

Company Number: 01300565
Charity Number: 0273984

COLLECTIONS TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2014

TUESDAY



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COMPANIES HOUSE

Goldwins Ltd
75 Maygrove Road
West Hampstead
London NW6 2EG

COLLECTIONS TRUST
(A Company Limited by Guarantee)

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COLLECTIONS TRUST
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REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees and Directors: Mr S Cane
Ms J Carmichael (resigned 28th March 2014)
Mr S Crossan (joined 28th March 2014)
Ms J Finch (resigned 13th September 2013)
Ms M Greeves (resigned 13th December 2013)
Mr D Howarth
Mr N Merriman (joined 13th December 2013)
Mr O Morley
Ms R Rogers
Mr B Thompson
Mr H E Van Dekker
Ms J Vitmayer

Chief Executive: Mr N Poole

Company Secretary: Mr N Poole

Registered Office: WC209 Natural History Museum
Cromwell Road
London
SW7 5BD

Bankers: HSBC Bank Plc
28 Borough High Street
Southwark
London
SE1 17B

Barclays Bank Plc
15 Benet Street
Cambridge
CB2 3PZ

Auditors: Goldwins Ltd
75 Maygrove Road
London
NW6 2EG

Company Number: 01300565

Charity Number: 0273984

COLLECTIONS TRUST
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2014

INTRODUCTION

The Trustees, who are also Directors of the charitable company, present their report for the year ended 31st March 2014. In presenting this report, the Trustees have complied with the Statement of Recommended Practice, Accounting and Reporting by Charities (2005) (the Charities' SORP), the Companies Act 2006, and applicable United Kingdom Accounting and Financial Reporting Standards.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Collections Trust is a charitable company limited by guarantee and was originally incorporated on 28th February 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.

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.

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 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:

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- 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
- Strategic and Forward Plans

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 ten 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. 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.

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

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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 from the previous year's Audit.

Related Parties

The following organisations have a funding relationship with the Collections Trust:

- Arts Council England (ACE)
- European Commission
- CyMAL

The following companies have provided sponsorship support for the work of the Collections Trust:

- Securitas Ltd
- Hiscox Ltd
- Blackwall Green Ltd

The Trustees have agreed a Sponsorship and Advertising Policy which provides a transparent and ethical basis for the development of sponsor relations.

During the previous year, CEO Nick Poole was a Trustee or Chair of the following organisations:

- Chartered Institute of Library and Information Professionals
- International Council of Museums (UK)
- Golden Hinde Trust

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 *Policy Against Bribery and Corruption* was signed off by the Board and has been signed by all staff. In addition, staff and Trustees have signed a *Code of Conduct* providing mitigation against fraud and reputational risk.

A risk register has been established and is updated quarterly. Changes to the risk register are reviewed by the Audit Committee, who recommend actions to the Board of Trustees. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

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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.

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".

The Objects are written into the Collections Trust's *Strategic Plan 2013-18*, which identifies the following 5 strategic priorities through which they will be met:

Developing the collections workforce
Building digital capacity
Advocating the impact of collections management
Connecting the public with collections
Delivering an excellent organisation

The plan describes the Collections Trust as the 'professional association for people working in collections management' and sets out the mission to 'be the lead organisation for collections management and technology in museums'.

During the year, the Collections Trust's plans and business development activities were reviewed with the pro-bono support of Accenture Plc.

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:

1. 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.
2. Indirectly, through working with the sector to improve standards of service delivery in order to increase public access to, and engagement with, Collections.

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Examples of activities which deliver significant direct public benefit include:

- *Hidden Treasures*, a major partnership campaign with the Independent newspaper to promote public engagement with and use of stored collections;
- 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>), the BBC Digital Public Space 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 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.

ACTIVITIES

The Collections Trust's work is organised under 5 strategic outcomes:

- Connecting the public with collections
- Developing the collections workforce
- Advocating for the impact of good collections management
- Building digital capacity
- Delivering an excellent organisation

These programmes form the basis of an annual Operational Plan, which divides all current and forthcoming activity into individual projects.

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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.

