

COLLECTIONS TRUST

England & Wales · Charity number 273984

Details

Other names	M D A (EUROPE), THE MUSEUM DOCUMENTATION ASSOCIATION LIMITED
Status	Registered
Legal form	Charitable company
Company number	01300565
Registered	1977-07-26
Register	View on the Charity Commission register

Contact

Address	Rutland House 23-25 Friar Lane Leicester LE1 5QQ
Phone	0330 179 8385
Email	office@collectionstrust.org.uk
Website	www.collectionstrust.org.uk

Activities

Objects: TO PROMOTE THE EDUCATION OF THE PUBLIC BY THE DEVELOPMENT OF MUSEUMS AND SIMILAR ORGANISATIONS BY ALL APPROPRIATE METHODS.

Activities: The Collections Trust is the UK's independent organisation for cultural collections. We campaign for the public right to access and engage with collections. We do this by:-Promoting best practiceEncouraging InnovationRepresenting the interests of the sector

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£535,092	£480,271	£253,511	6
2024-03-31	£452,150	£378,465	-	-
2023-03-31	£372,301	£364,906	-	-
2022-03-31	£379,642	£362,953	-	-
2021-03-31	£359,825	£340,810	-	-

Trustees

Name	Role	Appointed
Chante St Clair Inglis		2023-12-11
Dr Aruna Bhaugeerutty		2022-05-30
Dr Christopher Robert Wingfield		2025-03-10
Jack Daniel Kirby		2025-03-10
KATHRYN ANNE HUNTER		2025-03-10
Laura Pye		2023-12-11
Natalie Golding		2022-05-30
Paul Anthony Stevenson		2019-05-02
Paula Loreto Granados Garcia		2026-03-26
Robert Bending		2024-07-25
Ruth Margaret McKew		2026-03-26
Ruth Sloss		2022-05-30
Samantha Johnson		2022-05-30

COLLECTIONS TRUST

England & Wales - Charity number 273984

Accounts

Collections Trust

Annual report and financial statements

31 March 2025

Company limited by guarantee

Registration number

01300565 (England and Wales)

Charity registration number

0273984

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Reference and administrative details about the charity, its board and its advisers

Charity name	Collections Trust
Charity number	0273984
Company number	01300565
Registered office	Rutland House 23-25 Friar Lane Leicester LE1 5QQ
Trustees and directors	Ms L Pye (Chair) Dr A Bhaugeerutty (Deputy Chair) Mr R Bending Ms N Golding Ms K Hunter Ms S Johnson Ms A Karia Mr J Kirby Mr N Klee Ms R Sloss Ms C St Clair Inglis Mr P Stevenson Ms L Turner Dr C Wingfield
Company Secretary and Chief Executive	Mr D Gelsthorpe (appointed as Chief Executive 22 April 2025; appointed as Company Secretary 23 May 2025) Mr K Gosling (resigned as Chief Executive 30 May 2025; resigned as Company Secretary 23 May 2025)
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling ME19 4JQ
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

Trustees' annual report 31 March 2025

The trustees, who are also directors and members under company law, present their report and financial statements for the year ended 31 March 2025. The trustees confirm that the financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: applicable to charities preparing their financial statements in accordance with the Charities SORP (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Collections Trust is a charitable company limited by guarantee (01300565), originally incorporated (as the Museum Documentation Association) on 28 February 1977. It is registered as a charity with the Charity Commission (0273984).

Updated articles of association were adopted by a special resolution of the members at an extraordinary general meeting on 25 July 2023.

Governance

Collections Trust is governed by its board of trustees, who – as noted above – are also directors and members of the company.

Trustees give their time voluntarily and receive no benefits except for the offer of a free copy of Spectrum and discounted conference tickets in order to further their understanding of our work. Any expenses reclaimed are set out in note 6 to the financial statements.

The trustees who served throughout the year ended 31 March 2025 and up to the date these financial statements were approved, except where indicated, were:

Trustees	Appointed / Resigned
Ms L Pye	
Mr R Avann	(resigned 9 December 2024)
Mr R Bending	(appointed 24 July 2024)
Dr A Bhaugeerutty	
Ms K Childs	(resigned 9 December 2024)
Ms N Golding	
Ms K Hunter	(appointed 10 March 2025)
Ms S Johnson	
Ms A Karia	
Mr J Kirby	(appointed 10 March 2025)
Mr N Klee	(appointed 10 October 2024)
Ms S Longmuir	(resigned 13 May 2024)
Ms R Sloss	
Ms C St Clair Inglis	
Mr P Stevenson	
Ms L Turner	
Dr C Wingfield	(appointed 10 March 2025)

The board meets quarterly, with interim meetings as required to deal with specific matters such as the sign-off of major grant applications.

In addition, an audit committee comprising a sub-group of trustees meets twice a year to monitor and review all aspects of the organisation's financial management. A further sub-group (the commitments committee) reviews the budget, contractual terms and risks of any proposed project with a value over £10,000, as and when required.

Trustees' annual report 31 March 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key management personnel

The key management personnel of the charity are the unremunerated trustees and the Chief Executive, the latter a paid employee. Remuneration of the Chief Executive is set by the board and, if deemed appropriate, increased annually by a percentage in line with all other employees.

The Chief Executive is responsible for the overall management of the organisation, and acts as company secretary. He works closely with the Deputy Director, who leads the grant-funded activity we deliver as one of Arts Council England's Investment Principle Support Organisations, and the Finance Manager, who takes the lead in day-to-day financial management. All three prepare reports for the board and audit committee, including regular updates to the risk register, and attend their meetings.

OBJECTIVES

Charitable purpose

Our charitable object, set out in our memorandum and articles of association, is to:

Promote the education of the public by the development of museums and similar organisations by all appropriate methods.

Our charitable purpose therefore falls within the scope of the 'advancement of the arts, culture, heritage or science' purpose specified in the Charities Act 2011.

Mission and aims

The mission of Collections Trust is to:

Help museums work with the information that connects collections and audiences.

This mission is fleshed out in our five strategic aims:

- ◆ Continue to build Collections Trust into a dynamic, ambitious sector support organisation, valued around the world as a leader in collections management standards and advice.
- ◆ In partnership with other sector bodies, help UK museums meet the Accreditation standards for managing collections.
- ◆ Help UK museums make their collections information inclusive and relevant, enriching it with knowledge drawn from a wide range of people.
- ◆ Influence the development of a sustainable, futureproof infrastructure for sharing and storing the UK's digital collections, linked to the wider online cultural heritage ecosystem.
- ◆ Use that infrastructure to develop tools and services that support smarter working with collections across the sector.

Trustees' annual report 31 March 2025

PUBLIC BENEFIT

The trustees reaffirm that Collections Trust's charitable purpose is for the public benefit, having given due regard to the Charity Commission's guidance. This benefit is indirect: we ourselves do not work directly with the general public, but we help museums that do.

By 'helping museums work with the information that connects collections and audiences' we deliver two kinds of public benefit. Collections information is essential for the accountability and smooth administration of museums behind the scenes, but it is also the raw material for all audience-facing use of museum objects. Every exhibition, every online resource, every learning session museums deliver depends on existing information being available to those working on that activity, and new information arising from it being recorded for future use.

ACTIVITIES AND ACHIEVEMENTS

The past year 2024-25 saw several long-planned activities reach fruition, notably the Museum Data Service, which not only launched successfully in its own right, but allowed us to progress some key areas of our other work.

Museum Data Service: 'a huge step in the right direction for UK museums'

For as long as museums have worked together as a professional community, they have envisaged a day in which they could have a complete overview of all the objects in their shared collections. Despite several false dawns, this goal has long eluded the sector—thwarted by funding limitations, the complexities of leadership and ownership, and the technical challenge of designing an open, stable, usable, secure system.

In September 2024, the dream became a game-changing reality, thanks to start-up funding from Bloomberg Philanthropies and operational support from the Arts and Humanities Research Council (AHRC). In its first six months of live operation, the Museum Data Service (MDS) doubled the number of object records available at museumdata.uk from three million to six million.

This expansion signals the start of a fundamental shift in how UK museums approach collections data. MDS now serves as a centralised, open-access platform that breaks down the historical silos that have long prevented effective collaboration between institutions. The service's ten-year ambition to connect an estimated 80 million object records from over 1,750 museums across the UK is no longer a distant aspiration but an achievable goal with clear momentum.

The Museum Data Service (MDS) is an ambitious project aiming to bring object records from across all UK museums together in a gigantic database for the first time ever. It's a collaboration that I've been following with interest for some time, and seeing the combined forces of Collections Trust, Art UK and University of Leicester behind it, I knew it was in capable hands ... This service feels like a huge step in the right direction for UK museums and opens up many possibilities for museum professionals to work collaboratively in the future.

Michael Hardy, Museums Journal review of MDS, January 2025

Established as a charitable company in June 2025, MDS now has its own board. As one of the three founding members, Collections Trust has two nominated trustees on that board, and throughout 2024-25 our Chief Executive also acted as the MDS Head of Service for 50% of his time. (That input, along with that of the Museum Data Manager role created in June 2025 and hosted by Collections Trust, was paid for by the AHRC grant support for MDS, via a collaboration agreement with the grant-holder, the University of Leicester.)

Trustees' annual report 31 March 2025

ACTIVITIES AND ACHIEVEMENTS (continued)

Museum Data Service (continued)

With a hugely significant renewal of the AHRC grant support confirmed until March 2028, the University of Leicester will take on more operational responsibility for the service. While the Museum Data Manager role will continue to be based with us, allowing MDS to leverage our day-to-day contact with museums around the country, a new Head of Service will be appointed directly by the university. Having spent much time and energy over recent years helping to get MDS to this point, Collections Trust can now focus on the strategic potential the new service to further our own mission and those of the museums we work with.

Our sector support work: 'a shining example'

The year 2024-25 was our second as an Investment Principle Support Organisation (IPSO) within the current Arts Council England (ACE) National Portfolio.

Stakeholder consultees ... took the time to reflect positively on Collections Trust in the context of other museum IPSOs ... "a shining example of an IPSO" ... the "most high performing of the five museum IPSOs".

Evaluation of CT activities 2024-25, DC Research

In particular, we support ACE's investment principles 'Dynamism' and 'Inclusivity and relevance', and over several years have established a particularly seamless way of working with the ACE-funded Museum Development (MD) network to support the Museum Accreditation Scheme across England. Our **Spectrum** standard for museum collections management is embedded the Museum Accreditation Standard and we help museums of all kinds put Spectrum's guidance into practice through our outreach programme and our online resources.

Last year was our most successful yet in terms of **outreach**. Our highly-praised team directly engaged, through training or one-to-one support, staff and volunteers in **more than a quarter** of England's Accredited museums, and **more than a fifth** of those working towards Accreditation. Feedback remained consistently high, with participants rating skills gained at 4.4/5 in post-session evaluations. Longitudinal data showed equally strong results for skills applied within a year (4.4/5), with feedback attributing enhanced policy development, increased confidence, and successful Accreditation achievements to our support.

"Enabled me to write our documentation policies and plans for our accreditation return - we were awarded accreditation for the first time in October 2023."

Example of longitudinal feedback gathered on learning applied within a year of past training

Last year, we also moved our well-established **Banish the backlog** and **Rethinking cataloguing** programmes up a gear, piloting some practical tools to supplement our advice and guidance:

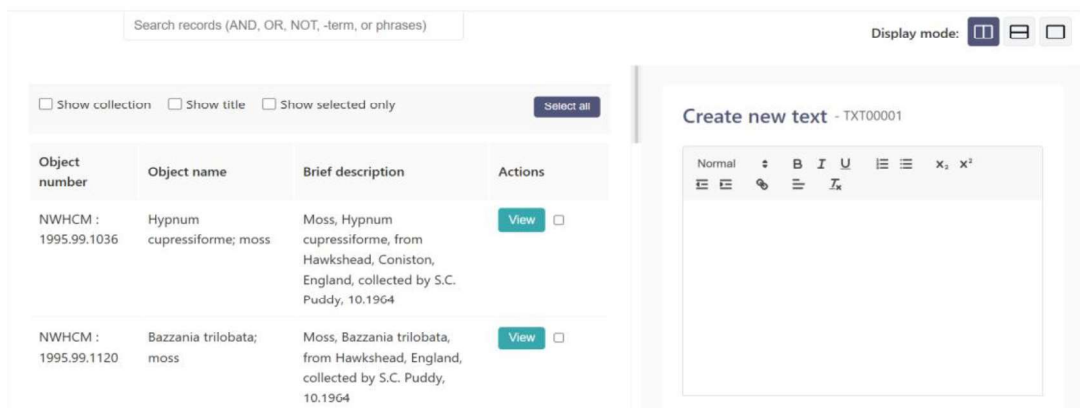
- ◆ 'Banish the backlog' aims to help museums achieve the minimum Spectrum standard for inventory-level information: important for accountability, yet a recurring problem in the Accreditation returns of many museums over the decades. While it is often not so hard to compile a quick list of the objects found in the stores, reconciling that list with old documentation can be a chore. To speed that part of the process up, we have digitised the accession registers of several museums and are experimenting with the most effective way of transcribing those records and using them to speed up stalled inventory projects.

Trustees’ annual report 31 March 2025

ACTIVITIES AND ACHIEVEMENTS (continued)

Our sector support work (continued)

- ◆ Museums use collections all the time for exhibitions, research and many other collaborative projects. But the resulting knowledge is often lost or forgotten almost as soon as the project ends. Spectrum recommends adding 'knowledge gained and content created while using objects ... to catalogue records', but that has long been easier said than done. With the Museum Data Service up and running, last year we developed an online tool that allows users to create and save texts that are linked to relevant MDS object records, and will continue to work on this in 2025-26.



Our much-appreciated online resources continued to grow, especially the bitesize videos that have proved a popular way of presenting an increasing range of topics.

“Without the Collections Trust website a lot of us would be floundering” ... “Website resources are excellent – everyone uses these” ... “I use the Collections Trust resources – the Collections Trust website is my ‘go to”.

Evaluation of CT activities 2024-25, DC Research

Collections Trust’s successful relationship with Accreditation Partners Museums Galleries Scotland, Welsh Government, and Northern Ireland Museums Council continues, with the commissioning of further Spectrum training sessions to help the museums they support meet the required standards. Ten sessions were delivered during 2024-25, to just under 100 participants.

Preparing for the next phase of Collections Trust

In 2027, Collections Trust will reach its fiftieth anniversary, having been founded (as the Museum Documentation Association) in 1977. Over the decades, the organisation has kept its ear to the ground, listening to the staff and volunteers who work with collections of all types and sizes, understanding their needs, and responding with pragmatic standards, guidance, and action.

“Collections Trust get the reality of the museum sector.”

Evaluation of CT activities 2024-25, DC Research

Trustees' annual report 31 March 2025

ACTIVITIES AND ACHIEVEMENTS (continued)

Preparing for the next phase of Collections Trust (continued)

The relevance of our work to the museum sector is reflected by the fact that Spectrum is used far beyond the UK. A German version recently became the ninth Spectrum translation published on our website, a rich corpus of parallel texts that can only help collaboration between museums around the world. As in previous years, we are also grateful to our Spectrum Partners: software developers who license Spectrum for commercial use in many of the most widely-used collections management systems, thus helping to put the standard into practice far and wide.

Much of the year was spent planning the future direction of the organisation, not least prompted by the retirement of Chief Executive Kevin Gosling in May 2025, after ten years at the helm. His successor, David Gelsthorpe, had a smooth, six-week handover and will continue to develop the strategic planning begun by the board and team last summer. This will be helped by a new, comprehensive evaluation framework that will draw together various strands of evidence to assess the impact of current work and guide future activity.

FINANCIAL REVIEW

During the year, Collections Trust earned income, excluding bank interest, of £528,837 (2024: - £449,300). Of this, £386,202 (2024: £255,827) was restricted funding with £234,232 (2024: £234,232) received from the Arts Council England.

Unrestricted income from charitable activities of £142,635 (2024: £193,473) was made up from: retail sales of publications and forms £30,216 (2024: £30,903); Spectrum partnership membership fees £66,675 (2024: £64,043); consultancy projects £32,008 (2024: £86,193); conference ticket sales £7,626 (2024: £5,949) and training income £6,110 (2024: £6,385).

Collections Trust spent £253,379 (2024: £214,084) directly on Arts Council England projects, including staff time. £226,892 (2024: £164,381) was spent on other charitable activities (Other grant funding, retail, Spectrum partnerships, and consultancy).

The year finished with an overall surplus of £54,821 (2024: £47,685). 2025 surplus included no charge in respect of the pension scheme (2024: £26,000). Total funds carried forward were £253,511 (2024: £198,690) of which £236,931 (2024: £158,543) was unrestricted, £16,580 designated (2024: £20,000) and £nil (2024: £20,147) restricted, giving free reserves (unrestricted funds excluding fixed assets, pension liability, and designated funds) of £233,049 (2024: £155,606).

The balance sheet shows total funds to be in surplus by £253,511 (2024: £198,690).

Trustees' annual report 31 March 2025

FINANCIAL REVIEW (continued)

Reserves policy and position

The organisation's strategic aims, and the risk register, establish that alongside the need for a general reserves fund, there are also both risks and opportunities that require the designation of funds. The reserves policy therefore sets out the following targets and designations:

1. General fund

Three to six months' operational expenditure in free reserves to accommodate variations in income levels, mitigate against any cashflow shortfalls, and meet any unbudgeted expenditure such as parental or sick pay. This figure equates to between £120,000 and £240,000. At 31 March 2025 the organisation held £233,049 (2024: £155,606) in free reserves (unrestricted, undesignated reserves excluding fixed assets and pensions). This equates to approximately five to six months' operating costs, falling within the target range of the policy.

2. Strategic fund

A designated fund of £16,580 (2024: £17,000) to allow for the opportunity and flexibility to invest in strategic initiatives and opportunities.

3. Defined benefit pension fund

A designated fund of £nil (2024: £3,000) to cover potential legal and administrative costs of entering any deferred debt arrangement (DDA) with the pension fund if required. The last active member of the scheme retired on 31 May 2024. This fund was used for the final actuarial valuation and the remaining balance was transferred to the Strategic Fund.

The organisation aims to provide for these reserves through unrestricted surplus funds carried forward at the end of each financial year. This money is invested in bank savings accounts on the most advantageous overall terms, in respect of interest and charges and access, and is regularly reviewed.

Fundraising

The charity does not raise or actively seek to raise funds from the public. The trustees therefore do not consider that they are obliged to make any further disclosures in relation to this area.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing the financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of the annual report and financial statements, and in light of the implications of the current economic downturn, with consideration given to budget forecasts, cashflow, confirmed and pipeline projects.

Further narrative is provided within the assessment of going concern contained within the principal accounting policies at page 20. Based on the information considered, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Trustees' annual report 31 March 2025

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have considered the strategic risks facing Collections Trust and the measures needed to mitigate them. They consider the key risks and mitigation strategies to be:

Risk	Loss of key member of staff Employee turnover is inevitable, and in a small organisation a lot of institutional knowledge rests with a few key individuals.
Tolerance	Medium – the planned retirement of the Chief Exec has happened and was mitigated by a five-week handover period with the new Chief Exec – this has taken time but was not unduly disruptive.
Mitigation	The management team works closely together. Recording of handover procedures and documentation of processes proved effective. Reserves provided the financial resources to ensure stability.

Risk	Cyber security CT is reliant on IT and the internet for all its operations. A cyber-attack could compromise its ability to deliver its services and generate income. A data breach could risk litigation and damage to our reputation.
Tolerance	Medium to low – whilst a cyber-attack is unlikely to threaten the existence of Collections Trust, it could take considerable time and resources to resolve an attack and may lead to costly legal fees and fines.
Mitigation	A password management system is in place to ensure all passwords are complex, with multi-factor authentication also required for key systems. The level of external IT support has been increased, with support for Cyber Essentials accreditation including mandatory online training on topics such as phishing and password protection.

Risk	Loss of strategic direction and focus during MDS start up As the Museum Data Service begins to thrive, with Collections Trust as one of three founding organisations, there is potential for confusion amongst stakeholders regarding our brand and purpose, and questions around capacity to cope with such change.
Tolerance	Low – the organisation has been working towards this for many years and needs to maximise the current opportunity to deliver on its strategic aims.
Mitigation	Our Investment Principles action plan sets out how the trust will manage the transition, including continued board development and succession planning for board and key staff. The MDS will be constituted as separate charity in the Summer of 2025 with a dedicated Chief Executive.

Trustees' annual report 31 March 2025

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and 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 these financial statements, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.


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

Trustees' annual report 31 March 2025

STATEMENT OF REPONSIBILITIES OF THE TRUSTEES (continued)

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The trustees' annual report has been approved by the trustees and signed on their behalf by:

DocuSigned by:

F2D393CDCBD049C...

L Pye
Chair

Date: 9/19/2025

Independent auditor's report 31 March 2025

Independent auditor's report to the members of Collections Trust

Opinion

We have audited the financial statements of Collections Trust (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

Independent auditor's report 31 March 2025

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of responsibilities of trustees, 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.

Independent auditor's report 31 March 2025**Responsibilities of trustees** (continued)

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.

Auditor's responsibilities for the audit of the financial statements

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006 and data protection legislation.
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

Independent auditor's report 31 March 2025

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ reviewed journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

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

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

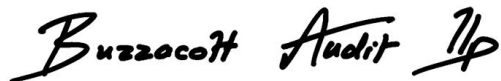
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report 31 March 2025

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott Audit LLP". The signature is written in a cursive, flowing style.

Gumayel Miah (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 23 September 2025

Statement of financial activities (incorporating an income and expenditure account)
31 March 2025

	Notes	Un- restricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Income from:					
Charitable activities	2	142,635	386,202	528,837	449,300
Investments	3	6,255	—	6,255	2,850
Total income		148,890	386,202	535,092	452,150
Expenditure on:					
Charitable activities:					
. Projects and programmes		—	430,407	430,407	235,680
. Other charitable activities		49,864	—	49,864	142,785
Total expenditure	4	49,864	430,407	480,271	378,465
Net income for the year		99,026	(44,205)	54,821	73,685
Other recognised (losses)/ gains					
Actuarial (losses) gains in respect to defined benefit pension scheme	19			—	(26,000)
Transfer between funds	13	(24,058)	24,058	—	—
Net movement in funds		74,968	(20,147)	54,821	47,685
Total funds brought forward		178,543	20,147	198,690	151,005
Total funds carried forward		253,511	—	253,511	198,690

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

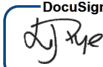
A full comparative statement of financial activities is included at Note 1.

Balance sheet 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	8		3,882		2,937
Current assets					
Stock	9	1,708		1,569	
Debtors	10	106,973		5,274	
Cash at bank and in hand		223,024		228,209	
		331,705		235,052	
Liabilities:					
Creditors: amounts falling due within one year	11	(82,076)		(39,299)	
Net current assets			249,629		195,753
Total assets less current liabilities			253,511		198,690
Pension liability	19		—		—
Total net assets			253,511		198,690
The funds of the charity:					
Restricted funds	13	—		20,147	
Unrestricted funds:					
. Designated funds		16,580		20,000	
. General funds	13	236,931		158,543	
Total unrestricted funds	13		253,511		198,690
Total funds			253,511		198,690

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

DocuSigned by:

 F2D393CDCBD049C...

L Pye
 Chair

Date: 9/19/2025

Company registration number: 01300565 (England and Wales)

The attached notes form part of the financial statements.

Statement of cash flows 31 March 2025

	Note	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities	14	(9,024)		52,977	
Cash flows from investing activities:					
Interest received		6,255		2,850	
Purchase of fixed assets		(2,416)		(1,193)	
Cash provided by investing activities			3,839		1,657
Change in cash and cash equivalents in the year			(5,185)		54,634
Cash and cash equivalents at the beginning of the year			228,209		173,575
Cash and cash equivalents at the end of the year	15		223,024		228,209

Principal accounting policies 31 March 2025

Basis of preparation

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

The charitable company meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling and are rounded to the nearest pound.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts and have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Collections Trust (CT) are part of the 2023 to 2026 National Portfolio which means we have confirmation that our ACE grant funding will continue (with an uplift of 1.6%) at £238,003 for the year through to March 2026. ACE have indicated we are likely to secure an extension to our existing funding agreement to March 2027. Beyond April 2025, it is anticipated that further Arts and Humanities Research Council (AHRC) support, via the University of Leicester, will continue to cover the cost of CT staff time spent working on MDS, on a full-cost-recovery basis.

In the current financial year, 2024-25, income from Spectrum Partnerships, retail, training and the conference all look healthy, and we are forecast to hit the upper end of our reserves target.

Critical accounting estimates and areas of judgement

No key judgements and estimates were required in the preparation of the accounts this year due to the cessation of the defined benefit pension scheme on 31 May 2024. The comparative figures for the year ended 31 March 2024 include the estimate of the defined benefit pension liability existing at 31 March 2024 which is detailed in note 19. The estimated liability was determined with the support of qualified actuaries. For 2023/24, the actuary estimated that the scheme was, at 31 March 2024, in a net asset position.

The asset has not been recognised on the balance sheet on the basis of the trustees' judgement that at the point of approving the financial statements, there is uncertainty as to whether the asset may be realised in terms of future contributions or refunds from the scheme.

Post year end, the finalised position confirmed an exit which will not lead to any additional liability (or asset) for the charity.

Principal accounting policies 31 March 2025

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer, it is probable that the income will be received, and the revenue and associated costs can be reliably measured.

