

Company No 01300565
Charity No 0273984

COLLECTIONS TRUST
(a company limited by guarantee)

FINANCIAL STATEMENTS

For the year ended 31 March 2010



WHITING & PARTNERS
Chartered Accountants & Registered Auditors
Garland House
Garland Street
Bury St Edmunds
Suffolk
IP33 1EZ

COLLECTIONS TRUST

FINANCIAL STATEMENTS

For the year ended 31 March 2010

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COLLECTIONS TRUST

TRUSTEES' REPORT

For the year ended 31 March 2010

The Trustees present their report and financial statements for the year ended 31 March 2010

Reference and Administrative Details

Company Number 01300565

Charity Number 0273984

Registered Office Downstream Building, 1 London Bridge, London, SE1 9BG

Trustees

The Trustees, who are also directors under company law, who served during the year were as follows

Mr M Houlihan (resigned 16 December 2009)

Mr P Weinand (resigned 16 December 2009)

Prof M Cassar (resigned 16 December 2009)

Ms M Greeves

Dr S Keene

Dr P Davis

Mr M Cooke

Mr G Salway

Mr J Gilbert

Ms J Vitmayer

Mr S Cane

Ms J Carmichael

Chief Executive

Mr N Poole

Company Secretary

Mr N Poole

Bankers

Barclays Bank Plc

Auditors:

Whiting & Partners, Garland House, Garland Street, Bury St Edmunds, Suffolk, IP33 1EZ

Structure, Governance and Management

Governing Document

Collections Trust is a charitable company limited by guarantee and was originally incorporated on February 28th 1977. Collections Trust is registered as a charity with the Charity Commission. The company was formed under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. A special resolution was passed to change the company's name from MDA (Europe) to Collections Trust on 19th May 2008.

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TRUSTEES' REPORT

For the year ended 31 March 2010

Recruitment and Appointment of Trustees

The directors of the company are also charity Trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, the Trustees are appointed in accordance with the Nolan Principles either by open advertisement or co-opting.

All recruitment is covered under the Collections Trust's Equal Opportunities Policy. All new Trustees are required to complete the Charity Commission's Confirmation of Eligibility form. Trustees are elected to serve a period of three years after which they must be re-elected at the next Annual General Meeting. After a further term of three years, Trustees are no longer able to remain members of the Board of Trustees.

As set out in the Memorandum, the Museum, Libraries and Archives Council (MLA) are eligible to nominate one observer who will attend meetings of the Board. The observer is permitted to contribute to discussions and to provide expert input, but is not eligible to vote on matters of policy or direction.

All members of the Collections Trust Board give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts. Appointment of Trustees is carried out by a method of selection, any vacancies first being advertised in an open and fair manner prior to an election by existing Board members. The number of Board members is normally not more than twelve including the Chair of the Board of Trustees.

Trustee Induction and Training

New Trustees are invited and encouraged to attend a series of short training sessions (of no more than an hour) in order to familiarise them with the charity and the context within which it operates. The training sessions are normally jointly led by the Chair of the Board of Trustees and the Chief Executive and cover

- The obligations of Trustees
- The main documents which set out the governance of the charity including the Memorandum and Articles
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objections
- The organisation's operational plan

A Question and Answer pack has been prepared which provides information from the various Charity Commission publications signposted through the Commission's guide "the Essential Trustee" as a follow up to these sessions.

Trustee training is updated on a regular basis as and when required to comply with new legislative areas.

Organisation

Members of the Collections Trust's Board of Trustees meet on a quarterly basis and are responsible for the strategic direction and policy of the charity. During the year the Board of Trustees had twelve members from a variety of professional backgrounds within the sector. The Company Secretary also sits on the Board but has no voting rights.

A scheme of delegation is in place and the day to day responsibility for the provision of the services rests with the Chief Executive along with members of the Management Team. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Chief Executive is responsible for ensuring that all staff continue to develop their skills and working practices in line with good practice.

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TRUSTEES' REPORT

For the year ended 31 March 2010

Audit Committee

The Collections Trust Audit Committee was set up during 2007/8 following a resolution of the Board of Trustees

The Audit Committee is responsible for the following areas -

- Reviewing the financial management arrangements of Collections Trust
- Making recommendations to the Board concerning the appointment, re-appointment or dismissal of the external auditors
- Addressing any issues concerning the fees, terms of appointment or resignation of the external auditors
- Keeping under review Collections Trust's internal control procedures and risk management systems
- Discussing problems and reservations arising from the external audit and any matters the external auditors wish to discuss
- Monitoring arrangements for, and the achievement of, compliance with statutory and other requirements governing financial reporting

The Audit Committee meets twice annually, in December and June. The December meeting reviews financial performance and other matters arising during the second and third quarters of the fiscal year and the June meeting reviews matters post the previous years' Audit.