Connecting the public with collections

This objective brings together a series of projects and programmes with the aim of achieving the educational objects of the Charity. Activities include:

- The *Hidden Treasures* campaign
- Ongoing engagement with the media and press
- Partnership projects with Google, Wikimedia UK and the BBC

Developing the collections workforce

This objective draws together a range of programmes and projects which are designed to support cultural heritage professionals in developing their professional skills and competencies. Activities toward this objective include:

- SPECTRUM Collections Management standard
- SPECTRUM LOCAL community of international partners and agencies
- BSI PAS 197 Code of Practice for Cultural Collections Management
- BSI PAS 198 Specifications for Environmental Management
- Benchmarks in Collections Care
- Developing evidence and impact/performance metrics for Collections Management
- Annual Collections Management Awards
- Consultancy services
- Creation of a Collections Management Competency Framework
- Development and promotion of an Investors in Collections excellence model
- Training, conferences and advisory services

Advocating for the impact of good collections management

This objective covers a range of programmes and projects designed to promote the interests of the collections management through activities including:

- Research and development programmes
- Media relations
- Strategic engagement and advocacy
- Engagement with and advice to policymakers

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Building digital capacity

This objective covers a range of programmes and activities relating to the development of digital skills and capacity in museums.

- Research and development projects including:
- Europeana Inside
- Europeana Food and Drink
- PARTAGE PLUS
- ENUMERATE
- Linked Heritage
- DCHRP
- Development of partnerships with leading technology partners
- Maintenance of the Culture Grid infrastructure, apps and widgets
- Development of *MuseumsUK* as a platform to discover UK museums

Adding value through Commercial partnerships

This objective covers work in collaboration with commercial partners to support and promote the interests of museums, archives, libraries and galleries.

- SPECTRUM Partners Scheme
- SPECTRUM DAM Partners Scheme
- Corporate Partners Scheme
- Networking and partnership development

International

The Collections Trust has maintained its International strategy since 2008, including:

- Exporting UK expertise and skills internationally
- Importing skills and knowledge from overseas
- Proactively exploiting opportunities for collaboration

The International programme also covers a range of projects funded from outside the UK including Europeana, Linked Heritage and related activities.

Other Projects

From time to time, the Collections Trust is commissioned by 3rd parties to provide advice, expertise or 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.

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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:

- Reaching the target of more than 20,000 registered users of the SPECTRUM standard in more than 40 countries and 8 languages;
- Delivering a portfolio of EU-funded programmes on time and within budget with positive reviews;
- Increasing the scope and content of the annual *OpenCulture* conference, achieving a 100% ‘good to excellent’ rating from delegates;
- Delivering a successful programme of one-day events, workshops and regional seminars;
- Reaching the target of more than 3m objects in the *Culture Grid*, including over 500,000 new records over the previous year;
- Launching the new integrated corporate website, uniting the Collections Trust’s products and services under a common platform.

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’s financial model is based on a combination of UK grant-in-aid, EU project funding and self-generated revenues. The Trustees monitor the organisation’s performance against the forecast budget, and any variations are addressed through the risk register on an ongoing basis.

Cashflow has remained an ongoing issue throughout the year, and the Trustees have mandated an updated Reserves Policy which includes a monthly reinvestment into reserves to mitigate cashflow issues.

The organisation has adopted a new policy of monthly drawdown against EU projects to mitigate the variation in cashflow arising from scheduled drawdowns that are not contiguous with the financial year.

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The Trustees have mandated a Business Development plan with the aim of increasing unrestricted revenues from 33% to 50% by the end of 2015. To achieve this, the executive team has set in place a number of new business ventures, designed to yield additional unrestricted income during 2014-15.

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.

PRINCIPAL FUNDING SOURCES

The principal funding sources for the charity are:

Grant funding

- ACE (Arts Council England)

Revenue

- Retail and publishing
- SPECTRUM Partners Scheme
- SPECTRUM DAM Partners Scheme
- Collections Trust Partners Scheme
- Conference and events
- Corporate sponsorships

Projects

- EU-funded projects
- JISC-funded projects
- Other funded projects

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.

RESERVES POLICY

The Board of Trustees has examined the charity's requirements for reserves and has established a policy at £40,566. The Collections Trust management team as requested by the Audit Committee scheduled the re-investment to build the Reserves to this level by March 2015.

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PLANS FOR FUTURE PERIODS

The Collections Trust's future plans are set out in the *Strategic Plan 2013-15*. A further *Strategic Plan* will be developed for March 2015 to cover the period 2015-18. The 5 strategic aims from the current plan are likely to inherit across to this new plan.

The organisation has established a strong strategic direction and an important role in the cultural sector as the professional association for people working with collections. The main thrust of the plan for the next 2-3 years will be to consolidate the organisation's activities under a financially sustainable model, with the aim of achieving further growth in 2016-18.