Revenue from the provision of services is recognised when it is probable that Collections Trust will receive the economic benefit and the revenue and associated costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of 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 donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Expenditure is comprised of direct and support costs. Direct costs are allocated to a specific activity. The classification between activities is as follows:

- ◆ Expenditure on charitable activities includes costs of delivering services, exhibitions and other activities undertaken to further the purposes of the charity and their associated support costs; and
- ◆ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred and is calculated using the ratio that business income bears to total income.

Principal accounting policies 31 March 2025

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, payroll and governance costs which support the charitable activities. These costs have been allocated between the various charitable activities. They are allocated based on staff time.

Tangible fixed assets

Items of equipment are capitalised where the assets are expected to have a useful life of more than four years. The capitalisation threshold is £1,000. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- ◆ Computer equipment 25% per annum based on cost

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity of three months or less.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Pensions

The charity contributes to a defined benefit scheme operated by Cambridgeshire County Council, which provides benefit based on average pensionable salary. The assets of the scheme are held and managed separately from those of the charity.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Any increases in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expense category within the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

Principal accounting policies 31 March 2025

Pensions (continued)

The last remaining member of the scheme retired on 31 May 2024 and the charity exited the scheme as of this date. The charity has received the final actuarial report which confirms there is a £nil asset/liability closing position.

The charity also offers an auto-enrolment pension scheme into which all new employees are enrolled. Contributions in respect to the personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

Notes to the financial statements 31 March 2025

1 Detailed comparatives for the statement of financial activities

	Notes	Un-restricted funds £	Restricted funds £	2024 Total funds £
Income from:				
Charitable activities	2	193,473	255,827	449,300
Investments	3	2,850	—	2,850
Total income		196,323	255,827	452,150
Expenditure on:				
Charitable activities:				
. Projects and programmes		—	235,680	235,680
. Other charitable activities		142,785	—	142,785
Total expenditure	4	142,785	235,680	378,465
Net income for the year		53,538	20,147	73,685
Other recognised (losses)/ gains				
Actuarial (losses) gains in respect to defined benefit pension scheme	19	(26,000)	—	(26,000)
Net movement in funds		27,538	20,147	47,685
Total funds brought forward		151,005	—	151,005
Total funds carried forward		178,543	20,147	198,690

2 Income from charitable activities

	Un-restricted funds £	Restricted funds £	2025 Total funds £	Un-restricted funds £	Restricted funds £	2024 Total funds £
Projects and programmes						
Arts Council England	—	234,232	234,232	—	234,232	234,232
IDAH funded Museum Data Service collaboration	—	151,970	151,970	—	—	—
Welsh Government	—	—	—	—	21,595	21,595
Other charitable activities						
Retail and publishing	30,216	—	30,216	30,903	—	30,903
Spectrum partnership licencing scheme	66,675	—	66,675	64,043	—	64,043
Consultancy	32,008	—	32,008	86,193	—	86,193
Training	6,110	—	6,110	6,385	—	6,385
Conference	7,626	—	7,626	5,949	—	5,949
Other income	—	—	—	—	—	—
Total income from charitable activities	142,635	386,202	528,837	193,473	255,827	449,300

Notes to the financial statements 31 March 2025

3 Income from investments

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restricted funds £	2024 Total funds £
Bank interest	6,255	—	6,255	2,850	—	2,850

4 Analysis of expenditure

	Restricted		Unrestricted						2025 Total £
	ACE £	Other grant funding £	Retail £	Spectrum £	Consultancy £	Training £	Confer- ence £	CT Award £	
Expenditure									
Direct costs	36,805	67,652	11,867	1,448	108	—	—	—	117,880
Direct staff costs	155,743	76,608	1,329	1,313	20,988	2,349	—	—	258,330
	192,548	144,260	13,196	2,761	21,096	2,349	—	—	376,210
Overheads									
Administration overheads	34,159	13,433	256	191	3,425	417	—	—	51,881
Staff overheads	26,672	19,335	368	275	4,930	600	—	—	52,180
	60,831	32,768	624	466	8,355	1,017	—	—	104,061
Total expenditure 2025	253,379	177,028	13,820	3,227	29,451	3,366	—	—	480,271

	Restricted		Unrestricted						2024 Total £
	ACE £	Other grant funding £	Retail £	Spectrum £	Consultancy £	Training £	Confer- ence £	CT Award £	
Expenditure									
Direct costs	36,769	14,520	12,666	345	(5)	85	—	1,000	65,380
Direct staff costs	114,258	6,164	9,257	1,101	74,306	2,452	—	—	207,538
	151,027	20,684	21,923	1,446	74,301	2,537	—	1,000	272,918
Overheads									
Administration overheads	25,572	370	1,774	158	14,489	442	—	—	42,805
Staff overheads	37,485	542	2,599	230	21,238	648	—	—	62,742
	63,057	912	4,373	388	35,727	1,090	—	—	105,547
Total expenditure 2024	214,084	21,596	26,296	1,834	110,028	3,627	—	1,000	378,465

Overheads are allocated based on staff time per activity.

5 Net income for the year

This is stated after charging:

	2025 £	2024 £
Depreciation	1,471	1,172
Auditor's remuneration		
. Audit fees	12,980	12,067

Notes to the financial statements 31 March 2025**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	281,228	254,401
Social security costs	23,672	19,513
Pension costs	5,609	14,514
Temporary staff costs	—	6,050
	310,510	294,478
FRS 102 defined benefit pension adjustment	—	(12,000)
	310,510	282,478

The following number of employees received employee benefits (excluding employer pension contributions) during the year between:

	2025 £	2024 £
£70,000 – £79,999	1	1

The total employee benefits (being salary, employer's NI contributions, and pension) of the key management personnel were £81,079 (2024: £80,755).

Out of pocket travel expenses incurred by trustees in connection with their duties and reimbursed to 1 trustee by the charity during the year amounted to £222 (2024: £400). The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2025 No.	2024 No.
ACE	3.6	2.4
Retail	0.0	0.2
Consultancy	0.4	1.4
Training	0.0	0.0
Other grant funding	1.4	0.0
Support	1.0	1.2
	6.4	5.2

7 Taxation

Collections Trust is a registered charity and therefore not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 March 2025

8 Tangible fixed assets

	Computer equipment £	2025 Total £
Cost		
At 1 April 2024	4,784	4,784
Additions	2,416	2,416
At 31 March 2025	7,200	7,200
Depreciation		
At 1 April 2024	1,847	1,847
Charge for the year	1,471	1,471
At 31 March 2025	3,318	3,318
Net book values		
At 1 April 2024	2,937	2,937
At 31 March 2025	3,882	3,882

All of the above assets are used for charitable purposes.

9 Stock

	2025 £	2024 £
Forms and catalogue cards	1,708	1,569
	1,708	1,569

10 Debtors

	2025 £	2024 £
Amounts falling due in less than one year:		
Trade debtors	95,616	660
Prepayments	11,357	4,614
	106,973	5,274

11 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	51,206	3,852
Pension contributions	—	1,063
Accruals	26,914	28,417
VAT payable	3,956	5,967
	82,076	39,299

Notes to the financial statements 31 March 2025

12 Analysis of net assets between funds

	Unrestricted £	Restricted £	2025 Total funds £	Unrestricted £	Restricted £	2024 Total funds £
Tangible fixed assets	3,882	—	3,882	2,937	—	2,937
Net current assets	249,629	—	249,629	175,606	20,147	195,753
Net assets at the end of the year	253,511	—	253,511	178,543	20,147	198,690

13 Movement in funds

	At 1 April 2024 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2025 £
Restricted funds					
Arts Council England	20,147	234,232	(254,379)	—	—
IDAH funded Museum Data Service collaboration	—	151,970	(176,028)	24,058	—
Total restricted funds	20,147	386,202	(430,407)	24,058	—
Unrestricted funds					
Designated funds					
· Strategic development	17,000	—	(945)	525	16,580
· Defined benefit pension scheme management	3,000	—	(2,475)	(525)	—
	20,000	—	(3,420)	—	16,580
General funds	158,543	148,890	(46,444)	(24,058)	236,931
Total unrestricted funds	178,543	148,890	(49,864)	(24,058)	253,511
Total funds	198,690	535,092	(480,271)	—	253,511

	At 1 April 2023 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2024 £
<i>Restricted funds</i>					
Arts Council England	—	234,232	(214,085)	—	20,147
Welsh Government	—	21,595	(21,595)	—	—
Total restricted funds	—	255,827	(235,680)	—	20,147
<i>Unrestricted funds</i>					
Designated funds					
· Strategic development	10,000	—	—	7,000	17,000
· Defined benefit pension scheme management	10,000	—	—	(7,000)	3,000
	20,000	—	—	—	20,000
General funds	131,005	196,323	(142,785)	(26,000)	158,543
Total unrestricted funds	151,005	196,323	(142,785)	(26,000)	178,543
Total funds	151,005	452,150	(378,465)	(26,000)	198,690

Notes to the financial statements 31 March 2025

13 Movement in funds (continued)

Restricted funds represent grants for specific purposes, being the ACE grant for delivery of the ACE activity plan 2023-26 and a grant from the Arts and Humanities Research Council (AHRC), Initiative for Digital Arts and Humanities (iDAH) fund via the University of Leicester for the Museum Data Service collaboration work.

Designated funds comprise £16,580 to allow for strategic development opportunities related to the development of a 'Find an Object' disposals tool. This work is expected to be completed by the end of December 2025.

Transfers between restricted and unrestricted funds in 2025 relate to a £24,058 deficit on the iDAH funded MDS collaboration project which is transferred from the restricted fund into general reserves. This arose from overhead costs incurred not covered by the funding agreement.

There was also a transfer between the Defined benefit pension scheme management designated fund and the Strategic development designated fund of £525. The surplus on the pension scheme fund after all costs associated with cessation had been incurred was transferred to the Strategic development fund.

14 Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net income for the reporting period (as per the statement of financial activities)	54,821	73,685
Depreciation	1,471	1,172
Interest	(6,255)	(2,850)
(Increase) in stock	(139)	(1,392)
(Increase)/decrease in debtors	(101,699)	3,243
Increase in creditors	42,777	5,119
Defined benefit pension scheme service and finance cost adjustments	—	(26,000)
Net cash (used in) / provided by operating activities	(9,024)	52,977

15 Analysis of cash and cash equivalents

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	228,209	(5,185)	223,024
	228,209	(5,185)	223,024
	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	173,575	54,634	228,209
	173,575	54,634	228,209

No separate reconciliation of net debt has been prepared as there is no difference between the net cash/(debt) of the charity and the above cash and cash equivalents.

Notes to the financial statements 31 March 2025**16 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

17 Related party transactions

Other than the disclosure provided within note 6 relating to transactions with trustees and the remuneration payable to key management personnel, there were no other related party transactions during the year ended 31 March 2025 (2024- no other transactions).

Defined benefit pension commitments

The charity had previously participated in the Cambridgeshire County Council Pension Scheme, a career average revalued earnings (CARE), multi-employer pension scheme. Participation in the scheme was by virtue of the organisation's status as an admitted body to the fund.

In 2007 the charity was enrolled in a 'small bodies pool' within the pension scheme, and whilst in this pool it was not possible to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore defined contribution accounting was applied during this period. In 2019, the Fund decided to disband the Small Bodies Pool, and as such Collections Trust was able to identify its individual funding position.

The triennial valuation as of 31 March 2019 showed a high-risk deficit of £633,000, but this dropped to a low-risk deficit of only £20,000 in the subsequent triennial valuation. The latter showed a total liability of £1,373,000 against assets of £1,353,000 as of 31 March 2022.

Exit from the Pension Scheme

On 31 May 2024, the last remaining member of the pension scheme retired and the scheme was closed on the same date. A final actuarial valuation report was obtained on this date which confirmed that no cessation debt was payable (or exit credit was repayable).

The total contributions payable by the employer in the year were £nil (2024: £25,000). At 31 March 2025, there no outstanding contributions due to the scheme.

As the movements in the scheme between 1 April 2024 and the cessation date of 31 May 2024 had been minimal, no adjustments have been made to the accounts for the year ended 31 March 2025 in respect of the charity's participation in the scheme to the point of cessation.

The disclosure below are provided in respect of the comparative period, the year ended 31 March 2024.

Key assumptions

The below are the major assumptions adopted by the actuary in estimating the charity's share of the assets and liabilities in the scheme as at 31 March 2024:

Financial assumptions:	2024 % per annum
Rate of increase in salaries	2.70
Rate of increase in pension payments	2.70
Discount rate	4.85
Rate of inflation - CPI	2.70

Notes to the financial statements 31 March 2025

17 Related party transactions (continued)

Key assumptions (continued)

Mortality assumptions:	2024 years
Longevity at age 65 for current pensioners	
. Men	21.1
. Women	23.8
Longevity at age 65 for future pensioners	
. Men	21.5
. Women	25.0

Reconciliation of the charity's share of the net asset / (deficit) in the scheme

The net movement in the liability during the year was:

	2024 £'000s
Net surplus/(deficit) in scheme at 1 April	298
Prior year adjustment to cap pension asset	(298)
Service cost	(13)
Net interest	14
Employer contributions	25
Re-measurement of the defined liability per actuary	101
Net asset / (deficit) in the scheme as per actuarial valuation	127
Adjustment recognised within actuarial losses to cap pension asset*	(127)
Net deficit in scheme at 31 March as recognised on the balance sheet	—

* For year ended 31 March 2024, as the net surplus was deemed to be irrecoverable, recognition of the surplus on the balance sheet was been restricted to £nil.

Amounts charged to income and expenditure, and other recognised gains and losses

Total expenditure recognised in the statement of financial activities (SOFA) was:

	2024 £000s
Service cost	13
Total expenditure recognised in SOFA	13
Employer contributions	(25)
FRS 102 charge (credit)	(12)

The net gain recognised in the re-measurements in other recognised gains and losses was:

	2024 £000s
Actuarial gains on scheme liabilities	14
Actuarial gains on scheme assets	87
Adjustment to cap pension asset	(127)
Remeasurement of the defined benefit liability	(26)

As the estimate net asset position in the scheme as at 31 March 2024 was not deemed recoverable, an adjustment was made to cap the asset value to equal the estimate of scheme liabilities – this adjustment was recorded as part of the actuarial gain within the statement of financial activities.

Notes to the financial statements 31 March 2025

17 Related party transactions (continued)

Scheme assets and obligations reconciliation

A reconciliation of the charity's share of the defined benefit scheme obligations for the year ended 31 March 2024 were as follows:

	2024 £000s
Defined benefit obligation at 1 April	(1,033)
Current service cost	(13)
Interest cost	(49)
Contributions by scheme participants	(3)
Benefits paid	17
Actuarial gains	14
Defined benefit obligation at 31 March	(1,067)

A reconciliation of the charity's estimated share of the fair value of scheme assets for the year ended 31 March 2024 were as follows:

	2024 £000s
Fair value of scheme assets at 1 April	1,331
Actuarial gains	87
Interest income on assets	63
Contributions by employer	25
Contributions by scheme participants	3
Benefits paid	(17)
Fair value of scheme assets at 31 March	1,492

The charity's share of the assets in the scheme were:

	%	Value at 31 March 2024 £'000
Equities	63.3	945
Government bonds	9.0	134
Other bonds	13.5	201
Property	9.8	146
Other managed funds	4.4	66
Total market value of assets	100.0	1,492

The valuation of scheme assets and liabilities were calculated at a lower bound level of 85% prudence and an upper bound level of 95% prudence. The figures shown above are the upper bound levels.

COLLECTIONS TRUST

England & Wales - Charity number 273984

Accounts

Collections Trust

Annual report and financial statements

31 March 2024

Company limited by guarantee
Registration number
01300565 (England and Wales)

Charity registration number
0273984

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Reference and administrative details about the charity, its board and its advisers

Charity name	Collections Trust
Charity number	0273984
Company number	01300565
Registered office	Rutland House 23-25 Friar Lane Leicester LE1 5QQ
Trustees and directors	Ms L Pye (Chair) Mr R Avann Mr R Bending Dr A Bhaugeerutty Ms K Childs Ms N Golding Ms S Johnson Ms A Karia Mr N Klee Ms R Sloss Ms C St Clair Inglis Mr P Stevenson Ms L Turner
Company Secretary and Chief Executive	Mr K Gosling
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling ME19 4JQ
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Trustees' annual report 31 March 2024

The trustees, who are also directors and members under company law, present their report and financial statements for the year ended 31 March 2024. The trustees confirm that the financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: applicable to charities preparing their financial statements in accordance with the Charities SORP (FRS 102). Collections Trust does not fall within the definition of a 'larger charity'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Collections Trust is a charitable company limited by guarantee (01300565), originally incorporated (as the Museum Documentation Association) on 28 February 1977. It is registered as a charity with the Charity Commission (0273984).

Updated articles of association were adopted by a special resolution of the members at an extraordinary general meeting on 25 July 2023.

Governance

Collections Trust is governed by its board of trustees, who – as noted above – are also directors and members of the company.

Trustees give their time voluntarily and receive no benefits except for the offer of a free copy of Spectrum and discounted conference tickets in order to further their understanding of our work. Any expenses reclaimed are set out in note 6 to the financial statements.

The trustees who served throughout the year ended 31 March 2024 and up to the date these financial statements were approved, except where indicated, were:

Trustees	Appointed / Resigned
Ms L Pye	(appointed 11 December 2023)
Ms C Hampshire	(resigned 31 December 2023)
Mr R Avann	
Mr R Bending	(appointed 24 July 2024)
Dr A Bhaugeerutty	
Ms K Childs	
Ms N Golding	
Ms S Johnson	
Ms A Karia	
Mr N Klee	(appointed 10 October 2024)
Ms S Longmuir	(resigned 13 May 2024)
Dr C Michaels	(resigned 11 December 2023)
Ms T Simpson	(resigned 11 December 2023)
Ms R Sloss	
Ms C St Clair Inglis	(appointed 11 December 2023)
Mr P Stevenson	
Ms L Turner	

The board meets quarterly, with interim meetings as required to deal with specific matters such as the sign-off of major grant applications.

Trustees' annual report 31 March 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

In addition, an audit committee comprising a sub-group of trustees with an external chair, meets twice a year to monitor and review all aspects of the organisation's financial management. A further sub-group (the commitments committee) reviews the budget, contractual terms and risks of any proposed project with a value over £10,000, as and when required.

Key management personnel

The key management personnel of the charity are the unremunerated trustees and the Chief Executive, the latter a paid employee. Remuneration of the Chief Executive is set by the board and, if deemed appropriate, increased annually by a percentage in line with all other employees.

The Chief Executive is responsible for the overall management of the organisation, leading in particular the organisation's role in developing the Museum Data Service, and acting as company secretary. He works closely with the Deputy Director, who leads the grant-funded activity we deliver as one of Arts Council England's Investment Principle Support Organisations, and the Finance Manager, who takes the lead in day-to-day financial management. All three prepare reports for the board and audit committee, including regular updates to the risk register, and attend their meetings.

OBJECTIVES

Charitable purpose

Our charitable object, set out in our memorandum and articles of association, is to:

Promote the education of the public by the development of museums and similar organisations by all appropriate methods.

Our charitable purpose therefore falls within the scope of the 'advancement of the arts, culture, heritage or science' purpose specified in the Charities Act 2011.

Mission and aims

The mission of Collections Trust is to:

Help museums work with the information that connects collections and audiences.

This mission is fleshed out in our five strategic aims:

- ◆ Continue to build Collections Trust into a dynamic, ambitious sector support organisation, valued around the world as a leader in collections management standards and advice.
- ◆ In partnership with other sector bodies, help UK museums meet the Accreditation standards for managing collections.

Trustees' annual report 31 March 2024

OBJECTIVES (continued)

Mission and aims (continued)

- ◆ Help UK museums make their collections information inclusive and relevant, enriching it with knowledge drawn from a wide range of people.
- ◆ Influence the development of a sustainable, futureproof infrastructure for sharing and storing the UK's digital collections, linked to the wider online cultural heritage ecosystem.
- ◆ Use that infrastructure to develop tools and services that support smarter working with collections across the sector.

PUBLIC BENEFIT

The trustees reaffirm that Collections Trust's charitable purpose is for the public benefit, having given due regard to the Charity Commission's guidance. This benefit is indirect: we ourselves do not work directly with the general public, but we help museums that do.

By 'helping museums work with the information that connects collections and audiences' we deliver two kinds of public benefit. Collections information is essential for the accountability and smooth administration of museums behind the scenes, but it is also the raw material for all audience-facing use of museum objects. Every exhibition, every online resource, every learning session museums deliver depends on existing information being available to those working on that activity, and new information arising from it being recorded for future use.

ACTIVITIES AND ACHIEVEMENTS

In April 2023, we entered a new funding agreement with Arts Council England (ACE), becoming an Investment Principle Support Organisation (IPSO) within the ACE National Portfolio 2023-27. In this role, our focus is two of the investment principles set out in ACE's ten-year strategy, *Let's Create*:

- Dynamism
- Inclusivity and relevance

Dynamism: Museum Data Service

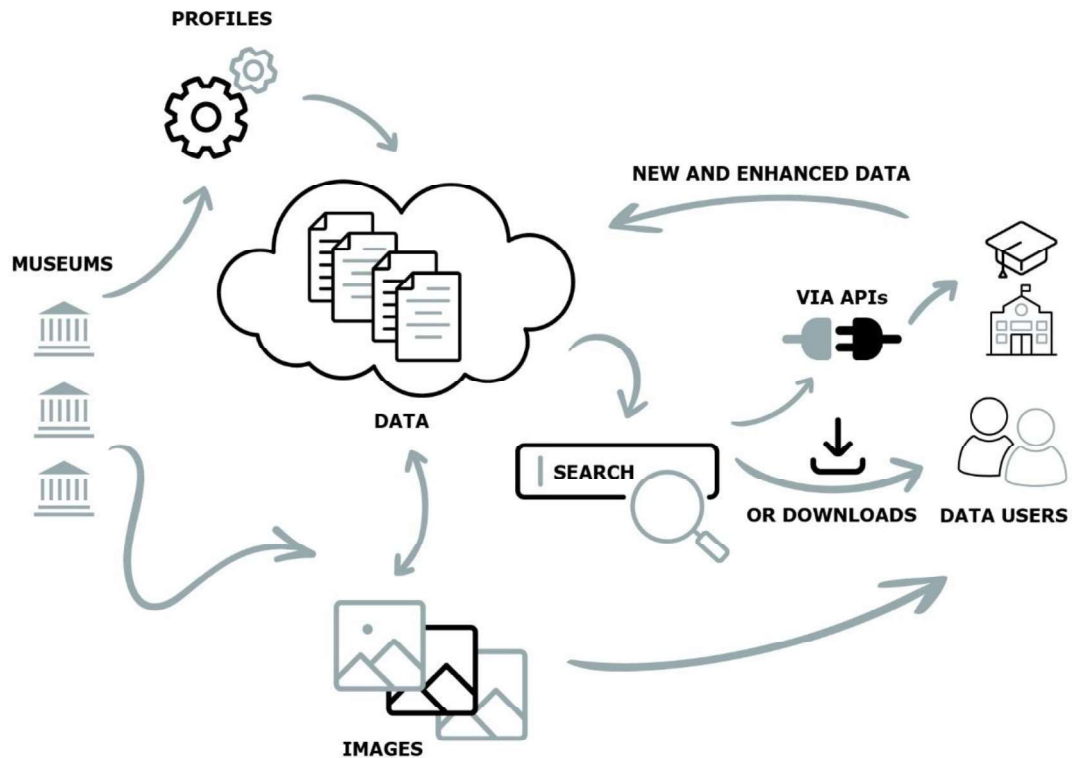
Dynamic collections need dynamic collections information. For decades, UK museums have been held back by systemic difficulties in sharing such information. This has hindered collaboration between museums themselves and with others, often reinforcing the gatekeeper mentality discussed below. It has also made it impossible for policymakers, funders or anyone else to grasp the scope and significance of museum holdings across the country clearly enough to inform a strategic approach to collecting, disposal or digitisation.

For decades, too, Collections Trust has been trying to address this problem, in a funding environment that has often seemed incapable of investing in the necessary infrastructure. It was therefore a huge milestone when, at the Museums Association conference in November 2023, we – and co-founders Art UK and the University of Leicester – unveiled plans for a long-anticipated national **Museum Data Service (MDS)**.

Trustees' annual report 31 March 2024

ACTIVITIES AND ACHIEVEMENTS (continued)

MDS is a transformative new service that aims to connect and share all the object records across all UK museums, providing the raw material for anyone to work with this wealth of knowledge. The diagram below summarises what the service does.



Much of 2023-24 was spent developing the core systems and governance arrangements for MDS, with generous start-up funding (via Art UK) from Bloomberg Philanthropies, a donor that understands very well the value added when data is brought together at scale.

“Bloomberg was founded on a belief in the power of data to drive transparency, efficiency and innovation so it’s incredibly exciting that funding from the Bloomberg Philanthropies Digital Accelerator Programme has enabled the development of a project that applies the same vision to the UK’s rich and dynamic cultural sector. The Museum Data Service promises to transform the UK’s cultural digital infrastructure, and we’re thrilled to be part of a collaboration that is breaking down industry silos to make this ambitious idea a reality.”

Jemma Read, Global Head of Corporate Philanthropy at Bloomberg

As well as working with developer Knowledge Integration to test and refine the back-end repository, Collections Trust led on launching the MDS website, museumdata.uk, working with early adopter museums to develop onboarding processes, and raising awareness through conference presentations and online briefings.