Related Parties

The following organisations have a funding relationship with the Collections Trust

- Museums, Libraries and Archives Council (MLA)
- Museums Galleries Scotland (MGS)
- European Commission

CEO Nick Poole is a Trustee or Chair of the following organisations

- Museums Association
- Chartered Institute of Library and Information Professionals
- International Council of Museums (UK)
- Europeana Council of Content Providers and Aggregators
- Archaeology Data Service

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. A risk register has been established and is updated twice annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Significant external risks to funding have led to the development of a Strategic Plan (*Making the Connection*) which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff and visitors. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

COLLECTIONS TRUST

TRUSTEES' REPORT

For the year ended 31 March 2010

Objects and Activities

The Objects of the Charity as set out in the Memorandum and Articles of Association are to “promote the education of the public by the development of museums and similar organisations by all appropriate methods”

Since 2008, these Objects have been used as the basis of the organisation’s Strategic Plan, *Making the Connection*

This Plan states that the Mission of the organisation is to “campaign for the public right to access and engage with Collections. We will do this by promoting best practice, encouraging innovation and representing the interests of the sector”

Public Benefit

Drawing on the organisational Mission and the Objects of the Charity, all of the Collections Trust’s work is geared towards delivering significant public benefit

The Collections Trust employs two primary means of delivering Public Benefit

- Directly through the provision of services which directly connect the public to culture-sector information, including details of venues, events and exhibitions and searchable information about Collections themselves
- Indirectly through working with the sector to improve standards of service delivery in order to increase public access to and engagement with Collections

Examples of activities which deliver significant direct public benefit include

- The ongoing management and delivery of the Culture Grid (<http://www.culturegrid.org.uk>), which connects members of the public to objects, records, books, venues and other cultural information via the Internet
- Ongoing support for public-facing services including Europeana (<http://www.europeana.eu>), BBC CenturyShare and Wikipedia
- Support for organisations such as Kids in Museums which campaign for the rights and interests of consumers making use of cultural services
- The provision of services such as Stories of the World and Revisiting Collections which promote the public right to participate in future collecting and interpretation

Examples of activities which deliver significant indirect public benefit include

- The ongoing delivery of Collections Link (<http://www.collectionslink.org.uk>) to provide networking, support and best practice to cultural heritage professionals
- The ongoing delivery of Cultural Property Advice (<http://www.culturalpropertyadvice.gov.uk>) to provide support to cultural institutions, collectors and the public on the responsible purchase and trade of art and antiquities
- The provision of best practice standards which enable cultural organisations to improve their services to the public
- Working towards solutions which enable the public to access a broader range of copyright material in the care of cultural institutions
- Defining and disseminating best practice for cultural institutions in making use of new technologies to improve their public services

COLLECTIONS TRUST

TRUSTEES' REPORT

For the year ended 31 March 2010

Activities

The organisation's work is grouped into 7 divisions, each of which corresponds to a charitable/business activity

- Enterprises
- Digital
- Culture Hub
- MLA Projects
- European Projects
- Other Projects
- Management & Administration

These programmes form the basis of an annual Operational Plan, which divides all current and forthcoming activity into individual projects. These projects are delivered using COMPOSE, the Collections Trust's in-house Project Management Methodology. COMPOSE is derived from PRINCE2 principles and includes mechanisms for Quality Management, ongoing evaluation and improvement.

This Operational Plan is the basis of an annual planning cycle, which includes resource and budget planning, forecasting, performance appraisal and professional development.

Underpinning the delivery of all of the Collections Trust's work are cross-cutting programmes which seek to maximise both impact and value for money. In line with recent public sector developments, the Collections Trust has scaled back expenditure on Marketing and focussed more explicitly on communications and media relations.

Enterprises

Collections Trust Enterprises encompasses primary-purpose trading to support the delivery of the Charity's objects.

This activity includes

- Licensing Intellectual Property and standards for commercial reuse
- Development of commercial partnerships
- Publishing and retail of print and electronic best practice books

Digital Services

Collections Trust Digital Services include a range of services designed to support cultural organisations in sharing their content with a global audience via the Web.

