

REGISTRAR OF COMPANIES

Collections Trust

Annual Report and Financial Statements

31 March 2017

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

Charity Registration Number
0273984

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

Charity name	Collections Trust
Charity number	0273984
Company number	01300565
Registered office	Rich Mix 35-47 Bethnal Green Road London E1 6LA
Trustees and Directors	Mr R Avann Ms K Childs Mr H Ellory-van Dekker (Chair) Ms C Hampshire Ms J Jones Ms S Levitt Mr C Michaels Ms T Nelson Ms D Potter Ms S Raikes Ms R Rogers Ms T Simpson Ms I Walsh
Company Secretary	Mr K Gosling
Chief Executive	Mr K Gosling
Bankers	HSBC Bank plc 28 Borough High Street London SE1 17B Barclays Bank plc 15 Benet Street Cambridge CB2 3PZ

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

Auditor	Buzzacott LLP 130 Wood Street London EC2v 6DL
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The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2017. 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: SORP applicable to charities preparing their accounts in accordance with FRS 102. Collections Trust does not fall within the definition of a 'larger charity'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Collections Trust was formed under a memorandum of association that established its objectives and powers and is governed under its articles of association. The memorandum and articles of association were updated most recently by a special resolution passed on 21 January 2008. 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).

Governance

Collections Trust is governed by its Board, whose members are directors under company law and also trustees under charity law. All give their time voluntarily and receive no benefits. Any expenses reclaimed are set out in note 7 to the accounts.

Articles 25-37 of the articles of association deal with the number, powers, appointment and retirement of trustees. Article 25 states that the minimum number of trustees shall be three, but sets no maximum number. In recent years there have usually been twelve. They are elected to serve a period of three years, after which they may be re-elected once for a further three years.

Vacancies are usually filled by a process of open advertisement leading to shortlisting and election by existing Board members, although co-opting is also possible if needed. During 2016-17 a number of trustees retired or resigned due to other commitments, and the opportunity was taken to:

- ◆ bring the number of trustees back up to the full strength of recent years;
- ◆ bring onto the Board specific expertise in governance, digital strategy and stakeholder advocacy; and
- ◆ increase diversity by recruiting two early-career museum professionals without previous board experience. As a result, six new trustees joined the board in April 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

The Trustees who served throughout the year ended 31 March 2017 and up to the date these accounts were approved, except where indicated were:

Trustees	Appointed/Resigned
Mr R Avann	Appointed 25 April 2017
Ms K Childs	Appointed 25 April 2017
Mr S Crossan	Resigned 30 November 2016
Mr H Ellory-van Dekker (Chair from 30 November 2016)	
Ms J Henderson	Resigned 30 November 2016
Ms C Hampshire	Appointed 25 April 2017
Mr D Howarth	Resigned 13 September 2016
Ms J Jones	Appointed 25 April 2017
Ms S Levitt	
Mr N Merriman (Chair until 30 November 2016)	Resigned 30 November 2016
Mr C Michaels	Appointed 25 April 2017
Ms T Nelson	
Ms D Potter	
Ms S Raikes	
Ms R Rogers	
Ms T Simpson	Appointed 25 April 2017
Ms I Walsh	

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

Management

Key management personnel of the Charity comprises the Trustees and the Chief Executive. Day-to-day management of Collections Trust is the responsibility of the Chief Executive, who also acts as Company Secretary. The Finance Manager takes the lead in day-to-day financial management, reporting to the Chief Executive. Both are paid employees of the organisation, as are other members of staff. The Chief Executive and Finance Manager prepare reports for Board and Audit Committee meetings, including regular updates to the risk register, and attend these meetings.

OBJECTIVES

Charitable purpose

Collections Trust's charitable object is set out in its governing document, the memorandum and articles of association. It is to:

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

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

OBJECTIVES (continued)

Mission and aims

In January 2017 trustees agreed a new mission that reaffirms the core focus of our work ever since the 1970s, when a group of far-sighted individuals set up the Information Retrieval Group of the Museums Association, the forerunner of the Museum Documentation Association and, eventually, Collections Trust:

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

Along with the new mission, the Board also agreed a number of key strategic aims for the organisation over the period 2017-22:

