

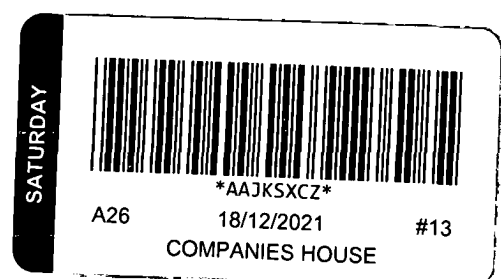


Company No. 252131
Charity No. 313024
OSCR No. SC041846

MUSEUMS ASSOCIATION

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2021





REFERENCE AND

ADMINISTRATIVE DETAILS

For the year ended 31 March 2021

Status

The organisation is a charitable company limited by guarantee, incorporated on 20 November 1930 and registered as a charity on 7 November 1962.

Governing document

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

Company number

252131

Charity number

313024

OSCR number

SC041856

Registered office and operational address

42 Clerkenwell Close
London, EC1R 0AZ

Bankers

National Westminster
Bloomsbury, Parr's Branch
126 High Holborn, London, WC1V 6QB

Solicitors

Russell-Cooke, Solicitors
2 Putney Hill
London, SW15 6AB

Stone King, Solicitors
16 St John's Lane
London, EC1M 4BS

**Auditors**

Moore Kingston Smith LLP
Chartered Accountants and Statutory Auditors
Devonshire House
60 Goswell Road, London, EC1M 7AD

Investment managers

Rathbones
8 Finsbury Circus
Finsbury, London, EC2M 7AZ

Board 2020/21**President**

Maggie Appleton, retired 31/03/2021
Gillian Findlay, appointed 01/04/2021

Vice President

Gillian Findlay, retired 31/03/2021
Simon Brown, appointed 01/04/2021

Nivek Amichund, appointed 01/04/2021

Alex Bird

Simon Brown

Stella Byrne, appointed 23/07/2020

Dianna Djokey

Heledd Fychan, retired 12/05/2021

Paddy Gilmore, retired 23/07/2020

Heather Lees

Michelle McGrath, appointed 01/04/2021

Steve Miller

Rachael Minott, retired 31/03/2021

Dhikshana Pering

Kim Streets

Michael Terwey, appointed 01/04/2020



Staff

Director

Sharon Heal

Membership, Marketing and Website

Deputy Director

William Adams

Marketing & Membership Manager

Zoe Spencer

Membership Officer

Sophie Lawson

Membership and Events Administrator

Daniel Laverick

Marketing & Sales Officer

Emma Randall

Account Manager

Abigail Lasisi

Website and Digital Officer

Francesca Collins*

Yosola Olorunshola**

Projects and Programmes

Programmes Manager

Sally Colvin

Policy Manager

Alistair Brown

Campaigns Officer

Antonia Canal*

Collections Development Officer

Sarah Briggs

Projects Assistant

Jacqui Buscher

Workforce Development Officer

Tamsin Russell



Publications and Events

Head of Publications & Events

Simon Stephens

Deputy Editor

Eleanor Mills

News Editor and Staff Writer

Geraldine Kendall Adams

Events Programmer and Content Editor

Rebecca Atkinson

Conference & Events Manager

Lorraine O'Leary

Finance and Resources

Head of Finance & Resources

Neil Mackay

Finance Administrator

Jolanta Stevens

Executive Assistant

Charlie Lindus

** indicates person joined during the year*

*** indicates person left before end of year*



REPORT OF THE BOARD

The trustees, who are also directors of the company for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on page 4 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice (SORP), Accounting and reporting by charities issued in March 2015.

Objectives and activities for the public benefit

The charitable objectives of the MA are: to advance education in, and to foster and encourage the preservation and better understanding of, the material heritage of mankind and the environment for the public benefit by the promotion and development of museums and galleries and by encouraging the involvement of members of the public in their work, and to establish, uphold and advance the standards of professional education, qualification, training and competence of those employed in museums and galleries.

The board members have referred to the Charity Commission's general guidance on public benefit in reviewing the aims and objectives of the charity, in planning future activities and how planned activities will contribute to those aims and objectives. The review of activities later in the report demonstrates what the MA has done during the year to achieve its aims and what its plans are for 2021/22.

Organisation and governance

The MA is governed by a board of up to 14 people. Eight members of the board are elected by the members of the MA (one vote per member) and six are appointed by the board. For induction new trustees meet individually with the director and are given the most recent set of accounts, the constitution documents and a copy of the rules. The MA is run by the board, which agrees strategy and is accountable to members. Operational matters are delegated to the director who reports to the board.



Staffing

The MA's salary policy is designed to provide a clear and flexible framework to reward employees with a view to attract and retain a competent workforce, which is essential to the ongoing success of the organisation. Pay grades within the policy are set by comparing appropriate market rates. The board carries out a cost of living review annually. The director's salary is set separately by the board.

Investment policy

By the terms of the articles of association of the MA, the board has the power to make any investment it sees fit. An investment strategy was implemented in 2018-19. Surplus cash is held in interest-earning bank accounts with funds of the grant-making trusts being invested with Rathbones investment managers.

Risk management

The MA commenced its new five-year strategic framework in April 2020 and continues to have careful financial planning at its core to ensure continued financial stability. The objectives of the plan will continue to be monitored by the board, with a report being presented at each of its meetings.

Reserves policy

The reserves policy aims to maintain a sufficient level of reserves to enable normal operating activities to continue should a shortfall in income occur and to take account of potential risks and contingencies that may arise from time to time. In determining the level of reserves required by the MA, the trustees have considered the risks to the Association in respect of unrestricted income and expenditure and, where appropriate, restricted income. They have also considered any identified potential external major risks to income and expenditure.

The board has agreed that, in line with Charity Commission guidelines, the MA will at least hold free reserves equivalent to three months turnover. In 2020/21 this equated to ca £600,000.

Unrestricted reserves at the year-end were ca £1.64m including designated funds of £600,000 for pension, £116,000 for planned investment in web redesign, including depreciation costs.

Restricted funds increased by £723,000 in the year mainly due to the receipt of UKRI grant funding of £633,000 to be spent in the 2021-22 financial year.



The unrestricted investment fund of the charity saw a significant recovery with an unrealised gain of £308,000 in the year.