This activity includes

- The hosting of heritage/cultural databases and images
- The preservation and archiving of Collections information
- Supporting cultural organisations in developing online image licensing/libraries
- The provision of online access to software and tools designed to improve Collections Management

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TRUSTEES' REPORT

For the year ended 31 March 2010

Culture Hub

From September 2010, the Collections Trust will be responsible for running the Culture Hub, a creative and cultural workspace providing support and managed accommodation for culture-sector organisations who share a remit for the provision of cultural services to the public

MLA Projects

The Collections Trust is funded by the Museums, Libraries and Archives Council (MLA) to deliver a range of projects and deliverables grouped under the following broad headings

- Collections Link
- Collections Standards
- OpenCulture
- Advocacy and support

European Projects

The Collections Trust has developed considerable competence in bidding for, managing and delivering medium to large-scale European projects and programmes. This is an active area of development for the organisation

Other Projects

From time to time, the Collections Trust is commissioned by 3rd parties to provide advice, expertise of consultancy in the support of the cultural heritage sector. All proposed work is assessed against the primary purpose of the charity as set out in its objects

International

Since 2008, the Collections Trust has pursued an International Strategy with three primary objectives, as follows

- Export UK knowledge and expertise
- Import and disseminate knowledge from the international community
- Identify and exploit new opportunities and partnerships overseas

Achievements and Performance

The Collections Trust has continued to build on its reputation as a consistent delivery agency working to support museums, archives and libraries in the UK and internationally

Key achievements during the past year include

- Successful launch of Culture Grid, featuring over 1m objects from more than 50 cultural organisations
 - Successful re-launch of Collections Link including new interface and social networking tools
 - Development of Culture Grid applications including a timeline, embedded search and Twitter applications
 - Successful delivery of content to the Europeana online platform
 - Delivery of project objectives and deliverables for the ATHENA project
 - Delivery of a programme of *Britain Loves Wikipedia* events jointly with Wikimedia UK
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COLLECTIONS TRUST

TRUSTEES' REPORT

For the year ended 31 March 2010

- Joint networking and partnership event with the BT Archives
- Online *Peoples Record* platform to support Cultural Olympiad events leading to 2012
- Launch of the BSI/Collections Trust *Publicly Available Specification for Collections Management*
- Two successful *Collect Trade Fairs* attracting more than 500 delegates and 40+ exhibitors
- The delivery of version 3.2 of the SPECTRUM Standard
- The delivery of Dutch and Flemish versions of SPECTRUM

The Collections Trust maintains a programme of performance monitoring across all activities. In addition, all projects are subject to summative evaluation, with the resulting data feeding into forward planning.

Financial Review

The Collections Trust has experienced a successful first year of trading since its change of name and remit in 2008. In spite of the prevailing political and economic climate, the organisation has experienced consistent growth and has been successful in securing new contracts from a number of key agencies including the Museums, Libraries and Archives Council and the European Commission.

This consistent track-record, coupled with a programme of new product launches and new projects for the coming year, places the organisation in a strong forward position.

Principal Funding Sources

The principal funding sources for the charity are by way of grant funding from MLA (Museums, Libraries and Archives Council), the Museums Galleries Scotland, Collections Trust's retail function and the Spectrum Partners Scheme. Collections Trust received 80% funding for work in two EC-funded projects, EuropeanaLocal and ATHENA. Both these organisations are part of the Europeana group.

Investment Policy

In accordance with the Reserves Policy of the charity, a prudent amount is retained in the reserves each year. As most of the charity's funds are to be spent in the short term, there are few funds available for any long term investment. In order to maximise funds, these are invested in the bank's Everyday Saver and Business Premium Accounts. A financial report is provided to the Board of Trustees at all Board meetings which includes a statement of accounts, profit and loss accounts and statements of all assets.

Reserves Policy

The Board of Trustees has examined the charity's requirements for reserves and has established a policy whereby the unrestricted funds not committed are set aside for specific purposes. Finances are reviewed through regular meetings and prompt action is taken to address any potential risks. The funds identified for designated reserves are as follows -

- Winding-up Reserves
 - Calculation for potential redundancy payments based on staff salaries and holiday pay accrual, rent and other commitments
 - Asset Reserves
 - Replacement of computer equipment over a period of three years
 - Other Reserves
 - Contingency costs for known future expenditure
 - Any surplus is accumulated into the general fund of the organisation
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COLLECTIONS TRUST

TRUSTEES' REPORT

For the year ended 31 March 2010

Plans for Future Periods

The Collections Trust's future plans focus on the objectives set out in the Strategic Plan 2009-11, Making the Connection. These seek to consolidate the organisation's position as a broker and facilitator of expertise and best practice across the museum, archive and library and broader collecting sectors.

