

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
SCARBOROUGH MUSEUMS TRUST

Fortus Audit LLP
Chartered Accountants & Statutory Auditors
5&6 Manor Court
Manor Garth
Scarborough
North Yorkshire
YO11 3TU

SCARBOROUGH MUSEUMS TRUST
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For The Year Ended 31 March 2021

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's charitable objectives are "To advance the education of the public in archaeology, history, natural sciences, decorative and fine arts, antiquities and related disciplines by:

- the establishment and maintenance of a museum and an art gallery in the Borough of Scarborough
- promoting and encouraging scientific research by the disseminating of information and knowledge
- promoting the preservation, access to and display of the Items, groupings, displays and collections for the benefit of the public in the Borough of Scarborough and elsewhere
- Such other charitable purposes beneficial to the community consistent with the objects as the Trustees in their absolute discretion determine

Scarborough Borough Council transferred responsibility for the delivery of the Museums and Gallery Service and the management of the council's collections to the Trust on 1st January 2008 for an initial period of 30 years. During its early years the Trust focused on consolidating the position since the reopening of the Rotunda Museum in 2008 and the transfer of all management responsibilities to the Trust.

The Strategic Plan

The revised strategic plan covers the period 2017-2022.

Mission & Purpose:

Connecting communities with time, in space

"Scarborough Museums Trust cares for, develops and interprets collections, information and assets entrusted to us. We aim to understand more about the Borough's past and present in order to help shape the future, encourage participation and provide the best possible experience to our current constituents and leave an enhanced legacy for future generations"

Vision:

"By 2022 Scarborough Museums Trust will be recognised, supported and acknowledged as the most comprehensive, trusted and accessible resource on the history, heritage and culture of the Borough. Our expertise in, and development of, significant collections and information will, by 2022, secure Scarborough as a centre of excellence in geology and prehistory".

Values:

Excellence. Integrity. Challenge. Creativity

Strategic Themes:

- Theme 1. Enhancing and promoting collections/heritage assets
- Theme 2. Enabling access, facilitating learning and raising awareness
- Theme 3. Engaged communities
- Theme 4. Audiences, visitors and stakeholders
- Theme 5. Positioning Scarborough
- Theme 6. Governance and leadership

OBJECTIVES AND ACTIVITIES

Significant activities

Introduction from the Chair of Trustees

2020 and 2021 are years that we will not forget. Museum services throughout the UK were not immune from the COVID pandemic, not least in Scarborough where Scarborough Museums Trust (SMT) adapted quickly to the ever-changing situation.

The implications were significant, and decisions had to be made that effected both staff, volunteers and visitors. It was also clear that there would be financial impacts such as the collapse of admission charges and income from SMT's retail activities, although these were mitigated, to a certain extent, by the Government's furlough scheme.

SMT did not stand still however, and the charity continued functioning, albeit with management staff working from home and the venues closed. Work continued behind the scenes and in fact the closure of the venues enabled alternative work plans to be implemented, including designing new learning programmes and commissioning online video artwork.

SMT was also able to review and implement new strategic priorities, some of which reflect and anticipate a post pandemic World. These comprise:

- Democratising the collection
- De-colonising the collection
- Access and inclusion
- Supporting the creative industries
- Environmental sustainability

The Trustees continued meeting via Zoom which enabled the CEO to support the Chair in ensuring governance measures were maintained.

Merger

The merger between SMT and the Creative Industries Trust Ltd (CIC Trust Ltd) remained a priority throughout the financial year. Negotiations continued with Scarborough Borough Council. The principal documents are a revised service level agreement and new leases for the Rotunda, Scarborough and Art Gallery and Woodend Creative Workspace. When the merger happens, the CIC Trust Ltd will become a wholly owned subsidiary of SMT and will focus on commercial and income generating activities such as service office accommodation, retail, food & drink. Income will also be derived from the collection including the sale of reproductions of works of art under the care of SMT.