- ◆ *Continue to build Collections Trust into a thriving, resilient sector support organisation valued around the world as a centre of excellence for collections management standards and advice.*
- ◆ *Consolidate Spectrum as the international standard for museum collections management.*
- ◆ *Work in partnership with other sector bodies to reduce significantly the number of UK museums without an appropriate inventory of their holdings.*
- ◆ *Help UK museums enrich the quality of their collections information through appropriate documentation plans that are not ends in themselves, but part of mission-focused projects.*
- ◆ *Make terminology resources easily accessible and encourage their use to improve the discoverability of their collections information.*
- ◆ *Build the capacity of museum leaders to think strategically about the issues around digitised collections.*
- ◆ *Influence the development of a sustainable, futureproof infrastructure for sharing UK museum collections content, linked to the wider online cultural heritage ecosystem.*
- ◆ *Use that infrastructure to develop tools and procedures that support smarter collections development, enabling individual museums to consider their own holdings in the wider contexts (such as regional and subject specialisms) of the distributed national collection.*

PUBLIC BENEFIT

At their 2017 AGM trustees reaffirmed, in light of the Charity Commission's guidance, that Collections Trust's charitable purpose is for the public benefit. This contribution to the public benefit continues to be indirect: by helping museums manage the collections information they need to achieve their own missions. In particular, we help the 1,700 or so UK museums that are Accredited through the scheme administered by Arts Council England and other home nation equivalents. Key parts of our collections management standard, Spectrum, are embedded in the scheme's requirements, with the aim of ensuring that Accredited museums are accountable for their collections and can use them in a wide range of public-facing ways.

ACTIVITIES

In 2016-17 Collections Trust delivered its charitable object through the following grant-funded activities, projects and trading activities. Key achievements and performance are noted in the next section of this report.

Arts Council England activity plan

As in previous years, the largest single area of activity was the work carried out with grant support from Arts Council England (ACE), aimed at embedding good practice in collections management within England's Accredited museums. This wide-ranging work falls under four broad headings:

- ◆ Standards development, particularly relating to the collections management standard Spectrum.
- ◆ Outreach events, delivered in partnership with the ACE-funded museum development network.
- ◆ Website and communications (including hosting ACE's cultural property advice platform).
- ◆ Engagement with a number of issues and initiatives involving organisations across the UK museum sector.

European projects

Collections Trust was also involved in a number of projects funded by the European Commission, all associated with the online cultural heritage platform Europeana (www.europeana.eu/portal/en). This brings together images and associated information about objects from a wide range of museums, libraries and archives across Europe. Collections Trust acts as a 'national aggregator' of content from the UK, which it brings together via a data-sharing platform called CultureGrid (www.culturegrid.org.uk); this in turn contributes content to Europeana.

Retail and publishing

In 2016-17 Collections Trust continued to sell a small selection of books on collections management topics, together with paper forms, catalogue cards and accession registers to help museums achieve Accreditation standards of accountability for the items in their care. These are sold through the organisation's website, with orders fulfilled by print-on-demand suppliers.

ACTIVITIES (continued)

Spectrum Partnerships

The collection management standard Spectrum is licensed freely for non-commercial use, but Collections Trust generates income by licensing it for commercial use by museum software suppliers through the Spectrum Partnership scheme.

Conference

Collections Trust also stages an annual conference on a theme relevant to our mission. In September 2016 the focus was on the audiences for digitised museum collections.

Consultancy

In support of our charitable work, Collections Trust also undertakes paid consultancy work relating to the collections management standards we develop.

ACHIEVEMENTS AND PERFORMANCE

The year 2016-17 saw a return to form for the organisation, with a renewed sense of focus reflected in the new mission statement adopted by the Board along with a commitment to the eight strategic aims over the coming years.

At the end of January, the new mission and aims underpinned our application to Arts Council England (ACE) to become a 'sector support organisation' (SSO) for museums within its National Portfolio Investment Programme 2018-22. As part of its SSO portfolio ACE wanted to 'invest in one national provider who can support excellence in collections and their development, particularly using online resources to capture and showcase best practice.' In June 2017 ours was among the successful applications announced by ACE. This means that, subject to agreement of a more detailed business plan, we can look ahead to a period of continuity and financial stability through to 2021-22.