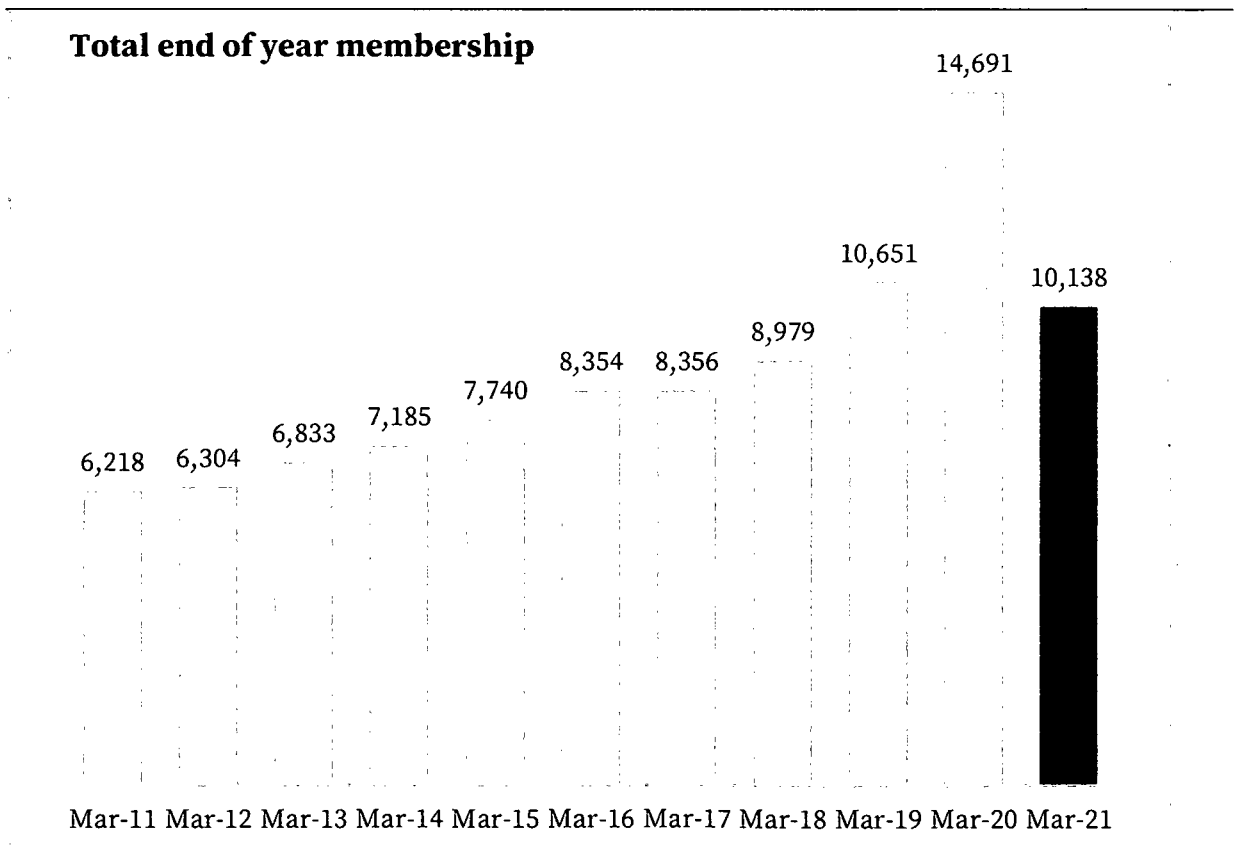
This led to a free reserves figure of £922,000 at the year end.

Impact of Covid

A reduction in unrestricted income remains a high risk to the MA over the next financial year and beyond due to the impacts of the pandemic. To mitigate this the budget for 2021-22 has been set to anticipate the potential for further drops in income, with measures to refocus services and retain membership implemented, and decisions taken around events and publications to reduce uncertainty.

The overall reserves policy of the Association includes all reserves and therefore covers the Trust and Endowment funds managed by the MA but the focus of the policy is on the free reserves of the organisation.

MEMBERSHIP





In 2020/21

End of year membership saw a significant fall due to the impact of the global pandemic. Overall membership fell by 31 per cent – with this fall particularly hitting individual membership. Commercial membership also fell. Institutional membership grew, due to our offer to the sector in response to the pandemic.

Individual membership

Year on year individual membership fell by 33 per cent (2020/21: 9,192; 2019/20: 13,802). This was particularly in the student, retired and essential member categories. Membership in devolved nations and regions did not fall as much compared to the falls in London and the South East of England where these categories are most prominent.

Institutional membership

Year on year institutional membership increased by 16 per cent (2020/21: 682; 2019/20: 592). This was due increased engagement, the offer of free events to institutional membership and an increase in our funding support to the sector. We now represent over 1,800 museums through our institutional members.

Commercial membership

Following the merging corporate and sole trader memberships, a new simpler commercial membership category was introduced. Year on year commercial membership fell by 13 per cent (2020/21: 257; 2019/20: 297).

In 2021/22

As we enter 2021/22 we are beginning to see a turnaround in individual and commercial membership as museums begin to reopen and workers come off furlough. Institutional membership remains high, and the numbers reflect the support and advocacy we are undertaking for the sector.

WEBSITE AND DIGITAL

With the move to all our delivery being online and a new website launched, 2020/21 was a year of huge digital engagement. We grew our audience significantly across all our digital channels. There were 1.2 million website sessions in total – an increase of 36% - which was reflected equally across all four nations of the UK.



In 2020/21

- We launched our new website, brand design and content management system in August 2020.
- We gained almost one million page views from over 250,000 users in the period of August to December 2020 – increases of 150,000 and 39,000 respectively compared to the same period in 2019, across all areas of the UK.
- We launched a new social media strategy to guide our social accounts and engagement, seeing growth on all platforms.
- Notably, we have increased our Twitter following from 58,000 to 62,000, and after focusing on our LinkedIn channel our following grew from 11,000 to 14,000 in just three months (January to March 2021).
- We held our annual conference entirely online with access via our website and sustained engagement on social media through #Museums2020.
- We delivered three and then two newsletters per week to keep our 46,000 subscribers up to date with the latest sector news, MA news and content from Museums Journal.
- We continue to work with our web development supplier to roll out functionality across the revamped website, and are in the developmental phase of launching a complementary app.

In 2021/22

- We will launch a comprehensive web style guide as a follow-up to the launch of the new website.
- We will release a members' app to deliver a personalised membership benefits experience to our members.
- We will continue to expand on the range of virtual content we developed during the Covid-19 pandemic across the breadth of the work of the MA, including in key campaign areas.
- We will undertake a review of accessibility across digital to continue to improve access to our digital products.
- We will deliver our 2021 conference across digital platforms and in person, creating a truly hybrid event.
- We will review the success of the newly-implemented social media strategy following several months of use.

PUBLICATIONS

Publications will continue to offer comprehensive news, comment, best practice and information to the sector online and in print.



In 2020/21

- Museums Journal became a bi-monthly printed magazine with increased coverage of key sector developments and trends.
- The magazine's design was refreshed as part of the move from 11 issues to six issues a year.
- The new-look bi-monthly magazine features more in-depth analysis articles and includes an extensive section on the latest trends and developments in museum practice.
- There were reviews of new and redeveloped museums and key temporary exhibitions in England, Northern Ireland, Scotland and Wales, as well as profiles of key sector figures and a focus on an international museum opening each issue.
- Online editorial content has been increased in scope, depth and frequency on the Museums Association's new website.
- We stopped publishing the Museum Services Directory – with supplier listings now online only for commercial members.