Public benefit

As a charity, and with regard to Charity Commission guidance, the trustees recognise the Trust's duty to carry out its operations for the benefit of the public. In particular the trustees consider that the work of the Trust in the last year has advanced the arts, culture and heritage of the Borough of Scarborough and its region for the benefit of a broad audience.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Venues

The Rotunda and Art Gallery were closed to the public between 23rd March - 1st June and 5th November and 2nd December. This was a challenging time, particularly for front-of-house staff, but also a time for reflection when curatorial, collection and learning staff could begin to question the role and relevance of the traditional museum offer in a changing environment. An essential part of the re-opening process was to ensure SMT's spaces were safe places so initiatives such as Visit England's Good-to-Go programme (SMT was successfully accredited) gave staff the confidence resume their work.

Between April 2012 and March 2021 visitor number were severely curtailed. Total attendance was 3,847 compared to 38,168 in 2019/2020 and 32,315 in 2018/19.

Digital Commissions

During the lockdown SMT boosted its online activity to maintain contact with existing audiences and develop new connections. An important part of this activity were the New Digital Commissions which replaced the intended Future Lab exhibition. Seven artists were invited to create a series of videos that were published on SMT's website and via social media. The commissions examined the significance of objects - museum artifacts, personal possessions or things noticed in passing - to make wider observations about society and social cohesion, to share personal experiences or to connect with people facing the challenges of social distancing.

Exhibition Programme - Scarborough Art Gallery

Print Makers Council

February 2020 - April 2021

Future Lab

Postponed due to COVID - see above

New Light Prize (open show format with £15k prize)

September - Jan 2021

Animal Hauntings

Screenings, short films and collection displays

Jan to April 2021

Seaside Exhibition

Objects from the collection and local community participation

Jan to April 2021

Learning

Throughout the year SMT began to improve its access and inclusion credentials.

During this year the learning team created 45 high quality resources to connect with and provide access to collections. The Family Learning Page on the website was re-launched which brought together resources for families and schools, both at home and before/during a visit.

A digital programme was also launched on the learning webpage. This was devised in collaboration with freelancers and the Stephen Joseph Theatre Youth Theatre. It includes a social media takeover each Wednesday and Thursday, on Facebook and twitter, and a new initiative featuring the debut of Lari the Seagull.

Online resources include:

- 10 x crafts and templates
- 5 x making videos
- 5 x audio stories inspired by artworks and local area
- 5 x fact sheets

All online activities are supported by access tools, e.g. audio recordings, captioning and alternative formats. Consultation with Scarborough based ARCADE and other partners has informed development of some of these.

Whispers from the Museums was reviewed by Kelsie Acton, a creative practitioner experienced in access auditing. Additional in-depth feedback, e.g. conversations with families/children, was sought and included other recent work, e.g. welcome animation funded by Museum Development Yorkshire.

At a training event run by GEM (Group for Education in Museums) attended by 100 delegates from across the UK, SMT digital programme was flagged up as a sector leader 'we are doing interesting things, have a look'!

The online programme also included the creation of up to 100 activity packs containing craft activities for vulnerable families. This will provide access to new resources by families experiencing digital poverty.

Collections

Volunteers

The pandemic gave SMT the opportunity to restructure the volunteer programme. This process has been managed by the General Manager with support from the Collections Manager and Learning Manager. Fewer volunteers have been recruited but several new work programmes have been initiated including:

- Scanning the photographic collection
- Cataloguing the mineral collection
- Cataloguing the numismatics collection

Two volunteers are also supporting the learning and front-of-house teams.

Acquisitions and Gifts

Acquisition highlights included:

- A cache of around 1600 letters written from a Lieutenant David Dawson to his wife between 1940 and 1945. The Dawson's lived at 37 Trafalgar Square and the letters tell a remarkable story of Scarborough life during the War years.
- A piano manufactured by the local maker Waddington.
- A watercolour map of mountain contours by Kathy Prendergast, recently shown as part of the commission exhibited at the Scarborough Art Gallery. Prendergast is an internationally renowned artist having represented the UK at the Venice Biennial.
- A small collection of programmes and tickets from shows in Scarborough from the late 1940s to the early 1960s from venues such as the Open Air Theatre and Floral Hall.

FINANCIAL REVIEW

Financial position

The Funding Agreement between Scarborough Borough Council and the Trust sets out the Contract Price paid by the Council to the Trust to manage the Museums and Gallery service. This is linked to inflation through one of the government's economic indices. Discussions with the Council over the contract price continue to progress and the Trustees remain confident that the funding arrangements remain in place to meet the ongoing costs of managing the Museums and Gallery service.