Outreach programme re-launched

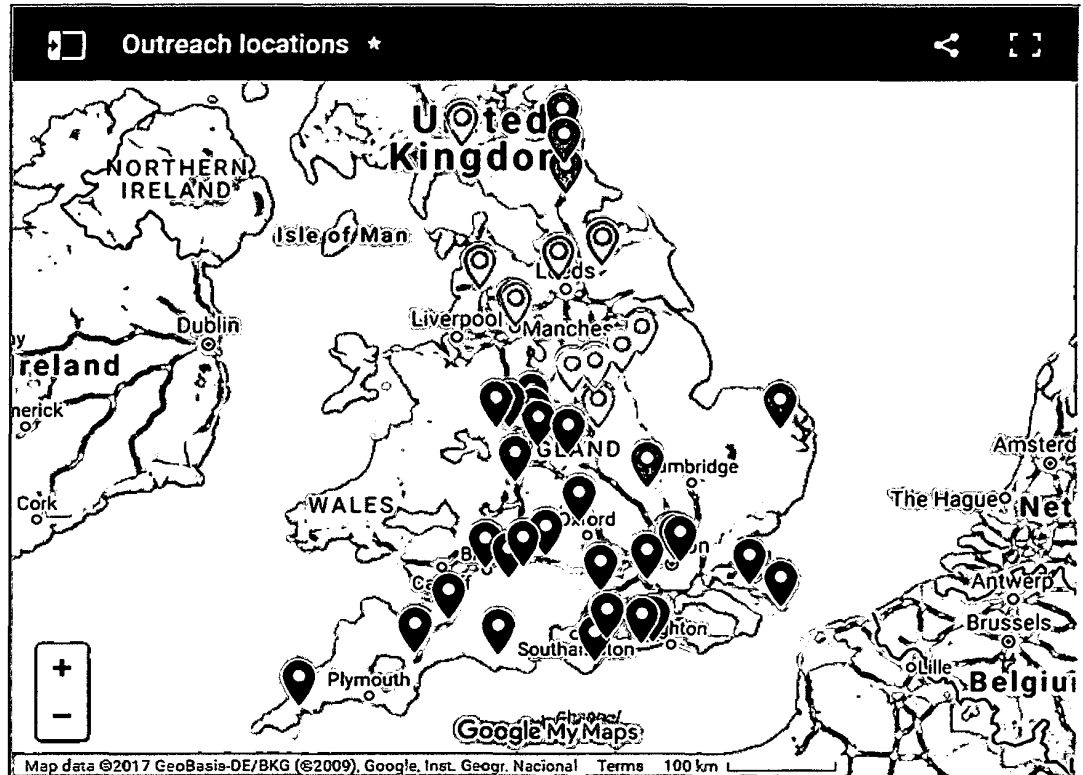
Bringing back our regional outreach programme was a key outcome of the stakeholder consultation carried out in the autumn of 2015, when it was clear that many thought Collections Trust had lost its impact at grassroots level. As a key part of our ACE-funded activity for 2016-17, Sarah Brown was recruited as the new Outreach Officer, and started a few weeks into the year. A particular aim of the outreach programme was to give specialist support to the ACE-funded museum development network, which helps museums meet the requirements of the Accreditation scheme.

Working closely with the museum development teams in the nine English regions, Sarah delivered 75 training and other outreach events, broadly split according to the percentage of Accredited museums in each region.

ACHIEVEMENTS AND PERFORMANCE (continued)

Outreach programme re-launched (continued)

The map below shows the spread of outreach events across England in 2016-17.



The topics covered responded to needs identified locally by the museum development teams in each region, and were closely linked to the requirements of the Accreditation scheme. Topics included:

- ◆ Basic documentation and the Spectrum standard
- ◆ Documentation planning and backlogs
- ◆ Rights management
- ◆ Collections review and rationalisation
- ◆ Digitisation planning and digital asset management
- ◆ Object marking and labelling
- ◆ Loans
- ◆ Security
- ◆ Collections and the law

ACHIEVEMENTS AND PERFORMANCE (continued)

Outreach programme re-launched (continued)

Really helpful - I feel that the accreditation process is less daunting and have a clear idea in my head of what is required.

Typical feedback from the outreach programme

The Collections Trust's activities over the previous 12 months have made it more relevant and is considered by many to a welcome return to its core principles. The confusion over its role, aims, and objectives, highlighted in the 2016 is dissipating.

External evaluation report on the outreach programme

New website

Another key part of our ACE-funded activity was work on a new website to help our users from museums in the UK and abroad find useful resources on a wide range of collections management topics. Work on the new site began in early 2016 and the results went live at www.collectionstrust.org.uk just before Christmas. The new site has a fresh, attractive design that makes effective use of openly-licensed collections images sourced from Europeana.



