixed assets	1,329,530	-	2,093,803	3,423,333
Current assets	1,938,914	1,018,475	-	2,957,389
Creditors due within one year	(107,997)	-	-	(107,997)
Provisions for liabilities and charges	(334,000)	-	-	(334,000)
Total	2,826,447	1,018,475	2,093,803	5,938,725

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds - Revenue 2020 £</i>	<i>Restricted funds - Capital 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	1,516,536	-	2,169,892	3,686,428
Current assets	2,061,989	925,670	-	2,987,659
Creditors due within one year	(251,687)	-	-	(251,687)
Provisions for liabilities and charges	(188,000)	-	-	(188,000)
Total	<u>3,138,838</u>	<u>925,670</u>	<u>2,169,892</u>	<u>6,234,400</u>

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

	Group 2021 £	<i>Group 2020 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(157,675)</u>	<u>551,796</u>
Adjustments for:		
Depreciation charges	263,095	330,124
Decrease in stocks	19,586	11,661
Decrease/(increase) in debtors	477,368	(295,608)
Increase/(decrease) in creditors	(144,843)	11,954
Defined benefit pension movement	8,000	4,000
Net cash provided by operating activities	<u>465,531</u>	<u>613,927</u>

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FOR THE YEAR ENDED 31 MARCH 2021

21. Analysis of cash and cash equivalents

	Group 2021	<i>Group 2020</i>
	£	£
Cash in hand	2,609,361	2,143,830
Total cash and cash equivalents	2,609,361	2,143,830

22. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	2,143,830	465,531	2,609,361
	2,143,830	465,531	2,609,361

23. Pension commitments

The Society participates in the Derbyshire County Council Pension Scheme, a multi-employer defined benefit final salary scheme. The scheme is administered for the benefit of Local Authority employees and other bodies and is managed in accordance with the Local Government Pension Scheme Regulations 1997 (as amended).

Contributions to the scheme are determined with advice of independent qualified actuaries on the basis of triennial valuations using the projected unit method.

The employer's contribution rate was 8.8% of pensionable pay with an employee's contribution rate of 5.9% or 6.5% of pensionable pay.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 March 2021	<i>At 31 March 2020</i>
	%	%
Discount rate	2.0	2.3
Future salary increases	3.55	2.6
Future pension increases	2.85	1.9

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

23. Pension commitments (continued)

	At 31 March 2021 Years	<i>At 31 March 2020 Years</i>
Mortality rates (in years)		
- for a male aged 65 now	21.3	21.6
- at 65 for a male aged 45 now	22.5	22.6
- for a female aged 65 now	23.9	23.7
- at 65 for a female aged 45 now	25.8	25.1

Sensitivity analysis

	At 31 March 2021 £	<i>At 31 March 2020 £</i>
Discount rate -0.1%	24,000	23,000

The Group's share of the assets in the scheme was:

	At 31 March 2021 £	<i>At 31 March 2020 £</i>
Equities	819,000	616,000
Corporate bonds	245,000	257,000
Property	98,000	92,000
Cash and other liquid assets	61,000	62,000
Total fair value of assets	1,223,000	1,027,000

The actual return on scheme assets was 20.6% (2020 - 4.7% decrease).

The amounts recognised in the Consolidated statement of financial activities are as follows:

	2021 £	<i>2020 £</i>
Current service cost	(19,000)	(24,000)
Interest income	23,000	26,000
Interest cost	(28,000)	(34,000)
Total amount recognised in the Consolidated statement of financial activities	(24,000)	(32,000)

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

23. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	1,215,000	1,401,000
Interest cost	28,000	34,000
Contributions by scheme participants	3,000	3,000
Actuarial losses/(gains)	324,000	(214,000)
Benefits paid	(32,000)	(33,000)
Current service cost	19,000	24,000
Closing defined benefit obligation	1,557,000	1,215,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	1,027,000	1,092,000
Expected return on assets	23,000	26,000
Actuarial gains/(losses)	186,000	(89,000)
Contributions by employer	16,000	28,000
Contributions by scheme participants	3,000	3,000
Benefits paid	(32,000)	(33,000)
Closing fair value of scheme assets	1,223,000	1,027,000

The group expects to contribute £16,000 to its defined benefit pension scheme in 2022.

24. Share Capital

The Society is a charitable company limited by guarantee and has no share capital. Each member undertakes to contribute a maximum of £1 to the assets of the Society, in the event of a winding up.

25. Related party transactions

M C Wright is on the board of trustees of the Tramcar Sponsorship Organisation. During the year ended 31 March 2021 the Society received a grant of £14,257 (2020: £153,084) from the organisation for the restoration of Newcastle 102.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Controlling party

The Society has no single controlling party.