

ANNUAL

REPORT

2016

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PRESIDENT'S INTRODUCTION

The Museums Association (MA) is an organisation with a broad and diverse membership. 2015/16 has been a great year for the MA, with a growing membership, the launch and implementation of the new Code of Ethics, the biggest conference in its history, and increasing membership engagement. These are all signs of an organisation in good health.

However, we know the sector faces significant challenges, notably a seismic shift in funding. We have already seen the impact of funding cuts and a range of measures to try to offset the effect of these cuts.

Can being more entrepreneurial mitigate the impact of cuts in public funding? Maybe, but only to a degree. The fact is that public funding is needed in order to maintain a sector that is responsible to, and accountable to, the public (and this means all of the public, not just those with the means to pay admission fees).

Over the past decade museums have done much to improve how they are managed and led, and have become more entrepreneurial. But museums are a proud and integral part of the public realm and we must do all we can to prevent the withdrawal of government and local authorities from funding museums in all four nations.

That means we must speak up to defend the public funding upon which almost all of us, to a greater or lesser degree, rely. The voices of the vulnerable must not be drowned out by the voices of those who don't wish to challenge authority.

The MA has set up a Museums Taskforce to review regional museums and we hope that it will come up with some solutions to the challenges that museums face across the UK. I hope the Taskforce will inform the Museums Review in England and debate and discussion about the future of museums in Northern Ireland, Scotland and Wales. Personally, I have argued for many years that there should be a strategy for museums in England, following the example set by governments in Scotland and Wales.

Brexit will have huge implications for museums and the cultural sector. There is nervousness about the loss of opportunities and funding for museums. But there is also a big role for museums to play in promoting diverse community life and opposing the divisiveness that the EU Referendum has stimulated. Next year a revised version of the MA's hugely influential Museums Change Lives will address the changing nature of debates about the social impact of museums.

In England there is new blood at the Department for Culture, Media and Sport (DCMS) and a challenge for the English museum sector is to ensure that new Secretary of State is well-briefed on the impact and potential of museums. We know that ministers are interested in identifying those areas of activity that might attract funding from government pockets that are far deeper than those of DCMS, for example. Museums changing lives is of importance to all politicians, not just those with a cultural brief.

In light of cutbacks in public funding, there has been impassioned debate about sponsorship of museums, where we should source our funding, and what strings might be attached. Identifying ethical practice for museums has never been more urgent - ethical behaviour underpins everything we do and we will continue to champion the new Code of Ethics for museums.

2017 will bring fresh challenges for the museum sector; the MA will play its role, advocating for museums, leading professional development and campaigning for improved social impact. I hope you can join us on this journey.

David Fleming
President, Museums Association



REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended
31 March 2016

Status

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

Governing document

The company was established under a Memorandum of Association which established the objects and powers of the charitable company, and is governed under its Articles of Association, last amended 5th November 2015.

Company number

252131

Charity number

313024

OSCR number

SC041856

Registered office and operational address

42 Clerkenwell Close
London
EC1R 0AZ

Bankers

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

Close Brothers Treasury
10 Crown Place
London
EC2A 4FT

Solicitors

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

Auditors

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

Investment managers

Schroder Investments Limited
31 Gresham Street
London
EC2V 7QA

CCLA Investment
Management Ltd.
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Board 2015/16

President:

David Fleming

David Anderson
Maggie Appleton
Anna Brennand
Rowan Brown
Hazel Edwards
Paddy Gilmore*
Sam Mullins**
Gaby Porter**
Richard Sandell
Iain Watson