ACHIEVEMENTS AND PERFORMANCE (continued)

New website (continued)

The structure and navigation of the site was completely overhauled to make it easier for users to find the information they sought. We reviewed thousands of legacy resources and – revising where needed – transferred around 500 of the most useful and current to the new site. Amongst much else, these included: Spectrum; peer-reviewed resources officially recommended to support Accreditation; and the cultural property advice platform we maintain on behalf of ACE, which includes the spoliation research reports of UK museums and the database of items of uncertain provenance for the period 1933-45.

The new site also features a better online shop, the main channel for selling the books, accession registers and forms that bring in our retail income.

A comparison of the analytics data for the period January – March 2017 and the previous quarter suggests that the new site is more engaging than the old one. The indicators show an average increase in the number of pages viewed per session, the average length of time per session, and a lower 'bounce rate' (the percentage of users who leave a site after looking at only one page).

The re-developed website should be considered a success. Its appearance is more welcoming and visitor friendly, with improved organisation of resources, pages, navigation, and search capabilities.

External evaluation report on the new website



Museum Studies Rdg @UniRdg_MusStudy · Feb 28
This is a collections management treasure trove. We recommend it to our
Curatorship and Collections Management students.

Collections Trust @CollectionTrust
Lots of useful resources on all aspects of collections management bit.ly
/2mzwi5g



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Spectrum: the UK Collections Management Standard

At the core of our longstanding relationship with ACE is Spectrum, the collections management standard first published in 1994. Spectrum is used by all Accredited museums in the UK, and has been adopted by an increasing number of countries. Indeed, during 2016-17 translated versions of Spectrum 4.0 appeared in Polish and Norwegian, published under licence from Collections Trust by national bodies in the relevant countries.

Much of 2016-17 was taken up with widespread consultation on the revisions needed for the fifth edition of the standard. The resulting consultation draft was posted online for comment in April 2017 and included new guidance reflecting growing priorities such as collections review and digital asset management. Importantly, the inventory and retrospective documentation procedures were made clearer to help Accredited museums tackle their backlogs. Following further revisions in the light of feedback on the consultation draft, Spectrum 5.0 was launched in September 2017.

ACHIEVEMENTS AND PERFORMANCE (continued)

Spectrum: the UK Collections Management Standard (continued)

The layout is clear and the headings are relevant and concise making the Standard framework more flexible and adaptable for the needs of different organisations. The language is simple making it more accessible, easy to navigate and enabling quicker references for practitioners ... The primary procedures are now clearer, especially on how to compile core inventory information, and the difference between this and cataloguing.

Feedback from Museums Galleries Scotland on the Spectrum 5.0 consultation draft

Conference 2016

Our annual conference is a well-established event, with a collections-management focus that makes it a distinctive networking and professional development opportunity for people who work with collections. It also provides a useful focus for communicating key messages. In September 2016, the conference theme responded to the DCMS Cultural White Paper published earlier in the year, and became a timely contribution to the sector-wide discussions on what a digital cultural strategy might look like.

Under the title *Who needs digitised collections?* the one-day conference explored a number of challenges museums face if – as the White Paper put it – our users are ‘to enjoy a seamless experience online, and have the chance to access particular collections in depth as well as search across all collections’. The keynote speaker, Marco de Niet, Director of the DEN Foundation, explained how the Dutch were approaching their national strategy for digital cultural heritage. Other speakers considered what their organisation had learned about the audiences for digital cultural heritage, and the implications of these insights for those digitising their collections.

As well as selling out and receiving positive feedback from delegates, the conference began a conversation with the DCMS digital cultural strategy team that continued over the following months. In particular, as part of our involvement in the **Europeana Digital Services Infrastructure (DSI)** project, we developed proposals for DCMS on how the UK's national aggregator for museums, CultureGrid, might be futureproofed as the bedrock of any future strategy for museum digitisation. The DCMS strategy is expected in the autumn of 2017.

Europeana Food and Drink

An important milestone of 2016-17 was the successful completion of the Europeana Food and Drink project, funded by the European Commission between January 2014 and June 2016. It aimed to promote the wider re-use of the digital cultural resources available through Europeana, delivering a programme of creative and commercial application development and public engagement in partnership with the creative industries, building on the unifying theme of Europe's food and drink culture.