The Finance Committee has reviewed budgets, income and expenditure and reported back to the main Board. The Chief Executive and members of the Finance Committee meet quarterly to review performance.

Financial performance in the year was satisfactory, resulting in a surplus of £4,421 and total reserves at the year end standing at £479,576.

Reserves policy

The trustees have examined the requirements for reserves in light of the main risks to the charity. Sufficient working capital is in place to ensure that the museum and gallery are able to trade. It is the policy of Scarborough Museums Trust to hold reserves equivalent to 3-6 months operating costs. Reserves are also held for the purpose of refurbishing displays and exhibitions, and for exceptional expenditure. The Trustees wish to invest surpluses, subject to compliance with the Trust's reserves policy, in order to enhance further the provision of its charitable objects.

FUTURE PLANS

The HLF Resilience project, the resulting development of the Board, associated training and team building activities and an evolving and constructive relationship with SBC have become the stimulus for moving the organisation forward. The strategic plan continues to adapt and together enable SMT to deliver services to its beneficiaries.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Scarborough Museums Trust is a charitable company limited by guarantee and which was incorporated on 28th April 2004. It is governed by its Memorandum and Articles of Association, as amended by special resolutions dated 14 January 2005, 4 March 2009, 19 May 2010, 29 July 2011 and 26 October 2012 and is registered with the Charity Commission. In the event of the company being wound up, members are required to contribute an amount not exceeding £1 each.

As set out in the Articles of Association, the number of trustees shall be not less than three but no more than fifteen.

One trustee is nominated by Scarborough Borough Council: all other trustees are appointed by the existing trustees or members of the company. Members are re-elected on retirement in accordance with the rotation system outlined in Articles 28 and 33 of the Articles of Association.

Recruitment and appointment of new trustees

The board of trustees are aware of the diverse range of skills, experience and knowledge needed and will seek to ensure that they are appropriately reflected on the trustee board.

Induction and training of new trustees

All new trustees are provided with sufficient information on the charity's activities and trustee responsibilities when being appointed to the board. Such information includes:

- the obligations of the board of trustees;
- the main documents that set out the operational framework for the charity including the Memorandum and Articles of Association;
- a copy of the latest annual report and audited accounts;
- a copy of the latest business plan and budget.

Key management remuneration

The trustees consider that the board along with the chief executive comprise the key management personnel of the charity and are in charge of directing and controlling, running and operating the Trust on a day to day basis. All the trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

Risk management

A risk register covering all aspects of the Trust's operation and context is reviewed quarterly by a Risk Management Committee. Key risks and mitigation strategies are then reported by the Board.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05114387 (England and Wales)

Registered Charity number

1106238

Registered office

Woodend
The Crescent
Scarborough
North Yorkshire
YO11 2PW

Trustees

Mr D L Searby
Mr J G H L Armistead
Mr J C Harris
Mr A D Riley
Ms L E Frostick
Mr B J Davidson
Mr J M Wallis
Ms M E Colling (resigned 23.2.21)
Mr E Asquith

Company Secretary

Mr A W Clay

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Fortus Audit LLP

Chartered Accountants & Statutory Auditors

5&6 Manor Court

Manor Garth

Scarborough

North Yorkshire

YO11 3TU

Chief executive officer

Mr A W Clay

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15 December 2021 and signed on its behalf by:

Mr B J Davidson - Trustee

Opinion

We have audited the financial statements of Scarborough Museums Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 trustees' 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 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed 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.

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/auditors-responsibilities. This description forms part of our Report of the Independent Auditors.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Dixon ACA FCCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
Chartered Accountants & Statutory Auditors
5&6 Manor Court
Manor Garth
Scarborough
North Yorkshire
YO11 3TU

15 December 2021

SCARBOROUGH MUSEUMS TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
For The Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	20,307	61,560	81,867	107,062
Charitable activities	4				
Rotunda museum and art gallery		131,556	-	131,556	98,436
Investment income	3	1,132	-	1,132	1,907
SBC - Service level agreement	5	516,660	-	516,660	573,131
Total		669,655	61,560	731,215	780,536
EXPENDITURE ON					
Raising funds	6	4,435	-	4,435	6,737
Charitable activities	7				
Rotunda museum and art gallery		681,224	68,268	749,492	746,588
Total		685,659	68,268	753,927	753,325
Net gains/(losses) on investments		27,133	-	27,133	(20,177)
NET INCOME/(EXPENDITURE)		11,129	(6,708)	4,421	7,034
RECONCILIATION OF FUNDS					
Total funds brought forward		468,447	6,708	475,155	468,121
TOTAL FUNDS CARRIED FORWARD		479,576	-	479,576	475,155

