
THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 2022**

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 PM Benham, FCILT (appointed 11 September 2021) ² JA Blythe, BA, MSc, MCIHT (appointed 27 November 2021) DA Frodsham DJ Heeley, M.Eng (hons), C.Eng, MIET, MIRSE P Milton (appointed 11 September 2021) ² AM Pendleton ID Pleace, FCA, MSc, BSc(Econ) J Roberts (appointed 11 September 2021) ² AJ Willis LM Wright, RN, OHNC (resigned 27 November 2021) MC Wright, BSc, C Eng, MI Chem E, CMILT
	² Non-member director
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
Auditors	Bates Weston Audit Ltd Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE1 2RJ
Bankers	Barclays Bank PLC Leicester

THE TRAMWAY MUSEUM SOCIETY
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Directors of the Board present their report and financial statements of the Society for the year ended 31 March 2022 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 27 November 2021 Messrs JA Blythe and MC Wright, and Mrs KR Rigg were appointed to the Board as Member Directors.

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. PM Benham, P Milton and J Roberts were appointed on 11 September 2021.

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.

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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

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 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.

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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

In accordance with the established accounting policies set out on pages 17 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 customer numbers were 67,849 (2021: 24,673) with an additional 31,271 (2021: 10,432) 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 customers 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 continued to present huge challenges to the viability and sustainability of our organisation in 2021.

At the point of when we would have normally opened (13th March 2021), we were still closed due to the (technically) third National Lockdown. We prepared an operating budget for the 2021/2022 season, again paring down costs to the minimum, but making the assumption that we may well be open again by the summer. It was clear early on that it was unlikely that the Museum would be able to open before Easter and we would not be able to plan for two of our key special events, "1940s Homefront" and "Seaside" events, usually held in April and May.

We were able to open at "step 2" (outside spaces only plus trams) on the 12th April 2021. Customer numbers were low at this point but it enable us to get staff back and gain some confidence. We were then able to open inside spaces (exhibitions spaces) as well at "step 3" on the 17th May 2021 and "step 4" (the end of all restrictions such as social distancing) on the 19th July 2021, which coincided with the beginning of the summer holidays for most schools.

Despite "step 4" we retained many passive Covid19 safe measures including: screens at Admissions, R&C outlets and other areas; hand sanitizer stations; signs and banners with covid19 instructions; recommendation (but not legally enforceable) face masks on trams. In other areas we relaxed the previous measures and returned to unlimited tram rides (but not the pennies and tickets).

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The Museum utilised the government Furlough programme to the greatest extent possible. However, by June 2021, all staff had been returned from furlough to full-time work due to the ACE, Cultural Recovery Grant (round 2) of £204,000 awarded earlier.

The ACE grant has enabled us to not only to retain our permanent employed staff team but to make special purchases (such as a new marquee and new recycling bins for the public).

Throughout 2021 we were able to maintain Charity Commission recommended levels of free reserves. We also hold reserves that have been given to us through donations and legacies for specific projects, most often tramcar restorations or large capital projects. We maintain a pension reserve as mandated by the Charity Commission.

Many project and development items that were destined to be complete in 2020 or 2021 have been suspended and have been forwarded into future years.

We ended the 2021/2022 season with having welcomed just under 100,000 customers which considering the circumstances was pretty good, even when judged again our last 'normal' year of 2019/2020 when we achieved around 144,000 visitors.

Work commenced on Blackpool 298, funded by the Tramcar Sponsorship Organisation. The new underframe was delivered from the Ffestiniog and Welsh Highland Railway and placed on the accommodation bogies from Beamish. The vehicle itself was returned from off-site storage at Clay Cross. The motors and compressor were overhauled at Dorlec and are now waiting for the wheel-sets to be extracted from the bogies so that new gears may be fitted (2 of 4 wheel sets), and possibly new main bearings depending on their condition. New motor suspension units have been cast and are awaiting work on the axles. New rubber suspension units are on order. The condition of the main wooden body frame was found to be far worse than we had been led to believe and the decision was made to rebuild from scratch rather than transfer to the new underframe. New body side timbers have been delivered although it has been possible to re-use most of the roof structure following heavy repair.