Trustees' annual report 31 March 2024

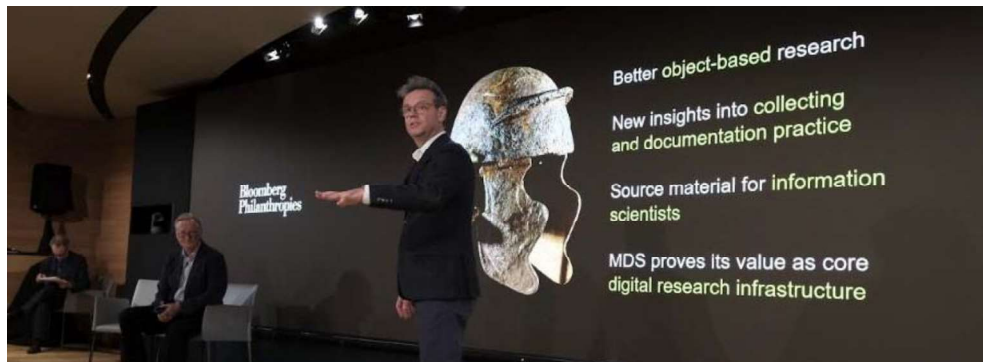
ACTIVITIES AND ACHIEVEMENTS (continued)

With significant *pro bono* help from Freshfields Bruckhaus Deringer, and input from charity specialists Womble Bond Dickinson, in June 2024, MDS was registered as a company (number 15790086) by founding members Art UK, Collections Trust and the University of Leicester. The company will be registered with the Charity Commission as soon as possible.

The start-up activity throughout the year and beyond bore fruit with the official launch of MDS in September 2024, when an initial three million object records from 21 institutions went live, along with summary guides to many hundreds of further collections.

"Museums are changing. They have always showcased the stories of how we came to be who we are today. But the Museum Data Service is another leap forward in museums' digital capabilities, expanding opportunities for research and collaboration, and preserving the rich history that our museums hold."

Sir Chris Bryant MP, Museums Minister



MDS official launch, 12 September 2024 (photo: James Winspear)

Another significant achievement of the year was that MDS became part of an emerging portfolio of digital infrastructure supported by the Arts and Humanities Research Council (AHRC), recognising the huge research potential of bringing together collection data at scale. In June 2024, the AHRC grant picked up the core running costs of MDS after the end of the Bloomberg-funded start-up, initially to the end of March 2025, but within the context of AHRC's ambitious, long-term ambitions for digital arts and humanities research infrastructure.

"I am pleased that AHRC is funding this exemplary and world-leading piece of digital heritage infrastructure that will make our heritage sector better and more inclusive, as part of our commitment to supporting sustainable digital humanities right across our sectors. This major milestone in the full integration of modern technology and our rich cultural heritage will create a place where anyone can access the immense resources held by our museums."

Professor Christopher Smith, Chair of AHRC

Trustees' annual report 31 March 2024

ACTIVITIES AND ACHIEVEMENTS (continued)

Dynamism: supporting Museum Accreditation

Dynamic collections, of course, start with the staff and volunteers in museums across the country. Those in museums that are officially Accredited by ACE (and its counterparts in the other home nations) look to our collections management standard, **Spectrum**, for guidance. Key parts of Spectrum are embedded in the Accreditation requirements.

The full standard is freely available for museums to use via our much-valued **website**, **collectionstrust.org.uk**, along with a wealth of other collection management resources which, between them, were downloaded 24,000 times during the year.

"I massively use their online resources. I use them in my museum development work all the time in training, forwarding them."

Museum Development stakeholder

In 2023-24, we continued the successful development of **bitesize video content**, publishing five new videos on our **YouTube** channel, which saw a 15% increase in subscribers. Our **LinkedIn** page and collections management group continue to develop too, with the Collections Trust page followers increasing from 3,350 to 5,377 over the year.

To help us stay in touch with our audience, our new **user group** met for the first time in September 2023, giving valuable insights into our website and comms. There was particular praise for the monthly e-newsletter, which goes to over 5000 subscribers, and is seen as the best way to find out about our events and new resources.

Our **outreach** team supports museums to put Spectrum into practice through the ACE-funded outreach programme we run in partnership with the (also ACE-funded) Museum Development (MD) network in England. In a much-valued collaborative approach we pioneered with MD, we offer free days of training and other support according to the proportion of Accredited museums in each region. Overall, we ran 68 such regional sessions over the year, reaching 863 participants. Most of these events were delivered online, a post-Covid trend set to continue for the foreseeable future.

"Museum Development practitioners in England consider the ACE funded activity provided by Collections Trust to be a vital support element to the museums in their regions. The programmes and outreach developed and delivered by Collections Trust are essential for the continued professional and organisational development of museums in England."

Collections Trust external impact evaluation, 2023-24

The team delivered a further 25 online events nationally, reaching over 600 participants. Of these, ten dealt with **accountability for collections**, a swift response to the reports of thefts from the British Museum, and apparently missing items elsewhere, that attracted media scrutiny in autumn 2023. These well-received events attracted a new audience of senior managers and trustees, a welcome development that hopefully signals an increased awareness of the importance of sound documentation for museum governance.

Trustees' annual report 31 March 2024

ACTIVITIES AND ACHIEVEMENTS (continued)

"Museums can feel a bit on their own sometimes. And that's how the Collections Trust [is] a really useful organisation to work with, because it just helps emphasise the need for accountability in terms of collections and collections management...I've drawn upon the resources that they've created around this quite positively over the past year."

Museums Galleries Scotland stakeholder

As in previous years, ACE's Accreditation partners in Scotland, Wales and Northern Ireland commissioned Spectrum training sessions to help the museums they support meet the required standards. Ten sessions were delivered during 2023-24, to over 100 participants.

Furthermore, we were grateful to the Welsh Government for supporting a **Welsh translation of Spectrum**. The project, managed by the Deputy Director, was carried out by a translator and proofreader with museum backgrounds and included user consultation on the initial glossary of key terms. In March 2024, this version became the eighth translation published on our website, joining Arabic, Dutch, French, Norwegian, Polish, Spanish and Swedish.

Our **Spectrum Partners** not only provide much-appreciated income through their licensing of Spectrum for commercial use, but the collection management systems they develop and supply help museums in the UK and many other countries put the standard into practice. To help connect our Spectrum Partners with museums thinking of buying a new system, or upgrading an existing one, in June 2023 we experimented with an online event called **choosing collections software**. This was extremely well received on all sides, and will become a regularly repeated event.

Inclusivity and relevance

Fifteen of the national outreach events noted above focused on embedding a more inclusive and open approach to cataloguing, as part of our ongoing **rethinking cataloguing** initiative, which began in 2022 with the revision of the relevant Spectrum guidance.

A new strand of work for 2023-24 was the piloting of collaborative **use of collections** projects with museums in local authority areas that ACE is particularly keen to support. These projects aimed to put the new 'rethinking cataloguing' guidance into practice and demonstrate the potential of MDS to enable a more inclusive approach to working with collections.

The difficulties of sharing source data with, for example, community co-curators, and of dealing with any text that is not entered directly into collection databases, have long been barriers to collaborative working with collections. To address this problem, we have developed a **'use of collections' data model** based on Spectrum and demonstrated how a simple spreadsheet tool can be used to create new text, such as exhibition captions, and save it as MDS-ready re-usable content.

Trustees' annual report 31 March 2024

FINANCIAL REVIEW

During the year, Collections Trust had income, excluding bank interest, of £449,300 (2023: -£371,607). Of this, £255,827 (2023: £235,198) was restricted funding with £234,232 (2023: £234,232) received from the Arts Council England.

Unrestricted income from charitable activities of £193,473 (2023: £136,409) was made up from: retail sales of publications and forms £30,903 (2023: £34,097); Spectrum partnership membership fees £64,043 (2023: £62,628); consultancy projects £86,193 (2023: £27,584); conference ticket sales £5,949 (2023: £5,800) and training income £6,385 (2023: £6,300).

Collections Trust spent £214,084 (2023: £234,232) directly on Arts Council England projects, including staff time. £164,381 (2023: £130,674) was spent on other charitable activities (Other grant funding, retail, Spectrum partnerships, and consultancy).

The year finished with an overall surplus of £73,685 (2023: £7,395). This surplus includes a credit in respect of the pension scheme of £26,000, which is offset against the loss on actuarial valuation included on other recognised gains/(losses). Total funds carried forward were £198,690 (2023: £151,005) of which £158,543 (2023: £131,005) was unrestricted, £20,000 designated (2023: £20,000) and £20,147 (2023: £nil) restricted, giving free reserves (unrestricted funds excluding fixed assets, pension liability, and designated funds) of £155,606 (2023: £128,089).

The balance sheet shows total funds to be in surplus by £198,690 (2023: £151,005), once the defined benefit pension as calculated by the actuary has been taken into account. The final actuarial valuation calculated at cessation of the scheme on 31 May 2024 confirmed that there is no exit credit or cessation debt payable by Collections Trust. The pension scheme asset has been valued at £nil. (2023: £nil).

Reserves policy and position

The organisation's strategic aims, and the risk register, establish that alongside the need for a general reserves fund, there are also both risks and opportunities that require the designation of funds. The reserves policy therefore sets out the following targets and designations:

1. General fund

Three to six months' operational expenditure in free reserves to accommodate variations in income levels, mitigate against any cashflow shortfalls, and meet any unbudgeted expenditure such as parental or sick pay. This figure equates to between £90,000 and £180,000. At 31 March 2024 the organisation held £155,606 (2023: £128,089) in free reserves (unrestricted, undesignated reserves excluding fixed assets and pensions). This equates to approximately four months' operating costs, falling within the target range of the policy.

FINANCIAL REVIEW (continued)

2. Strategic fund

A designated fund of £17,000 to allow for the opportunity and flexibility to invest in strategic initiatives related to the museum data service, and other potential opportunities.

Trustees' annual report 31 March 2024

3. Defined benefit pension fund

A designated fund of £3,000 to cover potential legal and administrative costs of entering into any deferred debt arrangement (DDA) with the pension fund if required. The last active member of the scheme retired on 31 May 2024. As noted above, the final actuarial valuation calculated on cessation of the scheme, confirmed there is no liability, therefore no DDA is needed. Consideration will be given in the coming financial year to the release of this designated fund.

The organisation aims to provide for these reserves through unrestricted surplus funds carried forward at the end of each financial year. This money is invested in bank savings accounts on the most advantageous overall terms, in respect of interest and charges and access, and is regularly reviewed.

Fundraising

The charity does not raise or actively seek to raise funds from the public. The trustees therefore do not consider that they are obliged to make any further disclosures in relation to this area.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing the financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of the annual report and financial statements, and in light of the implications of the current economic downturn, with consideration given to budget forecasts, cashflow, confirmed and pipeline projects.

Further narrative is provided within the assessment of going concern contained within the principal accounting policies at page 22. Based on the information considered, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Trustees' annual report 31 March 2024

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have considered the strategic risks facing Collections Trust and the measures needed to mitigate them. They consider the key risks and mitigation strategies to be:

Risk	Loss of key member of staff Employee turnover is inevitable, and in a small organisation a lot of institutional knowledge rests with a few key individuals. In particular, the current Chief Executive plans to step down after nearly ten years in 2025.
Tolerance	Medium – the sudden departure of one key member of staff and planned retirement of another – took up time but were not unduly disruptive.
Mitigation	The management team works closely together. Handover procedures and documented processes proved effective. Reserves provide the financial resources to hire interim staff when needed.

Risk	Cyber security CT is reliant on IT and the internet for all its operations. A cyber-attack could compromise its ability to deliver its services and generate income. A data breach could risk litigation and damage to our reputation.
Tolerance	Medium to low – whilst a cyber-attack is unlikely to threaten the existence of Collections Trust, it could take considerable time and resources to resolve an attack and may lead to costly legal fees and fines.
Mitigation	A password management system has been introduced to ensure all passwords are complex, with multi-factor authentication also required for key systems. The level of external IT support has been increased, with support for Cyber Essentials accreditation including mandatory online training on topics such as phishing and password protection.

Risk	Loss of strategic direction and focus during MDS start up As the Museum Data Service becomes a reality, with Collections Trust as one of three founding organisations, there is potential for confusion amongst stakeholders regarding our brand and purpose, and questions around capacity to cope with such change.
Tolerance	Low – the organisation has been working towards this for many years and needs to maximise the current opportunity to deliver on its strategic aims.
Mitigation	Our Investment Principles action plan sets out how the trust will manage the transition, including continued board development and succession planning for board and key staff. It is anticipated that the next Chief Executive will spend less time on MDS than the current one.

Trustees' annual report 31 March 2024

STATEMENT OF REPSONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and 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 these financial statements, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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


This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Trustees' annual report 31 March 2024

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The trustees' annual report has been approved by the trustees and signed on their behalf by:

DocuSigned by:

F2D393CDCBD049C...

L Pye
Chair

Date: 11/15/2024

Independent auditor's report 31 March 2024

Independent auditor's report to the members of Collections Trust

Opinion

We have audited the financial statements of Collections Trust (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

Independent auditor's report 31 March 2024

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of responsibilities of trustees, 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.

Independent auditor's report 31 March 2024**Responsibilities of trustees** (continued)

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.

Auditor's responsibilities for the audit of the financial statements

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006 and data protection legislation.
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

Independent auditor's report 31 March 2024

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ reviewed journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report 31 March 2024

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, stylized font.

Gumayel Miah (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 21 November 2024

Statement of financial activities (incorporating an income and expenditure account)

31 March 2024

	Notes	Un- restricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Income from:					
Charitable activities	2	193,473	255,827	449,300	371,607
Investments	3	2,850	—	2,850	694
Total income		196,323	255,827	452,150	372,301
Expenditure on:					
Charitable activities:					
. Projects and programmes		—	235,680	235,680	235,198
. Other charitable activities		142,785	—	142,785	129,708
Total expenditure	4	142,785	235,680	378,465	364,906
Net income for the year		53,538	20,147	73,685	7,395
Other recognised (losses)/ gains					
Actuarial (losses) gains in respect to defined benefit pension scheme	19	(26,000)	—	(26,000)	279,000
Net movement in funds		27,538	20,147	47,685	286,395
Total funds brought forward		151,005	—	151,005	(135,390)
Total funds carried forward		178,543	20,147	198,690	151,005

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

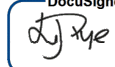
A full comparative statement of financial activities is included at Note 1.

Balance sheet 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	8		2,937		2,916
Current assets					
Stock	9	1,569		177	
Debtors	10	5,274		8,517	
Cash at bank and in hand		228,209		173,575	
		235,052		182,269	
Liabilities:					
Creditors: amounts falling due within one year	11	(39,299)		(34,180)	
Net current assets			195,753		148,089
Total assets less current liabilities			198,690		151,005
Pension liability	19		—		—
Total net asset (liabilities)			198,690		151,005
The funds of the charity:					
Restricted funds	13	20,147			—
Unrestricted funds:					
. Designated funds		20,000		20,000	
. Pension reserve	13			—	
. General funds	13	158,543		131,005	
Total unrestricted funds	13		198,690		151,005
Total funds			198,690		151,005

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

DocuSigned by:

 F2D393CDCBD049C...

L Pye
 Chair

Date: 11/15/2024

Company registration number: 01300565 (England and Wales)

The attached notes form part of the financial statements.

Statement of cash flows 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities:					
Net cash provided by operating activities	14		52,977		13,518
Cash flows from investing activities:					
Interest received		2,850		694	
Purchase of fixed assets		(1,193)		(2,584)	
Cash provided by/(used in) investing activities			1,657		(1,890)
Change in cash and cash equivalents in the year			54,634		11,628
Cash and cash equivalents at the beginning of the year			173,575		161,947
Cash and cash equivalents at the end of the year	15		228,209		173,575

Principal accounting policies 31 March 2024

Basis of preparation

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

The charitable company meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling and are rounded to the nearest pound.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts and have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Collections Trust (CT) are part of the 2023 to 2026 National Portfolio which means we have confirmation that our ACE grant funding will continue at £234,232 per year through to March 2026. ACE have indicated we are likely to secure an extension to our existing funding agreement to March 2027. Through the confirmed support of Bloomberg Philanthropies for the Museum Data Service (MDS) start-up phase, CT will receive (via Art UK) a further £14,300 for April – May 2024. It is anticipated that the Arts and Humanities Research Council (AHRC) will sustain MDS beyond the start-up, with infrastructure funding confirmed at least to March 2025. CT will receive (via the University of Leicester, UoL) at least £60,641 of this AHRC grant for its continuing work on the core service over that period. Beyond April 2025, it is anticipated that further AHRC support, again via UoL, would continue to cover the cost of CT staff time spent working on MDS, on a full-cost-recovery basis.

In the current financial year, 2024-25, income from Spectrum Partnerships, retail, training and the conference all look healthy and we are forecast to hit the upper end of our reserves target: exceeding the equivalent of 6 months' operating costs for the first time in the past decade.

Critical accounting estimates and areas of judgement

Key judgements and estimates made in the preparation of these accounts include the estimate of the defined benefit pension liability existing at 31 March 2024 which is detailed in note 19. The estimated liability is determined with the support of qualified actuaries. For 2023/24, the actuary has estimated that the scheme is, at 31 March 2024, in a net asset position.

Principal accounting policies 31 March 2024

Critical accounting estimates and areas of judgement (continued)

The asset has not been recognised on the balance sheet on the basis of the trustees' judgement that at the point of approving the financial statements, there is uncertainty as to whether the asset may be realised in terms of future contributions or refunds from the scheme.

Post year end, the finalised position confirmed an exit which will not lead to any additional liability (or asset) for the charity.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer, it is probable that the income will be received, and the revenue and associated costs can be reliably measured.

Revenue from the provision of services is recognised when it is probable that Collections Trust will receive the economic benefit and the revenue and associated costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of 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 donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Expenditure is comprised of direct and support costs. Direct costs are allocated to a specific activity. The classification between activities is as follows:

Principal accounting policies 31 March 2024

Pensions

The charity contributes to a defined benefit scheme operated by Cambridgeshire County Council, which provides benefit based on average pensionable salary. The assets of the scheme are held and managed separately from those of the charity.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Any increases in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expense category within the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

The last remaining member of the scheme retired on 31 May 2024 and the charity exited the scheme as of this date. The charity has received the final actuarial report which confirms there is a £nil asset/liability closing position. The charity also offers an auto-enrolment pension scheme into which all new employees are enrolled. Contributions in respect to the personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

Notes to the financial statements 31 March 2024

1 Detailed comparatives for the statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £
Income from:				
Charitable activities	2	136,409	235,198	371,607
Investments	3	694	—	694
Total income		137,103	235,198	372,301
Expenditure on:				
Charitable activities:				
. Projects and programmes		—	235,198	235,198
. Other charitable activities		129,708	—	129,708
Total expenditure	4	129,708	235,198	364,906
Net income (expenditure) for the year		7,395	—	7,395
Other recognised losses				
Actuarial gain in respect to defined benefit pension scheme	19	279,000	—	279,000
Net movement in funds		286,395	—	286,395
Total funds brought forward		(135,390)	—	(135,390)
Total funds carried forward		151,005	—	151,005

2 Income from charitable activities

	Un-restricted funds £	Restricted funds £	2024 Total funds £	Un-restricted funds £	Restricted funds £	2023 Total funds £
Projects and programmes						
Arts Council England	—	234,232	234,232	—	234,232	234,232
Welsh Government	—	21,595	21,595	—	—	—
Other charitable activities						
Retail and publishing	30,903	—	30,903	34,097	—	34,097
Spectrum partnership licencing scheme	64,043	—	64,043	62,628	—	62,628
Consultancy	86,193	—	86,193	27,584	—	27,584
Training	6,385	—	6,385	6,300	—	6,300
Conference	5,949	—	5,949	5,800	—	5,800
Other income	—	—	—	—	966	966
Total income from charitable activities	193,473	255,827	449,300	136,409	235,198	371,607

Notes to the financial statements 31 March 2024

3 Income from investments

	Unrestricted funds	Restricted funds	2024 Total funds	Unrestricted funds	Restricted funds	2023 Total funds
	£	£	£	£	£	£
Bank interest	2,850	—	2,850	694	—	694

4 Analysis of expenditure

	Restricted		Unrestricted						2024 Total
	ACE	Other grant funding	Retail	Spectrum	Consultancy	Training	Confer-ence	CT Award	
	£	£	£	£	£	£	£	£	£
Expenditure									
Direct costs	36,769	14,520	12,666	345	(5)	85	—	1,000	65,380
Direct staff costs	114,258	6,164	9,257	1,101	74,306	2,452	—	—	207,538
	151,027	20,684	21,923	1,446	74,301	2,537	—	1,000	272,918
Overheads									
Administration overheads	25,572	370	1,774	158	14,489	442	—	—	42,805
Staff overheads	37,485	542	2,599	230	21,238	648	—	—	62,742
	63,057	912	4,373	388	35,727	1,090	—	—	105,547
Total expenditure 2024	214,084	21,596	26,296	1,834	110,028	3,627	—	1,000	378,465

	Restricted		Unrestricted						2023 Total
	ACE	Other grant funding	Retail	Spectrum	Consultancy	Training	Confer-ence	CT Award	
	£	£	£	£	£	£	£	£	£
Expenditure									
Direct costs	19,336	966	16,679	383	—	—	1,222	1,042	39,628
Direct staff costs	162,432	—	10,814	1,900	16,574	2,769	—	—	194,489
	181,768	966	27,493	2,283	16,574	2,769	1,222	1,042	234,117
Overheads									
Administration overheads	52,464	—	6,672	706	6,623	1,286	—	—	67,751
Staff overheads	—	—	27,514	2,911	27,308	5,305	—	—	63,038
	52,464	—	34,186	3,617	33,931	6,591	—	—	130,789
Total expenditure 2023	234,232	966	61,679	5,900	50,505	9,360	1,222	1,042	364,906

Overheads are allocated based on staff time per activity.

5 Net income for the year

This is stated after charging:

	2024	2023
	£	£
Depreciation	1,172	467
Auditor's remuneration		
. Audit fees	12,067	11,330

Notes to the financial statements 31 March 2024**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	254,401	232,730
Social security costs	19,513	19,383
Pension costs	14,514	13,414
Temporary staff costs	6,050	9,734
	294,478	275,261
FRS 102 defined benefit pension adjustment	(12,000)	(8,000)
	282,478	267,261

The following number of employees received employee benefits (excluding employer pension contributions) during the year between:

	2024 £	2023 £
£70,000 – £79,999	—	1
£80,000 – £89,999	1	—

The total employee benefits (being salary, employer's NI contributions, and pension) of the key management personnel were £80,755 (2023: £78,903).

The charity trustees' expenses reimbursed during the year were £400 (2023: £405). The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024 No.	2023 No.
ACE	2.4	3.4
Retail	0.2	0.3
Spectrum	0.0	0.1
Consultancy	1.4	0.2
Training	0.0	0.1
Support	1.2	1.2
	5.2	5.3

7 Taxation

Collections Trust is a registered charity and therefore not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 March 2024

8 Tangible fixed assets

	Computer equipment £	2024 Total £
Cost		
At 1 April 2023	3,591	3,591
Additions	1,193	1,193
At 31 March 2024	4,784	4,784
Depreciation		
At 1 April 2023	675	675
Charge for the year	1,172	1,172
At 31 March 2024	1,847	1,847
Net book values		
At 1 April 2023	2,916	2,916
At 31 March 2024	2,937	2,937

All of the above assets are used for charitable purposes.

9 Stock

	2024 £	2023 £
Forms and catalogue cards	1,569	177
	1,569	177

10 Debtors

	2024 £	2023 £
Amounts falling due in less than one year:		
Trade debtors	660	1,523
Prepayments	4,614	6,994
	5,274	8,517

11 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	3,852	9,572
Pension contributions	1,063	—
Accruals	28,417	18,982
VAT payable	5,967	5,626
	39,299	34,180

Notes to the financial statements 31 March 2024

12 Analysis of net assets between funds

	Unrestricted £	Restricted £	2024 Total funds £	Unrestricted £	Restricted £	2023 Total funds £
Tangible fixed assets	2,937	—	2,937	2,916	—	2,916
Net current assets	178,543	20,147	198,753	148,089	—	148,089
Net assets at the end of the year	181,480	20,147	198,690	151,005	—	151,005

13 Movement in funds

	At 1 April 2023 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2024 £
Restricted funds					
Arts Council England	—	234,232	(214,085)	—	20,147
Welsh Government	—	21,595	(21,595)	—	—
Total restricted funds	—	255,827	(235,680)	—	20,147
Unrestricted funds					
Designated funds					
. Strategic development	10,000	—	—	7,000	17,000
. Defined benefit pension scheme management	10,000	—	—	(7,000)	3,000
	20,000	—	—	—	20,000
General funds	131,005	196,323	(142,785)	(26,000)	158,543
Total unrestricted funds	151,005	196,323	(142,785)	(26,000)	178,543
Total funds	151,005	452,150	(378,465)	(26,000)	198,690
	At 1 April 2022 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2023 £
<i>Restricted funds</i>					
<i>Arts Council England</i>					
. Core funding	—	234,232	(234,232)	—	—
. Other income	—	966	(966)	—	—
Total restricted funds	—	235,198	(235,198)	—	—
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
. Strategic development	10,000	—	—	—	10,000
. Defined benefit pension scheme management	10,000	—	—	—	10,000
	20,000	—	—	—	20,000
FRS102 pension liability	(279,000)	—	—	279,000	—
General funds	123,610	137,103	(129,708)	—	131,005
Total unrestricted funds	(135,390)	137,103	(129,708)	279,000	151,005
Total funds	(135,390)	372,301	(364,906)	279,000	151,005

Notes to the financial statements 31 March 2024**13 Movement in funds** (continued)

Restricted funds represent grants for specific purposes, being the ACE grant for delivery of the ACE activity plan 2023-26 (2023: 2018-23) and a grant from the Welsh Government to translate Spectrum into Welsh.