In 2021/22

- We will have to first Museums Journal “takeover” issue.
- We will develop an editorial mission statement for Museums Journal.
- We will continue to cover key developments in museums across England, Northern Ireland, Scotland and Wales.
- We will explore developing more campaigning and investigative content.
- We will continue to give MA members a voice in our editorial content online and in print.

CONFERENCE AND EVENTS

The annual conference evolved in response to the Covid-19 pandemic and was held as an online-only event in November 2020. This proved to be extremely popular, with high levels of engagement from museum people across the four nations of the UK and overseas. We will build on this success going forward as we look to the future of conferences and events in a post-Covid world. Our one-day conferences also evolved during the period and were all online. After initially running a series of free virtual conferences we have successfully moved to a paying model, while still offering our programme of free online meetings for MA members across the UK.

In 2020/21

- In response to Covid-19, we ran our 2020 conference and exhibition as a virtual event.



- The event attracted 3,500 attendees and included a mixture of seminars, keynotes, sponsors, exhibitors and networking opportunities.
- A strong online events offer was also established through our series of Coronavirus Conversations events.
- Moving on Up, our one-day conference for mid-career museum professionals was well-attended as a virtual event as was Don't Stop Me Now, our one-day conference for those wanting to enter the museum sector, including museum studies students, apprentices and trainees.
- Members' meetings were held via Zoom for members in East Midlands, North England, Northern Ireland, Scotland, South-East England and Wales.

In 2021/22

- Our annual conference will be a hybrid event and will be held in Liverpool and online.
- We have developed a strong programme of eight paid-for one day conferences covering digital technology, accessibility, curation, exhibition design, community participation and revenue generation.
- The one-day conference programme will include Moving on Up, our one-day conference for mid-career museum professionals, and Don't Stop Me Now, our one-day conference for those wanting to enter the museum sector, including museum studies students, apprentices and trainees.
- We will run two free webinars on the MA's learning and engagement manifesto.
- We will hold a free international webinar on the impact of the Black Lives Matter movement on museums.
- Will be hold eight free members' meetings covering every nation in the UK.

POLICY AND ADVOCACY

The MA's vision for the sector across the UK is for inclusive and socially engaged museums at the heart of their communities and our mission is to inspire museums to change lives. Over the past year we have worked with our members and stakeholders to deliver this vision and mission. Coronavirus has had huge impact on society and our museums and we have successfully advocated for emergency funding and for the continuation and strengthening of the connection between museums and their communities during this crisis. The Black Lives Matter movement has resonated throughout society and we have pledged to campaign against racism and to support our members to be anti-racist organisations.



In 2020/21

- We advocated for the sector throughout the coronavirus crisis – providing evidence to policymakers in all nations; making the case for emergency funding; acting as a voice for the issues faced by the workforce; and supporting members through a cycle of reopening and closure.
- We successfully campaigned with other sector organisations for the £1.57bn Culture Recovery Fund which was distributed across the UK.
- We continued to support the work of the Decolonisation Guidance Working Group and published case studies and resources on decolonisation on our website.
- We launched our Manifesto for Learning and Engagement in Museums and continue to disseminate it through webinars and conferences.
- We delivered the Museums Change Lives Awards at our annual conference, raising the profile of social impact work during the pandemic across the museum sector.
- We continued to advocate the value of museums to politicians and stakeholders across the UK, meeting with senior politicians and civil servants in every nation.
- We delivered press and broadcast interviews on topics including coronavirus, decolonisation, reopening and recovery.
- We responded to government consultations and policy across the UK.

In 2021/22

- We will advocate for a strong recovery from the coronavirus crisis, recognising that the sector will need to rebuild with a clear focus on sustainability, tackling the climate crisis, developing diversity and decolonising our institutions.
- We will conduct research to ensure our advocacy is evidence-based, including developing our Redundancy Tracker, and carrying out research into Local Authority funding for museums across the UK.
- We will continue to support the work of the Decolonisation Guidance Working Group to produce, launch and disseminate guidance to help the sector understand and act on decolonisation issues.
- We will campaign for representative workforce and audiences and will update our salary guidelines and use them to campaign for fair and equitable pay in the sector.
- We will bring together best practice in workforce wellbeing to create new guidance for the sector and develop guidance and campaign on progressive terms and conditions.
- We will continue to disseminate the Learning and Engagement Manifesto through webinars, conferences and events.



- We will prepare museum manifestos for the elections in Scotland and Wales in collaboration with board members and reps from the respective nations.
- We will continue to build relationships with key stakeholders in all nations to make the case for socially impactful museums.
- We will launch a campaign for museums to work with their audiences to tackle the climate crisis.
- We will launch a campaign for museums to take a more sustainable approach to collections.
- We will work with networks and sector bodies to campaign against racism and support museums to tackle institutional and societal racism.
- We will champion inclusion and encourage museums to address issues of representation and participation.
- We will work with sector bodies to simplify and reduce the burden of business rates on the sector.

ETHICS

The MA's Ethics Committee leads sector thinking on a range of ethical issues from sponsorship to decolonisation and gives advice to institutions and individuals on specific cases.

In 2020/21

- We published two statements in response to 'Contested Heritage' and responded to the planning framework consultation.
- We championed ethical good practice through speaking at events and delivering training.
- We dealt with a range of ethical queries and case work.

In 2021/22

- The Decolonisation Guidance Working Group will work with the Ethics Committee deliver the guidance.
- We will continue to support museums in navigating the ethical issues raised by the coronavirus crisis.
- We will continue to deal with a range of ethical queries and case work.
- We will ensure that a range of ethical advice and case studies are available online.



TRUSTS AND FUNDS

The MA administers two trusts established to assist museums and their staff in specific areas of collections development and care.

Beecroft Bequest

The Beecroft Bequest awards grants of up to £10,000 for the purchase of pictures and works of art (furniture or textiles can be considered) not later than the 18th century in date.

Grants awarded 2020/21

£5,000	Saffron Walden Museum Society Ltd
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The Museums Association Benevolent Fund

The Museums Association Benevolent Fund was established to alleviate financial distress suffered by members of the Museums Association and to support the education and training of museums and galleries personnel.

Grants awarded 2020/21

£4,226	CPD awards
£2,000	Covid Hardship awards
£6,750	Inclusive memberships

In 2021/22 the fund will continue to allocate funds towards members suffering financial distress during the pandemic, provide inclusive events places and support CPD fees and activity.

PROGRAMMES

The MA's programmes deliver our campaigning priorities to support the development of the UK museum sector.



Collections and engagement

Our work this year has been led by two issues: responding to need in the sector arising from the pandemic and museum closures; and the increased emphasis on decolonising collections. While the needs and interests of our members have changed more than we could have imagined, we have also seen huge advances in line with the recommendations in Empowering Collections – notably on digital collections.

In 2020/21

- From the Esmée Fairbairn Collections Fund, we awarded 26 Sustaining Engagement with Collections grants totalling £637k and six Innovation and Engagement grants totalling £484k. Sustaining Engagement grants were a change to previous plans for the Collections Fund to support museums who could not offer physical access to collections during the pandemic.
- We developed a new partnership with UKRI to deliver a funding programme for the sector, Digital Innovation and Engagement. This fund, with additional support from AHRC, awarded £600k in grants to 14 museums.
- We ran online Collections Network events and offered enhanced coaching support to grantees as they adapted their projects during the pandemic.