Restoration of LCC1 continued, funded by the London County Council Tramways Trust. The traction circuit and manual brake system are complete, and the car is ready for testing under power. Windows, folding door steps and a plough system, all removed at Leeds, have been recreated by the conservation workshop team, with help from members and suppliers. The upper saloon is complete, the upper deck exterior is ready for the signwriter to add adverts, and attention is turning to the remaining electrical work, the lower saloon and completing lower deck exterior paintwork.

Work continued on Newcastle 102 funded by the Tramcar Sponsorship Organisation. The restoration is nearing completion and the tramcar is currently undergoing dynamic testing and investigation into the axle boxes.

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 £1,428,000 (2021: £486,000).

In the financial year paying customers were 67,849, up 43,176 on the previous year. On a calendar basis, the Museum received 63,813 paying customers compared to 25,396 in 2021. Unrestricted donations and membership subscriptions provided a further £309,000 towards the Society's general funds. After costs of generating funds of £443,000 and charity governance costs of £18,000, the net unrestricted incoming resources available for charitable activities was £1,276,000. Of this amount £763,000 was used for Museum operation including admission expenses, workshop and other tramway costs, exhibitions and education. A further £486,000 was spent on the Museum site itself including infrastructure costs, publicity and promotion, and Society membership expenses. £104,000 was used to fund collection and curatorial activities.

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FOR THE YEAR ENDED 31 MARCH 2022

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 decreased from £334,000 to £178,000.

Restricted income from donating bodies totalled £142,000 in the year. Restricted expenditure in the year of £216,000 included tramcar restoration £136,000, site costs £40,000 and exhibitions £18,000.

The Museum continues to operate successfully its admission scheme incorporating 12-month season tickets. This has allowed the Museum to reclaim £74,000 of Gift Aid in the year (2021 : £13,000).

The membership of the Society at 31 March 2022 was 1,675, including non-voting members and family members; this reflects an decrease of 199 during the year.

Reserves policies

At 31 March 2022 the level of free reserves after the pension deficit was £1,740,000 (see note 20) including the designated fund. The Business Interruption Contingency Fund created to meet potential costs arising due to a significant downturn in customer numbers has reduced to £520,000, 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 £401,000.

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

The main project for 2022 and beyond is the replacement of the café facilities and associated access ramps which are life expired. We have started a project group with an outline 'budget' of £800,000 to look at solutions to replace the café facilities with a modern equivalent with an accompanying Access block containing a disabled access left. We are approaching the tendering phase of this project. The aspiration, which may well be challenging, is completion early 2023.

Other major intended items were major work on the Overhead Line (OHL) which, while some was destined to be completed winter 2022/2023, due to our Regulator's (The Office of Rail and Road) intervention, a major part of this was completed in late June 2022 (at a rough cost of £30k). Further traction pole replacement work is envisioned for winter 2022/2023 (roughly estimated at £65k).

The renewal of the paint work and metal structures of the Bowes-Lyon bridge is envisioned to be undertaken in winter 2022/2023, following repairs to the stone and masonry work in June 2022.

The Board of Management continues to look at the long-term sustainability of the museum and 'village' site and regularly consider strategies to do that, secure funding, and develop new audiences.

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

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 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.

Going Concern

It is the view of the Board of Directors that it is appropriate to adopt the Going Concern basis in producing these financial statements. The Directors have reached this conclusion having reviewed financial forecasts which pay due regard to the financial risks posed by the short term closure of the Museum in June 2022, necessary to carry out work to the overhead line, as well as the broader economic context of cost of living pressures.

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.

Approved by order of the members of the board of Directors and signed on their behalf by:

KR Rigg
Chairman
Date: 9 August 2022

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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 2022 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 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the Strategic 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.