*Joined during the year
**Stepped down during the year

Staff

Head of Commercial Activities

William Adams

Online Publications Editor

Rebecca Atkinson

Project Assistant

Ravina Bajwa

Policy Officer

Alistair Brown

Projects Assistant

Jacqui Buscher

Programmes Manager

(Maternity cover)
Jonathan Catherall

Programmes Manager

Sally Colvin

Policy Intern

Emma Faulkner*

Director

Sharon Heal

Museum Development Officer

Charlotte Holmes*

Head of Finance and Administration

Tricia Johnstone

Staff Writer and Researcher

Geraldine Kendall

Staff Writer and Researcher

(Maternity Cover)
Jonathan Knott*

Executive Assistant

Charlie Lindus

Deputy Editor

Eleanor Mills

Marketing and Sales Officer

Emma Mitchinson

Sales Manager

Nazneen Musafir

Events Coordinator

Lorraine O'Leary

Marketing Officer

Zoe Spencer

Website Editor

Patrick Steel

Finance Administrator

Jolanta Stevens

Head of Publications and Events

Simon Stephens

Marketing Officer

(Maternity cover)
Caroline Storey*

Online Publications Editor

(Maternity cover)
Nicola Sullivan

Project Coordinator, Transformers

Jess Turtle

Membership Engagement Officer

Jane Wells

* indicates person left before end of year

REPORT OF THE BOARD

The trustees, who are also directors of the company for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2016.

Reference and administrative information set out on pages 1-4 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities issued in March 2015.

Objectives and activities for the public benefit

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

The board members have referred to the Charity Commission's general guidance on public benefit in reviewing the aims and objectives of the charity, in planning future activities and, in particular, how planned activities will contribute to those aims and objectives. The review of activities later in the report demonstrates what the MA has done during the year to achieve its aims and what its plans are for 2016/17.

Organisation and governance

The MA is governed by a board of 12 people. Eight members of the board are elected by the members of the MA (one vote per member) and four are nominated by the elected board members. At the end of March 2016, two places were vacant. In terms of induction, all new trustees meet individually with the director and are given the most recent set of accounts, the constitution documents and a copy of the rules. The MA is run by the board, which agrees strategy and is accountable to members. Operational matters are delegated to the director who reports to the board.

Investment policy

By the terms of the articles of association of the MA, the board has the power to make any investment it sees fit. The sale of 24 Calvin Street provided the Association with considerable cash reserves and the board agreed that the money should be invested medium term in secure accounts until further decisions are made concerning the long-term premises requirements of the organisation. We expect a decision to be made by September 2016. Surplus cash is held in interest-earning bank accounts with funds of the grant-making trusts being invested in charity equity and fixed interest funds.

Reserves policy

The board reviews the reserves of the MA each year to determine what financial buffer is needed to protect its activities in the event of an unexpected economic downturn, which has been identified as the major external risk to the MA. The board has now agreed that, in line with Charity Commission guidelines, the MA will hold reserves equivalent to three months' turnover. In the current year this equates to £565,000. Reserves are currently significantly above this level pending a decision on future location and a review of the policy once this decision has been taken.

Risk management

The MA has just completed the second year of a three-year business plan which identified development targets and income-generating activities to fund development. This business plan has careful financial planning at its core to ensure continued financial stability. The objectives of the plan will continue to be monitored by the board, with a report being presented at each of its meetings. The highest current risk factors for the MA are: the installation of a new database which is being managed by appropriate analysis of organisational need and using expert consultancy to ensure these needs are met; and office location, with the lease on its current premises expiring in September 2016. A sub-committee of the board was set up to ensure the executive considered all options and implications.

MEMBERSHIP

Total membership has grown for the eighth consecutive year and has again set a new record for the highest ever membership. The overall growth in 2015/16 has been eight per cent. This included increases in membership in all nations of the UK, and internationally.

Individual membership

Individual membership went over 7,000 for the first time and the end of year figures increased by eight per cent (2015/16: 7,502; 2014/15: 6,920).

Institutional membership

End of year institutional membership increased by five per cent (2015/16: 585; 2014/15: 558).