In 2021/22

- We will award £1.3m in grants through the Esmée Fairbairn Collections Fund, with adapted plans to support creative collections engagement and projects that explore new models for using collections to recover together with communities.
- We will continue our partnership with UKRI to offer an engagement programme and funding based on the Mindsets for the Museum of the Future.
- We will work with partners to research digital engagement, exploring the impact of our funding in this area and how the digital space can be used alongside traditional museum engagement.
- We will work with the Esmée Fairbairn Foundation to review the Collections Fund and make plans for its future.



Participation and inclusion

We ensure that equity, diversity and inclusion is woven through our programmes. This includes using the Power to the People framework to assess a grant applicant's participatory practice and funding museum projects that improve inclusive practice with underrepresented audiences.

In 2020/21

- We published Museum Essentials courses on working with community partners; and on learning and engagement.
- We developed an access budget that will support our inclusion work.
- We championed inclusion and encouraged museums to address issues of representation and participation.

In 2021/22

- We will champion inclusion throughout our programmes and particularly through advice on inclusive recruitment and an updated salary survey.
- We will produce a Museum Essentials course on anti-racism.
- We will work to embed the Decolonisation Guidance in museum practice.

WORKFORCE DEVELOPMENT

Our support for the museum workforce has been more important than ever over the last year of the Covid-19 pandemic. We have continued our core programmes, the Associateship of the Museums Association (AMA), a self-led CPD programme with mentoring and support groups; the Fellowship of the Museums Association (FMA), developing and recognising significant commitment to and impact on the sector; and Museum Essentials, an online learning programme introducing key elements of working in the museum sector. We have also introduced responsive programmes and offers to meet the needs of MA members and the wider museum sector.

In 2020/21

- In April 2020 we launched three new mentoring programmes to support different needs within the sector and by the year end 230 people participated in these programmes.
- We developed safe spaces for connection, development and support, creating Facebook pages for staff on furlough and those managing in crisis, with over 1,000 people participating and continuing to do so.



- We published Sticks and Stones, a research report into bullying in the museum sector.
- We extended our support to members through redundancy and wellbeing hubs that have dedicated resources to support the workforce during this time.
- Museum Essentials grows from strength to strength with one new course published looking at Working with Community Engagement and over 2020-2021 we had 1,257 new Learners join our learning community.
- AMA registrations increased to 99 and we awarded 26 Associateships; the programme has remained relevant and useful by increasing the opportunities for engagement and connection making - which were critical in the times where candidates have been working at home or furloughed.
- FMA registrations for 2020-2021 increased from last year to 8 new Fellowship candidates and 2 Fellowships were awarded.

In 2021/22

- We will review and reposition our workforce development programmes in light of the pandemic and to ensure they still fully represent our values.
- The success of the new mentoring programmes will be replicated as part of our commitment to the sector with career and essential mentoring programmes being reprised.
- Our focus on workforce wellbeing continues and new resources and approaches will be shared as well as continuing our commitment to the insights and learning from Sticks and Stones research that highlighted the impact of bullying on creating a continued culture of exclusion.
- Our commitments to the Climate Crisis and Black Lives Matter will be further supported by the development of two new Museum Essentials courses.

REVIEW OF FINANCIAL ACTIVITIES

The results for the year 2020/21 show a positive movement in funds of £1,115k before actuarial gains/losses on pension scheme assets.

Overall, unrestricted income of £1,559k was 22% lower than last year (£2,011k). Our key areas of unrestricted income are: membership £1,119k (2020: £1,145k), publications £118k (2020: £263k) and events £29k (2020: £455k).



Unrestricted (including designated) expenditure was 26% lower at £1,553k (2020: £2,101k). With recovery in the financial markets MA investments showed an unrealised gain of £438k.

The balance of restricted funds increased by £723k largely due to the receipt of grant funds for the UKRI Digital Innovation and Engagement project and the gain in investment value. The balance of endowment funds increased by £78k, mainly in relation to the gain in investment value.

The Museums Association has a lease on a property in Clerkenwell Close, London that runs to September 2031.

Statement of the Board's responsibilities

The board members (who are also directors of the MA for the purposes of company law) are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the board members 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 board members 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 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 charitable company will continue in operation.

The board members 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 board members are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the board members 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.

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

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

Members of the Board

Members of the board, who are also trustees under charity law, who served during the year and up to the date of this report are as detailed on page four.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2021 was 10,138 (31 March 2019: 14,691). Members of the board have no beneficial interest in the charitable company.

Auditors

Moore Kingston Smith were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Board on 15 July 2021 and signed on its behalf by,

A handwritten signature in black ink, appearing to read 'G Findlay'.

Gillian Findlay, President



INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Museums Association for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 incoming resources and application of resources, for the period 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 Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of 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, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:



- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees 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

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006, the Charities Act 2011 and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 any party other than the charitable company and charitable company's members and trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP

Date 14 October 2021

Neil Finlayson, Senior Statutory Auditor
For and on behalf of Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Museums Association

Statement of Financial Activities (incorporating an Income and Expenditure Account)

For the year ended 31 March 2021

	Note	Endowment £	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Income and endowments from:						
<i>Donations and legacies</i>	3	-	825,177	40,550	865,727	140,066
<i>Investment income</i>		9,551	7,303	110,144	126,998	141,484
<i>Charitable activities</i>	4	-	0	1,296,191	1,296,191	1,889,895
<i>Other incoming resources</i>		-	0	112,557	112,557	-
Total incoming resources		<u>9,551</u>	<u>832,480</u>	<u>1,559,442</u>	2,401,473	2,171,445
Resources expended						
<i>Charitable activities</i>	5	<u>5,000</u>	<u>165,303</u>	<u>1,553,544</u>	1,723,847	2,341,457
Total resources expended	5	<u>5,000</u>	<u>165,303</u>	<u>1,553,544</u>	1,723,847	2,341,457
Net gain/(loss) on investment assets	11a	73,920	56,055	307,714	437,689	(207,437)
Net incoming/(outgoing) resources before transfers and other recognised gains and losses	6	<u>78,471</u>	<u>723,232</u>	<u>313,612</u>	1,115,315	(377,449)
Gross transfers between funds		-	-	-	-	-
Transfer of funds out of the charity		-	-	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme		-	-	(136,000)	(136,000)	(41,000)
Net movement in funds for the year		<u>78,471</u>	<u>723,232</u>	<u>177,612</u>	979,315	(418,449)
Reconciliation of funds						
Funds brought forward at 1 April 2020		<u>396,767</u>	<u>383,547</u>	<u>1,648,139</u>	<u>2,428,453</u>	<u>2,846,902</u>
Funds carried forward	14/15	<u>475,238</u>	<u>1,106,779</u>	<u>1,825,751</u>	<u>3,407,768</u>	<u>2,428,453</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. Movements in funds are disclosed in Note 14 to the financial statements.