ACHIEVEMENTS AND PERFORMANCE (continued)

Europeana Food and Drink (continued)

The project was delivered by a consortium of 28 partners, co-ordinated by Collections Trust. Despite some problems during the earlier years, the project achieved its objectives and was rated 'good' by the European Commission. More than 72,000 digital assets on the theme of food and drink were contributed to Europeana (www.europeana.eu). The project's commercial and cultural partners worked together to develop applications that show how this rich content might be used. These included: food trails, books, a commercial picture library, a game app, an exhibition and downloadable lesson plans. The project also developed an innovative online tool that showed how semantic technologies could use terms from a classification scheme to help users find what they were looking for in a large dataset like Europeana. There was also a highly successful public engagement aspect to the project.

Consultancy

In 2016-17 paid consultancy in support of our charitable work included:

- ◆ Helping the Thackray Medical Museum in Leeds to review its needs for new collections management software and preparing a brief for the new system.
- ◆ Delivering a week of Spectrum training to collection managers in Poland as part of the roll-out of the Polish version of the standard by our counterparts there, NIMOZ.
- ◆ Delivering training sessions on active collecting and collection rationalisation to the new Seaside Heritage Subject Specialist Network.
- ◆ On behalf of the British Council, delivering a week-long International Museum Academy course on collections documentation in Myanmar. The course was attended by around 50 museum professionals from across the country, and attracted considerable media interest there.

FINANCIAL REVIEW

During the year, Collections Trust had income, excluding bank interest, of £461,309. Of this, £297,727 was restricted funding from the Arts Council England (£228,889) and the European Commission (£68,838).

The remaining income of £163,582 was made up from retail sales of publications and forms (£42,761); Spectrum Partnership membership fees (£48,478); consultancy projects (£38,522); and our annual conference (£33,821).

Collections Trust spent £364,132 directly on Arts Council England and European Commission projects, including staff time. The apparent overspend reflects the accounting treatment in prior years of multi-year projects funded by the European Commission, when underspends were recorded within those years. Just one multi-year project, Europeana Food and Drink, did have an overall underspend, and £15,044 was returned by Collections Trust.

FINANCIAL REVIEW (continued)

Apart from one, all European projects were successfully completed by March 2017, and the final project ended in August 2017.

£137,282 was spent on other charitable activities (retail, memberships, consultancy and conference), resulting in an overall deficit for the year of £40,086. This was to be expected, due to the prior treatment of European projects (as detailed above) and the funds carried forward show a healthy £42,983 of unrestricted funds, and £5,057 of restricted monies (significantly reduced from the prior year as European projects came to an end, with the remaining balance in respect of the final European project which completed after year-end). This is in comparison to the prior year, when the majority of funds carried forward were restricted, and the charity only held £10,303 of unrestricted funds.

The free reserves (unrestricted funds excluding fixed assets) of £38,663 will enable Collections Trust to plan ahead for the next few years with a renewed sense of stability and will help the charity to begin building its cash reserves.

Reserves policy

To mitigate against a cash flow failure, or a reduction in income, the charity aims to keep three month's operating costs in reserve. This level is also calculated to provide sufficient cover for the eventualities of sick pay, EC projects fund liabilities, and other unexpected costs. In the event that the reserves fund is depleted for any of the above scenarios, the organisation aims to return the fund to the set level within as short a timeframe as is reasonable within the limits of cashflow and other commitments.

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

This policy shall be reviewed annually by the audit committee and approved by the board of trustees, or at additional times as deemed necessary in light of changing financial circumstances.

At the date of this report, Collections Trust held £40,000 in a separate reserves bank account. Now that the charity is on more stable footing, it will endeavour to increase this figure to £100,000 over the next few years, which is roughly equivalent to three months' operating costs.

Risk Management

The trustees have a risk management strategy which comprises an annual review of the risks faced by the charity, the establishment of systems and procedures to mitigate the risks identified, and the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The trustees have assessed the major risks to which the charity is exposed and have identified the following key risks:

1. Loss of perceived relevance amongst stakeholders
2. Over-commitment
3. Business disruption from loss of key personnel
4. Failure to rebuild reserves

FINANCIAL REVIEW (continued)

Going concern

At the date of approving the report and accounts, there are no uncertainties about Collections Trust's ability to continue as a going concern.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

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

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

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

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

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

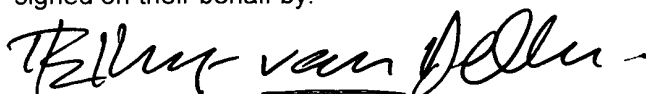
In so far as the trustees are aware:

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

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES (continued)

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2017 was 7 (2016: 11). 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 on 26/10/17 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'H Ellory-van Dekker', written over a horizontal line.