Following the organisation's success in programme management and delivery during the previous year, the Collections Trust will continue to bid for Government and other contracts where these correspond to the core purposes of the Charity.

A priority area for future development will involve the development of International partnerships and activities outside the UK. This development continues the objective of diversification set out in the previous Funding Strategy (2007-2009).

Finally, the organisation will be undertaking a structured programme of reduction of overheads, including rationalisation of accommodation and outsourcing of some delivery functions to partner organisations.

Statement of Trustees' Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material Departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 auditor is 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 auditor is aware of that information.

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.

COLLECTIONS TRUST


TRUSTEES' REPORT

For the year ended 31 March 2010

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the Board of Trustees


Ms M Greeves
Chair

Approved by the Trustees on 20 August 2010

COLLECTIONS TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLLECTIONS TRUST

For the year ended 31 March 2010

We have audited the financial statements of Collections Trust for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Section 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The trustees' (who are also the directors of Collections Trust for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

COLLECTIONS TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLLECTIONS TRUST

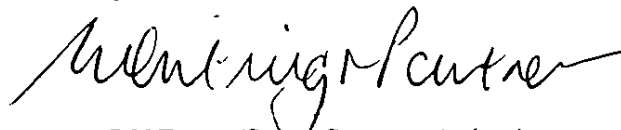
For the year ended 31 March 2010

Opinion

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 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

Dated 20 August 2010



P N Tatum (Senior Statutory Auditor)
For and on behalf of
WHITING & PARTNERS
Statutory Auditor
Garland House
Garland Street
Bury St Edmunds
Suffolk
IP33 1EZ

COLLECTIONS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

For the year ended 31 March 2010

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2009 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary Income Grants receivable	2	400,000	-	400,000	397,000
Incoming resources from charitable activities					
Grants receivable	2	-	388,597	388,597	142,225
Projects and programmes	3	-	42,443	42,443	43,108
Retail and fees for services	4	89,860	-	89,860	90,973
Investment income					
Bank interest receivable		74	-	74	1,025
Total incoming resources		489,934	431,040	920,974	674,331
RESOURCES EXPENDED					
Costs of generating funds:					
Marketing costs		77,456	-	77,456	42,208
Charitable activities		381,839	436,104	817,943	476,789
Governance costs		30,196	-	30,196	41,915
Total resources expended	5	489,491	436,104	925,595	560,912
Net incoming/(outgoing) resources before transfers		443	(5,064)	(4,621)	113,419
Transfers between funds		(48,061)	48,061	-	-
Net incoming/(outgoing) resources	6	(47,618)	42,997	(4,621)	113,419
Funds at 1 April 2009		105,201	83,800	189,001	75,582
FUNDS AT 31 MARCH 2010	14	57,583	126,797	184,380	189,001

COLLECTIONS TRUST

BALANCE SHEET

For the year ended 31 March 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible fixed assets	8	8,842	7,170
CURRENT ASSETS			
Stocks		8,104	12,264
Debtors	9	246,224	54,488
Cash at bank and in hand		43,494	315,507
		<u>297,822</u>	<u>382,259</u>
Creditors, amounts falling due within one year	10	(122,284)	(200,428)
NET CURRENT ASSETS		<u>175,538</u>	<u>181,831</u>
NET ASSETS		<u>184,380</u>	<u>189,001</u>
Represented by:			
Restricted funds		126,797	83,800
Unrestricted Funds			
Designated		51,832	46,905
General		<u>5,751</u>	<u>58,296</u>
		<u>57,583</u>	<u>105,201</u>
TOTAL FUNDS	14	<u>184,380</u>	<u>189,001</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Trustees on 20 August 2010 and are signed on their behalf by



Ms M Greeves
Trustee

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. Accounting Policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006 and comply with the Statement of Recommended Practice Accounting and Reporting by Charities (issued March 2005)

The charity has revised its format of accounts to include headings which are relevant to its activities in order to show a true and fair view

b) Incoming resources

All income is accounted for on a receivable basis. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period