Museums Association (Limited by Guarantee)

Balance Sheet

As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible Fixed Assets	9	35,806	36,377
Intangible Fixed Assets	10	72,398	92,658
Investments	11	2,777,141	2,339,452
		<u>2,885,345</u>	<u>2,468,487</u>
Current assets			
Debtors	12	727,842	382,987
Cash at bank and in hand		124,340	154,350
		<u>852,182</u>	<u>537,337</u>
Creditors: amounts falling due within one year	13	<u>517,758</u>	<u>832,371</u>
Net current assets/(liabilities)		334,423	(295,033)
Net assets excluding pension asset		3,219,768	2,173,453
Defined benefit scheme asset	18	<u>188,000</u>	<u>255,000</u>
Net assets including pension asset	14/15	<u><u>3,407,768</u></u>	<u><u>2,428,453</u></u>
Funds			
Endowment funds		475,238	396,767
Restricted funds		1,106,779	383,547
Unrestricted funds			
Designated funds		716,165	788,402
General funds		<u>921,586</u>	<u>604,737</u>
Unrestricted income funds excluding pensions asset		1,637,751	1,393,139
Pension reserve	18	<u>188,000</u>	<u>255,000</u>
Total unrestricted funds		<u>1,825,751</u>	<u>1,648,139</u>
Total funds	14/15	<u><u>3,407,768</u></u>	<u><u>2,428,453</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime with Part 15 of the Companies Act 2006.

Approved by the Board on 15 July 2021 and signed on its behalf by:



Gillian Findlay
President



Simon Brown
Vice President

Museums Association

Statement of Cash Flows

For the year ended 31 March 2021

	2021 £	2020 £
Cash flow/(outflow) from operating activities		
Cash generated from operations	42,447	183,121
Interest paid	-	-
Net cash provided by/(used in) operating activities	<u>42,447</u>	<u>183,121</u>
Cash flow from investing activities		
Bank interest received	1,446	600
Acquisition of fixed asset investments	(73,903)	(130,493)
Disposal of financial instruments	-	-
Net cash used in investing activities	<u>(72,457)</u>	<u>(129,893)</u>
Net increase in cash and cash equivalents	(30,010)	53,227
Cash and cash equivalents at beginning of year	154,350	101,123
Cash and cash equivalents at end of year	<u>124,340</u>	<u>154,350</u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income including endowments	979,315	(418,449)
Adjustments for:		
Depreciation charges	19,523	13,358
Amortisation	75,211	100,027
Bank interest received	(1,446)	(600)
Net (gains)/ losses on investments	(437,689)	357,436
Decrease (increase) in pension asset	67,000	(38,000)
Decrease / (increase) in stock	-	-
Decrease/ (increase) in debtors	(344,855)	91,374
Increase/ (decrease) in creditors	(314,612)	77,974
Net cash provided by/(used in) operating activities	<u>42,447</u>	<u>183,121</u>

Museums Association

Notes to the Financial Statements

For the Year Ended 31 March 2021

1. Accounting Policies

- a) The financial statements have been prepared under the historical cost convention except for investments which are included at market value. The statements have been prepared in accordance with the Statement of Recommended Practice (SORP) FRS 102, Accounting and Reporting by Charities published in 2015, the Companies Act 2006 and applicable accounting standards. The financial statements are prepared in sterling, which is the functional currency of the charity. Amounts presented are rounded to the nearest pound.
- b) The charity is a company limited by guarantee and incorporated in England & Wales. The members of the company are the individuals and institutions in membership of the Association. In the event of the charity being wound up, the liability in respect of guarantee is limited to £1 per member of the charity. The company is a public benefit entity.
- c) The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. In light of the current pandemic, Trustees have reviewed and approved revised budgets and forecasts, in particular taking into account pressures on events, membership, publications and investment income. Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.
- d) General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
- e) Restricted and endowment funds are to be used for specific purposes as laid down by the donor. Income generated from investments held by the funds is restricted to use by the fund. Expenditure which meets these criteria is charged to the fund.
- f) Incoming resources, including grants, are included in the statement of financial activities (SOFA) when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably, net of VAT where applicable.
- g) Membership income is included on a receivable basis with amounts relating to future accounting years deferred as subscriptions in advance. For subscriptions of publications the amount recognised is calculated on a pro-rata basis covering the period paid for in the accounting year. Events income is recognised in the accounting year in which the event takes place.
- h) Investment income and gains are allocated to the appropriate fund.

Museums Association

Notes to the Financial Statements

For the Year Ended 31 March 2021

Accounting Policies (Continued)

- i) Resources expended are accounted for on an accruals basis and allocated to the particular activity where the cost relates directly to that activity. However, the support costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned first to restricted funds in accordance with funding restrictions and then to the remaining unrestricted activities on the basis of staff numbers. Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably.
- j) Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are now regarded as part of support costs which are allocated to the cost of activities undertaken by the Charity.
- k) Grants and bursaries payable are recognised when a decision to make an award has been made and communicated to the recipients.
- l) Cash and Cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.
- m) The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic Financial Liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, and subsequently measured at amortised cost using the effective interest method.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS102. See notes 12 and 13 for the debtor and creditor notes.

Museums Association

Notes to the Financial Statements

For the Year Ended 31 March 2021

Accounting Policies (Continued)

- n) Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are:

Furniture & Equipment	10.00% per annum, straight line method
IT & Computers	33.33% per annum, straight line method

Depreciation costs are allocated to Support Costs.

- o) Intangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The amortisation rates in use are:

Website & Database	33.33% per annum, straight line method
--------------------	--

Amortisation costs are allocated to Support Costs.

- p) Investments held as fixed assets are included at mid-market value at the balance sheet date. The gain or loss for each period is taken to the statement of financial activities. Unrealised gains are shown in note 11a. Gains are shown on the face of the SOFA. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment are recognised immediately in the profit or loss account.
- q) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the length of the lease.
- r) The charity used to operate a defined benefit pension scheme on behalf of its employees. The scheme is now closed. The assets of the scheme are held separately from those of the charity in an independently administered scheme.

Current or past service costs and gains, as determined by the scheme's actuary, are charged to the statement of financial activities each year. Pension finance costs or income are included within total resources expended or incoming resources as applicable. Actuarial gains and losses arising are recognised within 'gains and losses' on the statement of financial activities.

In addition, any deficit on the scheme, representing the shortfall of the value of the scheme assets below the present value of the scheme liabilities is recognised as a liability on the balance sheet to the extent that the employer charity is able to recover a surplus or has a legal or constructive obligation for the liability. A corresponding pension reserve is included within total unrestricted funds.