H Ellory-van Dekker
Chair

Independent auditor's report to the members of Collections Trust

We have audited the financial statements of Collections Trust for the year ended 31 March 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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.

Respective responsibilities of Members of the Board and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who are also 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2017 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.

Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 where 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;
- ◆ 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 exemption from the requirement to prepare a strategic report.



Catherine Biscoe, Senior Statutory Auditor
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 November 2017

Statement of financial activities 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Income from:					
Charitable activities	2	163,582	297,727	461,309	564,053
Investments	3	19	—	19	31
Total income		163,601	297,727	461,328	564,084
Expenditure on:					
Raising funds		—	—	—	15,110
Charitable activities:					
Projects and programmes		—	364,132	364,132	474,760
Other charitable activities		137,282	—	137,282	52,833
Total expenditure	4	137,282	364,132	501,414	542,703
Net income / (expenditure) for the year		26,319	(66,405)	(40,086)	21,381
Transfers between funds	15	6,361	(6,361)	—	—
Net movement in funds		32,680	(72,766)	(40,086)	21,381
Reconciliation of funds:					
Total funds brought forward		10,303	77,823	88,126	66,745
Total funds carried forward		42,983	5,057	48,040	88,126

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.

Balance sheet 31 March 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	8		4,320		9,037
Current assets					
Stock	9	1,128		1,451	
Debtors	10	57,890		82,697	
Cash at bank and in hand		78,857		38,415	
		<u>137,875</u>		<u>122,563</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	(77,882)		(41,662)	
Net current assets			<u>59,993</u>		<u>80,901</u>
Total assets less current liabilities			<u>64,313</u>		<u>89,938</u>
Creditors: amounts falling due after one year	12		(16,273)		(1,812)
Total net assets			<u>48,040</u>		<u>88,126</u>
The funds of the charity:	15				
Restricted funds			5,057		77,823
Unrestricted funds:					
. General funds		42,983		10,303	
Total unrestricted funds			<u>42,983</u>		<u>10,303</u>
Total funds			<u>48,040</u>		<u>88,126</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 on 26/10/17 and signed on their behalf by:

H. Elory-van Dekker

H. ELORY-VAN DEKKER
Trustee

Company registration number: 01300565

The attached notes form part of the financial statements.

Statement of cash flows 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities:					
Net cash provided by operating activities	16		40,423		35,229
Cash flows from investing activities:					
Interest received		19		31	
Purchase of fixed assets		—		(3,709)	
Cash provided by (used in) investing activities			19		(3,678)
Change in cash and cash equivalents in the year			40,442		31,551
Cash and cash equivalents at the beginning of the year			38,415		6,864
Cash and cash equivalents at the end of the year	17		78,857		38,415

Principal accounting policies 31 March 2017

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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 – effective 1 January 2015) – (Charities SORP FRS 102) and the Companies Act 2006.

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

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

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

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

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 13, and included within the balance sheet's current and long-term creditor balances.

Income

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

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

Retail and publishing income is recognised in the period in which the goods are despatched to the customer.

Principal accounting policies 31 March 2017

Income (continued)

Membership income is recognised over the period to which the member receives benefits with that portion relating to subsequent years included in creditors.

Consultancy income is recognised in the period in which the work is delivered to the customer.

Income from events and training are recognised in the period in which the event or training takes place.

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

Fund accounting

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

- ◆ Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose;
- ◆ Expenditure on charitable activities includes costs of delivering services, exhibitions and other activities undertaken to further the purposes of the charity and their associated support costs; and
- ◆ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, payroll and governance costs which support the charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 4.

Operating leases

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

Tangible fixed assets

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

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

Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Principal accounting policies 31 March 2017

Pensions

The charity contributed to a defined benefit scheme operated by Cambridgeshire County Council, which provides benefit based on average pensionable salary. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from the total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contribution payable.