Designated funds comprise £10,000 to allow for strategic development opportunities related to the museum data service or other opportunities that may arise, and £10,000 for the management of the defined benefit pension scheme liability. This second fund is intended as provision for the legal and administrative costs of entering into a deferred debt agreement with the pension fund at the point when the last remaining member of the scheme leaves, and where the fund is in a significant net liability position at that time. Following cessation of the pension scheme on 31 May 2024 in a £nil asset/liability position consideration will be given to release of this designated fund.

Transfers between funds in 2024 relate to a £3,396 surplus on the Welsh Government project which is transferred from the restricted fund into general reserves. This arose from savings in staff time and overheads.

14 Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
Net income for the reporting period (as per the statement of financial activities)	73,685	7,395
Depreciation	1,172	467
Interest	(2,850)	(694)
(Increase)/Decrease in stock	(1,392)	1,159
Increase in debtors	3,243	7,372
Increase/(Decrease) in creditors	5,119	(2,181)
Defined benefit pension scheme service and finance cost adjustments	(26,000)	—
Net cash provided by operating activities	52,977	13,518

15 Analysis of cash and cash equivalents

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	173,575	54,634	228,209
	173,575	54,634	228,209

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	161,947	11,628	173,575
	161,947	11,628	173,575

No separate reconciliation of net debt has been prepared as there is no difference between the net cash/(debt) of the charity and the above cash and cash equivalents.

Notes to the financial statements 31 March 2024**16 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

17 Related party transactions

Other than the disclosure provided within note 6 relating to transactions with trustees and the remuneration payable to key management personnel, there were no other related party transactions during the year ended 31 March 2024 (2023- no other transactions).

18 Defined benefit pension commitments

The charity participates in the Cambridgeshire County Council Pension Scheme, a career average revalued earnings (CARE), multi-employer pension scheme. Participation in the scheme is by virtue of the organisation's status as an admitted body to the fund.

In 2007 the charity was enrolled in a 'small bodies pool' within the pension scheme, and whilst in this pool it was not possible to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore defined contribution accounting was applied during this period. In 2019, the Fund decided to disband the Small Bodies Pool, and as such Collections Trust was able to identify its individual funding position.

The triennial valuation as of 31 March 2019 showed a high-risk deficit of £633,000, but this had dropped to a low-risk deficit of only £20,000 in the subsequent triennial valuation. The latter showed a total liability of £1,373,000 against assets of £1,353,000 as of 31 March 2022.

FRS 102

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the scheme as at 31 March 2024, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purpose of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

In order to assess the actuarial value of the charity's assets and liabilities as at 31 March 2024, the actuaries have rolled forward the actuarial value of the assets and liabilities of the scheme at 31 March 2022.

The major assumptions used by the actuary in preparing the FRS 102 figures were:

	2024 %	2023 %
	per annum	per annum
Rate of increase in salaries	2.70	2.80
Rate of increase in pension payments	2.70	2.75
Discount rate	4.85	4.75
Rate of inflation - CPI	2.70	2.75

Notes to the financial statements 31 March 2024

19 Pension commitments (continued)

The mortality assumptions used were as follows:

	2024 years	2023 years
Longevity at age 65 for current pensioners		
. Men	21.1	21.7
. Women	23.8	24.3
Longevity at age 65 for future pensioners		
. Men	21.5	22.2
. Women	25.0	25.5

The net movement in the FRS 102 liability during the year was:

	2024 £'000s	2023 £'000s
Net surplus/(deficit) in scheme at 1 April	298	(279)
Prior year adjustment to cap pension asset	(298)	—
Service cost	(13)	(17)
Net interest	14	(8)
Employer contributions	25	25
Re-measurement of the defined liability per actuary	101	577
Net asset / (deficit) in the scheme as per actuarial valuation	127	298
Adjustment recognised within actuarial losses to cap pension asset*	(127)	(298)
Net deficit in scheme at 31 March as recognised on the balance sheet	—	—

*As the net surplus is deemed to be irrecoverable, recognition of the surplus on the balance sheet has been restricted to £nil.

Total expenditure recognised in the statement of financial activities (SOFA) was:

	2024 £000s	2023 £000s
Service cost	13	17
Total expenditure recognised in SOFA	13	17
Employer contributions	(25)	(25)
FRS 102 charge (credit)	(12)	(8)

The net gain recognised in the re-measurements in other recognised gains and losses was:

	2024 £000s	2023 £000s
Actuarial gains on scheme liabilities	14	575
Actuarial gains on scheme assets	87	2
Adjustment to cap pension asset	(127)	(298)
Remeasurement of the defined benefit liability	(26)	279

As pension assets are not deemed recoverable an adjustment to cap the asset value at nil has been made.

Notes to the financial statements 31 March 2024

19 Pension commitments (continued)

Asset and benefit obligation reconciliation:

	2024 £000s	2023 £000s
Defined benefit obligation at 1 April	(1,033)	(1,561)
Current service cost	(13)	(17)
Interest cost	(49)	(43)
Contributions by scheme participants	(3)	(3)
Benefits paid	17	16
Actuarial gains	14	575
Defined benefit obligation at 31 March	(1,067)	(1,033)

Reconciliation of opening and closing balances of the fair value of the charity's share of the scheme assets:

	2024 £000s	2023 £000s
Fair value of scheme assets at 1 April	1,331	1,282
Actuarial gains	87	2
Interest income on assets	63	35
Contributions by employer	25	25
Contributions by scheme participants	3	3
Benefits paid	(17)	(16)
Fair value of scheme assets at 31 March	1,492	1,331

The charity's share of the assets in the scheme were:

	%	Value at 31 March 2024 £'000	%	Value at 31 March 2023 £'000
Equities	63.3	945	69.0	918
Government bonds	9.0	134	4.7	63
Other bonds	13.5	201	9.3	124
Property	9.8	146	8.3	110
Other managed funds	4.4	66	8.7	116
Total market value of assets		1,492		1,331

Contributions

The total contributions payable by the employer in the year were £25,000. At 31 March 2024, there no outstanding contributions due to the scheme.

Contributions to be paid by the charity to the scheme for the year ending 31 March 2025 is £nil.

Actuarial Loss

The actuarial loss in the year reflects the net effect of an actuarial gain as well as the adjustment to cap the overall asset value to £nil.

Notes to the financial statements 31 March 2024

19 Pension commitments (continued)

Closure of the pension scheme post-year end

On 31 May 2024, the last remaining member of the pension scheme retired and the scheme was closed on the same date.

A final actuarial report which was obtained in July 2024, confirming that as of 31st May 2024, the date of cessation, no exit credit or cessation debt is payable by Collections Trust.

COLLECTIONS TRUST

England & Wales - Charity number 273984

Accounts

Collections Trust

Annual report and financial statements

31 March 2023

Company limited by guarantee
Registration number
01300565 (England and Wales)

Charity registration number
0273984

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Reference and administrative details about the charity, its board and its advisers

Charity name	Collections Trust
Charity number	0273984
Company number	01300565
Registered office	Rutland House 23-25 Friar Lane Leicester LE1 5QQ
Trustees and directors	Ms C Hampshire (Chair) Mr R Avann Dr A Bhaugeerutty Ms K Childs Ms N Golding Ms S Johnson Ms A Karia Ms S Longmuir Dr C Michaels Ms T Simpson Ms R Sloss Mr P Stevenson Ms L Turner
Company Secretary and Chief Executive	Mr K Gosling
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling ME19 4JQ
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Trustees' annual report 31 March 2023

The trustees, who are also directors and members under company law, present their report and financial statements for the year ended 31 March 2023. The trustees confirm that the financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: applicable to charities preparing their financial statements in accordance with the Charities SORP (FRS 102). Collections Trust does not fall within the definition of a 'larger charity'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Collections Trust is a charitable company limited by guarantee (01300565), originally incorporated (as the Museum Documentation Association) on 28 February 1977. It is registered as a charity with the Charity Commission (0273984).

Updated articles of association were adopted by a special resolution of the members at an extraordinary general meeting on 25 July 2023. Changes relating to trustee benefits and dissolution were approved in advance by the Charity Commission.

Governance

Collections Trust is governed by its board of trustees, who – as noted above – are also directors and members of the company.

Trustees give their time voluntarily and receive no benefits except for the offer of a free copy of Spectrum and discounted conference tickets in order to further their understanding of our work. Any expenses reclaimed are set out in note 6 to the financial statements.

The trustees who served throughout the year ended 31 March 2023 and up to the date these financial statements were approved, except where indicated, were:

Trustees	Appointed / Resigned
Ms C Hampshire (Chair)	
Mr R Avann	
Dr A Bhaugeerutty	(Appointed 30 May 2022)
Ms K Childs	
Ms S Elliott	(Resigned 3 March 2023)
Ms N Golding	(Appointed 30 May 2022)
Ms S Johnson	(Appointed 30 May 2022)
Ms A Karia	
Ms S Longmuir	(Appointed 30 May 2022)
Dr C Michaels	
Ms T Simpson	
Ms R Sloss	(Appointed 30 May 2022)
Mr P Stevenson	
Ms L Turner	

The board meets quarterly, with interim meetings as required to deal with specific matters such as the sign-off of major grant applications.

Trustees' annual report 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

In addition, an audit committee comprising a sub-group of trustees with an external chair, meets twice a year to monitor and review all aspects of the organisation's financial management. A further sub-group (the commitments committee) reviews the budget, contractual terms and risks of any proposed project with a value over £10,000, as and when required.

Management

The management team comprises the Chief Executive, Deputy Director and Finance Manager. All are paid employees of the organisation, as are other members of staff.

The Chief Executive is responsible for the overall management of the organisation, leads in particular on the organisation's role in developing of the Museum Data Service, and also acts as company secretary. The Deputy Director leads the grant-funded activity we deliver as one of Arts Council England's Investment Principle Support Organisations. The Finance Manager takes the lead in day-to-day financial management. All three prepare reports for the board and audit committee, including regular updates to the risk register, and attend their meetings.

Remuneration of the Chief Executive, and other members of the management team, is set by the board and, if deemed appropriate, increased annually by a percentage in line with all employees.

OBJECTIVES

Charitable purpose

Our charitable object, set out in our memorandum and articles of association, is to:

Promote the education of the public by the development of museums and similar organisations by all appropriate methods.

Our charitable purpose therefore falls within the scope of the 'advancement of the arts, culture, heritage or science' purpose specified in the Charities Act 2011.

Mission and aims

The mission of Collections Trust is to:

Help museums work with the information that connects collections and audiences.

This mission is fleshed out in our five strategic aims:

- ◆ *Continue to build Collections Trust into a dynamic, ambitious sector support organisation, valued around the world as a leader in collections management standards and advice.*
- ◆ *In partnership with other sector bodies, help UK museums meet the Accreditation standards for managing collections.*

Trustees' annual report 31 March 2023

OBJECTIVES (continued)

- ◆ *Help UK museums make their collections information inclusive and relevant, enriching it with knowledge drawn from a wide range of people.*
- ◆ *Influence the development of a sustainable, futureproof infrastructure for sharing and storing the UK's digital collections, linked to the wider online cultural heritage ecosystem.*
- ◆ *Use that infrastructure to develop tools and services that support smarter working with collections across the sector.*

PUBLIC BENEFIT

The trustees reaffirm that Collections Trust's charitable purpose is for the public benefit, having given due regard to the Charity Commission's guidance. This benefit is indirect: we ourselves do not work directly with the general public, but we help museums that do.

Most obviously, the catalogue information that museums record with the help of our guidance is the raw material for exhibitions and other public-facing interpretation of collections. The Museum Data Service we are helping to create will go further, opening up millions of catalogue records to the public on a scale not seen before in this country.

Much of our work concerns essential tasks that are rarely in the limelight. However, with recent coverage of reported thefts from the British Museum, and of items missing or mislaid in many other museums, basic collections management has been front page news. People rightly expect museums to be accountable for the collections held on behalf of the public. Our collection management standard, Spectrum, sets out guidance for inventorying and auditing collections, and many other procedures that underpin such accountability. Spectrum's minimum requirements for inventory and other key procedures are mandatory for all 1,700 officially Accredited museums in the UK.

ACTIVITIES AND ACHIEVEMENTS

The past year, 2022-23, has seen significant progress towards achieving the first four of our strategic goals, and laid the groundwork for progressing the fifth over coming years. The most decisive of these was confirmation of the start-up funding needed to turn our vision of a Museum Data Service into reality.

A sustainable, futureproof infrastructure for digital collections

In February 1888, Henry Platnauer, Keeper of the Yorkshire Museum, wrote to his counterparts around the country, 'It is proposed to call a meeting of the curators of a few provincial museums... to discuss the possibility of obtaining... a compendious index of the contents of all provincial museums and collections.'

Despite the widespread digitisation of collection catalogues in recent decades, the problem Platnauer was trying to solve remains: it is not currently possible to search across the estimated 80 million object records spread across hundreds of UK museum databases, most of them offline. That is a barrier to collaboration between museums, researchers and other stakeholders who want to work with collections and futureproof the resulting knowledge.

Trustees' annual report 31 March 2023

ACTIVITIES AND ACHIEVEMENTS (continued)

Our solution was to team up with Art UK and the University of Leicester to develop plans for a sustainable Museum Data Service, with the aim of bringing together copies of all object records from all 1,700 Accredited museums (and many other museum-like collections) as the raw material for a wide range of end uses. Through Art UK, our three organisations applied for start-up funding from Bloomberg Philanthropies' Digital Accelerator Programme and, in December 2022, we were able to announce the success of that bid.

The Museum Data Service is currently being built, with a beta release due in November 2023 and start-up completion by the end of the Bloomberg-funded project in May 2024. The Arts and Humanities Research Council has confirmed further funding to consolidate the new service through to 2025 and put it on a pathway to join an emerging national infrastructure for the digital humanities. We hope to sign up half the country's Accredited museums within five years and almost all of them within a decade.

The Museum Data Service [is] a landmark project, that is stepping forward with confidence and vision to resolve something that the sector has struggled with for 25 years ... Collections Trust saw the need for it, was able to articulate the case for it, and then convene the partners that it knew would be able to deliver it.

University stakeholder,
CT impact evaluation report, April 2023

Over coming years, the Museum Data Service will allow us to make progress towards our fifth strategic aim, by underpinning a transformational ecosystem of tools and services that will allow even the smallest museums to benefit from smart technology that is currently out of their reach.

The Museum Data Service can't come soon enough for hard-pressed staff and volunteers. Dynamic collections need dynamic collections information, which is really hard for individual museums to achieve by themselves. The new service will help us all collaborate better with our audiences – and each other.

Camilla Hampshire, CT Chair
and Museum Manager & Cultural Lead, Royal Albert Memorial Museum

A dynamic, ambitious sector support organisation leading the world in its field

Collections Trust has long been recognised internationally as a leader in collections management standards and advice. Our Spectrum standard is widely used around the world and has been translated into Arabic, Spanish, French, Dutch, Norwegian, Polish and Swedish.

Trustees' annual report 31 March 2023

ACTIVITIES AND ACHIEVEMENTS (continued)

Julie Elliott MP: *Are there any institutions that we could look at—museums or other institutions across the world—as exemplars of how you do this? Are there any places that you can think of that we should be looking to?*

Maria Balshaw CBE (Chair of the National Museum Directors' Council and Director of Tate): *Often ... UK museums are looked at as the standard for how you should maintain collections. The UK Spectrum standard and Accreditation, which underpins the way in which we look after all our national and most of our regional collections, is often used as the standard by which other international museums work.*

Commons Select Committee on Culture, Media and Sport,
Oral evidence re British Museum, 18 October 2023

The Spectrum standard lives not just in the published guidance, but – through our valued Spectrum Partners – is also embedded within many of the leading collections management systems, influencing the day-to-day practice of thousands of museums in many countries. The income we receive from licensing Spectrum for commercial use by these system providers is also an important part of our current business model, as are retail sales of publications and forms based on the standard.

In the UK, our unique contribution to the museum sector has been supported for many years through significant core funding from Arts Council England (ACE). In November 2022 we were delighted to receive confirmation of our place within the 2023-26 National Portfolio, as an Investment Principle Support Organisation. In particular, we will help museums across England to put into practice two of the four investment principle's in ACE's *Let's Create* strategy: dynamism, and inclusivity and relevance.

Over coming years, the Museum Data Service will make Collections Trust itself yet more dynamic and ambitious. The new tools it will give us will transform the way we deliver our ACE-funded support, and open up opportunities for our business model to take advantage of the ecosystem that develops around the core service.

Inclusive and relevant collections information

One of the great strengths of the Spectrum standard is that it responds to the changing needs of its users. Our outreach team talks to hundreds of museum staff and volunteers every year and picked up clear signs of a need for guidance about more inclusive cataloguing practice, not least to overcome a lingering 'gatekeeper' mentality in some museums towards 'their' databases.

After consulting widely over several months, in September 2022 we published revised versions of Spectrum's *Cataloguing* and *Use of collections* guidance, with the aim of encouraging a more open and inclusive approach.

Trustees' annual report 31 March 2023

ACTIVITIES AND ACHIEVEMENTS (continued)

The new version, Spectrum 5.1, has been rolled out with extensive outreach and communications activity under the banner *Rethinking Cataloguing*, which was also the topic of our successful online conference in November 2022. Outreach and comms on this theme will continue in a multi-year drive that will increasingly use the Museum Data Service to mitigate some of the knowledge-management problems that have hindered past attempts to develop collaborative cataloguing.

I'm really impressed with the revised 5.1 Spectrum standard and the way it's embedding inclusivity and relevance into how museums manage collections information ... It's a useful tool to help museums shape their thinking. Much needed! I think as the revised standard gets more embedded in museums' processes we'll start to see the real impact.

Museum Development stakeholder,
CT impact evaluation report, April 2023

Help museums meet Accreditation standards for managing collections

Just thank you for this program. It really has given me/us the confidence and knowledge to be a more effective Registrar ... Thank you for the continuing advice that I know we can ask [for] whenever something crops up ... I know that I will get the help I need from Museum Development, Collections Trust and the wider museum world. I don't know where we would be without you!!

Outreach training session attendee

As noted already, our Spectrum standard is embedded into the Museum Accreditation requirements. This national scheme is run by ACE, Museums Galleries Scotland, the Welsh Government and Northern Ireland Museums Council. Its standards exist 'to ensure all museums are sustainable, focused and trusted, inspiring the confidence of the public and funding and governing bodies.' Specifically, Accredited museums must meet the minimum requirements of Spectrum's nine 'primary procedures': *Object entry; Acquisition and accessioning; Location and movement control; Inventory; Cataloguing; Object exit; Loans in (borrowing objects); Loans out (lending objects); and Documentation planning.*

The full guidance for these and other Spectrum procedures is freely available for non-commercial use from our website, along with a wealth of related resources. In May 2022 we changed our web analytics provider to get a clearer idea of the number of times our resources were downloaded. Between May 2022 and March 2023 there were nearly 21,000 unique downloads of Spectrum procedures and other PDFs from our site, from nearly 185,000 site visits.

Trustees' annual report 31 March 2023

ACTIVITIES AND ACHIEVEMENTS (continued)

In February 2022, in response to user feedback, we introduced the first three in a series of bitesize videos that summarise Spectrum guidance on a specific topic in just five minutes. These and our other resources are promoted to the 5,000 subscribers of our monthly e-newsletter and through our social media channels, particularly LinkedIn, where the number of followers of our page almost doubled over the year to more than 4,000.

The most direct way we help museums put Spectrum into practice is through the ACE-funded outreach programme we run in partnership with the (also ACE-funded) Museum Development (MD) network in England. In a much-valued collaborative approach we pioneered, we offer free days of training and other outreach support according to the proportion of Accredited museums in each MD region. These are run as part of each region's own training programme. Overall, we ran 61 such regional sessions over the year, reaching 735 participants. Our outreach team also delivered a further 8 online events nationally, reaching a further 242 participants.

Museum Development Practitioners in England consider the ACE funded activity provided by Collections Trust to be a vital support element to the museums in their regions. The programmes and outreach developed and delivered by Collections Trust are essential for the continued professional and organisational development of museums in England.

Paddy McNulty, external evaluator
CT impact evaluation report, April 2023

As in previous years, ACE's Accreditation partners in Scotland, Wales and Northern Ireland commissioned further Spectrum training sessions to help the museums they support meet the required standards. Our longstanding relationships with the museum lead bodies in the other home nations look set to strengthen further, particularly in Wales, where a translation of Spectrum grant-funded by the Welsh Government is currently underway.

FINANCIAL REVIEW

During the year, Collections Trust had income, excluding bank interest, of £371,607 (2022: -£379,635). Of this, £235,198 (2022: £204,232) was restricted funding with £234,232 (2022: £204,232) received from the Arts Council England.

Unrestricted income of £136,409 (2022: £175,403) was made up from: retail sales of publications and forms £34,097 (2022: £34,842); Spectrum partnership membership fees £62,628 (2022: £56,147); consultancy projects £27,584 (2022: £70,750); conference ticket sales £5,800 (2022: £7,064) and training income £6,300 (2022: £6,600).

Collections Trust spent £234,232 (2022: £234,232) directly on Arts Council England projects, including staff time. £130,674 (2022: £128,721) was spent on other charitable activities (retail, Spectrum partnerships, and consultancy).

Trustees' annual report 31 March 2023

FINANCIAL REVIEW (continued)

The year finished with an overall surplus of £7,395 (2022: £16,689). Total funds carried forward (excluding the pension liability) were £151,005 (2022: £143,610) of which £131,005 (2022: £123,610) was unrestricted, £20,000 designated (2022: £20,000) and £nil (2022: £nil) restricted, giving free reserves (unrestricted funds excluding fixed assets, pension liability, and designated funds) of £128,089 (2022: £122,811).

The balance sheet shows total funds to be in surplus by £151,005 (2022: deficit of £135,390), once the defined benefit pension as calculated by the actuary has been taken into account. The latest actuarial valuation indicated that the scheme was overall in surplus by £298,000 (2022: overall liability of £279,000). However, as there is uncertainty as to whether this asset may be realised by the charity, an adjustment has been made to cap the asset to £nil on the balance sheet.

Reserves policy and position

The organisation's strategic aims, and the risk register, establish that alongside the need for a general reserves fund, there are also both risks and opportunities that require the designation of funds. The reserves policy therefore sets out the following targets and designations:

1. General fund

Three to six months' operational expenditure in free reserves to accommodate variations in income levels, mitigate against any cashflow shortfalls, and meet any unbudgeted expenditure such as parental or sick pay. This figure equates to between £90,000 and £180,000. At 31 March 2023 the organisation held £128,089 (2022: £122,811) in free reserves (unrestricted, undesignated reserves excluding fixed assets and pensions). This equates to approximately four months' operating costs, falling within the target range of the policy.

2. Strategic fund

A designated fund of £10,000 to allow for the opportunity and flexibility to invest in strategic initiatives related to the museum data service, and other potential opportunities.

3. Defined benefit pension fund

A designated fund of £10,000 to cover potential legal and administrative costs of entering into any deferred debt arrangement (DDA) with the pension fund if required. The last active member of the scheme is likely to retire in 2023-24. As noted above, the most recent revaluation suggests that the risk of a large liability remaining at that point has greatly reduced. However, until the final position is known, it seems prudent to keep this designated fund in case a DDA is needed.

The organisation aims to provide for these reserves through unrestricted surplus funds carried forward at the end of each financial year. This money is invested in bank savings accounts on the most advantageous overall terms, in respect of interest and charges and access, and is regularly reviewed.

Trustees' annual report 31 March 2023

Fundraising

The charity does not raise or actively seek to raise funds from the public. The trustees therefore do not consider that they are obliged to make any further disclosures in relation to this area.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing the financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of the annual report and financial statements, and in light of the implications of the current economic downturn, with consideration given to budget forecasts, cashflow, confirmed and pipeline projects.

Further narrative is provided within the assessment of going concern contained within the principal accounting policies at page 22. Based on the information considered, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have considered the strategic risks facing Collections Trust and the measures needed to mitigate them. They consider the following to be the key risks and mitigation strategies.

Risk	<p>Local Government Pension Scheme potential liability</p> <p>This pension scheme was closed to new staff several years ago. Only one remaining active member remains, who is expected to retire in May 2024, thus crystallising Collections Trust's exit position. For several years, valuations have projected an unaffordable deficit when that happens. However, the most recent three-year valuation (to 31 March 2022), and subsequent roll-forward projections, suggest the exit position will either be a small, manageable deficit or possibly even a surplus. Given the market volatility of recent times, trustees continue to regard this potential liability as the most significant risk facing the organisation until the exit position is known for sure.</p>
Tolerance	Low – any requirement for immediate repayment of a large liability might push the organisation into insolvency.
Mitigation	As we enter the last few months before the last remaining member's expected retirement, we will continue to monitor the potential exit position through quarterly roll-forward projections from the fund. Should the eventual position result in a liability that cannot be paid off outright, we have designated £10,000 of reserves for the legal, actuarial and administrative costs of entering into a DDA with the pension fund to spread any payment over a number of years, in line with the fund's policy.