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

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

- 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. 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

31 August 2022

THE TRAMWAY MUSEUM SOCIETY
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds - Revenue 2022 £	Restricted funds - Capital 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and legacies	4	303,801	142,499	-	446,300	945,617
Charitable activities	5	964,016	-	-	964,016	368,731
Other trading activities	6	469,356	-	-	469,356	169,105
Investments		(158)	-	-	(158)	2,244
Total income		1,737,015	142,499	-	1,879,514	1,485,697
Expenditure on:						
Raising funds	7	445,787	-	-	445,787	359,455
Charitable activities	8,9	1,367,548	139,561	76,089	1,583,198	1,283,917
Total expenditure		1,813,335	139,561	76,089	2,028,985	1,643,372
Net (expenditure)/income		(76,320)	2,938	(76,089)	(149,471)	(157,675)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	174,000	-	-	174,000	(138,000)
Net movement in funds		97,680	2,938	(76,089)	24,529	(295,675)
Reconciliation of funds:						
Total funds brought forward		2,826,447	1,018,475	2,093,803	5,938,725	6,234,400
Net movement in funds		97,680	2,938	(76,089)	24,529	(295,675)
Total funds carried forward		2,924,127	1,021,413	2,017,714	5,963,254	5,938,725

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

The notes on pages 17 to 40 form part of these financial statements.

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REGISTERED NUMBER: 744229

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,201,616	3,423,333
		<u>3,201,616</u>	<u>3,423,333</u>
Current assets			
Stocks	15	90,574	74,413
Debtors	16	158,318	273,615
Cash at bank and in hand		2,910,649	2,609,361
		<u>3,159,541</u>	<u>2,957,389</u>
Creditors: amounts falling due within one year	17	(219,903)	(107,997)
Net current assets		2,939,638	2,849,392
Total assets less current liabilities		6,141,254	6,272,725
Net assets excluding pension liability		6,141,254	6,272,725
Defined benefit pension scheme liability	24	(178,000)	(334,000)
Total net assets		5,963,254	5,938,725

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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Charity funds			
Restricted funds:			
Restricted funds - Revenue	18	1,021,413	1,018,475
Restricted funds - Capital	18	2,017,714	2,093,803
Total restricted funds	18	<u>3,039,127</u>	3,112,278
Unrestricted funds			
Unrestricted funds excluding pension reserve	18	3,102,127	3,160,447
Pension reserve	18	(178,000)	(334,000)
Total unrestricted funds	18	<u>2,924,127</u>	2,826,447
Total funds		<u><u>5,963,254</u></u>	<u><u>5,938,725</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: 9 August 2022

The notes on pages 17 to 40 form part of these financial statements.

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

SOCIETY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,201,616	3,423,333
Investments	14	2	2
		<u>3,201,618</u>	<u>3,423,335</u>
Current assets			
Stocks	15	56,665	56,665
Debtors	16	600,846	511,732
Cash at bank and in hand		2,391,514	2,394,427
		<u>3,049,025</u>	<u>2,962,824</u>
Creditors: amounts falling due within one year	17	(194,927)	(103,797)
Net current assets		<u>2,854,098</u>	<u>2,859,027</u>
Total assets less current liabilities		<u>6,055,716</u>	<u>6,282,362</u>
Net assets excluding pension liability		<u>6,055,716</u>	<u>6,282,362</u>
Defined benefit pension scheme liability	24	(178,000)	(334,000)
Total net assets		<u><u>5,877,716</u></u>	<u><u>5,948,362</u></u>

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

SOCIETY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Charity funds			
Restricted funds:			
Restricted funds - Revenue	18	1,021,413	1,018,475
Restricted funds - Capital	18	2,017,714	2,093,803
Total restricted funds	18	<u>3,039,127</u>	3,112,278
Unrestricted funds			
Unrestricted funds excluding pension reserve	18	3,016,589	3,170,084
Pension reserve	18	(178,000)	(334,000)
Total unrestricted funds	18	<u>2,838,589</u>	2,836,084
Total funds		<u><u>5,877,716</u></u>	<u><u>5,948,362</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: 9 August 2022

The notes on pages 17 to 40 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 2022

	2022	<i>2021</i>
	£	£
Cash flows from operating activities		
Net cash provided by operating activities	337,048	<i>465,531</i>
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(35,760)	<i>-</i>
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(35,760)	<i>-</i>
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	301,288	<i>465,531</i>
Cash and cash equivalents at the beginning of the year	2,609,361	<i>2,143,830</i>
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2,910,649	<i>2,609,361</i>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 40 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 2022

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 customer 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 2022

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 2.6.