Contributions in respect to the personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

1 Detailed comparatives for the statement of financial activities

	2016 Unrestricted £	2016 Restricted £	2016 Total £
Income from:			
Charitable activities: grants receivable	136,042	428,011	564,053
Investment income	31	—	31
Total income	136,073	428,011	564,084
Expenditure on:			
Raising funds	15,110	—	15,110
Charitable activities			
· Projects and programs	—	474,760	474,760
· Retail and services	52,833	—	52,833
Total expenditure	67,943	474,760	542,703
Net income (expenditure)	68,130	(46,749)	21,381
Transfers between funds	(21,533)	21,533	—
Net movement in funds	46,597	(25,216)	21,381
Total funds brought forward	(36,294)	103,039	66,745
Total funds carried forward	10,303	77,823	88,126

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Projects and programs				
Arts Council England	—	228,889	228,889	217,472
European Commission:				
· Ambrosia	—	—	—	147,148
· Athena Plus	—	15,591	15,591	18,200
· E Excess	—	18,567	18,567	—
· EUColComp (Leonardo)	—	2,770	2,770	6,876
· Europeana DSI	—	7,889	7,889	38,315
· Europeana DSI 2	—	24,021	24,021	—
Other charitable activities				
Retail and publishing	42,761	—	42,761	37,333
Memberships	48,478	—	48,478	56,352
Consultancy	38,522	—	38,522	—
Events and training	33,821	—	33,821	42,357
Total income from charitable activities	163,582	297,727	461,309	564,053

Notes to the financial statements 31 March 2017

3 Income from investments

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Bank interest	19	—	19	31
	19	—	19	31

4 Analysis of expenditure

	Basis of allocation	Cost of raising funds £	Projects and programs £	Other charitable activities £	Support costs £	2017 Total £	2016 Total £
Forms & publications for resale	Direct	—	—	16,595	—	16,595	27,977
Staff costs	Direct	—	168,521	10,783	100,121	279,425	305,260
Staff training and recruitment	Direct	—	—	—	4,491	4,491	7,540
Travel and subsistence	Direct	—	18,794	2,439	3,122	24,355	32,731
Events, workshops and conferences	Direct	—	20,361	10,801	—	31,162	24,617
Subcontractors & professional fees	Direct	—	28,806	18,199	—	47,005	95,552
Premises costs	Direct	—	—	—	19,993	19,993	21,739
Office & software costs	Direct	—	1,521	1,362	20,121	23,004	18,119
Audit and legal fees	Direct	—	—	—	7,920	7,920	3,850
Depreciation	Direct	—	—	—	4,717	4,717	5,318
Bad Debt	Direct	—	—	—	283	283	5,318
Defined benefit pension deficit funding liability	Direct	—	—	—	19,399	19,399	—
Return of unspent funds	Direct	—	23,065	—	—	23,065	—
		—	261,068	60,179	180,167	501,414	548,021
Support costs		—	103,064	73,103	(180,167)	—	—
Total expenditure 2017		—	364,132	137,282	—	501,414	548,021
Total expenditure 2016		15,110	474,760	52,833	—	542,703	

Support and governance costs refer to the costs involved in operational activity which support the delivery of the charitable aims. They are allocated on the basis of full time equivalent staff working on each activity. Governance costs comprise audit and legal fees.

5 Net income (expenditure) for the year

This is stated after charging:

	2017 £	2016 £
Operating lease rentals		
· Property	19,993	20,212
Depreciation	4,717	5,318
Auditor's remuneration		
· Audit fees	6,050	3,850

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	241,405	255,040
Social security costs	16,441	20,210
Pension costs	40,979	30,010
	298,825	305,260

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

	2017 £	2016 £
£60,000 - £69,999	1	—

The total employee benefits of the key management personnel were £68,526 (2016 - £45,789).

The charity reimbursed expenses during the year of £494 to three trustees (2016 - £1,789 to 3 trustees). The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2016 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2016 - £nil).

Staff numbers

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

	2017 No.	2016 No.
Raising funds	—	2
Trading	1	2
Charitable activities	4	4
Support	1	1
	6	9

7 Taxation

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

8 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start of the year	8,563	31,284	39,847
At the end of the year	8,563	31,284	39,847
Depreciation			
At the start of the year	7,236	23,574	30,810
Charge for the year	332	4,385	4,717
At the end of the year	7,568	27,959	35,527
Net book values			
At the end of the year	995	3,325	4,320
At the start of the year	1,327	7,710	9,037

All of the above assets are used for charitable purposes.