Grants from MLA allocated to general funds are taken to the income and expenditure account in the year to which they relate

c) Expenditure

Expenditure is included on an accruals basis

Costs of generating funds include expenditure incurred in publicising and raising awareness of the charity and those incurred in seeking additional income

Charitable activities costs comprise direct expenditure including direct staff costs attributable to the activity. Irrecoverable VAT is included with the item of expense to which it relates. Costs include expenditure that can be allocated directly to such activities and expenditure of an indirect nature necessary to support them

Governance costs are those incurred with the management and administration of the charity and compliance with constitutional and statutory requirements

Support costs are those incurred in support of the activities of the charity and are allocated on a basis consistent with the use of the resource

d) Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity

Designated funds are those which have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated funds is set out in the notes to the financial statements

Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal in which the funds are raised

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. Accounting Policies (*continued*)

e) Tangible fixed assets

The charity's policy with regard to fixed assets is to capitalise those with a value of over £250 at their purchase together with any incidental expenses of acquisition

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Computer Equipment	4 years straight line
Office Equipment	5 years straight line

f) Investments

The financial statements reflect bank interest receivable during the year

g) Stocks

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

h) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the period of the lease

i) Pension costs

The charity is an admitted body to the Cambridgeshire County Council Pension Fund which is a defined benefit pension scheme. Contributions are charged to the Statement of Financial Activities so as to spread the costs of pensions over employees' working lives with the charity. The pension cost is assessed in accordance with the advice of a qualified actuary.

j) Taxation

No corporation tax arises on the activities of the company due to its charitable status

k) Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at net incoming resources

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

2. Grants receivable

	Unrestricted Funds	Restricted Funds	Total £	2009 £
Core Funding				
MLA	390,000	-	390,000	387,000
Scottish Museum Council	10,000	-	10,000	10,000
	400,000	-	400,000	397,000
Other grants				
MLA Stories of The World	-	80,000	80,000	-
MLA Peoples Record	-	45,000	45,000	-
MLA Schools Participation Database	-	56,463	56,463	-
MLA SSN Connect	-	-	-	33,000
European Commission EuorpeanaLocal	-	97,766	97,766	49,922
European Commission ATHENA	-	109,368	109,368	59,303
	-	388,597	388,597	142,225
	400,000	388,597	788,597	539,225

3. Projects and Programmes

	2010 £	2009 £
In From the Cold	-	21,591
CenturyShare	34,783	12,517
DAVS	7,660	9,000
	42,443	43,108

4. Retail and Fees for Services

	2010 £	2009 £
Retail	61,811	63,779
Membership	24,500	26,122
Events and Training	2,183	-
Other Income	1,366	1,072
	89,860	90,973

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

5. Total Resources Expended

	Costs of Generating Funds £	Retail and Fees for Services £	Projects and Programmes £	Governance £	2010 £	2009 £
Direct costs						
Purchases and Publications	-	34,658	-	-	34,658	33,005
Collections Link	-	-	70,913	-	70,913	3,274
Staff Costs	52,175	46,542	190,916	14,201	303,834	237,327
Recruitment	1,343	2,510	5,867	336	10,056	-
Staff Training	724	1,353	3,163	181	5,421	8,572
BSI PAS	-	-	6,687	-	6,687	26,715
Travel and Meetings	563	1,053	40,344	2,726	44,686	25,865
Audit Fees	-	-	-	6,436	6,436	3,065
Legal Fees	-	-	-	365	365	-
Annual Report	-	-	-	-	-	2,091
Website Development	-	-	-	-	-	2,600
Marketing	5,968	-	-	-	5,968	14,336
Contracted Services	-	-	306,080	-	306,080	96,614
Support costs						
Staff Costs	4,093	21,799	13,856	2,483	42,231	25,109
Contracted Services	3,140	1,095	5,053	146	9,434	24,030
Premises Costs	5,737	11,071	25,068	1,435	43,311	34,221
Office Running Costs	2,552	4,771	11,152	1,597	20,072	18,403
Bank Charges	-	1,141	874	-	2,015	1,108
Depreciation	412	770	1,799	103	3,084	4,577
Loss on Disposal of Fixed Assets	749	1,399	3,271	187	5,606	-
Loss on Foreign Exchange	-	-	4,738	-	4,738	-
	<u>77,456</u>	<u>128,162</u>	<u>689,781</u>	<u>30,196</u>	<u>925,595</u>	<u>560,912</u>