The notes form part of these financial statements

SCARBOROUGH MUSEUMS TRUST

BALANCE SHEET
31 March 2021

		2021 £	2020 £
FIXED ASSETS	Notes		
Tangible assets	14	48,449	52,271
Investments	15	118,349	91,216
		<u>166,798</u>	<u>143,487</u>
CURRENT ASSETS			
Stocks	16	5,206	8,750
Debtors	17	40,496	40,342
Cash at bank and in hand		369,474	364,071
		<u>415,176</u>	<u>413,163</u>
CREDITORS			
Amounts falling due within one year	18	(102,398)	(81,495)
		<u>312,778</u>	<u>331,668</u>
NET CURRENT ASSETS			
		<u>312,778</u>	<u>331,668</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		479,576	475,155
		<u>479,576</u>	<u>475,155</u>
NET ASSETS		<u>479,576</u>	<u>475,155</u>
FUNDS	20		
Unrestricted funds		479,576	468,447
Restricted funds		-	6,708
		<u>479,576</u>	<u>475,155</u>
TOTAL FUNDS		<u>479,576</u>	<u>475,155</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 December 2021 and were signed on its behalf by:

Mr B J Davidson - Trustee

The notes form part of these financial statements

SCARBOROUGH MUSEUMS TRUST

CASH FLOW STATEMENT
For The Year Ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	14,564	53,440
Net cash provided by operating activities		<u>14,564</u>	<u>53,440</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,293)	(5,399)
Sale of tangible fixed assets		-	6,059
Interest received		1,132	1,907
Net cash (used in)/provided by investing activities		<u>(9,161)</u>	<u>2,567</u>
Change in cash and cash equivalents in the reporting period		<u>5,403</u>	<u>56,007</u>
Cash and cash equivalents at the beginning of the reporting period		<u>364,071</u>	<u>308,064</u>
Cash and cash equivalents at the end of the reporting period		<u><u>369,474</u></u>	<u><u>364,071</u></u>

The notes form part of these financial statements

SCARBOROUGH MUSEUMS TRUST

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 March 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	4,421	7,034
Adjustments for:		
Depreciation charges	14,115	15,363
(Gain)/losses on investments	(27,133)	20,177
Interest received	(1,132)	(1,907)
Decrease in stocks	3,544	1,211
Increase in debtors	(154)	(18,910)
Increase in creditors	20,903	30,472
Net cash provided by operations	<u>14,564</u>	<u>53,440</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>364,071</u>	<u>5,403</u>	<u>369,474</u>
	<u>364,071</u>	<u>5,403</u>	<u>369,474</u>
Total	<u>364,071</u>	<u>5,403</u>	<u>369,474</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations and grants to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation or grant and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings and equipment	- Straight line over 10 years
Computer equipment & website	- Straight line over 5 years

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all costs of purchase and is calculated using the first-in, first-out basis. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are grants and donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Going concern

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The trustees acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the trustees to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	17,307	2,816
Grants	64,560	104,246
	<u>81,867</u>	<u>107,062</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Arts Council	61,560	101,246
The Palaeontological Association	-	3,000
Historic England	3,000	-
	<u>64,560</u>	<u>104,246</u>

Grants received from The Arts Council include £61,650 (2020 - £61,650) related to restricted funds.

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>1,132</u>	<u>1,907</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Admissions	Rotunda museum and art gallery	5,854	39,119
Retail and refreshment sales	Rotunda museum and art gallery	2,809	15,445
Staff recharge fees	Rotunda museum and art gallery	-	12,000
Rent recharges	Rotunda museum and art gallery	73,196	28,221
Government grants	Rotunda museum and art gallery	38,002	-
Miscellaneous income	Rotunda museum and art gallery	11,695	3,651
		<u>131,556</u>	<u>98,436</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

5. SBC - SERVICE LEVEL AGREEMENT

The charity receives income from the local council under the terms of a service level agreement for the operation of the museum and art gallery and this is shown separately on the face of the Statement of Financial Activities.