Museums Association

Notes to the Financial Statements

For the Year Ended 31 March 2021

Accounting Policies (Continued)

- s) The charitable company also agrees to contribute to personal pension schemes. The pension cost charge represents contributions payable by the charitable company to the individual schemes. The charitable company has no liability under the schemes other than for the payment of those contributions.
- t) Trust funds are funds:
 - i) which are administered by or on behalf of the MA
 - ii) whose funds are held for specific purposes which are within the general purposes of the MA; or
 - iii) which are subject to a substantial degree of influence by the MA, are treated as branches and accounted for as part of the MA.
- u) The MA undertakes an administrative role in the running of the Esmee Fairbairn Collections Fund. The MA undertake this service in return for a grant which is recognised as income in the statutory accounts.

The MA also hold funds as an intermediary, awaiting instructions from an approval panel (where control is retained by the Principal: Esmee Fairbairn), to distribute the funds. Although the MA monitor and report against the use of the funds in their administrative capacity, the ultimate control over the distribution of the funding and legal responsibility for ensuring the charitable application of the funds is retained by Esmee Fairbairn.

Funds received and expended in this manner are excluded from the accounts as income and expenditure. Further details can be found in note 19.

2. Judgements and key sources of estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, they are required to make judgements, estimates and assumptions that have a significant effect on the amounts recognised in the financial statements and carry a significant risk of material adjustment in the next financial year. No judgements or key sources of uncertainty have been identified by the trustees.

Museums Association

Notes to the Financial Statements

For the Year Ended 31 March 2021

3. Donations and Legacies

	Restricted £	Unrestricted £	2021 £
Trusts and funded projects			
UKRI	633,125	-	633,125
Other	49,641	153,107	202,748
	<u>682,766</u>	<u>153,107</u>	<u>835,873</u>
Esmee Fairbairn Collections Fund	<u>142,411</u>	<u>-</u>	<u>142,411</u>
	<u>825,177</u>	<u>153,107</u>	<u>978,284</u>

	Restricted £	Unrestricted £	2020 £
Trusts and funded projects			
Arts Council of England	-	486	486
Other	117	-	117
	<u>117</u>	<u>486</u>	<u>603</u>
Esmee Fairbairn Collections Fund	<u>139,463</u>	<u>-</u>	<u>139,463</u>
	<u>139,580</u>	<u>486</u>	<u>140,066</u>

4 Charitable activities

	Restricted £	Unrestricted £	2021 £
Membership	-	1,118,961	1,118,961
Publications	-	118,386	118,386
Events	-	29,273	29,273
Professional development	-	29,571	29,571
	<u>-</u>	<u>1,296,191</u>	<u>1,296,191</u>
	Restricted £	Unrestricted £	2020 £
Membership	-	1,145,201	1,145,201
Publications	-	263,215	263,215
Events	-	455,457	455,457
Professional development	-	26,022	26,022
	<u>-</u>	<u>1,889,895</u>	<u>1,889,895</u>

Museums Association

Notes to the Financial Statements

For the Year Ended 31 March 2021

5. Total Resources Expended

	Publications £	Events £	Membership £	Professional Development £	Policy & Public Affairs £	Governance £	Support £	Trusts/ Projects £	Total £
Staff costs - direct (Note 7)	169,257	166,261	222,153	92,054	180,008	-	243,594	81,539	1,154,866
Direct costs	103,623	40,236	40,379	2,973	2,354	6,084	214,651	25,953	436,253
Grants and Bursaries	-	-	(7,500)	(8,130)	-	-	-	52,811	37,181
Depreciation	-	-	-	-	-	-	13,310	82,237	95,547
Trustees' expenses	-	-	-	-	-	-	-	-	-
sub total	272,880	206,497	255,032	86,897	182,362	6,084	471,555	242,540	1,723,847
Allocated support costs	104,484	89,557	149,262	44,779	89,557	(6,084)	(471,555)	-	-
Total resources expended	377,364	296,054	404,294	131,676	271,919	-	-	242,540	1,723,847

For the Year Ended 31 March 2020

	Publications £	Events £	Membership £	Professional Development £	Policy & Public Affairs £	Governance £	Support £	Trusts/ Projects £	Total £
Staff costs - direct (Note 7)	220,829	180,799	205,267	111,115	150,667	-	241,915	111,026	1,221,618
Direct costs	284,339	239,263	34,213	6,665	12,604	2,425	280,550	76,062	936,121
Grants and Bursaries	-	-	-	-	-	-	5,000	53,016	58,016
Depreciation	-	-	-	-	-	-	114,174	-	114,174
Trustees' expenses	-	-	-	-	-	11,528	-	-	11,528
sub total	505,168	420,062	239,480	117,780	163,271	13,953	641,639	240,104	2,341,457
Allocated support costs	187,312	117,070	140,484	70,242	140,484	(13,953)	(641,639)	-	-
Total resources expended	692,480	537,132	379,964	188,022	303,755	-	-	240,104	2,341,457

Museums Association

Notes to the financial statements

For the year ended 31 March 2021

6. Net incoming/(outgoing) resources for the year

This is stated after charging/crediting:	2021	2020
	£	£
Interest payable		
Bank charges	18,378	28,137
Depreciation	94,734	113,385
Operating lease rentals		
▪ property	93,855	94,763
Board's remuneration	-	-
Board's reimbursed expenses (travel and subsistence)	-	9,809
Auditors' remuneration:		
▪ Audit	11,300	13,585
▪ Other services	-	-
Income from quoted investments	56,553	61,884
Bank interest receivable	1,446	600

No reimbursed travel and subsistence costs relating to attendance at Board meetings were paid to board members (2020:8) during the year. Trustee indemnity is covered by the organisation's Charity Care insurance.

Museums Association

Notes to the financial statements

For the year ended 31 March 2021

7. Staff costs and numbers

Staff costs were as follows:	2021	2020
	£	£
Salaries and wages	908,081	898,992
Settlement payments	-	-
Social security costs	94,736	97,572
Temps/Consultants	12,114	20,996
Costs of pension scheme - defined contribution	75,936	79,834
Costs of pension scheme - defined benefit	48,041	37,281
	1,138,908	1,134,675
Other staff costs	15,958	86,942
	1,154,866	1,221,617
Total emoluments paid to staff were:	908,081	898,992

The Charity considers its key management personnel comprise the trustees, the Chief Executive Officer and 3 heads of departments. The total employment benefits (not including employer pension contributions) of the key management personnel were £ 363,633 (2020: £ 352,299). Trustees receive no remuneration.

Earnings over £60,000 (including pension)

	2021	2020
	No.	No.
Number of employees receiving £80,001 - £90,000	1	1
Number of employees receiving £70,001 - £80,000	3	1
Number of employees receiving £60,001 - £70,000	-	2

The employees above participated in the pension scheme. Contributions paid on behalf of the employees totalled £ 25,570 (2020: £ 26,632).