Support costs have been apportioned on the basis of staff time

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

6. Net Incoming Resources

These are stated after charging -

	2010	2009
	£	£
Depreciation	3,083	4,577
Trustees remuneration	NIL	NIL
Trustees reimbursed expenses	675	82
Auditors remuneration	6,436	3,065
Operating lease rentals – Property	12,000	12,000
	<u> </u>	<u> </u>

Expenses reimbursed to two Trustees were for travel costs in connection with the charity's activities

7. Staff Costs and Numbers

	2010	2009
	£	£
Wages and salaries	303,078	228,742
Social security costs	21,075	18,147
Pension costs	21,912	15,547
	<u> </u>	<u> </u>
	346,065	262,436
	<u> </u>	<u> </u>

Staff costs include payments to non employees of £55,037 (2009 - £21,714) in respect of work undertaken where the charity does not have an employee in post

No employee received emoluments of more than £60,000

The average number of staff (full time equivalent) during the year was as follows

	2010	2009
Cost of Generating Funds	1.5	0.5
Retail and Fees for Services	2.5	6.0
Projects and Programmes	5.5	2.5
Governance	0.5	1
	<u> </u>	<u> </u>
	10	10
	<u> </u>	<u> </u>

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

8. Tangible Fixed Assets

Cost	Office Equipment £
At 1 April 2009	48,211
Additions	10,867
Disposals	(41,671)
At 31 March 2010	17,407
Depreciation	
At 1 April 2009	41,041
Charge for year	3,083
On disposals	(35,559)
At 31 March 2010	8,565
Net Book Value	
At 31 March 2010	8,842
At 31 March 2009	7,170

9. Debtors

	2010 £	2009 £
Trade debtors	8,441	33,435
VAT recoverable	4,115	169
Prepayments and accrued income	232,435	20,884
Other debtors	1,233	-
	246,224	54,488

10. Creditors' amounts falling due within one year

	2010 £	2009 £
Trade creditors	105,914	22,952
Taxation and social security costs	6,734	5,311
Other creditors	4,198	1,843
Accruals and deferred income	5,438	170,322
	122,284	200,428

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

11. Operating Lease Commitments

At 31 March 2010 the charity had annual commitments under non-cancellable leases as follows

	Land & Buildings 2010 £	Land & Buildings 2009 £
Expiring within 2 to 5 years	-	12,000

12. Pension

Employees of the organisation participate in the Cambridgeshire County Council Pension Fund which is a defined benefit scheme. The assets of the Fund are held in externally managed funds invested by professional investment managers. Participation in the Scheme is by virtue of the organisation's status as an Admitted Body to the Fund.

The last actuarial valuation of the Fund was carried out by independent qualified actuaries as at 31 March 2007. The purpose of the valuation was to examine the financial position of the Fund and to recommend the contribution rate to be paid by the organisation and other participating employers in the Fund.

The assets of the Fund are not explicitly allocated to each of the participating employers. It is therefore not possible to state exactly the proportion of the assets in relation to the liabilities of any employer. The market value of the Scheme's assets was £1,390.4m and these assets were sufficient to cover 86.4% of the liabilities of the Fund at the valuation date – a deficit of £218.9m.

The valuation method used to determine the organisation's contribution rate was the projected unit method and the following assumptions were made -

Investment Returns	6.1% per annum
Salary Increases	4.7% per annum
Pension Increases	3.2% per annum

The costs of providing pensions to employees of the organisation are charged to the statement of financial activities on a consistent basis over the service lives of the scheme members.

The amount charged to the statement of financial activities for the year ended 31 March 2010 was £21,912 (2009 - £15,547) which is equal to the contributions payable to the Scheme. Contributions totalling £4,198 (2009 - £1,843) were payable to the Fund at 31 March 2010 and are included in creditors.

Actual payments to the fund, based on salary earnings were calculated at 16.9% (2009 - 15.5%) and 6.5% to 6.8% (2009 - 6.5 to 6.8%) for employers and employees contributions respectively.