The Trust will place a significant emphasis on strengthening its commercial (primary purpose) trading activity in order to secure and build on its charitable objects.

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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation; and
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 and the Charities Act 2011. 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.

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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.

SMALL COMPANY EXEMPTION

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

Date: 21 November 2014

Chair



NICHOLAS MERRIMAN

COLLECTIONS TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLLECTIONS TRUST
FOR THE YEAR ENDED 31ST MARCH 2014

We have audited the financial statements of Collections Trust for the year ended 31st March 2014 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 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 auditors' 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

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLLECTIONS TRUST
FOR THE YEAR ENDED 31ST MARCH 2014 - continued

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 31st March 2014 and of its incoming resources and application of resources, including 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 the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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; or
- we have not received all the information and explanations we require for our audit.

Goldwins Limited

Goldwins Limited
Statutory Auditors
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

8 December 2014

COLLECTIONS TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2014

INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Voluntary Income: Grants receivable	2	-	205,000	205,000	216,000
Incoming resources from charitable activities:					
Grants receivable	2	-	437,517	437,517	395,216
Projects and programmes	3	-	1,485	1,485	17,610
Retail and fees for services	4	199,211	-	199,211	146,733
Investment income:					
Bank interest receivable		11	-	11	16
Total incoming resources		<u>199,222</u>	<u>644,002</u>	<u>843,224</u>	<u>775,575</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Marketing costs		9,174	170,568	179,742	20,685
Charitable activities					
Projects and Programmes		-	483,326	483,326	539,522
Retail and Services		165,862	-	165,862	176,514
Governance costs		6,891	-	6,891	9,686
Total resources expended	5	<u>181,927</u>	<u>653,894</u>	<u>835,821</u>	<u>746,407</u>
Net (outgoing)/ incoming resources before transfers					29,168
Transfers between funds		-	-	-	-
Net (outgoing)/incoming resources	6	<u>17,295</u>	<u>(9,892)</u>	<u>7,403</u>	<u>29,168</u>
Funds at 1 st April 2013		<u>(80,865)</u>	<u>162,370</u>	<u>81,505</u>	<u>52,337</u>
FUNDS AT 31st MARCH 2014	14	<u><u>(63,570)</u></u>	<u><u>152,478</u></u>	<u><u>88,908</u></u>	<u><u>81,505</u></u>

COLLECTIONS TRUST
(A Company Limited by Guarantee)
Registered Number: 01300565

BALANCE SHEET
YEAR ENDED 31ST MARCH 2014

	Notes	£	2014 £	2013 £
FIXED ASSETS				
Tangible fixed assets	8		5,216	1,335
CURRENT ASSETS				
Stocks		2,018	3,290	
Debtors	9	265,998	168,874	
Cash at bank and in hand		6,565	73,214	
		<u>274,581</u>	<u>245,378</u>	
Creditors: Amounts falling due within one year	10	<u>(182,689)</u>	<u>(148,808)</u>	
NET CURRENT ASSETS			91,892	96,570
Creditors: Amounts falling due in more than one year	11		<u>(8,200)</u>	<u>(16,400)</u>
NET ASSETS			<u>88,908</u>	<u>81,505</u>
Represented by:				
Restricted funds			152,478	162,370
Unrestricted Funds				
Designated		-	5,000	
General		<u>(63,570)</u>	<u>(85,865)</u>	
			<u>(63,570)</u>	<u>(80,865)</u>
TOTAL FUNDS	15		<u>88,908</u>	<u>81,505</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 21/11/14
and are signed on their behalf by:



Trustee

NICHOLAS MERRIMAN

COLLECTIONS TRUST
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NOTES TO THE FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2014

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).

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 the Arts Council England 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.

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NOTES TO THE FINANCIAL ACTIVITIES
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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.

