



**Annual Report and Financial
Statements**

31 March 2021

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

Charity Registration Number
0273984

Contents

Reports

Reference and administrative information	1
Trustees' annual report	2
Independent auditor's report	14

Financial statements

Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Principal accounting policies	22
Notes to the financial statements	26

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.

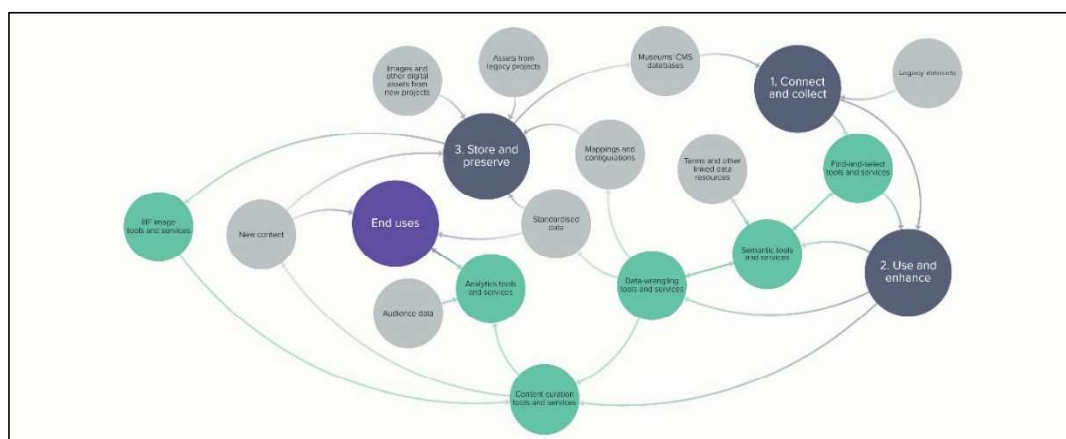
ACTIVITIES AND ACHIEVEMENTS (continued)

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)

Risk	<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>
Tolerance	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.
Mitigation	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.

Risk	<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>
Tolerance	Medium to low – whilst a cyber-attack is unlikely to threaten the existence of CT, it could take considerable time and resources to resolve an attack, which would exacerbate the inability caused by the initial attack to deliver our services and generate income.

Mitigation	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. We also hold cyber insurance as part of the Cyber Essentials accreditation.
-------------------	---

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 REPOSIBILITIES 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		<u>(445,000)</u>		<u>(224,000)</u>
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
	235,967	233,133
FRS 102 defined benefit pension adjustment	(13,000)	(5,000)
	222,967	228,134

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
	5.2	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.

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					
Arts Council England					
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.