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

13. Analysis of Net Assets Between Funds

	General Funds £	Restricted Funds £	Total 2010 £
Fund balances at 31 March 2010 are represented by			
Tangible Fixed Assets	8,842	-	8,842
Current Assets	171,025	126,797	297,822
Current Liabilities	(122,284)	-	(122,284)
	<u>57,583</u>	<u>126,797</u>	<u>184,380</u>

14. Statement of Funds

	1 April 2009 £	Income £	Expended £	Transfers £	31 March 2010 £
Unrestricted Funds					
General Funds	53,707	489,934	(489,491)	(48,399)	5,751
Designated -					
Winding-up reserve	35,244	-	-	11,588	46,832
Asset reserve	11,250	-	-	(11,250)	-
Other reserve	5,000	-	-	-	5,000
Total Unrestricted Funds	<u>105,201</u>	<u>489,934</u>	<u>(489,491)</u>	<u>(48,061)</u>	<u>57,583</u>
Restricted Funds					
SSNConnect	6,580	-	(4)	-	6,576
EuropeanaLocal	21,867	97,766	(33,623)	-	86,010
ATHENA	44,172	109,368	(139,338)	-	14,202
In From the Cold	4,234	-	(50)	-	4,184
BBC CenturyShare	4,266	34,783	(23,224)	-	15,825
DAVS	2,681	7,660	(11,312)	971	-
Stories of the World	-	80,000	(95,645)	15,645	-
Schools Participation Database	-	56,463	(73,683)	17,220	-
Peoples Record	-	45,000	(59,225)	14,225	-
Total Restricted Funds	<u>83,800</u>	<u>431,040</u>	<u>(436,104)</u>	<u>48,061</u>	<u>126,797</u>
Total Funds	<u>189,001</u>	<u>920,974</u>	<u>(925,595)</u>	<u>-</u>	<u>184,380</u>

Purpose of Designated Funds

The purpose of the designated funds is to reserve for the estimated costs of winding up the organisation, replacement of out-dated computer equipment on a rolling three year basis and general contingency reserve

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

14. Statement of Funds (continued)

Purpose of Restricted Funds

SSNConnect is a service produced by Collections Trust on behalf of the Museums, Libraries and Archives Council who were the project funders. The aim of the service is to provide each Subject Specialist Network with a simple platform which will enable them to publish a website for their SSN, share files and information within the SSN, keep users up to date with the work of the SSN, map collections and develop terminologies. SSNConnect has been developed jointly with Culture24 (formerly the 24 Hour Museum).

EuropeanaLocal is a three year project funded by the European Commission. The project aim is to improve the interoperability of the digital content held by regional and local institutions and make it accessible through Europeana.

ATHENA is co-funded by the Community programme eContentplus. The aim of the project is to harmonize at European level, terminology, cataloguing and descriptive standards for the digital resources produced by museums and other cultural Institutions.

In From the Cold was funded by JISC (Joint Information Systems Committee) and is a collaborative between the Strategic Content Alliance and Collections Trust to define and raise awareness of the extent to which Orphan Works inhibit public access to collections.

BBC CenturyShare is funded by the Strategic Content Alliance whose members include the BBC. The aim of the project is to develop a prototype on-line service aimed at senior policy makers and key audiences of the Strategic Content Alliance.

DAVS or Documentation Audit Visit Programme has been funded by MLA London. The aim of the project was to give on-site guidance to collections managers in four London museums. The project was completed during the year and a transfer has been made from General Funds to eliminate the deficit made.

Stories of the World Collections and Communities was an MLA funded project under their 2012 Cultural Olympiad Programme. The project provided support to a group of museums, libraries and archives to enable them to deliver a series of innovative exhibitions, to run in 2011/12, which will feature collections which have been reinterpreted by young people, local communities, historians, and artists. The project was completed during the year and a transfer has been made from General Funds to eliminate the deficit made.

MLA Schools Database was an MLA funded project to review the MLA Schools Participation Database and to make recommendations for the future development of the infrastructure and network of contributors. The project was completed during the year and a transfer has been made from General Funds to eliminate the deficit made.

People's Record Platform Project 2 was an MLA funded project which developed and built a web interface using the Culture Grid. The interface was then tested for usability by community archives groups. The project was completed during the year and a transfer has been made from General Funds to eliminate the deficit made.

15. Related Party Transactions

Control

The charity is under the control of the Board of Trustees.

COLLECTIONS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

16. Company Limited by Guarantee

The charity has no share capital, but is limited by guarantee. Every member of the charity is a guarantor and undertakes to contribute to the assets of the charity in the event of it being wound up. Each member's liability is limited to £1.

The charity's Memorandum of Association states that in the event of winding up or dissolution any surplus shall be given or transferred to a charitable institution with similar objectives to the company.