Trustees' annual report 31 March 2023

Risk	Cyber security CT is reliant on IT and the internet for all its operations. A cyber-attack could compromise its ability to deliver its services and generate income. A data breach could risk litigation and damage to our reputation.
Tolerance	Medium to low – whilst a cyber-attack is unlikely to threaten the existence of Collections Trust, it could take considerable time and resources to resolve an attack and may lead to costly legal fees and fines.
Mitigation	A password management system has been introduced to ensure all passwords are complex, with multi-factor authentication also required for key systems. The organisation is working to renew its Cyber Essentials accreditation and is commissioning more proactive help with certain requirements from its external IT support. The Cyber Smart app that underpins this accreditation includes training modules on topics such as phishing and password protection that all staff must complete.

Risk	Loss of strategic direction and focus during MDS start up As the Museum Data Service becomes a reality, with Collections Trust as one of three founding organisations, there is potential for confusion amongst stakeholders regarding our brand and purpose, and questions around capacity to cope with such change.
Tolerance	Low – the organisation has been working towards this for many years and needs to maximise the current opportunity to deliver on its strategic aims.
Mitigation	Our Investment Principles action plan sets out how the trust will manage the transition, including continued board development and succession planning for board and key staff.

Risk	Loss of key member of staff Employee turnover is inevitable, and in a small organisation a lot of institutional knowledge rests with a few key individuals.
Tolerance	Medium – the sudden departure of a key member of staff in 2023 proved challenging and time-consuming, but survivable.
Mitigation	The management team works closely together. Handover procedures and documented processes proved effective. Reserves provide the financial resources to hire interim staff when needed.

Trustees' annual report 31 March 2023

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and 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 these financial statements, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Trustees' annual report 31 March 2023

STATEMENT OF REPOSIBILITIES OF THE TRUSTEES (continued)

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 13 (2022: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The trustees' annual report has been approved by the trustees and signed on their behalf by:

DocuSigned by:

2D17E48AB2E4452...
C Hampshire
Chair

Date: 12/13/2023

Independent auditor's report 31 March 2023

Independent auditor's report to the members of Collections Trust

Opinion

We have audited the financial statements of Collections Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

Independent auditor's report 31 March 2023

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of responsibilities of trustees, 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.

Independent auditor's report 31 March 2023

Responsibilities of trustees (continued)

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.

Auditor's responsibilities for the audit of the financial statements

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006 and data protection legislation.
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

Independent auditor's report 31 March 2023

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ reviewed journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report 31 March 2023

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Gumayel Miah (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 12/19/2023

Statement of financial activities (incorporating an income and expenditure account)
31 March 2023

	Notes	Un- restricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Income from:					
Charitable activities	2	136,409	235,198	371,607	379,635
Investments	3	694	—	694	7
Total income		137,103	235,198	372,301	379,642
Expenditure on:					
Charitable activities:					
. Projects and programmes		—	235,198	235,198	234,232
. Other charitable activities		129,708	—	129,708	128,721
Total expenditure	4	129,708	235,198	364,906	362,953
Net income for the year		7,395	—	7,395	16,689
Other recognised gains (losses)					
Actuarial gain in respect to defined benefit pension scheme	19	279,000	—	279,000	165,000
Net movement in funds		286,395	—	286,395	181,689
Total funds brought forward		(135,390)	—	(135,390)	(317,079)
Total funds carried forward		151,005	—	151,005	(135,390)

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

A full comparative statement of financial activities is included at Note 1.

Balance sheet 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	8		2,916		799
Current assets					
Stock	9	177		1,336	
Debtors	10	8,517		15,889	
Cash at bank and in hand		173,575		161,947	
		182,269		179,172	
Liabilities:					
Creditors: amounts falling due within one year	11	(34,180)		(36,361)	
Net current assets			148,089		142,811
Total assets less current liabilities			151,005		143,610
Pension liability	19		—		(279,000)
Total net asset (liabilities)			151,005		(135,390)
The funds of the charity:					
Restricted funds	13		—		—
Unrestricted funds:					
. Designated funds		20,000		20,000	
. Pension reserve	13	—		(279,000)	
. General funds	13	131,005		123,610	
Total unrestricted funds	13		151,005		(135,390)
Total funds			151,005		(135,390)

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

DocuSigned by:

 2D17E48AB2E4452...
 C Hampshire
 Chair

Date: 12/13/2023

Company registration number: 01300565 (England and Wales)

The attached notes form part of the financial statements.

Statement of cash flows 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities:					
Net cash provided by operating activities	14		13,518		20,453
Cash flows from investing activities:					
Interest received		694		7	
Purchase of fixed assets		(2,584)		(1,007)	
Cash used in investing activities			(1,890)		(1,000)
Change in cash and cash equivalents in the year			11,628		19,453
Cash and cash equivalents at the beginning of the year			161,947		142,494
Cash and cash equivalents at the end of the year	15		173,575		161,947

Principal accounting policies 31 March 2023

Basis of preparation

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

The charitable company meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling and are rounded to the nearest pound.

Going concern

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

We are pleased to have received confirmation that Collections Trust will be part of the 2023 to 2026 National Portfolio which will should mean that our ACE grant funding is highly likely to continue at, or near, the expected level of £234,232 per year through to March 2026. Through the confirmed support of Bloomberg Philanthropies for the Museum Data Service start-up phase, Collections Trust will receive (via Art UK) more than £83,000 for its work on that project in 2023-24, and a further £14,300 for April – May 2024. The Arts and Humanities Research Council (AHRC) will sustain the Museum Data Service beyond the start-up, with infrastructure funding confirmed at least to March 2025. Collections Trust will receive (via the University of Leicester) at least £60,000 of this AHRC grant for its continuing work on the core service over that period.

Although consultancy income was under budget in 2022-23 (for the first time in many years), the work already secured, along with commissioned training and a grant for translating Spectrum into Welsh, puts the projected total from these sources above target in the current year. Moreover, as the Museum Data Service starts up in earnest, it will bring opportunities in future years for Collections Trust to generate income from consultancy work and grant-funded projects on the back of it.

Income from the Spectrum Partnership scheme is projected to be slightly above target in the current year, while ongoing efficiencies to the retail operation and administration should bring savings to the bottom line by year-end and into future years.

Critical accounting estimates and areas of judgement

The most significant area of adjustment and key assumption that affects items in the financial statements is the anticipated pension liability which the charity will have to pay, and which is detailed in note 19.

Principal accounting policies 31 March 2023

Critical accounting estimates and areas of judgement (continued)

The estimated liability is determined with the support of qualified actuaries. For 2022/23, as a result of external economic factors influencing the actuarial assumptions adopted (and in particular the increase in the discount rate applied in relation to scheme obligations) the actuary has estimated that the scheme is, at 31 March 2023, in a net asset position. The asset has not been recognised on the balance sheet on the basis of the trustees' judgement that, at the point of approving the financial statements, there is uncertainty as to whether the asset may be realised in terms of future contributions or refunds from the scheme.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer, it is probable that the income will be received, and the revenue and associated costs can be reliably measured.

Revenue from the provision of services is recognised when it is probable that Collections Trust will receive the economic benefit and the revenue and associated costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of 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 donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Expenditure is comprised of direct and support costs. Direct costs are allocated to a specific activity. The classification between activities is as follows:

Principal accounting policies 31 March 2023

Expenditure and irrecoverable VAT (continued)

- ◆ Expenditure on charitable activities includes costs of delivering services, exhibitions and other activities undertaken to further the purposes of the charity and their associated support costs; and
- ◆ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred and is calculated using the ratio that business income bears to total income.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, payroll and governance costs which support the charitable activities. These costs have been allocated between the various charitable activities. They are allocated based on staff time.

Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the assets are expected to have a useful life of more than four years. The capitalisation threshold is £1,000. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- ◆ Fixtures and fittings 20% per annum based on cost
- ◆ Computer equipment 25% per annum based on cost

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity of three months or less.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Principal accounting policies 31 March 2023

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Pensions

The charity contributes to a defined benefit scheme operated by Cambridgeshire County Council, which provides benefit based on average pensionable salary. The assets of the scheme are held and managed separately from those of the charity.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Any increases in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expense category within the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

Where the scheme is estimated to be in a surplus position, under the reporting provisions of FRS 102, the charity is only able to recognise the surplus as to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. As there is uncertainty, at the time of approving the accounts, as to whether the charity will be able to realise the asset (in terms of future contributions or refunds from the scheme), the surplus is not recognised on the balance sheet, and a corresponding adjustment is made within other recognised gains and losses on the statement of financial activities (as an actuarial loss) to bring the net position to £nil on the balance sheet.

The charity also offers an auto-enrolment pension scheme into which all new employees are enrolled. Contributions in respect to the personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

Notes to the financial statements 31 March 2023

1 Detailed comparatives for the statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income from:				
Charitable activities	2	175,403	204,232	379,635
Investments	3	7	—	7
Total income		175,410	204,232	379,642
Expenditure on:				
Charitable activities:				
. Projects and programmes		—	234,232	234,232
. Other charitable activities		128,721	—	128,721
Total expenditure	4	128,721	234,232	362,953
Net income (expenditure) for the year		46,689	(30,000)	16,689
Other recognised losses				
Actuarial gain in respect to defined benefit pension scheme	19	165,000	—	165,000
Net movement in funds		211,689	(30,000)	181,689
Total funds brought forward		(347,079)	30,000	(317,079)
Total funds carried forward		(135,390)	—	(135,390)

2 Income from charitable activities

	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Projects and programmes						
Arts Council England	—	234,232	234,232	—	204,232	204,232
Other charitable activities						
Retail and publishing	34,097	—	34,097	34,842	—	34,842
Spectrum partnership licencing scheme	62,628	—	62,628	56,147	—	56,147
Consultancy	27,584	—	27,584	70,750	—	70,750
Training	6,300	—	6,300	6,600	—	6,600
Conference	5,800	—	5,800	7,064	—	7,064
Other income	—	966	966	—	—	—
Total income from charitable activities	136,409	235,198	371,607	175,403	204,232	379,635

Notes to the financial statements 31 March 2023

3 Income from investments

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Bank interest	694	—	694	7	—	7

4 Analysis of expenditure

	Restricted			Unrestricted					2023 Total £
	ACE £	Other grant funding £	Retail £	Spectrum £	Consultancy £	Training £	Conference £	CT Award £	
Expenditure									
Direct costs	19,336	966	16,679	383	—	—	1,222	1,042	39,628
Direct staff costs	162,432	—	10,814	1,900	16,574	2,769	—	—	194,489
	181,768	966	27,493	2,283	16,574	2,769	1,222	1,042	234,117
Overheads									
Administration overheads	52,464	—	6,672	7068	56,623	1,286	—	—	67,751
Staff overheads	—	—	27,514	2,911	27,308	5,305	—	—	63,038
	52,464	—	32,697	3,459	32,453	6,304	—	—	127,377
Total expenditure 2023	234,232	966	61,679	5,900	50,505	9,360	1,222	1,042	364,906

	Restricted			Unrestricted					2022 Total £
	ACE £	Retail £	Spectrum £	Consultancy £	Training £	Conference £	CT Award £		
Expenditure									
Direct costs	16,221	14,026	434	13,131	—	452	—	44,264	
Direct staff costs	142,433	9,610	1,249	31,629	2,661	—	—	187,582	
	158,654	23,636	1,683	44,760	2,661	452	—	231,846	
Overheads									
Administration overheads	54,145	4,283	336	9,903	964	—	—	69,631	
Staff overheads	21,433	11,075	868	25,606	2,493	—	—	61,476	
	75,578	15,358	1,204	35,509	3,458	—	—	131,107	
Total expenditure 2022	234,232	38,994	2,887	80,269	6,119	452	—	362,953	

Overheads are allocated based on staff time per activity.

5 Net income for the year

This is stated after charging:

	2023 £	2022 £
Operating lease rentals		
. Property	—	19,241
Depreciation	467	315
Auditor's remuneration		
. Audit fees	11,330	6,728

Notes to the financial statements 31 March 2023**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	232,730	222,751
Social security costs	19,383	18,908
Pension costs	13,414	13,116
Redundancy costs	—	4,283
Temporary staff costs	9,734	—
	275,261	259,058
FRS 102 defined benefit pension adjustment	(8,000)	(10,000)
	267,261	249,058

The following number of employees received employee benefits (excluding employer pension contributions) during the year between:

	2023 £	2022 £
£60,000 - £69,999	1	1

The total employee benefits (being salary, employer's NI contributions, and pension) of the key management personnel were £78,903 (2022: £100,629).

The charity trustees' expenses reimbursed during the year were £405 (2022: £nil). The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023 No.	2022 No.
ACE	3.4	3.0
Retail	0.3	0.3
Spectrum	0.1	0.1
Consultancy	0.2	0.5
Training	0.1	0.1
Support	1.2	1.5
	5.3	5.5

7 Taxation

Collections Trust is a registered charity and therefore not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 March 2023**8 Tangible fixed assets**

	Computer equipment £	2023 Total £
Cost		
At 1 April 2022	1,007	1,007
Additions	2,584	2,584
At 31 March 2023	3,591	3,591
Depreciation		
At 1 April 2022	208	208
Charge for the year	467	467
At 31 March 2023	675	675
Net book values		
At 1 April 2022	799	799
At 31 March 2023	2,916	2,916

All of the above assets are used for charitable purposes.

9 Stock

	2023 £	2022 £
Forms and catalogue cards	177	1,336
	177	1,336

10 Debtors

	2023 £	2022 £
Amounts falling due in less than one year:		
Trade debtors	1,523	4,201
Sundry debtors	—	161
Prepayments	6,994	5,977
Rental deposit	—	5,550
	8,517	15,889

Notes to the financial statements 31 March 2023

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	9,572	4,894
Taxation and social security	—	5,154
Pension contributions	—	956
Redundancy payment	—	4,283
Deferred income	—	308
Accruals	18,982	15,367
VAT payable	5,626	5,358
Royalties	—	41
	34,180	36,361

12 Analysis of net assets between funds

	Unrestricted £	Restricted £	2023 Total funds £	Unrestricted £	Restricted £	2022 Total funds £
Tangible fixed assets	2,916	—	2,916	799	—	799
Net current assets	148,089	—	148,089	142,811	—	142,811
Pension liability	—	—	—	(279,000)	—	(279,000)
Net assets/liabilities at the end of the year	151,005	—	151,005	(135,390)	—	(135,990)

13 Movement in funds

	At 1 April 2022 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2023 £
Restricted funds					
Arts Council England					
· Core funding	—	234,232	(234,232)	—	—
· Other income	—	966	(966)	—	—
Total restricted funds	—	235,198	(235,198)	—	—
Unrestricted funds					
Designated funds					
· Strategic development	10,000	—	—	—	10,000
· Defined benefit pension scheme management	10,000	—	—	—	10,000
	20,000	—	—	—	20,000
FRS102 pension liability	(279,000)	—	—	279,000	—
General funds	123,610	137,103	(129,708)	—	131,005
Total unrestricted funds	(135,390)	137,103	(129,708)	279,000	151,005
Total funds	(135,390)	372,301	(364,906)	279,000	151,005

Notes to the financial statements 31 March 2023**13 Movement in funds** (continued)

	At 1 April 2021 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2022 £
<i>Restricted funds</i>					
<i>Arts Council England</i>					
· Core funding	30,000	204,232	(234,232)	—	—
Total restricted funds	30,000	204,232	(234,232)	—	—
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Strategic development	—	—	—	10,000	10,000
Defined benefit pension	—	—	—	10,000	10,000
Scheme management	—	—	—	20,000	20,000
FRS 102 pension liability	(445,000)	—	1,000	165,000	(279,000)
General funds	97,921	175,410	(129,721)	(20,000)	123,610
Total unrestricted funds	(347,079)	175,410	(128,721)	165,000	(135,390)
Total funds	(317,079)	379,642	(362,953)	165,000	(135,390)

Restricted funds represent grants for specific purposes, being the ACE grant for delivery of the ACE activity plan 2018-23.

Designated funds comprise £10,000 to allow for strategic development opportunities related to the museum data service or other opportunities that may arise, and £10,000 for the management of the defined benefit pension scheme liability. This second fund is intended as provision for the legal and administrative costs of entering into a deferred debt agreement with the pension fund at the point when the last remaining member of the scheme leaves, and where the fund is in a significant net liability position at that time.

Transfers between funds in 2022 relates to £20,000 from general reserves moved to the two designated funds.

14 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	7,395	16,689
Depreciation	467	315
Interest	(694)	(7)
Decrease / (Increase) in stock	1,159	(274)
Decrease / (Increase) in debtors	7,372	(2,497)
(Decrease) / Increase in creditors	(2,181)	7,227
Defined benefit pension scheme service and finance cost adjustments	—	(1,000)
Net cash provided by operating activities	13,518	20,453

Notes to the financial statements 31 March 2023**15 Analysis of cash and cash equivalents**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	161,947	11,628	173,575
	<u>161,947</u>	<u>11,628</u>	<u>173,575</u>

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	142,494	19,453	161,947
	<u>142,494</u>	<u>19,453</u>	<u>161,947</u>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash/(debt) of the charity and the above cash and cash equivalents.

16 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are 2023: £nil (2022: £nil)

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

Other than as disclosed in note 6, there were no related party transactions for 2023 (2022: £nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

19 Defined benefit pension commitments

The charity participates in the Cambridgeshire County Council Pension Scheme, a career average revalued earnings (CARE), multi-employer pension scheme. Participation in the scheme is by virtue of the organisation's status as an admitted body to the fund.

In 2007 the charity was enrolled in a 'small bodies pool' within the pension scheme, and whilst in this pool it was not possible to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore defined contribution accounting was applied during this period. In 2019, the Fund decided to disband the Small Bodies Pool, and as such Collections Trust was able to identify its individual funding position.

The triennial valuation as of 31 March 2019 showed a high-risk deficit of £633,000, but this had dropped to a low-risk deficit of only £20,000 in the subsequent triennial valuation. The latter showed a total liability of £1,753,000 against assets of £1,353,000 as of 31 March 2022.

Notes to the financial statements 31 March 2023**19 Defined benefit pension commitments** (continued)**FRS 102**

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the scheme as at 31 March 2023, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purpose of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

In order to assess the actuarial value of the charity's assets and liabilities as at 31 March 2023, the actuaries have rolled forward the actuarial value of the assets and liabilities of the scheme at 31 March 2020.

The major assumptions used by the actuary in preparing the FRS 102 figures were:

	2023 % per annum	2022 % per annum
Rate of increase in salaries	2.80	3.15
Rate of increase in pension payments	2.75	3.15
Discount rate	4.75	2.75
Rate of inflation - CPI	2.75	3.15

The mortality assumptions used were as follows:

	2023 years	2022 years
Longevity at age 65 for current pensioners		
. Men	21.7	22.2
. Women	24.3	24.2
Longevity at age 65 for future pensioners		
. Men	22.2	23.0
. Women	25.5	25.7

The net movement in the FRS 102 liability during the year was:

	2023 £'000s	2022 £'000s
Net deficit in scheme at 1 April	(279)	(445)
Service cost	(17)	(14)
Net interest	(8)	(9)
Employer contributions	25	24
Re-measurement of the defined liability per actuary	577	165
Net asset / (deficit) in the scheme as per actuarial valuation	298	(279)
Adjustment recognised within actuarial losses to cap pension asset*	(298)	—
Net deficit in scheme at 31 March as recognised on the balance sheet	—	(279)

*As the net surplus is deemed to be irrecoverable, recognition of the surplus on the balance sheet has been restricted to £nil. The adjustment of £298,000 has been offset against the overall actuarial gain for the year.

Notes to the financial statements 31 March 2023**19 Pension commitments** (continued)

Total expenditure recognised in the statement of financial activities (SOFA) was:

	2023 £000s	2022 £000s
Service cost	17	14
Total expenditure recognised in SOFA	17	14
Employer contributions	(25)	(24)
FRS 102 charge (credit)	(8)	(10)

The net gain recognised in the re-measurements in other recognised gains and losses was:

	2023 £000s	2022 £000s
Actuarial losses on scheme liabilities	575	97
Actuarial gains on scheme assets	2	68
Adjustment to cap pension asset	(298)	—
Remeasurement of the defined benefit liability	279	165

As pension assets are not deemed recoverable an adjustment to cap the asset value at nil has been made.

Asset and benefit obligation reconciliation:

	2023 £000s	2022 £000s
Defined benefit obligation at 1 April	(1,561)	(1,624)
Current service cost	(17)	(14)
Interest cost	(43)	(33)
Contributions by scheme participants	(3)	(2)
Benefits paid	16	15
Actuarial gains	575	97
Defined benefit obligation at 31 March	(1,033)	(1,561)

Reconciliation of opening and closing balances of the fair value of the charity's share of the scheme assets:

	2023 £000s	2022 £000s
Fair value of scheme assets at 1 April	1,282	1,179
Actuarial gains	2	68
Interest income on assets	35	24
Contributions by employer	25	24
Contributions by scheme participants	3	2
Benefits paid	(16)	(15)
Fair value of scheme assets at 31 March	1,331	1,282

Notes to the financial statements 31 March 2023**19 Pension commitments** (continued)

The charity's share of the assets in the scheme were:

	%	Value at 31 March 2023 £'000	%	Value at 31 March 2022 £'000
Equities	69.0	918	58.3	747
Government bonds	4.7	63	5.0	64
Other bonds	9.3	124	9.2	118
Property	8.3	110	8.9	114
Other managed funds	8.7	116	18.6	239
Total market value of assets		1,331		1,282

Contributions

The total contributions payable by the employer in the year were £25,000. At 31 March 2023, there were no outstanding contributions due to the scheme.

The best estimate of contributions to be paid by the charity to the scheme for the year ending 31 March 2024 is £15,000.

COLLECTIONS TRUST

England & Wales - Charity number 273984

Accounts

Collections Trust

Annual report and financial statements

31 March 2022

Company limited by guarantee

Registration number

01300565 (England and Wales)

Charity registration number

0273984

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Reference and administrative details about the charity, its board and its advisers

Charity name	Collections Trust
Charity number	0273984
Company number	01300565
Registered office	Rutland House 23-25 Friar Lane Leicester LE1 5QQ
Trustees and directors	Ms C Hampshire (Chair) Mr R Avann Dr A Bhauggerutty (appointed 30 May 2022) Ms K Childs Ms S Elliott Ms N Golding (appointed 30 May 2022) Ms S Johnson (appointed 30 May 2022) Ms A Karia Ms S Longmuir (appointed 30 May 2022) Dr C Michaels Ms T Simpson Ms R Sloss (appointed 30 May 2022) Mr P Stevenson Ms L Turner
Company Secretary and Chief Executive	Mr K Gosling
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling ME19 4JQ
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Trustees' annual report 31 March 2022

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2022. The trustees confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: applicable to charities preparing their financial statements in accordance with (the Charities SORP (FRS 102)). Collections Trust does not fall within the definition of a 'larger charity'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Collections Trust is a charitable company limited by guarantee (01300565), originally incorporated (as the Museum Documentation Association) on 28 February 1977. It is registered as a charity with the Charity Commission (0273984).

The governing document of Collections Trust is its memorandum and articles of association, last updated in 2008. A review of the articles is planned in 2022-23, since they describe a long-discontinued membership model. While not a problem in practice, the opportunity will be taken to update the articles and also formalise recent norms into written rules.

Governance

Collections Trust is governed by the board, whose members are directors under company law and also trustees under charity law. Trustees give their time voluntarily, and receive no benefits except for the offer of a free copy of Spectrum and discounted conference tickets in order to further their understanding of our work. Any expenses reclaimed are set out in note 6 to the financial statements.

The board is collegial, effective and diverse, taking an active role in steering the strategic direction of the organisation and ensuring its accountability – both in the legal sense, but also as the keeper of community-owned standards that must meet the needs of all museums and their audiences.

The articles state that the minimum number of trustees shall be three but set no maximum number. Recent practice has been for them to serve three years, after which they may be re-elected once for a further three years.

There are currently fourteen trustees, slightly higher than the recent average of twelve. This includes five new board members who joined in May 2022 in response to an open call. Although the call was for three new trustees, such was the exceptional calibre of candidates (shortlisted from 32 applications) it was decided to appoint five, boosting the existing board ahead of a time of significant organisational transformation.

Trustees' annual report 31 March 2022**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)****Governance** (continued)

The trustees who served throughout the year ended 31 March 2022 and up to the date these financial statements were approved, except where indicated, were:

Trustees	Appointed / Resigned
Ms C Hampshire (Chair)	
Mr R Avann	
Dr A Bhaugeerutty	(Appointed 30 May 2022)
Ms K Childs	
Ms S Elliott	
Ms N Golding	(Appointed 30 May 2022)
Ms S Johnson	(Appointed 30 May 2022)
Ms A Karia	
Ms S Longmuir	(Appointed 30 May 2022)
Dr C Michaels	
Ms T Simpson	
Ms R Sloss	(Appointed 30 May 2022)
Mr P Stevenson	
Ms L Turner	

The board meets quarterly, with interim meetings as required to deal with specific matters such as the sign-off of major grant applications.

In addition, an audit committee comprising a sub-group of trustees with an external chair, meets twice a year to monitor and review all aspects of the organisation's financial management. A further sub-group (the commitments committee) reviews the budget, contractual terms and risks of any proposed project with a value over £10,000, as and when required.

Management

The Chief Executive is responsible for the overall management of the organisation and also acts as company secretary. The Finance Manager takes the lead in day-to-day financial management. Both prepare reports for the board and audit committee, including regular updates to the risk register, and attend their meetings.

