

Collections Trust

Annual report and financial statements

31 March 2022

Company limited by guarantee

Registration number

01300565 (England and Wales)

Charity registration number

0273984

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

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

Trustees' annual report 31 March 2022

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

Governance

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

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

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

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

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

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

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

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

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

Management

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

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

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

Trustees' annual report 31 March 2022

OBJECTIVES

Charitable purpose

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

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

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

Mission and aims

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

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

Our revised mission is to:

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

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

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

PUBLIC BENEFIT

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

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

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

ACTIVITIES AND ACHIEVEMENTS

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

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

Museum data service

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

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

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

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

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

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

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

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

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

Supporting good collections management practice in UK museums

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

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

Trustees' annual report 31 March 2022

ACTIVITIES AND ACHIEVEMENTS (continued)

Supporting good collections management practice in UK museums (continued)

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

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

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

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

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

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

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

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

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

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

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

Spectrum – the UK standard used around the world

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

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

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

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

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

FINANCIAL REVIEW

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

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

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

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

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

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

Reserves policy and position

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

1. General fund

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

2. Strategic fund

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

3. Defined benefit pension fund

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

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

Trustees' annual report 31 March 2022**FINANCIAL REVIEW (continued)****Reserves policy and position (continued)**

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

Fundraising

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

Going concern

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

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

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

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

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

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

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

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

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

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

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

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

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 accounting standards (United Kingdom Generally Accepted Accounting Practice).

Trustees' annual report 31 March 2022

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES (continued)

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

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

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

In so far as the trustees are aware:

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

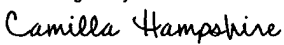
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Trustees' annual report 31 March 2022

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

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

DocuSigned by:

2D17E48AB2E4452...

C Hampshire
Chair

Date: 2/9/2022

Independent auditor's report 31 March 2022

Independent auditor's report to the members of Collections Trust

Opinion

We have audited the financial statements of Collections Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report 31 March 2022

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of responsibilities of trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report 31 March 2022

Responsibilities of trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Independent auditor's report 31 March 2022

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

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

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

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

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

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

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

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

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

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

Independent auditor's report 31 March 2022

Use of our report

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

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is stylized, with the letters "B" and "L" being particularly prominent and connected to the rest of the text.

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

Date 19 October 2022

Statement of financial activities (incorporating an income and expenditure account)
31 March 2022

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

All of the above results are derived from continuing activities.

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

The attached notes form part of these financial statements.

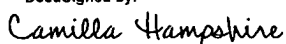
A full comparative statement of financial activities is included at Note 1.

Balance sheet 31 March 2022

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

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

Approved by the trustees and signed on their behalf by:

DocuSigned by:

 2D17E48AB2E4452...

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

The attached notes form part of the financial statements.

Statement of cash flows 31 March 2022

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

Principal accounting policies 31 March 2022

Basis of preparation

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

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

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

Going concern

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

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

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

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

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

Critical accounting estimates and areas of judgement

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

Principal accounting policies 31 March 2022

Income

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

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

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

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

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

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

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

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

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

Principal accounting policies 31 March 2022

Allocation of support costs

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

Operating leases

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

Tangible fixed assets

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

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

Stock

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Principal accounting policies 31 March 2022

Pensions

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

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

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

Notes to the financial statements 31 March 2022

1 Detailed comparatives for the statement of financial activities

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

2 Income from charitable activities

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

Notes to the financial statements 31 March 2022

3 Income from investments

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

4 Analysis of expenditure

	Restricted		Unrestricted					2022 Total £
	ACE £	Retail £	Spectrum £	Consultancy £	Training £	Conference £	CT Award £	
Expenditure								
Direct costs	16,221	14,026	434	13,131	—	452	—	44,264
Direct staff costs	142,433	9,610	1,249	31,629	2,661	—	—	187,582
	158,654	23,636	1,683	44,760	2,661	452	—	231,846
Overheads								
Administration overheads	54,145	4,283	336	9,903	964	—	—	69,631
Staff overheads	21,433	11,075	868	25,606	2,493	—	—	61,476
	75,578	15,358	1,204	35,509	3,458	—	—	131,107
Total expenditure 2022	234,232	38,994	2,887	80,269	6,119	452	—	362,953
	Restricted		Unrestricted					2021 Total £
	ACE £	Retail £	Spectrum £	Consultancy £	Training £	Conference £	CT Award £	
Expenditure								
Direct costs	15,014	9,917	351	14,611	—	—	1,000	40,893
Direct staff costs	126,620	4,780	679	23,235	—	—	—	155,314
	141,634	14,697	1,030	37,846	—	—	1,000	196,207
Overheads								
Administration overheads	58,313	2,705	251	15,681	—	—	—	76,950
Staff overheads	34,285	8,493	787	24,089	—	—	—	67,653
	92,598	11,198	1,038	39,768	—	—	—	144,603
Total expenditure 2021	234,232	25,895	2,068	77,615	—	—	1,000	340,810

Overheads are allocated based on staff time per activity.

5 Net income for the year

This is stated after charging:

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

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

Staff costs were as follows:

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

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

	2022 £	2021 £
£60,000 - £69,999	1	1

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

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

Staff numbers

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

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

7 Taxation

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

Notes to the financial statements 31 March 2022

8 Tangible fixed assets

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

All of the above assets are used for charitable purposes.

9 Stock

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

10 Debtors

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

Notes to the financial statements 31 March 2022

11 Creditors: amounts falling due within one year

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

12 Analysis of net assets between funds

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

13 Movement in funds

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

Notes to the financial statements 31 March 2022

13 Movement in funds (continued)

	At 1 April 2020 £	Income £	Expenditure £	Gains / (losses) and transfers £	At 31 March 2021 £
Restricted funds					
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)

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

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

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

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

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

Notes to the financial statements 31 March 2022**15 Analysis of cash and cash equivalents**

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

	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

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

16 Operating lease commitments

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

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

17 Legal status of the charity

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

18 Related party transactions

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

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

19 Defined benefit pension commitments

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

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

Notes to the financial statements 31 March 2022

19 Defined benefit pension commitments (continued)

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

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

FRS 102

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

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

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

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

The mortality assumptions used were as follows:

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

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

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

Notes to the financial statements 31 March 2022

19 Pension commitments (continued)

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

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

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

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

Asset and benefit obligation reconciliation:

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

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

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

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

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

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

Contributions

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

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