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2021	2020
	No.	No.
Publications	3.5	4.0
Restricted projects	1.5	3.5
Events	3.0	3.0
Membership	5.0	4.0
Professional development	1.5	1.5
Policy and public affairs	2.5	2.0
Support	3.0	3.5
	20.0	21.5

Museums Association

Notes to the financial statements

For the year ended 31 March 2021

8. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9. Tangible fixed assets

	Furniture and Equipment £	IT & Computers £	Total £
COST			
At 1st Apr 2020	54,730	154,031	208,761
Additions in year		18,952	18,952
At 31 March 2021	<u>54,730</u>	<u>172,983</u>	<u>227,713</u>
DEPRECIATION			
At 1st Apr 2020	34,816	137,568	172,384
Disposals in year		-	-
Charge for the Year	<u>3,000</u>	<u>16,523</u>	<u>19,523</u>
At 31 March 2021	<u>37,816</u>	<u>154,091</u>	<u>191,907</u>
NET BOOK VALUE			
At 31 March 2021	<u>16,914</u>	<u>18,892</u>	<u>35,806</u>
At 1st Apr 2020	<u>19,914</u>	<u>16,463</u>	<u>36,377</u>

10. Intangible fixed assets

	Website & Database £	Total £
COST		
At 1st Apr 2020	378,124	378,124
Additions in year	54,951	54,951
Disposals in year	-	-
At 31 March 2021	<u>433,075</u>	<u>433,075</u>
AMORTISATION		
At 31 March 2020	285,466	285,466
Disposals in year	-	-
Charge for the Year	<u>75,211</u>	<u>75,211</u>
At 31 March 2021	<u>360,677</u>	<u>360,677</u>
NET BOOK VALUE		
At 31 March 2021	<u>72,398</u>	<u>72,398</u>
At 31 March 2020	<u>92,658</u>	<u>92,658</u>

Museums Association

Notes to the financial statements

For the year ended 31 March 2021

11a. Investments

	2021	2020
	£	£
Rathbones		
At 01 April 2020	2,339,452	2,696,888
Disposal proceeds	-	-
Additions during the year, at cost	-	781,856
Disposals during the year, at brought forward value	-	(931,855)
Realised (losses) gains	-	-
Unrealised (losses) / gains	437,689	(207,437)
At 31 March 2021	<u>2,777,141</u>	<u>2,339,452</u>

At the balance sheet date, the market value of the portfolio comprised:

Fixed interest	254,057
UK equities	1,257,647
Global equities	1,125,182
Property	-
Other assets	140,255
At 31 March 2021	<u>2,777,141</u>

Individual holdings representing more than 5% of the market value of the portfolio at the balance sheet date are as follows:

	2021
	£
BROWN ADVISORY FUNDS US Sustainable Growth C Inc	162,963

	2021	2020
	£	£
Analysis of investment portfolio		
Schroder Charity Fixed Interest Fund	-	-
Schroder Charity Equity Funds	-	-
Rathbones	2,777,141	2,339,452
At 31 March 2021	<u>2,777,141</u>	<u>2,339,452</u>

Museums Association

Notes to the financial statements

For the year ended 31 March 2021

11b. Investment in subsidiary	2021	2020
	£	£
Shares in subsidiary at cost	<u>2</u>	<u>2</u>
12. Debtors	2021	2020
	£	£
Trade debtors	71,247	76,944
Grant Debtors	565,911	139,463
Other debtors	5,924	16,414
VAT recoverable	-	21,874
Prepayments and accrued income	<u>84,760</u>	<u>128,292</u>
	<u>727,842</u>	<u>382,987</u>
13. Creditors : amounts falling due within one year	2021	2020
	£	£
Trade creditors	32,631	112,030
Accruals	57,705	38,305
PAYE, social security and other taxes	35,505	45,672
VAT payable	5,999	-
Other creditors	1,843	7,146
Subscriptions in advance	<u>384,075</u>	<u>629,218</u>
	<u>517,758</u>	<u>832,371</u>

Some deferred income recognised in 2019 was not released in 2020 as fees for cancelled events were held over with customer agreement.

Museums Association

Notes to the financial statements

For the year ended 31 March 2021

14. Movements in funds

	At 31 March 2020 £	Incoming Resources *	Outgoing Resources £	Transfers £	At 31 March 2021 £
Endowment funds					
Beecroft Bequest	396,767	83,471	(5,000)	-	475,238
Total endowment funds	<u>396,767</u>	<u>83,471</u>	<u>(5,000)</u>	<u>-</u>	<u>475,238</u>
Restricted funds:					
Benevolent Fund	277,216	88,938	(12,975)		353,179
Esmee Fairbairn	106,392	142,411	(130,073)		118,730
UKRI ***	-	633,125	-		633,125
Art Fund L & E	-	9,000	(7,255)		1,745
Museum Freelance	-	15,000	(15,000)		-
Partnerships with Purpose	(61)	61		-	-
Total restricted funds	<u>383,547</u>	<u>888,535</u>	<u>(165,303)</u>	<u>-</u>	<u>1,106,779</u>
Unrestricted funds:					
<i>Designated funds:</i>					
Pension Company	600,000	-	-	-	600,000
Fixed Asset reserve**	188,402	-	(72,237)	-	116,165
Total designated funds	<u>788,402</u>	<u>-</u>	<u>(72,237)</u>	<u>-</u>	<u>716,165</u>
General funds	<u>604,737</u>	<u>1,798,156</u>	<u>(1,481,307)</u>		<u>921,586</u>
Total unrestricted funds	<u>1,393,139</u>	<u>1,798,156</u>	<u>(1,553,544)</u>	<u>-</u>	<u>1,637,751</u>
Pension reserve fund	<u>255,000</u>	<u>-</u>	<u>(67,000)</u>	<u>-</u>	<u>188,000</u>
Total funds	<u>2,428,453</u>	<u>2,770,162</u>	<u>(1,790,847)</u>	<u>-</u>	<u>3,407,768</u>

* Includes gains on investment assets

** Fund established for investment in database, Web redesign, premises improvements and IT upgrade.

*** Funds received for UKRI Digital Innovation and Engagement project to be expended in 2021-22

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Notes to the financial statements

For the year ended 31 March 2021

14) Movements in funds (continued)

Purposes of Endowment Funds

The Beecroft Bequest originates from a legacy made in 1961 which is used to make grants to museums to help fund purchases of pictures and works of art produced no later than the 18th century.

Purposes of restricted funds

The Benevolent Fund assists financially distressed members of the MA and their families and merged with the Trevor Walden Trust during the year and now includes within its purpose the promotion of education and professional development of members of the MA.

The MA runs the Esmée Fairbairn Collections Fund (EFCF), offering grants of £20,000 to £100,000 to museums for time-limited work with collections. Through this fund the MA and the Esmée Fairbairn Foundation seek to develop a series of projects that demonstrate the inspiring and engaging potential of collections to deliver social impact for people and communities.

Purposes of designated funds

A fund of £600,000 was set up in 2012 in place of the charge on the property sold that year held by the Museums Association Pension Plan.

The fixed asset reserve designated fund has funds set aside for future capital expenditure.