6. RAISING FUNDS

Other trading activities

	2021	2020
	£	£
Purchases	4,435	6,737
	<u> </u>	<u> </u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Rotunda museum and art gallery	719,602	29,890	749,492
	<u> </u>	<u> </u>	<u> </u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	340,553	311,421
Other staff costs	5,835	5,208
Premises	74,331	63,815
Supplies and services	138,723	137,415
Professional services	8,262	7,094
Bad debts	73,196	84,692
Grant project expenditure	64,587	59,430
Depreciation	14,115	15,363
	<u> </u>	<u> </u>
	719,602	684,438
	<u> </u>	<u> </u>

Included in the above costs are £68,268 relating to restricted funds.

Staff costs include salaries and related costs incurred in relation to one-off projects and funding.

9. SUPPORT COSTS

	Governance costs £
Rotunda museum and art gallery	29,890
	<u> </u>

Support costs, included in the above, are as follows:

	2021 Rotunda museum and art gallery	2020 Total activities
	£	£
Auditors' remuneration	4,275	4,150
Auditors' remuneration for non audit work	1,500	-
Meeting expenses	-	581
Legal and professional fees	24,115	57,419
	<u> </u>	<u> </u>
	29,890	62,150
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	4,275	4,150
Auditors' remuneration for non audit work	1,500	-
Depreciation - owned assets	14,115	15,363

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

12. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	309,963	280,811
Social security costs	16,840	18,106
Other pension costs	13,750	12,504
	<u>340,553</u>	<u>311,421</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Charitable activities	<u>16</u>	<u>15</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - PRIOR YEAR ONLY

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	45,502	61,560	107,062
Charitable activities			
Rotunda museum and art gallery	98,436	-	98,436
Investment income	1,907	-	1,907
SBC - Service level agreement	573,131	-	573,131
Total	<u>718,976</u>	<u>61,560</u>	<u>780,536</u>
EXPENDITURE ON			
Raising funds	6,737	-	6,737
Charitable activities			
Rotunda museum and art gallery	675,793	70,795	746,588
Total	<u>682,530</u>	<u>70,795</u>	<u>753,325</u>
Net gains/(losses) on investments	<u>(20,177)</u>	<u>-</u>	<u>(20,177)</u>
NET INCOME/(EXPENDITURE)	16,269	(9,235)	7,034

SCARBOROUGH MUSEUMS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

13.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - PRIOR YEAR ONLY - continued	Unrestricted funds £	Restricted funds £	Total funds £
	RECONCILIATION OF FUNDS			
	Total funds brought forward	452,178	15,943	468,121
	TOTAL FUNDS CARRIED FORWARD	<u>468,447</u>	<u>6,708</u>	<u>475,155</u>
14.	TANGIBLE FIXED ASSETS	Fixtures, fittings and equipment £	Computer equipment & website £	Totals £
	COST			
	At 1 April 2020	104,198	92,233	196,431
	Additions	10,293	-	10,293
	At 31 March 2021	<u>114,491</u>	<u>92,233</u>	<u>206,724</u>
	DEPRECIATION			
	At 1 April 2020	60,211	83,949	144,160
	Charge for year	9,223	4,892	14,115
	At 31 March 2021	<u>69,434</u>	<u>88,841</u>	<u>158,275</u>
	NET BOOK VALUE			
	At 31 March 2021	<u>45,057</u>	<u>3,392</u>	<u>48,449</u>
	At 31 March 2020	<u>43,987</u>	<u>8,284</u>	<u>52,271</u>
15.	FIXED ASSET INVESTMENTS	Shares in group undertakings £	Unlisted investments £	Totals £
	MARKET VALUE			
	At 1 April 2020	10	91,206	91,216
	Impairments	-	27,133	27,133
	At 31 March 2021	<u>10</u>	<u>118,339</u>	<u>118,349</u>
	NET BOOK VALUE			
	At 31 March 2021	<u>10</u>	<u>118,339</u>	<u>118,349</u>
	At 31 March 2020	<u>10</u>	<u>91,206</u>	<u>91,216</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Scarborough Museums and Gallery Enterprises Limited