In April 2022, responding to longstanding risks identified around tight capacity and business continuity, the Outreach Manager was promoted to Deputy Director, bringing the size of the management team to 2.6 FTE. She also attends board and audit committee meetings, and leads the planning and delivering of core activity funded by Arts Council England (ACE).

The key management personnel, being the Chief Executive, Deputy Director and Finance Manager, are all paid employees of the organisation, as are other members of staff. Remuneration of the Chief Executive, and other members of the management team, is set by the board and, if deemed appropriate, increased annually by a percentage in line with all employees.

Trustees' annual report 31 March 2022

OBJECTIVES

Charitable purpose

Our charitable object, set out in our memorandum and articles of association, is to:

Promote the education of the public by the development of museums and similar organisations by all appropriate methods.

Our charitable purpose therefore falls within the scope of the 'advancement of the arts, culture, heritage or science' purpose specified in the Charities Act 2011.

Mission and aims

During the course of 2021-22 the board and management team spent much time in strategic reflection, prompted by significant progress towards our long-held ambitions for digital infrastructure, and the need to rise to the challenges laid down by ACE's ten-year strategy, *Let's Create*.

Museums engage with their audiences through physical collections, but more so through information about those collections, as the lockdown recently reminded us. In May 2022, we updated our mission to emphasise this.

Our revised mission is to:

Help museums work with the information that connects collections and audiences.

During the year we also took the opportunity to review and simplify our aims. They are:

- ◆ *Continue to build Collections Trust into a dynamic, ambitious sector support organisation, valued around the world as a leader in collections management standards and advice.*
- ◆ *In partnership with other sector bodies, to help UK museums meet the accreditation standards for managing collections.*
- ◆ *Help UK museums make their collections information inclusive and relevant, enriching it with knowledge drawn from a wide range of people.*
- ◆ *Influence the development of a sustainable, futureproof infrastructure for sharing and storing the UK's digital collections, linked to the wider online cultural heritage ecosystem.*
- ◆ *Use that infrastructure to develop tools and services that support smarter working with collections across the sector.*

PUBLIC BENEFIT

Having given due regard to Charity Commission guidance, the trustees reaffirm that Collections Trust's charitable purpose is for the public benefit. This contribution is indirect: not engaging directly with audiences ourselves, but helping museums achieve their own audience-driven missions.

Trustees' annual report 31 March 2022**PUBLIC BENEFIT** (continued)

In particular, our activity indirectly benefits the audiences of the UK's 1,700 museums that are part of the museum accreditation scheme administered by ACE and its counterparts in Scotland, Wales and Northern Ireland. Our collections management standard, Spectrum, is embedded in the scheme's requirements, with the aim of ensuring that accredited museums are accountable for the collections they hold on behalf of the public, and have the informational 'raw material' to create exhibitions, online resources and other audience-facing outputs.

ACTIVITIES AND ACHIEVEMENTS

Though still lived in the shadow of COVID-19, 2021-22 proved to be a watershed year for Collections Trust, for all the right reasons. Three developments in particular stood out:

- ◆ Having honed our remote-working practice well before the pandemic, in January 2022 we gave up our London office a few months sooner than planned, and now operate with all staff working from home, with just a registered address for legal compliance. This development brings a significant, ongoing reduction in overheads, adding to the positive financial position described in later sections of this report.
- ◆ Having reached our reserves target in February 2021, and anticipating the overheads saving from the office closure, for the first time in many years we were able to increase our capacity to support museums. In June 2021 we took on a new 0.6 FTE Outreach Officer, allowing the then Outreach Manager (now Deputy Director) to take on a more strategic role.
- ◆ Most significantly, in 2021-22 we took a decisive step forward, working in partnership, to plan a transformative, national museum data service that is on track to secure funding in autumn 2022. Recent annual reports have charted slow progress over many years towards our goal of a 'sustainable, futureproof infrastructure for sharing and storing the UK's digital collections', so this development is particularly noteworthy.

Museum data service

The need for a museum data service was put beyond doubt by another of the year's achievements: a landmark audit of digitised collections in the UK's leading cultural heritage organisations. This was commissioned from Collections Trust by *Towards a National Collection* (TaNC), a £19m research programme funded by the Arts and Humanities Research Council (AHRC).¹ Of the 264 institutions invited to take part, responses were received from 230 (87%). No previous attempt to survey the state of the nation's digital collections has given such a comprehensive picture.

The audit included 153 leading museums, who reported 40 million object records between them, of which 25 million were available on their own websites. While this sounds encouraging, most were published in a way that risks millions of broken links in future. Moreover, anyone wanting to search across all these records would have to consult over a hundred websites one-by-one.

¹ <https://zenodo.org/record/6379581#.YoZkN1RBw2w>

Trustees' annual report 31 March 2022**ACTIVITIES AND ACHIEVEMENTS** (continued)**Museum data service** (continued)

The fundamental problem is how to make these and other object records, currently siloed, accessible in a joined-up way. Until that happens, no-one can make good use of all that information.

For several years, Collections Trust has been working on this problem with the national online platform Art UK, which needs to speed up, and scale up, the way it receives and processes data from hundreds of contributing museums. In December 2021 a third partner joined our initiative, when the University of Leicester announced a new Institute of Digital Culture to complement its world-leading School of Museum Studies.

With two-year start-up funding for the museum data service secured in principle from a philanthropic donor, we and the other two founding organisations are working up detailed plans, including proposals for a new joint venture vehicle to formalise our partnership and manage the resulting infrastructure. If the funding is indeed confirmed by autumn 2022, the core enabling tools should be operational by summer 2023.

The core service will offer a free and easy way for any UK museum to hold a copy of its collections records in a cloud-based data repository, and to share as much or as little of this data as the museum is comfortable with. A web interface will allow users to browse and search across all the data they are allowed to see. Though open to anyone, this interface will be a working tool, giving access to the raw material needed to create engaging content elsewhere, rather than being a destination site in its own right.

The initial build will include a suite of tools for Art UK to process and enhance the raw source records into the consistent house style presented on its website. These tools will be adaptable, to support many other use scenarios, which we and others will broker. This will transform not only the sector's capacity for joined-up digital collaboration, but also our own business model, as we generate new streams of income by putting the service's infrastructure and tools to work.

Supporting good collections management practice in UK museums

As in previous years, our core activity was as a grant-funded sector support organisation (SSO) within ACE's national portfolio. As noted already, the standard for which we are best known, Spectrum, is embedded within the museum accreditation scheme: 'the UK industry standard for museums and galleries.' Spectrum gives tried-and-tested advice on the procedural side of working with collections, whether using them with audiences or carrying out the back-office tasks essential for sound governance. It is not a prescriptive, top-down set of rules, but flexible guidance rooted in the accumulated wisdom of hundreds of staff and volunteers from museums large and small.

All accredited museums must meet the minimum requirements of Spectrum's nine primary procedures, and we help museums do this through our website (around 128,600 users in 2021-22), comms activity (around 11,500 Twitter followers and 13,300 LinkedIn), and our much-valued outreach programme.

Trustees' annual report 31 March 2022**ACTIVITIES AND ACHIEVEMENTS** (continued)**Supporting good collections management practice in UK museums** (continued)

The outreach programme has been building and evolving since 2016, yet there is still a steady ongoing demand for entry-level training as new staff and volunteers join the workforce, and for refresher training and confidence-boosting for those trying to tackle longstanding problems within their museums.

The programme is run in partnership with the museum development (MD) agencies across England. They are offered ACE-funded days of training or other outreach activity, broadly in proportion to the number of accredited museums within each region. The MD teams identify the topics based on their own local knowledge and training needs analysis, promote the events as part of their own programmes, handle the bookings and venues for in-person events, and carry out the evaluations.

For obvious reasons, most of the outreach sessions in 2021-22 were delivered online, a trend we expect to continue even as in-person events resume after the pandemic. Both the number of sessions and the number of participants were lower than in the lockdown year 2020-21 (when there was a jump in numbers), returning to levels slightly higher than pre-COVID-19. Over the year 97 sessions were delivered to a total of 1,178 participants.

Formal evaluations using the MD framework were completed for 66 of these sessions, and the average reported perception of 'skills gained' was 4.5 out of a possible 5. The comments from those attending were equally positive, as this selection testifies:

The training programme ... is a lifeline for our small organisation and I know that volunteers without any curatorial background really appreciate a) the chance to participate and b) the learning and networking opportunities these sessions provide.

It was very interesting talking with other museum staff, and I found it enjoyable to be in a position where I could share helpful practice. As an untrained staff member, I usually find I'm a bit at sea at training sessions, this time, I was able to relate to everything discussed.

I could not hope to tackle a rewrite of our Accreditation procedures without these sessions to support me and spur me on every fortnight.

Spectrum has stayed relevant over the years through regular review and revision based on open consultation. The most recent major update was published in 2017, but we continue to evolve the standard in response to changing needs, often identified via our outreach activity.

For example, we realised that museums otherwise keen to work more collaboratively with their audiences often have a 'gatekeeper' mentality when it comes to information about 'their' collections. In response, we have been consulting on potential revisions to Spectrum's advice on cataloguing and the use of collections, with the aim of encouraging a more inclusive approach. The results of this initiative will be published in 2022.

ACTIVITIES AND ACHIEVEMENTS (continued)**Supporting good collections management practice in UK museums** (continued)

Our 2021 conference also explored how museums can work more effectively with complex layers of data about their collections. Over the course of two half-day events on 14-15 October 2021, an international line-up of speakers considered how to deal with the multi-layered, multi-perspective knowledge that comes with 'cataloguing outside the box'. This, our second online conference, went smoothly from a technical point of view, included some excellent presentations and panel discussions, attracted some 480 attendees and was more profitable than anticipated. Special thanks are due to our Spectrum Partner, Axiell, who sponsored 65 free places for students and other unwaged participants.

Spectrum – the UK standard used around the world

There can be few museum sector organisations of our size with such an international reach and influence. Under licence from us, our Spectrum standard has been adopted by many other countries and is being used from the Andes to the Arctic Circle.

The most recent version of Spectrum has now been translated into Polish by our colleagues at NIMOZ, Poland's National Institute for Museums and Public Collections. This is the latest translation added to our website, joining versions in Dutch, (Canadian) French, Norwegian, and Swedish. Work continues on translations into Portuguese and German. To support its own museum development work in the Middle East/North Africa and South America, the British Council has funded further translations into Arabic and Spanish.

In 2021-22, the British Council also commissioned online workshops from us that have resulted in Spectrum-based guidance optimised for Peruvian museums and endorsed by Peru's Ministry of Culture.

To help museums choose software that will support Spectrum-based ways of working, we license the standard for commercial use through our Spectrum partners scheme. As well as being a significant source of income, the scheme helps to embed Spectrum as the *de facto* international standard for collections management.

Such is the international demand for Spectrum-compliant software that more than half the companies licensed to use Spectrum commercially operate mostly or entirely outside the UK. We are hugely grateful to all our Spectrum partners for their ongoing support for the standard.

FINANCIAL REVIEW

During the year, Collections Trust had income, excluding bank interest, of £379,635 (2021 - £359,803). Of this, £204,232 (2021 - £234,232) was restricted funding with £234,232 (2021 - £234,232) received from the Arts Council England.

Unrestricted income of £175,403 (2021 - £125,571) was made up from retail sales of publications and forms £34,842 (2021 - £20,793); Spectrum partnership membership fees £56,147 (2021 - £47,270); consultancy projects £70,750 (2021 - £45,579); conference ticket sales £7,064 (2021 £nil); furlough grant income £nil (2021 - £11,294); and donations £nil (2021 - £425), plus other income of £nil (2021 - £210).

Trustees' annual report 31 March 2022**FINANCIAL REVIEW** (continued)

Collections Trust spent £234,232 (2021 - £234,232) directly on Arts Council England projects, including staff time.

£128,721 (2021 - £106,578) was spent on other charitable activities (retail, Spectrum partnerships, and consultancy).

The year finished with an overall surplus of £16,689 (2021 - £19,015). Total funds carried forward (excluding the pension liability) were £143,610 (2021 - £127,921) of which £123,610 (2021 - £97,921) was unrestricted, £20,000 designated (2021 - £nil) and £nil (2021 - £30,000) restricted, giving free reserves (unrestricted funds excluding fixed assets, pension liability, and designated funds) of £122,811 (2021 - £97,814). The balance sheet shows total funds to be in deficit by £135,390, once the defined benefit pension deficit, calculated by the actuary as £279,000, is taken into account.

Reserves policy and position

The organisation's strategic plan for the coming three years, and the risk register, establish that alongside the need for a general reserves fund, there are also both risks and opportunities that require the designation of funds. The reserves policy therefore sets out the following targets and designations:

1. General fund

Three to six months operational expenditure in free reserves to accommodate variations in income levels, mitigate against any cashflow shortfalls, and meet any unbudgeted expenditure such as parental or sick pay. This figure equates to between £90,000 and £180,000. At 31 March 2022 the organisation held £122,811 in free reserves (unrestricted, undesignated reserves excluding fixed assets and pensions). This equates to four months' operating costs, falling within the target range of the policy.

2. Strategic fund

A designated fund of £10,000 to allow for the opportunity and flexibility to invest in strategic initiatives related to the museum data service, and other potential opportunities.

3. Defined benefit pension fund

A designated fund of £10,000 to cover the legal and administrative costs of entering into a deferred debt arrangement (DDA) with the pension fund upon retirement of the last active member. This is deemed to be a likely event in the near to mid-term future, and a DDA would avoid the need for Collections Trust to pay the full balance of the pension liability in full at that point, since this has been calculated to be unaffordable.

Before this exit occurs, the charity and pension fund have agreed a repayment schedule of £15,000 per year in additional contributions for the ten years from 2020-2030 to work towards eliminating the funding shortfall. The trustees are satisfied that this is a reasonable level that can be afforded annually from budgeted expenditure without impacting reserves.

Trustees' annual report 31 March 2022

FINANCIAL REVIEW (continued)

Reserves policy and position (continued)

The organisation aims to provide for these reserves through unrestricted surplus funds carried forward at the end of each financial year. This money shall be invested in bank savings accounts on the most advantageous overall terms, in respect of interest and charges and access, and will be regularly reviewed.

Fundraising

The charity does not raise or actively seek to raise funds from the public. The trustees therefore do not consider that they are obliged to make any further disclosures in relation to this area.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements, and in light of the implications of the current economic downturn, with consideration given to budget forecasts, cashflow, confirmed and pipeline projects.

The trustees have given particular consideration to the defined benefit pension liability, recognising that this puts the balance sheet into deficit. Whilst this is a large liability, it is not an immediate one, and a manageable repayment plan has been agreed with the pension fund over ten years to 2030. In addition, funds have been designated to provide for the scenario of a large debt being payable upon retirement of the last active member of the scheme.

The organisation performed well over the year, exceeding income targets and returning to pre-pandemic levels in most cases. Retail sales, which dropped 50% the previous year, returned to 85% of usual levels, and consultancy comfortably exceeded targets. The result meant that the organisation finished the year in a strong position and was able to grow its unrestricted reserves.

Looking forward, funding secured in principle for the museum data service for 2023 onwards will allow the strategic development of our business model, with the generation of new income streams through the use of the service's infrastructure and tools. This will further cement Collections Trust's role as critical to the sector, and make more powerful the case for continued ACE funding from 2023 onwards when the next round of grants will be announced.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Trustees' annual report 31 March 2022**PRINCIPAL RISKS AND UNCERTAINTIES**

The trustees have considered the strategic risks facing Collections Trust and the measures needed to mitigate them. They consider the following to be the key risks and mitigation strategies.

Risk	<p>Economic downturn</p> <p>The combined effects of the current economic crisis bring the risk of reduced income-generating possibilities, and fewer grant-funding opportunities. Alongside this inflation will push up costs and reduce the forecast surplus for the year.</p>
Tolerance	Medium – the risk is unavoidable, but the organisation has healthy reserves to help absorb any short-term shocks.
Mitigation	Prudent budgeting and forecasting, along with regular financial monitoring, aims to ensure the organisation returns a surplus at year end.

Risk	<p>Impact of new museum data service</p> <p>The scale and pace of change over coming years as the planned museum data service is set up, risks overwhelming the capacity of the organisation to adapt its business model accordingly.</p>
Tolerance	Low – the organisation has been working towards this for many years and needs to maximise the current opportunity to deliver on its strategic aims.
Mitigation	The board has agreed a strategy for managing the transition within its investment principles action plan.

Risk	<p>Loss of key member of staff</p> <p>Employee turnover is inevitable, and in a small organisation a lot of institutional knowledge rests with a few key individuals.</p>
Tolerance	Medium – the appointment of a deputy director in April 2022 has helped to address issues of capacity and continuity.
Mitigation	The deputy director works alongside the CEO and finance manager as part of the key management personnel, with knowledge shared between the team. The board of trustees also takes an active role in strategic initiatives.

Trustees' annual report 31 March 2022

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk	<p>LGPS pension fund liability</p> <p>The pension scheme has only one remaining active member, who is approaching retirement. Once this member exits the scheme, Collections Trust will need to enter negotiations with the pension fund to agree a deferred debt arrangement (DDA), allowing the organisation to continue paying as if they still had an active member, and therefore avoid crystallising an unaffordable liability. Whilst the fund have agreed in principle that they would consider a DDA, nothing has been confirmed, and there is a risk in the current economic climate that proposed rates of payment would be unaffordable.</p>
Tolerance	Low – the requirement for immediate repayment of the liability would push the organisation into insolvency.
Mitigation	The organisation has agreed a ten-year repayment plan up to 2030 which works towards eliminating the deficit. It has designated £10,000 of reserves for the legal, actuarial and administrative costs of entering into a DDA, and it maintains regular open dialogue with the pension fund regarding its funding position.
Risk	<p>Cyber security</p> <p>Research published in January 2022 found that increasing numbers of charities suffered cyber-breaches in the previous year.</p> <p>CT is reliant on IT and the internet for all its operations. A cyber-attack could compromise its ability to deliver its services and generate income. A data breach could risk litigation and damage to our reputation.</p>
Tolerance	Medium to low – whilst a cyber-attack is unlikely to threaten the existence of Collections Trust, it could take considerable time and resources to resolve an attack and may lead to costly legal fees and fines.
Mitigation	The organisation holds Cyber Essentials accreditation, which includes cyber insurance. It also has a regular focus on staff training and review of systems to ensure compliance with the relevant legislation and guidance.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Trustees' annual report 31 March 2022

STATEMENT OF REPONSIBILITIES OF THE TRUSTEES (continued)

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 these financial statements, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in the Charities SORP (FRS102)
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Trustees' annual report 31 March 2022

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 9 (2021: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The trustees' annual report has been approved by the trustees and signed on their behalf by:

DocuSigned by:
Camilla Hampshire
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C Hampshire
Chair

Date: 2/9/2022

Independent auditor's report 31 March 2022

Independent auditor's report to the members of Collections Trust

Opinion

We have audited the financial statements of Collections Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

Independent auditor's report 31 March 2022

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of responsibilities of trustees, 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.

Independent auditor's report 31 March 2022**Responsibilities of trustees** (continued)

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.

Auditor's responsibilities for the audit of the financial statements

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006 and data protection legislation.
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

Independent auditor's report 31 March 2022

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report 31 March 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, stylized font with a long horizontal stroke at the end.

Gumayel Miah (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date 19 October 2022

Statement of financial activities (incorporating an income and expenditure account)

31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Income from:					
Charitable activities	2	175,403	204,232	379,635	359,803
Investments	3	7	—	7	22
Total income		175,410	204,232	379,642	359,825
Expenditure on:					
Charitable activities:					
. Projects and programmes		—	234,232	234,232	234,232
. Other charitable activities		128,721	—	128,721	106,578
Total expenditure	4	128,721	234,232	362,953	340,810
Net income (expenditure) for the year		46,689	(30,000)	16,689	19,015
Other recognised gains (losses)					
Actuarial gain (loss) in respect to defined benefit pension scheme	19	165,000	—	165,000	(229,000)
Net movement in funds		211,689	(30,000)	181,689	(209,985)
Reconciliation of funds:					
Total funds brought forward		(347,079)	30,000	(317,079)	(107,094)
Total funds carried forward		(135,390)	—	(135,390)	(317,079)

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

A full comparative statement of financial activities is included at Note 1.

Balance sheet 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	8		799		107
Current assets					
Stock	9	1,336		1,062	
Debtors	10	15,889		13,391	
Cash at bank and in hand		161,947		142,494	
		<u>179,172</u>		<u>156,947</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	(36,361)		(29,133)	
Net current assets			<u>142,811</u>		<u>127,814</u>
Total assets less current liabilities			<u>143,610</u>		<u>127,921</u>
Pension liability	19		(279,000)		(445,000)
Total net liabilities			<u>(135,390)</u>		<u>(317,079)</u>
The funds of the charity:					
Restricted funds	13		—		30,000
Unrestricted funds:					
. Designated funds		20,000		—	
. Pension reserve	13	(279,000)		(445,000)	
. General funds	13	123,610		97,921	
Total unrestricted funds	13		<u>(135,390)</u>		<u>(347,079)</u>
Total funds			<u>(135,390)</u>		<u>(317,079)</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

DocuSigned by:

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Trustee Date: 2/9/2022
Camilla Hampshire
Company registration number: 01300565 (England and Wales)

The attached notes form part of the financial statements.

Statement of cash flows 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities:					
Net cash provided by operating activities	14		20,453		34,639
Cash flows from investing activities:					
Interest received		7		22	
Purchase of fixed assets		(1,007)		—	
Cash provided by investing activities			(1,000)		22
Change in cash and cash equivalents in the year			19,453		34,661
Cash and cash equivalents at the beginning of the year			142,494		107,833
Cash and cash equivalents at the end of the year	15		161,947		142,494

Principal accounting policies 31 March 2022

Basis of preparation

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

The charitable company meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling and are rounded to the nearest pound.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements, and in light of the implications of the economic downturn, with consideration given to budget forecasts, cashflow, confirmed and pipeline projects.

The trustees have given particular consideration to the defined benefit pension liability, recognising that this puts the balance sheet into deficit. Whilst this is a large liability, it is not an immediate one, and a manageable repayment plan has been agreed with the pension fund over ten year to 2030. In addition, funds have been designated to provide for the scenario of a large debt being payable upon retirement of the last active member of the scheme.

The organisation performed well over the year, exceeding income targets and returning to pre-pandemic levels in most cases. Retail sales, which dropped 50% the previous year, returned to 85% of usual levels, and consultancy comfortably exceeded targets. The result of this meant that the organisation finished the year in a strong position and was able to grow its unrestricted reserves.

Looking forward, funding secured in principle for the museum data service for 2023 onwards will allow the strategic development of our business model, with the generation of new income streams through the use of the MDS infrastructure and tools. This will further cement Collections Trust's role as critical to the sector, and make more powerful the case for continued ACE funding from 2023 onwards when the next round of grants will be announced.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Critical accounting estimates and areas of judgement

The most significant area of adjustment and key assumption that affects items in the financial statements is the anticipated pension liability which the charity will have to pay, and which is detailed in note 19.

Principal accounting policies 31 March 2022

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer, it is probable that the income will be received, and the revenue and associated costs can be reliably measured.

Revenue from the provision of services is recognised when it is probable that Collections Trust will receive the economic benefit and the revenue and associated costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of 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 donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Expenditure is comprised of direct and support costs. Direct costs are allocated to a specific activity. The classification between activities is as follows:

- ◆ Expenditure on charitable activities includes costs of delivering services, exhibitions and other activities undertaken to further the purposes of the charity and their associated support costs; and
- ◆ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred and is calculated using the ratio that business income bears to total income.

Principal accounting policies 31 March 2022

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, payroll and governance costs which support the charitable activities. These costs have been allocated between the various charitable activities. They are allocated based on staff time.

Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the assets are expected to have a useful life of more than four years. The capitalisation threshold is £1,000. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- ◆ Fixtures and fittings 20% per annum based on cost
- ◆ Computer equipment 25% per annum based on cost

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method

Principal accounting policies 31 March 2022

Pensions

The charity contributes to a defined benefit scheme operated by Cambridgeshire County Council, which provides benefit based on average pensionable salary. The assets of the scheme are held and managed separately from those of the charity.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Any increases in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expense category within the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

The charity also offers an auto-enrolment pension scheme into which all new employees are enrolled. Contributions in respect to the personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

Notes to the financial statements 31 March 2022

1 Detailed comparatives for the statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income from:				
Charitable activities	2	125,571	234,232	359,803
Investments	3	22	—	22
Total income		125,593	234,232	359,825
Expenditure on:				
Charitable activities:				
. Projects and programmes		—	234,232	234,232
. Other charitable activities		106,578	—	106,578
Total expenditure	4	106,578	234,232	340,810
Net income for the year		19,015	—	19,015
Other recognised losses				
Actuarial loss in respect to defined benefit pension scheme	19	(229,000)	—	(229,000)
Net movement in funds		(209,985)	—	(209,985)
Reconciliation of funds:				
Total funds brought forward		(137,094)	30,000	(107,094)
Total funds carried forward		(347,079)	30,000	(317,079)

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Projects and programmes						
Arts Council England	—	204,232	204,232	—	234,232	234,232
Other charitable activities						
Retail and publishing	34,842	—	34,842	20,793	—	20,793
Spectrum partnership licencing scheme	56,147	—	56,147	47,270	—	47,270
Consultancy	70,750	—	70,750	45,579	—	45,579
Training	6,600	—	6,600	—	—	—
Conference	7,064	—	7,064	—	—	—
Donations	—	—	—	425	—	425
Furlough grant income	—	—	—	11,294	—	11,294
Other income	—	—	—	210	—	210
Total income from charitable activities	175,403	204,232	379,635	125,571	234,232	359,803

Notes to the financial statements 31 March 2022

3 Income from investments

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Bank interest	7	—	7	22	—	22

4 Analysis of expenditure

	Restricted			Unrestricted				2022 Total £
	ACE £	Retail £	Spectrum £	Consultancy £	Training £	Conference £	CT Award £	
Expenditure								
Direct costs	16,221	14,026	434	13,131	—	452	—	44,264
Direct staff costs	142,433	9,610	1,249	31,629	2,661	—	—	187,582
	158,654	23,636	1,683	44,760	2,661	452	—	231,846
Overheads								
Administration overheads	54,145	4,283	336	9,903	964	—	—	69,631
Staff overheads	21,433	11,075	868	25,606	2,493	—	—	61,476
	75,578	15,358	1,204	35,509	3,458	—	—	131,107
Total expenditure 2022	234,232	38,994	2,887	80,269	6,119	452	—	362,953

	Restricted			Unrestricted				2021 Total £
	ACE £	Retail £	Spectrum £	Consultancy £	Training £	Conference £	CT Award £	
Expenditure								
Direct costs	15,014	9,917	351	14,611	—	—	1,000	40,893
Direct staff costs	126,620	4,780	679	23,235	—	—	—	155,314
	141,634	14,697	1,030	37,846	—	—	1,000	196,207
Overheads								
Administration overheads	58,313	2,705	251	15,681	—	—	—	76,950
Staff overheads	34,285	8,493	787	24,089	—	—	—	67,653
	92,598	11,198	1,038	39,768	—	—	—	144,603
Total expenditure 2021	234,232	25,895	2,068	77,615	—	—	1,000	340,810

Overheads are allocated based on staff time per activity.

5 Net income for the year

This is stated after charging:

	2022 £	2021 £
Operating lease rentals		
. Property	19,241	25,277
Depreciation	315	421
Auditor's remuneration		
. Audit fees	6,728	7,680

Notes to the financial statements 31 March 2022**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	222,751	206,074
Social security costs	18,908	17,165
Pension costs	13,116	12,728
Redundancy costs	4,283	—
	259,058	235,967
FRS 102 defined benefit pension adjustment	(10,000)	(13,000)
	249,058	222,967

The following number of employees received employee benefits (salary and employers NI contributions, excluding employer pension) during the year between:

	2022 £	2021 £
£60,000 - £69,999	1	1

The total employee benefits (being salary, employer's NI contributions, and pension) of the key management personnel were £100,629 (2021 - £98,639).

The charity trustees expenses reimbursed during the year were £nil (2021 - £nil). The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2021 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2021 - £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
ACE	3.0	2.9
Retail	0.3	0.1
Spectrum	0.1	0.1
Consultancy	0.5	0.3
Training	0.1	—
Support	1.5	1.8
	5.5	5.2

7 Taxation

Collections Trust is a registered charity and therefore not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 March 2022

8 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	2022 Total £
Cost			
At 1 April 2021	1,215	1,686	2,901
Additions	—	1,007	1,007
Disposals	(1,215)	(1,686)	(2,901)
At 31 March 2022	—	1,007	1,007
Depreciation			
At 1 April 2021	1,215	1,579	2,794
Charge for the year	—	315	315
Disposals	(1,215)	(1,686)	(2,901)
At 31 March 2022	—	208	208
Net book values			
At 1 April 2021	—	107	107
At 31 March 2022	—	799	799

All of the above assets are used for charitable purposes.

9 Stock

	2022 £	2021 £
Forms and catalogue cards	1,336	1,062
	1,336	1,062

10 Debtors

	2022 £	2021 £
Amounts falling due in more than one year:		
Rental deposit	—	5,550
Amounts falling due in less than one year:		
Trade debtors	4,201	6,319
Sundry debtors	161	153
Prepayments	5,977	1,369
Rental deposit	5,550	—
	15,889	13,391

Notes to the financial statements 31 March 2022

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	4,894	2,089
Taxation and social security	5,154	5,710
Pension contributions	956	—
Redundancy payment	4,283	—
Deferred income	308	—
Accruals	15,367	17,294
VAT payable	5,358	3,999
Royalties	41	41
	36,361	29,133

12 Analysis of net assets between funds

	Unrestricted £	Restricted £	2022 Total funds £	Unrestricted £	Restricted £	2021 Total funds £
Tangible fixed assets	799	—	199	107	—	107
Net current assets	142,811	—	142,811	97,814	30,000	127,814
Pension liability	(279,000)	—	(279,000)	(445,000)	—	(445,000)
Net assets at the end of the year	(135,390)	—	(135,390)	(347,079)	30,000	(317,079)

13 Movement in funds

	At 1 April 2021 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2022 £
Restricted funds					
Arts Council England					
· Core funding	30,000	204,232	(234,232)	—	—
Total restricted funds	30,000	204,232	(234,232)	—	—
Unrestricted funds					
Designated funds					
· Strategic development	—	—	—	10,000	10,000
· Defined benefit pension scheme management	—	—	—	10,000	10,000
	—	—	—	20,000	20,000
FRS102 pension liability	(445,000)	—	1,000	165,000	(279,000)
General funds	97,921	175,410	(129,721)	(20,000)	123,610
Total unrestricted funds	(347,079)	175,410	(128,721)	165,000	(135,390)
Total funds	(317,079)	379,642	(362,953)	165,000	(135,390)

Notes to the financial statements 31 March 2022

13 Movement in funds (continued)

	At 1 April 2020 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2021 £
Restricted funds					
<i>Arts Council England</i>					
Core funding	30,000	234,232	(234,232)	—	30,000
Total restricted funds	30,000	234,232	(234,232)	—	30,000
Unrestricted funds					
Pension fund	(224,000)	—	8,000	(229,000)	(445,000)
General funds	86,906	125,593	(114,578)	—	97,921
Total unrestricted funds	(137,094)	125,593	(106,578)	(229,000)	(347,079)
Total funds	(107,094)	359,825	(340,810)	(229,000)	(317,079)

Restricted funds represent grants for specific purposes, being the ACE grant for delivery of the ACE activity plan 2018-23.

Designated funds comprise £10,000 to allow for strategic development opportunities related to the museum data service or other opportunities that may arise, and £10,000 for the management of the defined benefit pension scheme liability. This second fund is intended as provision for the legal and administrative costs of entering into a deferred debt agreement with the pension fund at the point when the last remaining member of the scheme leaves.

Transfers between funds relates to £20,000 from general reserves moved to the two designated funds.

14 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	16,689	19,015
Depreciation	315	421
Interest	(7)	(22)
(Increase)/decrease in stock	(274)	61
(Increase)/decrease in debtors	(2,497)	22,211
Increase in creditors	7,227	953
Defined benefit pension scheme cost less contributions payable	(1,000)	(8,000)
Net cash provided by operating activities	20,453	34,639

Notes to the financial statements 31 March 2022

15 Analysis of cash and cash equivalents

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	142,494	19,453	161,947
	<u>142,494</u>	<u>19,453</u>	<u>161,947</u>
	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	107,833	34,661	142,494
	<u>107,833</u>	<u>34,661</u>	<u>142,494</u>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash/(debt) of the charity and the above cash and cash equivalents.

16 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Property	
	2022 £	2021 £
Leases which expire:		
Within one year	—	20,350
Within two to five years	—	2,779
	<u>—</u>	<u>23,129</u>

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

Other than as disclosed in note 6, there were no related party transactions for 2022 (2021 - £nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

19 Defined benefit pension commitments

The charity participates in the Cambridgeshire County Council Pension Scheme, a career average revalued earnings (CARE), multi-employer pension scheme. Participation in the scheme is by virtue of the organisation's status as an admitted body to the fund.

In 2007 the charity was enrolled in a 'small bodies pool' within the pension scheme, and whilst in this pool it was not possible to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore defined contribution accounting was applied during this period.

Notes to the financial statements 31 March 2022

19 Defined benefit pension commitments (continued)

A full triennial actuarial valuation of the scheme was carried out at 31 March 2019. At the same time the fund took the decision to disband the small bodies pool, and as such Collections Trust was able to identify its individual funding position. The valuation showed the charity had assets of £1,005,000, liabilities of £1,638,000 and a deficit of £633,000.

To work towards eliminating the funding shortfall, the scheme trustees and charity agreed a repayment schedule of £15,000 per year in additional contributions for ten years to 2030.

FRS 102

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the scheme as at 31 March 2022, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purpose of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

In order to assess the actuarial value of the charity's assets and liabilities as at 31 March 2022, the actuaries have rolled forward the actuarial value of the assets and liabilities of the scheme at 31 March 2020.

The major assumptions used by the actuary in preparing the FRS 102 figures were:

	2022 %	2021 %
	per annum	per annum
Rate of increase in salaries	3.15	2.70
Rate of increase in pension payments	3.15	2.70
Discount rate	2.75	2.05
Rate of inflation - CPI	3.15	2.70

The mortality assumptions used were as follows:

	2022 years	2021 years
Longevity at age 65 for current pensioners		
. Men	22.2	22.1
. Women	24.2	24.2
Longevity at age 65 for future pensioners		
. Men	23.0	22.9
. Women	25.7	25.6

The net movement in the FRS 102 liability during the year was:

	2022 £'000s	2021 £'000s
Net deficit in scheme at 1 April	(445)	(224)
Service cost	(14)	(11)
Net interest	(9)	(4)
Administration expenses	—	—
Employer contributions	24	24
Re-measurement of the defined liability	165	(230)
Net deficit in scheme at 31 March	(279)	(445)

Notes to the financial statements 31 March 2022

19 Pension commitments (continued)

Total expenditure recognised in the statement of financial activities (SOFA) was:

	2022 £000s	2021 £000s
Service cost	14	11
Total expenditure recognised in SOFA	14	11
Employer contributions	(24)	(24)
FRS 102 charge (credit)	(10)	(13)

The net gain recognised in the re-measurements in other recognised gains and losses was:

	2022 £000s	2021 £000s
Actuarial losses on scheme liabilities	(97)	(431)
Actuarial gains on scheme assets	68	201
Remeasurement of the defined benefit liability	165	(230)

Asset and benefit obligation reconciliation:

	2022 £000s	2021 £000s
Defined benefit obligation at 1 April	(1,624)	(1,168)
Current service cost	(14)	(11)
Interest cost	(33)	(26)
Contributions by scheme participants	(2)	(2)
Benefits paid	15	14
Actuarial losses	97	(431)
Defined benefit obligation at 31 March	(1,561)	(1,624)

Reconciliation of opening and closing balances of the fair value of the charity's share of the scheme assets:

	2022 £000s	2021 £000s
Fair value of scheme assets at 1 April	1,179	944
Actuarial gains	68	201
Interest on pension liabilities	24	22
Contributions by employer	24	24
Contributions by fund participants	2	2
Benefits paid	(15)	(14)
Fair value of scheme assets at 31 March	1,282	1,179

Notes to the financial statements 31 March 2022**19 Pension commitments** (continued)

The charity's share of the assets in the scheme were:

	%	Value at 31 March 2022 £'000	%	Value at 31 March 2021 £'000
Equities	58.3	747	60.2	710
Government bonds	5.0	64	5.0	56
Other bonds	9.2	118	9.7	117
Property	8.9	114	8.7	103
Other managed funds	18.6	239	16.4	193
Total market value of assets		1,282		1,179

Contributions

The total contributions payable by the employer in the year were £24,000. At 31 March 2022, there no outstanding contributions due to the scheme.

The best estimate of contributions to be paid by the charity to the scheme for the year ending 31 March 2023 is £24,000.

COLLECTIONS TRUST

England & Wales - Charity number 273984

Accounts

Collections Trust

Annual Report and Financial Statements

31 March 2021

Company Limited by Guarantee
Registration Number
01300565 (England and Wales)

Charity Registration Number
0273984

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Reference and administrative details about the charity, its Board and its advisers

Charity name	Collections Trust
Charity number	0273984
Company number	01300565
Registered office	Rich Mix 35-47 Bethnal Green Road London E1 6LA
Trustees and directors	Ms C Hampshire (Chair) Mr R Avann Ms K Childs Ms S Elliott Ms A Karia Dr C Michaels Ms T Simpson Mr P Stevenson Ms L Turner
Company Secretary and Chief Executive	Mr K Gosling
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling ME19 4JQ
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2021. The trustees confirm that the financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: applicable to charities preparing their financial statements in accordance with FRS 102. Collections Trust does not fall within the definition of a 'larger charity'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Collections Trust is a charitable company limited by guarantee (01300565), originally incorporated (as the Museum Documentation Association) on 28 February 1977. It is registered as a charity with the Charity Commission (0273984). Its governing document is its Memorandum and Articles of Association.

Governance

Collections Trust is governed by its board, whose members are directors under company law and also trustees under charity law. All members give their time voluntarily and receive no benefits except for the offer of a free copy of Spectrum and discounted conference tickets in order to further their understanding of our work. Any expenses reclaimed are set out in note 6 to the financial statements.

The articles of association state that the minimum number of trustees shall be three but set no maximum number. There are currently thirteen trustees. There are currently nine trustees. They are elected to serve a period of three years, after which they may be re-elected once for a further three years. In February 2021 four trustees came to the end of their second three-year term. It was decided to defer recruiting new trustees until the priorities of the organisation's business plan for 2023-27 become clearer over coming months.

The trustees who served throughout the year ended 31 March 2021 and up to the date these financial statements were approved, except where indicated, were:

Trustees	Appointed/Resigned
Ms C Hampshire (Chair)	
Mr R Avann	
Ms K Childs	
Ms S Elliott	
Ms J Jones	Resigned 8 April 2020
Ms A Karia	
Ms S Levitt	Resigned 25 February 2021
Dr C Michaels	
Ms D Potter	Resigned 25 February 2021
Ms S Raikes	Resigned 25 February 2021
Ms T Simpson	
Mr P Stevenson	
Ms L Turner	
Ms I Walsh	Resigned 25 February 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The board meets quarterly. In addition, an audit committee comprising a sub-group of trustees with an external chair meets twice a year to monitor and review all aspects of the organisation's financial management. A further sub-group (the commitments committee) reviews the budget, contractual terms and risks of any proposed project with a value over £10,000, as and when required.

Management

Day-to-day management of Collections Trust is the responsibility of the Chief Executive, who also acts as company secretary. The Finance Manager takes the lead in day-to-day financial management. Both are paid employees of the organisation, as are other members of staff. The Chief Executive and Finance Manager prepare reports for the board and audit committee, including regular updates to the risk register, and attend their meetings. During the year ended 31 March 2021, the key management personnel of the charity comprised the trustees together with the Chief Executive. Remuneration of the Chief Executive is set by the board and if deemed appropriate, increased annually by a percentage in line with all employees.

OBJECTIVES

Charitable purpose

Our charitable object, set out in our memorandum and articles of association, is to:

Promote the education of the public by the development of museums and similar organisations by all appropriate methods.

Our charitable purpose therefore falls within the scope of the 'advancement of the arts, culture, heritage or science' purpose specified in the Charities Act 2011.

Mission and aims

Our mission is to:

Help museums capture and share the information that gives their objects meaning. Our standards and advice are used around the world to make museum collections accessible.

In preparing our business plan for 2021-22, we took the opportunity to review and simplify our aims. They are:

- ◆ *Continue to build Collections Trust into a thriving, resilient sector support organisation valued around the world as a centre of excellence for collections management standards and advice.*
- ◆ *Consolidate Spectrum as the international standard for museum collections management.*
- ◆ *Work in partnership with other sector bodies to reduce significantly the number of UK museums without an appropriate inventory of their holdings.*
- ◆ *Help UK museums enrich their collections information, capturing the knowledge generated through the use of collections by a wide range of people.*
- ◆ *Influence the development of a sustainable, futureproof infrastructure for sharing and*

storing the UK's digital collections, linked to the wider online cultural heritage ecosystem.

- ◆ *Use that infrastructure to develop tools and procedures that support smarter working with collections across the sector.*

We will carry out a more comprehensive review of these aims as we prepare our business plan for 2022-23. In particular, we will consider more fully how we might embed Arts Council England's four new investment principles into every aspect of our work, and how this will affect our strategic priorities over the years 2022-27.

PUBLIC BENEFIT

Having given due regard to Charity Commission guidance, the trustees reaffirm that Collections Trust's charitable purpose is for the public benefit. This contribution is indirect: by helping museums manage the collections information they need to achieve their own missions. In particular, we help the 1,700 or so UK museums that are accredited through the scheme administered by Arts Council England and other home nation equivalents. Key parts of our collections management standard, Spectrum, are embedded in the scheme's requirements, with the aim of ensuring that accredited museums are accountable for their collections and can use them in a wide range of public-facing ways.

ACTIVITIES AND ACHIEVEMENTS

In a year dominated, of course, by Covid-19, Collections Trust quickly reshaped its support to the sector, offering online outreach and resources to match the needs of the moment. The independent impact evaluation we commissioned towards the end of the year suggests our timely response to rapidly-changing needs was noticed and appreciated by key stakeholders.

As the financial review shows, we drew on the government's Coronavirus Job Retention Scheme but otherwise came through the year largely unscathed. We are very aware, however, that the museum sector we serve has not been so fortunate. Huge sums of emergency funding held off the worst-case predictions of closures, but monitoring by the Museums Association reveals at least 4,000 jobs lost over the year. The funding crises in local government and universities, and depleted reserves across the independent sector, mean that the full impact of the pandemic is likely to unfold over several, difficult years.

As well as the impact on staff, volunteers and audiences, we remain concerned about the vulnerability of collections over coming years. Last summer, when scores of independent museums risked imminent insolvency, we urged a change in legislation to protect collections held in trust by charities that are also companies, as insolvency law usually treats such holdings as assets to be liquidated. Our advocacy secured the government's acknowledgement of the problem, and DCMS has been exploring legal options. We will continue to argue for this much-needed change during the breathing space bought by emergency cultural recovery funding.

The challenges faced by museums over the past year have redoubled our commitment to addressing some of the long-standing problems central to our mission: helping museums capture and share the information that gives their objects meaning. If anyone was in any doubt that this information is as important as the physical items themselves, a year of engaging with audiences digitally will have shown otherwise.

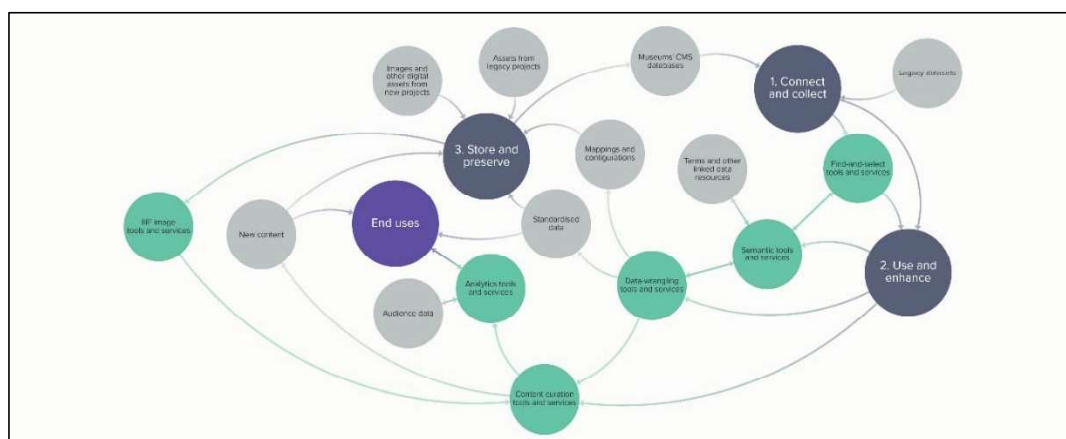
ACTIVITIES AND ACHIEVEMENTS (continued)

As funding bodies focus on digital investment as never before, we have spent much of the past year reflecting on how the sector might do things better, as described in the next section. Here we make the larger point to funders and museum leaders: improving the flow of collections information currently siloed in museums up and down the country will be essential for any longer-term recovery strategy for the sector. A data problem shared is a data problem halved, and too many hard-pressed museums are struggling with challenges that could be eased with shared infrastructure and services.

Influencing the development of a sustainable digital infrastructure

With museum doors closed because of the Covid-19 pandemic, a noticeable 'digital divide' opened up between those museums able to engage with their audiences online and those that struggled. During the year, Collections Trust was involved in tackling the immediate digital needs of smaller museums and also reflecting on the wider implications for the enabling infrastructure we advocate.

In one of the year's most significant activities, we took the opportunity of support from the Open Data Institute's Stimulus Fund to re-thinking what an open ecosystem for museum collections data might look like. The ODI's involvement piqued the interest of stakeholders and gave fresh impetus to our discussions with them. We arrived at a way forward much simpler than we imagined at the start, visualised within a 'framework for change'.



Given the large number of stakeholders currently working with museum collections data, notably the £19m Arts and Humanities Research Council programme *Towards a National Collection* (TaNC), one aim of the framework is to help everyone see where their activities fit within the overall picture, and where the gaps are.

Collections Trust proposes to focus on four key interventions, in partnership with others:

- A 'connect and collect' service – a minimum viable solution for bringing together collection records from all museums as the raw material for any and all uses.
- A 'find and select' tool allowing users to find and select the data they want to work with, as the first step in countless scenarios using digital collections.
- A generic 'content curation' tool that demonstrates how museums might capture and re-use knowledge generated in the course of projects and collaborations.

ACTIVITIES AND ACHIEVEMENTS (continued)

Influencing the development of a sustainable digital infrastructure (continued)

- Underpinning the 'store and preserve' part of the framework, a sector-wide digital preservation strategy, making better use of existing funding to improve museums' digital storage arrangements and futureproof the benefits of short-term projects.

In other digital activity, **The Digital Heritage Lab** programme was led by the Arts Marketing Association and funded by the National Lottery Heritage Fund as part of the Digital Skills for Heritage initiative. It was a free programme for smaller heritage organisations seeking to develop their digital capabilities and capacity. Collections Trust provided specialist input on working with digitised collections, including four online workshops that each attracted around 200 participants. Needs identified during one-to-one surgeries early in the first UK lockdown, led us to create a new resource on our website, showcasing many different ways to present collections online, using free tools and lots of imagination.

The same needs are the focus of a consortium project we successfully brokered and which started in January 2021. Led by York University's Archaeology Data Service, ***Making it FAIR***, brings together Collections Trust, Culture24, the Audience Agency, Museum of London Archaeology, Knowledge Integration and Intelligent Heritage in a nine-month project funded by the Arts & Humanities Research Council through its TaNC programme.

The project responds to challenges including: low levels of basic digital literacy; poor understanding of audiences (including those with specific access needs); uncertainty over how to transfer real-world interpretive practice to the digital realm; lack of guidance about technical solutions; barriers to future-proofing digital assets in line with the FAIR data principles (Findable, Accessible, Interoperable and Re-usable); and shoestring budgets. The project is following a cohort of eight small museums currently navigating these challenges, helping them but also exploring in microcosm many of the issues facing the larger institutions involved in the main TaNC programme.

A thriving, resilient sector support organisation

Our core funding comes from Arts Council England, as one of the 'sector support organisations' (SSO) within the ACE National Portfolio. In a typical year, much of this work would be delivered in person, through outreach sessions delivered in partnership with the nine museum development services across England. Even by the first week of 2020-21, we had pivoted our outreach delivery online, where it remained and seems likely to stay for the foreseeable future.

Highlights of the year's online outreach include:

- Our Outreach Manager, Sarah Brown, delivered **141 online sessions**, reaching 2,266 people live. Typically, in previous years there have been around 100 in-person outreach sessions, reaching around 1,000 people.
- We introduced some new formats, including the **Spectrum book club**, which took each of the Spectrum procedures in turn, as the focus for fortnightly discussion. The format proved very successful: *The bite size sessions fit well into my work balance, as I find it hard to get the time for off the more in depth on-site sessions.*

- Our first **online conference** was held over two afternoons on 1-2 October 2020, on the theme *Dynamic information for dynamic collections*. The first day's livestream was watched by a total of 777 viewers on the day, 493 on the second (more technical) day. The conference videos were made available via our YouTube channel after the event and have attracted some 2,000 views. In comparison, a typical in-person Collections Trust conference attracts around 130 people.

Our swift transition to meet the needs of users who found themselves working from home, or furloughed and cut off from networks they relied on, was noted by respondents to an **impact evaluation** of our ACE-funded work we commissioned from the consultants Mustard& in the second half of the year:

There was universal kudos for the way in which the Collections Trust had pivoted to deliver everything online during Covid-19, and how responsive the organisation had been to the needs of the sector with Covid-19-specific training and advice - 'at the start of the pandemic, it was amazing how Collections Trust just went online'. Many respondents mentioned the delivery of the 2020 Conference as being particularly impressive.

... The Museum Development teams across England are all invested in the Collections Trust and its work. They all report that the Collections Trust is responsive at all levels, interested in what the museums need, and efficient in its delivery. One respondent stated that, 'The Collections Trust doesn't just deliver what the Collections Trust wants to deliver'. This was echoed repeatedly and is highly valued.

In the words of one stakeholder interviewed by the consultants:

Collections Trust is the best SSO.