9 Stock

	2017 £	2016 £
Books and publications	1,128	1,451
	1,128	1,451

10 Debtors

	2017 £	2016 £
Trade debtors	28,340	10,378
Other debtors	—	783
Prepayments	3,298	1,671
Accrued income	26,252	69,865
	57,890	82,697

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	28,674	20,821
Taxation and social security	4,693	—
Accruals	6,050	3,850
Deferred income	12,731	15,718
VAT payable	3,386	(1,834)
Pension costs	5,492	—
Server lease costs	1,812	3,107
Other creditors	15,044	—
	77,882	41,662
Deferred income		
Balance at the beginning of the year	15,718	52,393
Amount released to income in the year	(15,718)	(52,393)
Amount deferred in the year	12,731	15,718
Balance at the end of the year	12,731	15,718

Deferred income comprises membership income of £12,731.

12 Creditors: amounts falling due after one year

	2017 £	2016 £
Pension costs due after one year	16,273	—
Server lease costs due after one year	—	1,812
	16,273	1,812

13 Pension scheme

The charity participates in the Cambridgeshire County Council Pension Scheme, a Career Average Revalued Earnings (CARE) Pension Scheme, a multi-employer scheme. Participation in the Scheme is by virtue of the organisation's status as an Admitted Body to the Fund.

The charity is part of the Small Bodies Pool and it is not possible for it to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

Participating employers are legally required to meet their share of the scheme deficit on withdrawal from the scheme.

A full actuarial valuation of the scheme was carried out at 31 March 2016. This actuarial valuation showed assets of £2,277m, liabilities of £2,904m and a deficit of £625m. To eliminate this funding shortfall, the scheme trustees and participating employers have agreed that additional contributions will be paid to the scheme as follows:

1 April 2017 – 31 March 2018	£26,039,000
1 April 2018 – 31 March 2019	£17,959,000
1 April 2019 – 31 March 2020	£18,355,000

13 Pension scheme (continued)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to the deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detail in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The present value of the provision as at 31 March 2017 was £19,399 (2016 - £nil). The discount rate applied was 2.6% (2016 – not applicable).

14 Analysis of net assets between funds

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	4,320	—	4,320
Net current assets	54,936	5,057	59,993
Creditors: amounts falling due after more than one year	(16,273)	—	(16,273)
Net assets at the end of the year	42,983	5,057	48,040

15 Movement in funds

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Restricted funds					
Arts Council England					
Core funding	—	228,889	(228,889)	—	—
Other UK projects					
Connecting Collections	8,021	—	(8,021)	—	—
European Commission					
E Excess	—	18,567	(18,567)	—	—
Europeana Inside	3,591	—	—	(3,591)	—
Ambrosia	54,719	—	(54,719)	—	—
Athena Plus	—	15,591	(15,591)	—	—
EU Col Comp	—	2,770	—	(2,770)	—
EU DSI	11,492	7,889	(19,381)	—	—
EU DSI 2	—	24,021	(18,964)	—	5,057
Total restricted funds	77,823	297,727	(364,132)	(6,361)	5,057
Unrestricted funds					
General funds	10,303	163,601	(137,282)	6,361	42,983
Total unrestricted funds	10,303	163,601	(137,282)	6,361	42,983
Total funds	88,126	461,328	(501,414)	—	48,040

Restricted funds represent grants for specific purposes.

Transfers between funds from European Commission projects represent eligible costs recognised in previous financial years which had been met from general funds.

16 Reconciliation of net expenditure to net cash flow from operating activities

	2017 £	2016 £
Net (expenditure) income for the reporting period (as per the statement of financial activities)	(40,086)	21,381
Depreciation	4,717	5,318
Interest	(19)	(31)
Decrease in stock	323	567
Decrease in debtors	24,807	39,817
Increase (decrease) in creditors	50,681	(12,492)
Net cash provided by operating activities	40,423	54,560

17 Analysis of cash and cash equivalents

	At 1 April 2016 £	Cash flows £	At 31 March 2017 £
Cash at bank and in hand	38,415	40,442	78,857
	38,415	40,442	78,857

18 Operating lease commitments

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

	Property	
	2017 £	2016 £
Less than one year	—	20,366
	—	20,366

At the year end, the charity's lease on its premises at the Natural History Museum had expired. The lease on the new offices at Rich Mix was signed after the year end date.

19 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.

20 Related party transactions

Other than in note 6, there are no related party transactions to disclose for 2017 (2016 - none).

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