Registered office:

Nature of business: Dormant

Class of share:

Ordinary

%
holding
100

Aggregate capital and reserves

2021	2020
£	£
10	10

SCARBOROUGH MUSEUMS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

16.	STOCKS			2021 £	2020 £
	Stocks			<u>5,206</u>	<u>8,750</u>
17.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			2021 £	2020 £
	Trade debtors			27,000	25,450
	Prepayments and accrued income			<u>13,496</u>	<u>14,892</u>
				<u>40,496</u>	<u>40,342</u>
18.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			2021 £	2020 £
	Trade creditors			43,071	36,537
	Social security and other taxes			45,739	33,642
	Other creditors			792	1,947
	Accrued expenses			<u>12,796</u>	<u>9,369</u>
				<u>102,398</u>	<u>81,495</u>
19.	ANALYSIS OF NET ASSETS BETWEEN FUNDS			2021 £	2020 £
		Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
	Fixed assets	48,449	-	48,449	52,271
	Investments	118,349	-	118,349	91,216
	Current assets	415,176	-	415,176	413,163
	Current liabilities	<u>(102,398)</u>	<u>-</u>	<u>(102,398)</u>	<u>(81,495)</u>
		<u>479,576</u>	<u>-</u>	<u>479,576</u>	<u>475,155</u>
20.	MOVEMENT IN FUNDS			Net movement in funds	At 31.3.21
			At 1.4.20 £	£	£
	Unrestricted funds				
	Unrestricted funds		468,447	11,129	479,576
	Restricted funds				
	Arts Council - Museum Resilience		2,408	(2,408)	-
	Arts Council - School and Museum Partnership		4,300	(4,300)	-
			<u>6,708</u>	<u>(6,708)</u>	<u>-</u>
	TOTAL FUNDS		<u>475,155</u>	<u>4,421</u>	<u>479,576</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	669,655	(685,659)	27,133	11,129
Restricted funds				
Arts Council - Museum Resilience	-	(2,408)	-	(2,408)
Arts Council - School and Museum Partnership	61,560	(65,860)	-	(4,300)
	<u>61,560</u>	<u>(68,268)</u>	<u>-</u>	<u>(6,708)</u>
TOTAL FUNDS	<u>731,215</u>	<u>(753,927)</u>	<u>27,133</u>	<u>4,421</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
Unrestricted funds	452,178	16,269	468,447
Restricted funds			
Arts Council - Museum Resilience	4,816	(2,408)	2,408
Arts Council - School and Museum Partnership	11,127	(6,827)	4,300
	<u>15,943</u>	<u>(9,235)</u>	<u>6,708</u>
TOTAL FUNDS	<u>468,121</u>	<u>7,034</u>	<u>475,155</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	718,976	(682,530)	(20,177)	16,269
Restricted funds				
Arts Council - Museum Resilience	-	(2,408)	-	(2,408)
Arts Council - School and Museum Partnership	61,560	(68,387)	-	(6,827)
	<u>61,560</u>	<u>(70,795)</u>	<u>-</u>	<u>(9,235)</u>
TOTAL FUNDS	<u>780,536</u>	<u>(753,325)</u>	<u>(20,177)</u>	<u>7,034</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2021

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
Unrestricted funds	452,178	27,398	479,576
Restricted funds			
Arts Council - Museum Resilience	4,816	(4,816)	-
Arts Council - School and Museum Partnership	11,127	(11,127)	-
	<u>15,943</u>	<u>(15,943)</u>	<u>-</u>
TOTAL FUNDS	<u>468,121</u>	<u>11,455</u>	<u>479,576</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	1,388,631	(1,368,189)	6,956	27,398
Restricted funds				
Arts Council - Museum Resilience	-	(4,816)	-	(4,816)
Arts Council - School and Museum Partnership	123,120	(134,247)	-	(11,127)
	<u>123,120</u>	<u>(139,063)</u>	<u>-</u>	<u>(15,943)</u>
TOTAL FUNDS	<u>1,511,751</u>	<u>(1,507,252)</u>	<u>6,956</u>	<u>11,455</u>

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

22. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and has no issued share capital. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up while he/she is a member, such amount as may be required not exceeding £1 each.