15. Analysis of Net Assets Between Funds

	2021			
	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds £
Intangible Fixed Assets	-	-	72,398	72,398
Tangible Fixed Assets	-	-	35,806	35,806
Investments	469,023	355,668	1,952,450	2,777,141
Net Current Assets	6,215	751,111	(422,903)	334,423
Pension scheme asset	-	-	188,000	188,000
Net Assets at 31 March 2021	475,238	1,106,779	1,825,751	3,407,768

	2020			
	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds £
Intangible Fixed Assets	-	-	92,658	92,658
Tangible Fixed Assets	-	-	36,377	36,377
Investments	395,103	299,614	1,644,736	2,339,453
Net Current Assets	1,664	83,933	(380,632)	(295,035)
Pension scheme asset	-	-	255,000	255,000
Net Assets at 31 March 2020	396,767	383,547	2,046,397	2,428,453

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Notes to the financial statements

For the year ended 31 March 2021

16. Related parties

The MA appoints the trustees of the Benevolent Fund and the Beecroft Bequest and thus has a significant influence over the affairs of these trusts.

5 Trustees held a position with entities which at the year end had debtor balances with the Museums Association:

		2021
		£
Culture Perth and Kinross	Gillian Findlay	666
Manchester Museum	Alex Bird	1,845
National Museums Wales	Heledd Fychan	273
National Trust for Scotland	Michael Terwey	2,358
National Trust	Alex Bird	2,358
Norfolk County Council	Steve Miller	1,845
		<u>9,345</u>

17. Operating lease commitments

		2021	2020
		£	£
Expenditure committed to under operating leases falling due in:			
Property			
	Less than one year	69,750	93,000
	2 to 5 years	372,000	372,000
	More than 5 years	<u>511,500</u>	<u>604,500</u>
Other			
	Less than one year	1,147	1,888
	2 to 5 years	-	-
	More than 5 years	<u>-</u>	<u>-</u>

Museums Association

Notes to the Financial Statements

For the year ended 31 March 2021

18. Defined benefit pension scheme

The association operates a defined benefit scheme in the UK which was paid-up at 31 March 2008 so no further service liability will accrue.

The most recent full actuarial valuation was carried out in 2019 by a qualified actuary. As the scheme was fully funded no contributions were made in 2020-21.

Defined benefit cost:

	2021 £'000	2020 £'000
Current service cost		-
Net interest cost on the recognised defined benefit asset	-	(1)
Remeasurements recognised in the SOFA	-	1
	<u>-</u>	<u>-</u>

Remeasurements recognised in Other Comprehensive Income:

	2021 £'000	2020 £'000
Remeasurement of defined benefit obligation	718	(345)
Return on plan assets	(645)	313
Change in effect of the asset ceiling	(73)	33
	<u>-</u>	<u>1</u>

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

Financial Assumptions:

	2021 %	2020 %
Discount rate at the end of the year	2.2%	2.4%
Retail Price Inflation	3.4%	2.8%
Consumer Price Inflation	2.7%	1.9%
Increases in deferment	2.7%	1.9%
Rates of increase to pensions in payment		
Pensions earned before 6/4/97	0.0%	0.0%
Pensions earned after 5/4/97	3.4%	2.8%

Based on the mortality assumptions detailed below, the following illustrates the life expectancies used to place a value on the Scheme's liabilities as at 31 March 2021:

Life expectancy	Male	Female
Member aged 65 at the effective date of the calculations	20.2	22.5
Member aged 65 at a date 20 years after the effective date of the calculations	21.5	23.9

Museums Association

Notes to the Financial Statements

For the year ended 31 March 2021

Financial Assumptions (cont.)

Demographic and other assumptions

	2021	2020
Mortality after retirement base table	S3PA with ages rated up 2 years	S3PA with ages rated up 2 years
Future improvements	CMI_2019 [1.25%]	CMI_2019 [1.25%]
Cash commutation	All members will commute 25% of pension on current terms	All members will commute 25% of pension on current terms
Retirement age	Normal retirement age	Normal retirement age
Proportion of members with a spouse	85% - Males; 75% females	85% - Males; 75% females
Average age difference between member and spouse	Females are 3 years younger than males	Females are 3 years younger than males
Discretionary increases	No allowance	No allowance

The expected return on the plan assets is based on the fair value of the assets at the beginning of the period and the expected long term rate of return as estimated at the start of the period.

The employee benefit obligations recognised in the balance sheet are as follows:

	2021	2020
	£'000	£'000
Present value of defined benefit obligations	3,419	2,648
Fair value of plan assets	(3,607)	(2,903)
Net asset recognised in the Balance Sheet	<u>(188)</u>	<u>(255)</u>

Museums Association

Notes to the Financial Statements

For the year ended 31 March 2021

18. Defined benefit pension scheme (continued)

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

	2021 £'000	2020 £'000
Opening defined benefit obligation	2,648	2,949
Service cost (Current and past)	-	-
Interest cost	63	73
Remeasurement arising from changes in assumptions	729	(316)
Remeasurement arising from experience	(11)	(29)
Benefits paid	(10)	(29)
Liabilities at end of period	<u>3,419</u>	<u>2,648</u>

Changes in the fair value of plan assets are as follows:

	2021 £'000	2020 £'000
Opening fair value of plan assets	2,903	3,166
Interest income	69	79
Actual return on plan assets, excluding interest income	645	(313)
Contributions by employer	-	-
Benefits paid	(10)	(29)
Assets at end of period	<u>3,607</u>	<u>2,903</u>

The actual return/(deficit) on plan assets was £ (714,000); (2020: (£234,000)).

The major categories of plan assets as a percentage of total plan assets are as follows:

	2021		2020	
	£'000	%	£'000	%
Equities	2,597	72%	1,887	65%
Bonds & Gilts	361	10%	377	13%
Property	577	16%	494	17%
Cash	72	2%	145	5%

Museums Association

Notes to the Financial Statements

For the year ended 31 March 2021

19. Funds held by The Museums Association as an intermediary agent

The Museums Association receives an annual restricted grant from Esmée Fairbairn to support the research, development and administration of the Esmée Fairbairn Collections Fund. This is recognised as income in the financial statements.

The MA also receives £1.3 million per year for 2020-22 over the extended life of the programme for distribution to grant recipients. Under the terms of the agreement, the Museums Association will receive, review and filter applications which will be sent to an approval panel for consideration. The panel consists of two Esmée Fairbairn trustees, the Esmée Fairbairn chief executive, the Museums Association's chief executive and two members from the museums community. Based on the composition of the panel and the fact that the Esmée Fairbairn chief executive has the casting vote on the approval of awards, the Museums Association has no ultimate control over the distribution of the awards.

Under this arrangement the Museums Association is holding the funds as an intermediary, awaiting instruction from Esmée Fairbairn to distribute the funds. Although the Museums Association will monitor and report against the use of the funds, the ultimate control of the funding and legal responsibility for ensuring the charitable application of the funds would appear to remain with the Esmée Fairbairn Foundation.

As such, funds received and distributed under this arrangement have been excluded from the MA's accounts. This year, £ 441,478 was carried forward, £ 1,075,996 was received and £ 1,234,798 was awarded. At the year end, the MA held cash of £ 282,677 which is payable to grantees under the programme. This bank balance and corresponding liability have also been removed from the financial statements.