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NOTES TO THE FINANCIAL ACTIVITIES
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2. GRANTS RECEIVABLE	Unrestricted Funds	Restricted Funds	Total 2014 £	2013 £
Core Funding:				
Arts Council England	-	205,000	205,000	205,000
	-	205,000	205,000	205,000
Other grants:				
Arts Council England: Renaissance Strategic Support	-	3,456	3,456	31,107
European Commission: Athena Plus	-	54,659	54,659	-
European Commission: Digital Cultural Heritage Roadmap for Preservation	-	1,469	1,469	12,065
European Commission: E Excess	-	51,511	51,511	123,758
European Commission: Enumerate	-	-	-	-
European Commission: European Inside	-	114,445	114,445	97,897
European Commission: EUCollComp (Leonardo)	-	5,559	5,559	-
European Commission: Linked Heritage	-	15,521	15,521	27,714
European Commission: Partage Plus	-	115,724	115,724	102,675
European Commission: Ambrosia	-	34,173	34,173	-
Connecting Collections	-	41,000	41,000	-
Other grants	-	-	-	11,000
	-	437,517	437,517	406,216
	-	642,517	642,517	611,216
3. PROJECTS AND PROGRAMMES			2014 £	2013 £
Technology Strategy Board			1,485	3,993
JISC Wrappers 2			-	13,617
			1,485	17,610
4. RETAIL AND FEES FOR SERVICES			2014 £	2013 £
Retail			41,354	32,537
Membership			52,235	53,088
Events and Training			109,090	56,740
Other Income			(4,118)	4,118
Advertising			650	250
			199,211	146,733

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NOTES TO THE FINANCIAL ACTIVITIES
- continued

5. TOTAL RESOURCES EXPENDED

	Costs of Generating Funds £	Retail and Fees for Services £	Projects and Programmes £	Governance £	2014 £	2013 £
Direct costs						
Purchases and Publications	-	19,703	-	-	19,703	25,427
Staff Costs	100,103	53,909	293,035	-	447,047	397,720
Staff Training	2,034	-	-	-	2,034	5,647
Travel and Meetings	17,890	1,389	25,569	1,343	46,191	43,694
Conferences	1,777	59,136	12,009	-	72,922	46,313
Audit and Legal Fees	-	-	-	5,548	5,548	6,525
Website Development	-	-	-	-	-	1,075
Marketing	1,088	13,729	12,890	-	27,707	22,803
Contracted Services	3,924	15,268	138,297	-	157,489	136,446
Support costs						
Contracted Services	5	-	-	-	5	1,383
Premises Costs	30,311	-	-	-	30,311	26,736
Office Running Costs	22,242	2,694	1,124	-	26,060	27,711
Bank Charges	368	34	402	-	804	747
Depreciation	-	-	-	-	-	4,180
	<u>179,742</u>	<u>165,862</u>	<u>483,326</u>	<u>6,891</u>	<u>835,821</u>	<u>746,407</u>

Support costs have been apportioned on the basis of staff time devoted to particular activities.
All staff costs have been attributed directly to cost centres.

6. NET INCOMING RESOURCES

	2014 £	2013 £
These are stated after charging:		
Depreciation	1,344	4,180
Trustees reimbursed expenses	-	-
Auditors' remuneration	<u>5,548</u>	<u>5,676</u>

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NOTES TO THE FINANCIAL ACTIVITIES
- continued

7. STAFF COSTS AND NUMBERS	2014 £	2013 £
Wages and salaries	369,495	328,154
Social security costs	33,165	29,033
Pension costs	44,387	40,098
	<u>447,047</u>	<u>397,285</u>

One employee received emoluments of more than £60,000.

The average number of staff (full time equivalent) during the year was as follows:	2014 Number	2013 Number
Cost of Generating Funds	2	1
Retail and Fees for Services	3	6
Projects and Programmes	5	3.5
Governance	1	0.5
	<u>11</u>	<u>11</u>

8. TANGIBLE FIXED ASSETS	Office Equipment £
COST	
At 1 st April 2013	21,177
Additions	5,225
	<u>26,402</u>
At 31 st March 2014	
DEPRECIATION	
At 1 st April 2013	19,842
Charge for year	1,344
	<u>21,186</u>
At 31 st March 2014	
NET BOOK VALUE	
At 31 st March 2014	5,216
	<u>5,216</u>
At 31 st March 2013	1,335
	<u>1,335</u>

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NOTES TO THE FINANCIAL ACTIVITIES
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9. DEBTORS	2014	2013
	£	£
Trade debtors	32,565	28,327
Prepayments and accrued income	230,033	137,745
Other debtors	3,400	2,802
	<u>265,998</u>	<u>168,874</u>
10. CREDITORS: Amounts falling due within one year	2014	2013
	£	£
Trade creditors	82,064	49,909
Taxation and social security costs	10,836	7,967
Other creditors	12,514	4,604
Accruals and deferred income	66,024	68,547
VAT payable	3,051	1,381
Pension costs	8,200	16,400
	<u>182,689</u>	<u>148,808</u>
11. CREDITORS: Amounts falling due in more than one year	2014	2013
	£	£
Pensions costs	<u>8,200</u>	<u>16,400</u>

£8,200 is payable annually in equal instalments until April 2015 in respect of the pension of an employee who took early retirement in 2010.

12. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

At the year end the Charity, as a project co-ordinator, held €42,179 in its bank account on behalf of European project participants. This amount has been not been recognised in these financial statements.

13. 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.

COLLECTIONS TRUST
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NOTES TO THE FINANCIAL ACTIVITIES
- continued

13. PENSION – continued

The last actuarial valuation of the Fund was carried out by independent qualified actuaries as at 31st March 2010. 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 £1,494m and these assets were sufficient to cover 72.9% of the liabilities of the Fund at the valuation date – a deficit of £555m.

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	5.3% per annum (2012/13 restricted to 1% thereafter CPI plus 2%)
Pension Increases	3.3% 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 31st March 2014 relating to normal contributions was £44,387 (2013: £40,098) which is equal to the contributions payable to the Scheme. An additional provision was made in 2011 of £32,800 to cover contributions required for the early retirement of a staff member. Contributions totalling £9,080 (2013: £4,183) were payable to the Fund at 31st March 2014 and are included in creditors.

Actual payments to the fund, based on salary earnings were calculated at 24.2% (2013: 22.1%) and 6.5% to 6.8% (2013: 6.5% to 6.8%) for employers and employees contributions respectively. The employer contribution rate for 2014/15 will be 24.2%.

From April 2014 the pension is due to change from the Final Salary Pension to the Career Average Revalued Earnings (CARE) pension. The average member contributions are estimated to be 6.5%.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Restricted Funds £	Total 2014 £
Fund balances at 31 March 2014 are represented by:			
Tangible Fixed Assets	5,216	-	5,216
Current Assets	122,103	152,478	274,581
Current Liabilities	(182,689)	-	(182,689)
Liabilities falling due after one year	(8,200)	-	(8,200)
	<u>(63,570)</u>	<u>152,478</u>	<u>88,908</u>

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NOTES TO THE FINANCIAL ACTIVITIES
- continued

15. STATEMENT OF FUNDS	1 st April 2013 £	Income £	Expended £	Transfers £	31 st March 2014 £
Unrestricted Funds					
General Funds	(85,865)	199,222	(181,927)	5,000	(63,570)
Designated:					
Other Reserve	5,000	-	-	(5,000)	-
Total Unrestricted Funds	(80,865)	199,222	(181,927)	-	(63,570)
Restricted Funds					
Arts Council England:					
Renaissance Strategic Support	(6)	3,456	886		4,336
Core Funding	389	205,000	(205,389)		-
Collections Care East	(2,737)	-	-	-	(2,737)
Digital Cultural Heritage Roadmap for Preservation	9,896	1,469	(7,122)	-	4,243
European Commission:					
EEXCESS	108,653	51,511	(96,090)	-	64,074
ENUMERATE	15,807	-	(15,807)	-	-
Europeana Inside	6,461	114,445	(93,495)	-	27,411
Linked Heritage	3,848	15,521	(16,264)	-	3,105
Partage Plus	11,257	115,724	(122,986)	-	3,995
AMBROSIA	-	34,173	(18,154)	-	16,019
Athena Plus	-	54,659	(45,664)	-	8,995
Other EC projects	(3,850)	-	-	-	(3,850)
UK Projects:					
Hidden Treasures	(4,810)	-	-	-	(4,810)
JISC Wrappers 2	8,597	-	-	-	8,597
Leicester University Partnership	(5,733)	-	-	-	(5,733)
Object Based Learning for Higher Education	(1,000)	-	-	-	(1,000)
Technology Strategy Board	3,080	1,485	-	-	4,565
Connecting Collections	-	41,000	(30,979)	-	10,021
Other	12,518	5,559	(2,830)	-	15,247
Total Restricted Funds	162,370	644,002	(653,894)	-	152,478
Total Funds	81,505	843,224	(835,821)	-	88,908

Purpose of Designated Funds

It is the intention of the Trustees to re-establish this reserve in future years.

COLLECTIONS TRUST
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NOTES TO THE FINANCIAL ACTIVITIES
- continued

Purpose of Restricted Funds

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.

16. RELATED PARTY TRANSACTIONS

Control

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

17. 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 charity.