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 2022

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 2022

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.

3. Critical accounting estimates and areas of judgment

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

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Critical accounting estimates and areas of judgment (continued)

Accounting estimates and assumptions within the accounts:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to these financial statements, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Legacy income is only recognised where entitlement has been established, there is probability of receipt and the amount recoverable can be estimated with sufficient accuracy. The position on each legacy is reviewed following receipt of correspondence from the executors, which substantially determines whether the income recognition criteria has been satisfied.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds - Revenue 2022 £	Total funds 2022 £	Total funds 2021 £
Government grants				
Coronavirus Job Retention Scheme	-	-	-	314,281
Amber Valley Borough Council	24,000	-	24,000	43,750
ACE grant	204,746	-	204,746	-
	<u>228,746</u>	<u>-</u>	<u>228,746</u>	<u>358,031</u>
Donations and legacies	13,294	142,499	155,793	281,979
Members' subscriptions	47,704	-	47,704	45,130
Grants	10,000	-	10,000	-
Government grants	-	-	-	250,000
Sundry receipts	4,057	-	4,057	10,477
	<u>75,055</u>	<u>142,499</u>	<u>217,554</u>	<u>587,586</u>
	<u>303,801</u>	<u>142,499</u>	<u>446,300</u>	<u>945,617</u>
<i>Total 2021</i>	<u><u>805,104</u></u>	<u><u>140,513</u></u>	<u><u>945,617</u></u>	

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Income from donations and legacies (continued)

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Admission	958,671	-	958,671	316,471
Education	2,271	-	2,271	-
Grants	-	-	-	52,000
Library income	3,074	-	3,074	260
	964,016	-	964,016	368,731
	316,731	52,000	368,731	
<i>Total 2021</i>			2022 £	<i>2021</i> £

Grants received during the period comprised:

Arts Council	-	22,000
Pilgrim's Trust	-	10,000
The Association for Industrial Archeology	-	20,000
	-	52,000

THE TRAMWAY MUSEUM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Retail	194,811	194,811	80,238
Catering	274,545	274,545	88,867
	<u>469,356</u>	<u>469,356</u>	<u>169,105</u>
<i>Total 2021</i>	<u>169,105</u>	<u>169,105</u>	

7. Expenditure on raising funds

	2022 £	<i>2021 £</i>
Retail costs	149,804	109,833
Catering costs	246,793	189,313
Fundraising costs	9,204	22,395
Administration	39,986	37,914
	<u>445,787</u>	<u>359,455</u>

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Admission and customer costs	765,676	18,087	783,763	638,364
Collections and research	106,278	157,575	263,853	175,695
Museum costs	495,594	39,988	535,582	469,858
	<u>1,367,548</u>	<u>215,650</u>	<u>1,583,198</u>	<u>1,283,917</u>
<i>Total 2021</i>	<u>1,108,120</u>	<u>175,797</u>	<u>1,283,917</u>	

Summary by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Admission and customer costs	371,475	153,312	258,976	783,763	638,364
Collections and research	63,561	27,907	172,385	263,853	175,695
Museum costs	248,779	68,019	218,784	535,582	469,858
	<u>683,815</u>	<u>249,238</u>	<u>650,145</u>	<u>1,583,198</u>	<u>1,283,917</u>
<i>Total 2021</i>	<u>571,380</u>	<u>255,157</u>	<u>457,380</u>	<u>1,283,917</u>	

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Admission and customer costs	721,860	61,903	783,763	638,364
Collections and research	250,162	13,691	263,853	175,695
Museum costs	483,448	52,134	535,582	469,858
	<u>1,455,470</u>	<u>127,728</u>	<u>1,583,198</u>	<u>1,283,917</u>
<i>Total 2021</i>	<u>1,121,624</u>	<u>162,293</u>	<u>1,283,917</u>	

10. Auditors remuneration

The auditors' remuneration amounts to an auditor fee of £5,200 (2021 - £5,000), and accountancy and taxation work of £3,600 (2021 - £2,800).

11. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £NIL were reimbursed or paid directly to Directors (2021 - £NIL to Director).

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

12. Staff costs

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Wages and salaries	778,092	723,822	778,092	723,822
Social security costs	55,323	55,060	55,323	55,060
Pension costs	42,232	32,338	42,232	32,338
	<u>875,647</u>	<u>811,220</u>	<u>875,647</u>	<u>811,220</u>

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Staff costs (continued)

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

	Group 2022 No.	<i>Group 2021 No.</i>	Charity 2022 No.	<i>Charity 2021 No.</i>
Finance and administration	5	5	5	5
Sales outlets	12	12	12	12
Others	22	22	22	22
	39	39	39	39

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

The total remuneration received by key management personnel is £56,918 (2021: £55,887). The Society considers its key management personnel comprise those who are making day-to-day delegated executive decisions.

13. Tangible fixed assets

Group and Charity

Included in cost of land and buildings is freehold land of £64,897 (2021: £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 2021	4,520,608	1,482,712	1,066,171	756,770	175,308	8,001,569
Additions	-	-	-	23,921	11,839	35,760
At 31 March 2022	4,520,608	1,482,712	1,066,171	780,691	187,147	8,037,329

THE TRAMWAY MUSEUM SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible fixed assets (continued)

Group and Charity (continued)

	Freehold property £	Permanent exhibition £	Permanent way & overhead £	Plant and machinery £	Computer equipment £	Total £
Depreciation						
At 1 April 2021	1,698,796	1,298,134	743,453	666,682	171,171	4,578,236
Charge for the year	83,248	85,938	54,161	26,086	8,044	257,477
At 31 March 2022	<u>1,782,044</u>	<u>1,384,072</u>	<u>797,614</u>	<u>692,768</u>	<u>179,215</u>	<u>4,835,713</u>
Net book value						
At 31 March 2022	<u><u>2,738,564</u></u>	<u><u>98,640</u></u>	<u><u>268,557</u></u>	<u><u>87,923</u></u>	<u><u>7,932</u></u>	<u><u>3,201,616</u></u>
At 31 March 2021	<u><u>2,821,812</u></u>	<u><u>184,578</u></u>	<u><u>322,718</u></u>	<u><u>90,088</u></u>	<u><u>4,137</u></u>	<u><u>3,423,333</u></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.

THE TRAMWAY MUSEUM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Fixed asset investments

Society	Investments in subsidiary companies £
Cost	
At 1 April 2021	2
At 31 March 2022	2

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 £	Profit for the year £	Net assets £
Tramway Museum Services (R&C) Limited	469,356	(374,181)	95,175	85,540

15. Stocks

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Goods for resale	33,909	17,748	-	-
Permanent way	56,665	56,665	56,665	56,665
	90,574	74,413	56,665	56,665

THE TRAMWAY MUSEUM SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Amounts owed by group undertakings	-	-	442,528	239,043
Other debtors	70,011	256,491	70,011	255,565
Prepayments and accrued income	81,824	4,524	81,824	4,524
Tax recoverable	6,483	12,600	6,483	12,600
	158,318	273,615	600,846	511,732

17. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Trade creditors	158,440	48,100	133,464	43,900
Accruals and deferred income	61,463	59,897	61,463	59,897
	219,903	107,997	194,927	103,797

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Deferred income brought forward	31,768	33,272	31,768	33,272
Resources deferred during the year	35,093	31,768	35,093	31,768
Amounts released from previous periods	(31,768)	(33,272)	(31,768)	(33,272)
	35,093	31,768	35,093	31,768