Spectrum as the international standard for museum collections management

At the heart of our work is *Spectrum: the UK Museum Collections Management Standard*. Spectrum gives tried-and-tested advice on the things most museums do when managing their collections. Some of these are daily activities, such as moving objects around and updating location records. Others are occasional, like updating insurance cover. Spectrum calls all these activities procedures and there are 21 of them. The requirements for the nine most important procedures are embedded into the UK Museum Accreditation scheme, which means that Spectrum is used by all 1,700 Accredited museums.

It has also been adopted by the museum lead bodies of several countries and translated under licence from Collections Trust. In 2020-21 we added the Dutch and Norwegian translations of Spectrum 5.0 to our website and took part in the online launch of the latter, hosted by the Norwegian Arts Council. We also added two **translations with the potential for regional impact: Spanish and Arabic**. These versions were commissioned by the British Council to underpin its museum development activities in South America, the Middle East and North Africa.



The Spanish translation formed part of the British Council's International Museums Academy programme in Peru. Our Outreach Manager, Sarah Brown, delivered nine online workshops introducing the Spectrum standard, each of which was attended by around 400 museum professionals from across Peru. The British Council continues to help those museums put Spectrum into practice within the Peruvian context.

As well as spreading the geographical reach of Spectrum through these international collaborations, the standard is being used as the cornerstone of other standards development work. In Norway, the Norwegian Arts Council has piloted a **Spectrum-based self-evaluation tool** to help museums assess and improve their collections management practice. We fully support this initiative, which will be useful elsewhere once the final version is released.

Back in the UK, the London Museum Documentation Network is working on a toolkit for managing '**digital collection objects**', supported by our Standards Manager, Gordon McKenna. This will provide tools and guidelines taken from the digital preservation community and adapted for museums within the Spectrum framework. It is hoped to publish the results later in 2021.

A significant proportion of our annual income comes from licensing Spectrum for commercial use in collections management systems and related software by our **Spectrum Partners**. These are much-valued long-term relationships with companies that help users worldwide put Spectrum into daily practice. We are grateful to all our Spectrum Partners, despite the difficult trading conditions of the past year.

FINANCIAL REVIEW

During the year, Collections Trust had income, excluding bank interest, of £359,803 (2020 - £389,092). Of this, £234,232 (2020 - £230,000) was restricted funding with £234,232 (2020 - £230,000) received from the Arts Council England.

The remaining income of £125,571 (2020 - £159,092) was made up from retail sales of publications and forms £20,793 (2020 - £40,886); Spectrum Partnership membership fees £47,270 (2020 - £66,894); consultancy projects £45,579 (2020 - £41,731); furlough grant income £11,294 (2020 - £nil); and donations £425 (2020 - £nil), plus other income of £210 (2020 - £1,505). This year no income was earned from the annual conference (2020 - £8,076) as it was held as a free online event due to the coronavirus pandemic.

Collections Trust spent £234,232 (2020 - £230,000) directly on Arts Council England projects, including staff time.

£106,578 (2020 - £120,085) was spent on other charitable activities (retail, Spectrum partnerships, and consultancy).

The year finished with an overall surplus of £19,015 (2020 - £39,084). Total funds carried forward (excluding the pension liability) were £127,921 (2020 - £116,906) of which £97,921 (2020 - £86,906) was unrestricted funds and £30,000 (2020 - £30,000) of restricted monies, giving free reserves (unrestricted funds excluding fixed assets) of £97,814 (2020 - £86,379). The balance sheet shows total funds to be in deficit by £317,079, once the defined benefit pension deficit, calculated by the actuary as £445,000, is taken into account.

Reserves policy

To mitigate against a cash flow failure, or a reduction in income, the charity aims to keep three month's operating costs, being approximately £90,000, in reserve. This level is also calculated to provide sufficient cover for unexpected costs. In the event that the reserves fund is depleted for any of the above scenarios, the organisation aims to return the fund to the set level within as short a timeframe as is reasonable within the limits of cashflow and other commitments.

The organisation aims to provide for these reserves through unrestricted surplus funds carried forward at the end of each financial year. This money shall be invested in bank savings accounts on the most advantageous overall terms, in respect of interest and charges and access, and will be regularly reviewed.

This policy has been reviewed by the trustees in light of the Covid-19 pandemic and deemed to still be an appropriate strategy. Despite the difficult economic environment the organisation made sufficient profit during the year to return the reserves fund to target level for the first time in several years.

To work towards eliminating the funding shortfall in the LGPS pension scheme, the scheme trustees and charity have agreed a repayment schedule of £15,000 per year in additional contributions for the next ten years. The trustees are satisfied that this is reasonable level that can be afforded annually from budgeted expenditure without impacting reserves.

FINANCIAL REVIEW (continued)

The trustees have considered the strategic risks facing Collections Trust and the measures needed to mitigate them.

Risk	<p>Capacity and continuity</p> <p>The CEO is currently the key income-generating role, and repository of organisational knowledge on strategy in the wider museum sector.</p>
Tolerance	<p>Low - There is more work to be done in this area than can be achieved by one individual, and there is also the risk that if the CEO becomes incapacitated it will not be possible to continue with existing or new projects or contracts</p>
Mitigation	<p>Steps have been taken to mitigate this risk, with the employment of a new outreach officer, and the promotion of the current outreach officer to take a more strategic role supporting the CEO.</p> <p>The risk is still a concern in the short term whilst the new outreach officer settles in and knowledge is transferred, but in the medium term it is much reduced.</p> <p>The organisation has also drawn up a business continuity plan which addresses the loss of other members of staff and other continuity issues.</p>

Risk	<p>Reputation and relevance in the sector</p> <p>Our latest impact evaluation survey showed very high levels of satisfaction from those who engage with us regularly doing day to day collections management work. However, it also revealed a lack of awareness amongst sector leadership of the work that CT does and how that work could support wider strategic plans.</p> <p>There is the danger that with all the projects currently going on, we fall through the cracks and someone takes up the proposals we have been making for an aggregator, but we are not involved in making it happen.</p>
Tolerance	<p>Low – if CT is not considered to be relevant, or key parties do not understand the significance of our work we risk missing out on strategic partnerships and opportunities that could move forward both Collections Trust's work, and also the sector as a whole. We also risk not having our funding continued.</p>
Mitigation	<p>Work will focus on advocacy and awareness raising to ensure that key funders and sector leaders understand that our work is necessary in order to deliver large infrastructure projects and other strategic plans.</p>

FINANCIAL REVIEW (continued)

Risk Management (continued)

<p>Risk</p>	<p>Financial sustainability</p> <p>Efforts in recent years to rebuild CT's reserves mean that the organisation is currently on a secure financial footing.</p> <p>However, more broadly the economic outlook post pandemic is less positive, and this could affect the income generation possibilities available to CT.</p> <p>The additional year of funding offered by ACE under the current grant is currently being agreed, and a new funding agreement from 2023 will need to be applied for.</p> <p>The political focus is currently on STEM subjects at the expense of the arts. Sustained challenges to public finances could therefore lead to funding being cut or removed during a government spending review.</p>
<p>Tolerance</p>	<p>Medium in the short-term since we now have healthy reserves, but low in the longer term as without the ACE grant the organisation could not continue to operate.</p>
<p>Mitigation</p>	<p>The mitigation for this is the same as for reputation and relevance – ensuring that we make ourselves indispensable to ACE and making sure that sector leadership appreciates the significance of our work.</p>

<p>Risk</p>	<p>Cyber security</p> <p>Recent high-profile cases have shown that even the largest organisations with the most sophisticated cyber security are not immune to cyber-attacks.</p> <p>CT is reliant on IT systems and the internet in all its operations.</p> <p>A cyber-attack could compromise its ability to deliver its services and generate income. A data breach could also risk litigation and damage to our reputation.</p>
<p>Tolerance</p>	<p>Medium to low – whilst a cyber-attack is unlikely to threaten the existence of CT, it could take considerable time and resources to resolve at attack, which would exacerbate the inability caused by the initial attack to deliver our services and generate income.</p>

Mitigation	<p>We have recently undertaken CyberEssentials accreditation to ensure our systems are as secure as possible and are in the process of reviewing any other actions that could be taken to increase security. This will include regular training for staff, and a focus on the risks of homeworking.</p> <p>We also hold cyber insurance as part of the Cyber Essentials accreditation.</p>
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FINANCIAL REVIEW (continued)

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements, and in light of the continuing implications of the coronavirus pandemic and its effect on the economy with consideration given to budget forecasts, cashflow, confirmed and pipeline projects.

The trustees have given particular consideration to the defined benefit pension liability, recognising that this puts the balance sheet into deficit. Whilst this is a large liability, it is not an immediate one, and a manageable repayment plan has been agreed with the pension fund over the next ten years, meaning it is not a cause for concern.

The organisation performed well over the year despite the broader global difficulties, delivering a high service to stakeholders under the ACE grant, and securing consultancy income at three-quarters of the level in a normal year. Whilst retail sales were affected more heavily, it is expected that these will make a gradual recovery in the coming year. The strong results for the year meant that the reserves target has been met, and that the organisation is in a firm position to weather the potential impacts of an economic downturn.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

STATEMENT OF REPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' annual report 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 these financial statements, the trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in the Charities SORP;
- ◆ Make judgements and estimates that are reasonable and prudent;

- ◆ State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 14 (2019: 10). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The trustees' annual report has been approved by the trustees and signed on their behalf by:

C Hampshire, Chair

Date: 7/29/2021

Independent auditor's report to the members of Collections Trust

Opinion

We have audited the financial statements of Collections Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Auditor's responsibilities for the audit of the financial statements

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-

compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006 and data protection legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure as part of our substantive testing thereon;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings;

- enquiring of management and those charged with governance as to actual and potential litigation and claims; and

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date 12 August 2021

Statement of financial activities (incorporating an income and expenditure account)
31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income from:					
Charitable activities	2	125,571	234,232	359,803	389,092
Investments	3	22	—	22	77
Total income		125,593	234,232	359,825	389,169
Expenditure on:					
Charitable activities:					
. Projects and programmes		—	234,232	234,232	230,000
. Other charitable activities		106,578	—	106,578	120,085
Total expenditure	4	106,578	234,232	340,810	350,085
Net income for the year		19,015	—	19,015	39,084
Net income before other recognised gains and losses		19,015	—	19,015	39,084
Other recognised losses					
Actuarial loss in respect to defined benefit pension scheme	19	(229,000)	—	(229,000)	(229,000)
Net movement in funds		(209,985)	—	(209,985)	(189,916)
Reconciliation of funds:					
Total funds brought forward		(137,094)	30,000	(107,094)	82,822
Total funds carried forward		(347,079)	30,000	(317,079)	(107,094)

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

A full comparative statement of financial activities is included at Note 1.

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	8		107		528
Current assets					
Stock	9	1,062		1,123	
Debtors	10	13,391		35,604	
Cash at bank and in hand		142,494		107,833	
		<u>156,947</u>		<u>144,560</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	(29,133)		(28,182)	
Net current assets			<u>127,814</u>		<u>116,378</u>
Total assets less current liabilities			<u>127,921</u>		<u>116,906</u>
Pension liability	19		(445,000)		(224,000)
Total net (liabilities)			<u>(317,079)</u>		<u>(107,094)</u>
The funds of the charity:					
Restricted funds	12		30,000		30,000
Unrestricted funds:					
. Pension reserve	12	(445,000)		(224,000)	
. General funds	12	97,921		86,906	
Total unrestricted funds	12		<u>(347,079)</u>		<u>(137,094)</u>
Total funds			<u>(317,079)</u>		<u>(107,094)</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Camilla Hampshire

Trustee Date: 7/29/2021

Company registration number: 01300565

The attached notes form part of the financial statements.

Statement of cash flows 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities:					
Net cash provided by operating activities	14		34,639		56,430
Cash flows from investing activities:					
Interest received		22		77	
Cash provided by investing activities			22		77
Change in cash and cash equivalents in the year			34,661		56,507
Cash and cash equivalents at the beginning of the year			107,833		51,326
Cash and cash equivalents at the end of the year	15		142,494		107,833

Basis of preparation

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

The charitable company meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling and are rounded to the nearest pound.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements, and in light of the continuing implications of the coronavirus pandemic and its effect on the economy with consideration given to budget forecasts, cashflow, confirmed and pipeline projects.

The trustees have given particular consideration to the defined benefit pension liability, recognising that this puts the balance sheet into deficit. Whilst this is a large liability, it is not an immediate one, and a manageable repayment plan has been agreed with the pension fund over the next ten years, meaning it is not a cause for concern.

The organisation performed well over the year despite the broader global difficulties, delivering a high service to stakeholders under the ACE grant, and securing consultancy income at three-quarters of the level in a normal year. Whilst retail sales were affected more heavily, it is expected that these will make a gradual recovery in the coming year. The strong results for the year meant that the reserves target has been met, and that the organisation is in a firm position to weather the potential impacts of an economic downturn.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Critical accounting estimates and areas of judgement

The most significant area of adjustment and key assumption that affects items in the financial statements is the anticipated pension liability which the charity will have to pay, and which is detailed in note 19.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Retail and publishing income is recognised in the period in which the customer places the order.

Consultancy income is recognised in the period in which the work is delivered to the customer.

Income from events and training are recognised in the period in which the event or training takes place.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Expenditure is comprised of direct and support costs. Direct costs are allocated to a specific activity. The classification between activities is as follows:

- ◆ Costs of raising funds comprise the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- ◆ Expenditure on charitable activities includes costs of delivering services, exhibitions and other activities undertaken to further the purposes of the charity and their associated support costs; and
- ◆ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, payroll and governance costs which support the charitable activities. These costs have been allocated between the various charitable activities. The basis on which support costs have been allocated are set out in note 4.

Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the assets are expected to have a useful life of more than four years. The capitalisation threshold is £1,000. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- ◆ Fixtures and fittings 20% per annum based on cost
- ◆ Computer equipment 25% per annum based on cost

Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method

Pensions

The charity contributes to a defined benefit scheme operated by Cambridgeshire County Council, which provides benefit based on average pensionable salary. The assets of the scheme are held and managed separately from those of the charity.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Any increases in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expense category within the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

The charity also offers an auto-enrolment pension scheme into which all new employees are enrolled. Contributions in respect to the personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

1 Detailed comparatives for the statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income from:				
Charitable activities	2	159,092	230,000	389,092
Investments	3	77	—	77
Total income		159,169	230,000	389,169
Expenditure on:				
Charitable activities:				
. Projects and programmes		—	230,000	230,000
. Other charitable activities		120,085	—	120,085
Total expenditure	4	120,085	230,000	350,085
Net income for the year		39,084	—	39,084
Net income before other recognised gains and losses		39,084	—	39,084
Other recognised losses				
Actuarial loss in respect to defined benefit pension scheme	19	(229,000)	—	(229,000)
Net movement in funds		(189,916)	—	(189,916)
Reconciliation of funds:				
Total funds brought forward		52,822	30,000	82,822
Total funds carried forward		(137,094)	30,000	(107,094)

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Projects and programs						
Arts Council England	—	234,232	234,232	—	230,000	230,000
Other charitable activities						
Retail and publishing	20,793	—	20,793	40,886	—	40,886
Spectrum partnership licencing scheme	47,270	—	47,270	66,894	—	66,894
Consultancy	45,579	—	45,579	41,731	—	41,731
Conference	—	—	—	8,076	—	8,076
Donations	425	—	425	—	—	—
Furlough grant income	11,294	—	11,294	—	—	—
Other income	210	—	210	1,505	—	1,505
Total income from charitable activities	125,571	234,232	359,803	159,092	230,000	389,092

3 Income from investments

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Bank interest	22	—	22	77	—	77

4 Analysis of expenditure

	Restricted			Unrestricted			2021 Total £
	ACE £	Retail £	Spectrum £	Consultancy £	Conference £	CT Award £	
Expenditure							
Direct costs	15,014	9,917	351	14,611	—	1,000	40,893
Direct staff costs	126,620	4,780	679	23,235	—	—	155,314
	141,634	14,697	1,030	37,846	—	1,000	196,207
Overheads							
Administration overheads	58,313	2,705	251	15,681	—	—	76,950
Staff overheads	34,285	8,493	787	24,089	—	—	67,653
	92,598	11,198	1,038	39,768	—	—	144,603
Total expenditure 2021	234,232	25,895	2,068	77,615	—	1,000	340,810
	Restricted			Unrestricted			2020 Total £
	ACE £	Retail £	Spectrum £	Consultancy £	Conference £	CT Award £	
Expenditure							
Direct costs	36,514	19,913	681	5,790	4,276	1,047	68,221
Direct staff costs	122,553	13,354	3,634	26,934	—	—	166,475
	159,067	33,267	4,315	32,724	4,276	1,047	234,696
Overheads							
Administration overheads	43,527	4,295	616	5,293	—	—	53,731
Staff overheads	27,406	14,419	2,063	17,770	—	—	61,658
	70,933	18,714	2,678	23,063	—	—	115,389
Total expenditure 2020	230,000	51,981	6,994	55,787	4,276	1,047	350,085

Overheads are allocated based on staff time per activity. In 2020 the conference was unable to be held, however in 2019, staff costs related to the conference were covered by the ACE grant, and thus no overheads have been allocated to this activity. Staff and overhead costs related to the CT award were trivial and therefore not split out.

5 Net income for the year

This is stated after charging:

	2021 £	2020 £
Operating lease rentals		
. Property	25,277	25,453
Depreciation	421	663
Auditor's remuneration		
. Audit fees	7,680	7,195

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	206,074	203,577
Social security costs	17,165	18,104
Pension costs	12,728	11,453
	<u>235,967</u>	<u>233,133</u>
FRS 102 defined benefit pension adjustment	(13,000)	(5,000)
	<u>222,967</u>	<u>228,134</u>

The following number of employees received employee benefits (excluding employer pension) during the year between:

	2021 £	2020 £
£60,000 - £69,999	1	1

The total employee benefits of the key management personnel were £74,009 (2020 - £74,034).

The charity reimbursed trustee expenses during the year of £nil (2020 - £880 to five trustees). The charity trustees were not paid and received no benefits except for discounted conference tickets in order to further their understanding of our work, as in 2020. No charity trustee received payment for professional or other services supplied to the charity (2020 - £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
ACE	2.9	2.6
Retail	0.1	0.5
Spectrum	0.1	0.1
Consultancy	0.3	0.5
Support	1.8	1.5
	<u>5.2</u>	<u>5.2</u>

7 Taxation

Collections Trust is a registered charity and therefore not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

8 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	2021 Total £
Cost			
At 1 April 2020 and 31 March 2021	1,215	1,686	2,901
Depreciation			
At 1 April 2020	1,215	1,158	2,373
Charge for the year	—	421	421
At 31 March 2021	1,215	1,579	2,794
Net book values			
At 1 April 2020	—	528	528
At 31 March 2021	—	107	107

All of the above assets are used for charitable purposes.

9 Stock

	2021 £	2020 £
Books and publications	1,062	1,123
	1,062	1,123

10 Debtors

	2021 £	2020 £
Amounts falling due in more than one year:		
Rental deposit	5,550	5,550
Amounts falling due in less than one year:		
Trade debtors	6,319	25,906
Sundry debtors	153	4
Prepayments	1,369	1,744
Accrued income	—	2,400
	13,391	35,604

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,089	10,682
Taxation and social security	5,710	—
Accruals	17,294	15,733
VAT payable	3,999	1,695
Royalties	41	72
	29,133	28,182

12 Analysis of net assets between funds

	Unrestricted £	Restricted £	2021 Total funds £	Unrestricted £	Restricted £	2020 Total funds £
Tangible fixed assets	107	—	107	528	—	528
Net current assets	97,814	30,000	127,814	86,378	30,000	116,378
Pension liability	(445,000)	—	(445,000)	(224,000)	—	(224,000)
Net assets at the end of the year	(347,079)	30,000	(317,079)	(137,094)	30,000	(107,094)

13 Movement in funds

	2021 At the start of the year £	Income £	Expenditure £	Gains / (losses) £	2021 At the end of the year £
Restricted funds					
Arts Council England					
Core funding	30,000	234,232	(234,232)	—	30,000
Total restricted funds	30,000	234,232	(234,232)	—	30,000
Unrestricted funds					
Pension fund	(224,000)	—	8,000	(229,000)	(445,000)
General funds	86,906	125,593	(114,578)	—	97,921
Total unrestricted funds	(137,094)	125,593	(106,578)	(229,000)	(347,079)
Total funds	(107,094)	359,825	(340,810)	(229,000)	(317,079)

13 Movement in funds (continued)

	2020 At the start of the year £	Income £	Expenditure £	Gains / (losses) £	2020 At the end of the year £
Restricted funds					
<i>Arts Council England</i>					
Core funding	30,000	230,000	(230,000)	—	30,000
Total restricted funds	30,000	230,000	(230,000)	—	30,000
Unrestricted funds					
Pension fund	—	—	5,000	(229,000)	(224,000)
General funds	52,822	159,169	(125,085)	—	86,906
Total unrestricted funds	52,822	159,169	(120,085)	(229,000)	(137,094)
Total funds	82,822	389,169	(350,085)	(229,000)	(107,094)

Restricted funds represent grants for specific purposes.

There were no transfers between funds in either the current or prior year.

14 Reconciliation of net income (expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	19,015	39,084
Depreciation	421	663
Interest	(22)	(77)
Decrease (increase) in stock	61	(559)
Decrease in debtors	22,211	54,557
Increase (decrease) in creditors	953	(32,238)
Defined benefit pension scheme cost less contributions payable	(8,000)	(5,000)
Net cash provided by operating activities	34,639	56,430

15 Analysis of cash and cash equivalents

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	107,833	34,661	142,494
	107,833	34,661	142,494
	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	51,326	56,507	107,833
	51,326	56,507	107,833

No separate reconciliation of net debt has been prepared as there is no difference between the net cash/(debt) of the charity and the above cash and cash equivalents.

16 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Property	
	2021 £	2020 £
Leases which expire:		
Within one year	20,350	20,350
Within two to five years	2,779	23,129
	23,129	43,479

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

Other than as disclosed in note 6, there were no related party transactions for 2021 (2020 - £nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

19 Defined benefit pension commitments

The charity participates in the Cambridgeshire County Council Pension Scheme, a Career Average Revalued Earnings (CARE) Pension Scheme, a multi-employer scheme. Participation in the Scheme is by virtue of the organisation's status as an Admitted Body to the Fund.

In 2007 the charity was enrolled in a Small Bodies Pool within the pension scheme, and whilst in this pool it was not possible to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. It therefore accounted used defined contribution accounting.

A full triennial actuarial valuation of the scheme was carried out at 31 March 2019. At the same time the Fund took the decision to disband the Small Bodies Pool, and as such Collections Trust were able to identify their individual funding position. The valuation 31 March 2019 showed the charity had assets of £1,005,000, liabilities of £1,638,000 and a deficit of £633,000.

To work towards eliminating the funding shortfall, the scheme trustees and charity have agreed a repayment schedule of £15,000 per year in additional contributions for the next nine years.

19 Pension commitments (continued)

FRS 102

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the Scheme as at 31 March 2021, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purpose of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

In order to assess the actuarial value of the charity's assets and liabilities as at 31 March 2021, the actuaries have rolled forward the actuarial value of the assets and liabilities of the scheme at 31 March 2020.

The major assumptions used by the actuary in preparing the FRS 102 figures were:

	2021 % per annum
Rate of increase in salaries	2.05
Rate of increase in pension payments	2.70
Discount rate	2.70
Rate of Inflation - CPI	2.70

The mortality assumptions used were as follows:

	2021 years
Longevity at age 65 for current pensioners	
. Men	22.1
. Women	24.2
Longevity at age 65 for future pensioners	
. Men	22.9
. Women	25.6

The net movement in the FRS 102 liability during the year was:

	2021 £'000s
Net deficit in scheme at 1 April	(224)
Service cost	(11)
Net interest	(5)
Administration expenses	—
Employer contributions	24
Re-measurement of the defined liability	(230)
Net deficit in scheme at 31 March	(445)

19 Pension commitments (continued)

FRS 102 (continued)

Total expenditure recognised in the statement of financial activities (SOFA) was:

	2021 £000s
Service cost	11
Total expenditure recognised in SOFA	11
Employer contributions	24
FRS 102 charge	35

The net gain recognised in the re-measurements in other recognised gains and losses was:

	2021 £000s
Actuarial losses on scheme liabilities	(431)
Actuarial gains on scheme assets	201
Remeasurement of the defined benefit liability	(230)

Asset and benefit obligation reconciliation for the year to 31 March 2021:

	2021 £000s
Opening defined benefit obligation	(1,168)
Current service cost	(11)
Interest cost	(26)
Contributions by scheme participants	(2)
Benefits paid	14
Actuarial losses	(431)
Closing defined benefit obligation	(1,624)

Reconciliation of opening and closing balances of the fair value of the charity's share of the scheme assets:

	2021 £000s
Fair value of scheme assets at 1 April	944
Actuarial gains	201
Interest on pension liabilities	22
Contributions by employer	24
Contributions by fund participants	2
Benefits paid	(14)
Fair value of scheme assets at 31 March	1,179

19 Pension commitments (continued)

FRS 102 (continued)

The charity's share of the assets in the scheme were:

	%	Value at 31 March 2021 £'000
Equities	60.20	710
Government bonds	5.00	59
Other bonds	9.70	114
Property	8.70	103
Other managed funds	16.40	193
Total market value of assets		1,179

Contributions

The total contributions payable by the employer in the year were £24,000. At 31 March 2021, there no outstanding contributions due to the scheme.

The best estimate of contributions to be paid by the charity to the scheme for the year ending 31 March 2022 is £24,000.