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 2022

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Business Interruption Contingency Fund (xiii)	545,000	-	-	(25,000)	-	520,000
New Cafe Fund (xiv)	818,694	10,000	-	-	-	828,694
	<u>1,363,694</u>	<u>10,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>1,348,694</u>
General funds						
General funds	1,796,753	1,727,015	(1,795,335)	25,000	-	1,753,433
Pension reserve	(334,000)	-	(18,000)	-	174,000	(178,000)
	<u>1,462,753</u>	<u>1,727,015</u>	<u>(1,813,335)</u>	<u>25,000</u>	<u>174,000</u>	<u>1,575,433</u>
Total Unrestricted funds	<u>2,826,447</u>	<u>1,737,015</u>	<u>(1,813,335)</u>	<u>-</u>	<u>174,000</u>	<u>2,924,127</u>
Restricted funds - Revenue						
Cabmen's Shelter	13,562	-	(3,942)	-	-	9,620
Track Fund	11,948	-	-	-	-	11,948
Subscriber Plus Fund (vi)	25,885	3,990	-	-	-	29,875
Disabled Access	15,599	-	-	-	-	15,599
Audience Development	5,600	-	-	-	-	5,600
Edinburgh 35	20,546	-	-	-	-	20,546
Blackpool 236	7,065	-	-	-	-	7,065

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
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)	-	15,498	(15,498)	-	-	-
Cadisch - Tramcar acquisition and restoration	90,000	-	-	-	-	90,000
Blackpool 298	-	106,084	(106,084)	-	-	-
Newcastle 102	-	14,037	(14,037)	-	-	-
Other restricted funds under £5k	18,502	2,890	-	-	-	21,392
	1,018,475	142,499	(139,561)	-	-	1,021,413
Restricted funds - Capital						
Barnsley Bus No. 5	52,000	-	(6,500)	-	-	45,500
Clay Cross Extension (i)	30,735	-	(1,004)	-	-	29,731
Workshop Extension (ii)	187,029	-	(5,898)	-	-	181,131
Library Extension (iii)	676,455	-	(20,952)	-	-	655,503
Stone Workshop (iv)	769,454	-	(19,140)	-	-	750,314

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18. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Depot Improvements (xii)	181,830	-	(3,952)	-	-	177,878
Victoria Park (v)	73,505	-	(1,837)	-	-	71,668
Woodland Walk/ Wakebridge	60,456	-	(8,152)	-	-	52,304
Holroyd Smith Exhibition	54,260	-	(7,645)	-	-	46,615
Bandstand Trackwork	8,079	-	(1,009)	-	-	7,070
	<u>2,093,803</u>	<u>-</u>	<u>(76,089)</u>	<u>-</u>	<u>-</u>	<u>2,017,714</u>
Total Restricted funds	<u>3,112,278</u>	<u>142,499</u>	<u>(215,650)</u>	<u>-</u>	<u>-</u>	<u>3,039,127</u>
Total of funds	<u><u>5,938,725</u></u>	<u><u>1,879,514</u></u>	<u><u>(2,028,985)</u></u>	<u><u>-</u></u>	<u><u>174,000</u></u>	<u><u>5,963,254</u></u>

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
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>

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FOR THE YEAR ENDED 31 MARCH 2022

18. Statement of funds (continued)

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>
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**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
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)	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
Newcastle 102	(8,000)	14,257	(6,257)	-	-	-
Other restricted funds under £5k	16,202	2,300	-	-	-	18,502
	<u>925,670</u>	<u>192,513</u>	<u>(99,708)</u>	<u>-</u>	<u>-</u>	<u>1,018,475</u>
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
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>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. 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 reduction in the Business Interruption Fund.

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	1,363,694	10,000	-	(25,000)	-	1,348,694
General funds	1,462,753	1,727,015	(1,813,335)	25,000	174,000	1,575,433
Restricted funds						
- Revenue	1,018,475	142,499	(139,561)	-	-	1,021,413
Restricted funds						
- Capital	2,093,803	-	(76,089)	-	-	2,017,714

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Summary of funds (continued)

	5,938,725	1,879,514	(2,028,985)	-	174,000	5,963,254
Summary of funds - prior year						
	<i>Balance at 1 April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£	£	£
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
	6,234,400	1,485,697	(1,643,372)	-	(138,000)	5,938,725

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022	Restricted funds - Revenue 2022	Restricted funds - Capital 2022	Total funds 2022
	£	£	£	£
Tangible fixed assets	1,183,902	-	2,017,714	3,201,616
Current assets	2,138,128	1,021,413	-	3,159,541
Creditors due within one year	(219,903)	-	-	(219,903)
Provisions for liabilities and charges	(178,000)	-	-	(178,000)
Total	2,924,127	1,021,413	2,017,714	5,963,254

Free reserves equal £2,924,127 minus £1,183,902 = £1,740,225.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds - Revenue 2021 £</i>	<i>Restricted funds - Capital 2021 £</i>	<i>Total funds 2021 £</i>
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

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

	Group 2022 £	<i>Group 2021 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(149,471)	(157,675)
Adjustments for:		
Depreciation charges	257,477	263,095
Decrease/(increase) in stocks	(16,161)	19,586
Decrease in debtors	115,297	476,215
Increase/(decrease) in creditors	111,906	(143,690)
Defined benefit pension movement	18,000	8,000
Net cash provided by operating activities	337,048	465,531

22. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	2,910,649	2,609,361
Total cash and cash equivalents	2,910,649	2,609,361

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

23. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	2,609,361	301,288	2,910,649
	<u>2,609,361</u>	<u>301,288</u>	<u>2,910,649</u>

24. 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 2022	At 31 March 2021
	%	%
Discount rate	2.70	2.0
Future salary increases	3.90	3.55
Future pension increases	<u>3.20</u>	<u>2.85</u>
	At 31 March 2022	At 31 March 2021
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	21.1	21.3
- at 65 for a male aged 45 now	22.2	22.5
- for a female aged 65 now	23.8	23.9
- at 65 for a female aged 45 now	<u>25.6</u>	<u>25.8</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

24. Pension commitments (continued)

Sensitivity analysis

	At 31 March 2022	<i>At 31 March 2021</i>
	£	£
Discount rate -0.1%	29,000	24,000

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

	At 31 March 2022	<i>At 31 March 2021</i>
	£	£
Equities	855,000	819,000
Corporate bonds	272,000	245,000
Property	104,000	98,000
Cash and other liquid assets	65,000	61,000
Total fair value of assets	1,296,000	1,223,000

The actual return on scheme assets was 7.1% (2021 - 20.6%).

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

	2022	<i>2021</i>
	£	£
Current service cost	(27,000)	(19,000)
Interest income	24,000	23,000
Interest cost	(31,000)	(28,000)
Total amount recognised in the Consolidated statement of financial activities	(34,000)	(24,000)

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2022 £	2021 £
Opening defined benefit obligation	1,557,000	1,215,000
Interest cost	31,000	28,000
Contributions by scheme participants	3,000	3,000
Actuarial (gains)/losses	(112,000)	324,000
Benefits paid	(32,000)	(32,000)
Current service cost	27,000	19,000
Closing defined benefit obligation	1,474,000	1,557,000

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

	2022 £	2021 £
Opening fair value of scheme assets	1,223,000	1,027,000
Expected return on assets	24,000	23,000
Actuarial gains	62,000	186,000
Contributions by employer	16,000	16,000
Contributions by scheme participants	3,000	3,000
Benefits paid	(32,000)	(32,000)
Closing fair value of scheme assets	1,296,000	1,223,000

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

25. 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.

26. Related party transactions

M C Wright is on the board of trustees of the Tramcar Sponsorship Organisation. During the year ended 31 March 2022 the Society received a grant of £3,938 (2021: £14,257) from the organisation for the restoration of Newcastle 102.

27. Controlling party

The Society has no single controlling party.