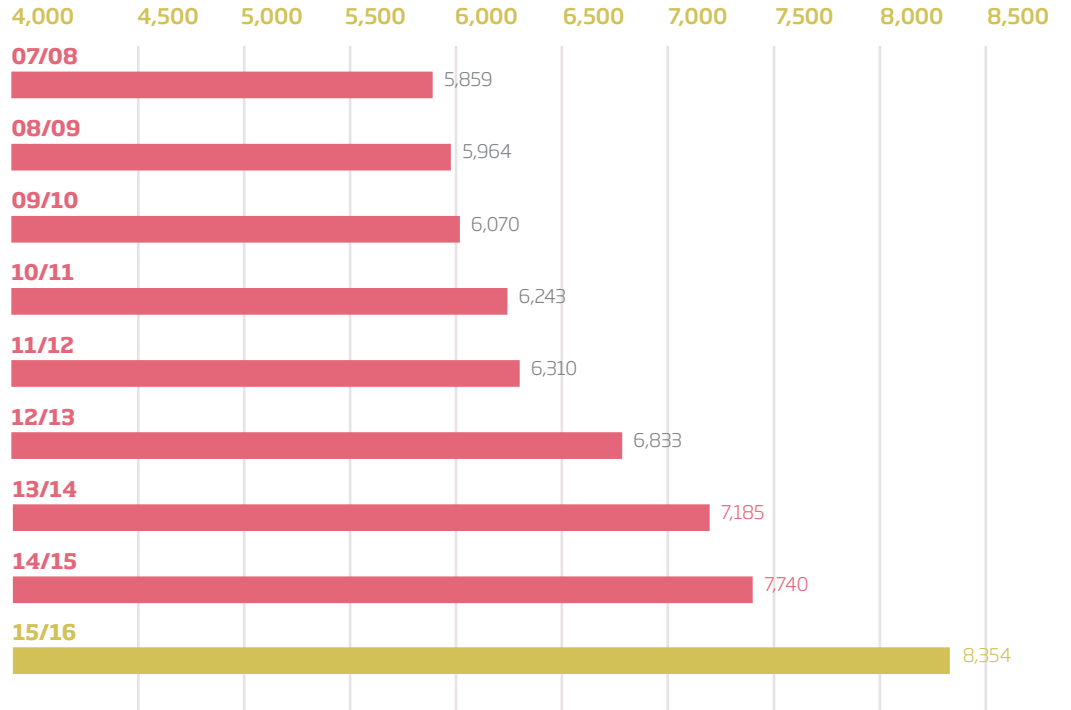
Corporate membership

Corporate membership increased by two per cent (2015/16: 267; 2014/15: 262).

Total membership
2015/16

8,354

Total end of year membership



WEBSITE AND ELECTRONIC MEDIA

A number of new features have been rolled out and more improvements are planned for the year to come. Total website users increased from 2014/15 to 2015/16 by 6.1% from 425,372 to 451,129 and sessions increased by 1.2% from 823,659 to 833,455.

Across the UK, total sessions were up 0.05% with increases in England and Northern Ireland but a drop in Scotland and Wales.

In 2015/16:

- The responsive website was fully rolled out for ease-of-use across desktop, mobile and tablet.
- Work began on integrating the website with the new database.
- Streamed video was successfully rolled out for plenary sessions at the annual conference.
- A mobile app was produced for the annual conference.
- The MA switched email providers, providing speedier delivery, split testing, and advanced analytics.

In 2016/17:

- The bulk of the work to redesign the MA website will be undertaken.
- The website integration with the new database will be completed.
- A new conference app with more interactive features will be trialed.



451,129

Website users
in 2015/16

PUBLICATIONS

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

In 2015/16:

- The circulation of Museums Journal increased, reaching 8,690 members and subscribers.
- Museums Journal continued to cover museum, gallery and heritage developments in the UK and overseas. There were reviews of new and redeveloped museums in England, Northern Ireland, Scotland and Wales and a monthly focus on an international museum opening. The magazine covered the work of independent, local authority, university and national institutions.
- Museums Journal continued to increase its online provision, with daily news and regular blogs.
- Museum Practice continued to deliver a wide range of online content. Subjects covered included museum storage; boards and trustees; apprenticeships; learning spaces; and crowdfunding.

- Museums Journal display advertising remained solid (2015/16: £108,278; 2014/15: £109,980).
- The Museums Services Directory beat its targets with particularly improved display advertising revenue (2015/16: £30,846; 2014/15: £24,587).

In 2016/17:

- A Museums Journal strategic plan will be created with a view to redesigning the magazine in 2017/18.
- Museums Journal will be reviewed with a view to refreshing the content.
- Museum Practice content will be reviewed as part of a wider digital strategy for publications.
- The Museums Services Directory will continue to be published in print as well as online.



8,690

Members and subscribers to Museums Journal

CONFERENCE AND EVENTS

The annual conference and exhibition continues to strengthen its place as the major event in the European museum calendar. The 2015 event in Birmingham saw the highest ever number of attendees to the annual conference and exhibition. One-day Museum Practice seminars continued to be a success as did Moving On Up, our one-day conference for early career museum professionals.

In 2015/16:

- The conference and exhibition in Birmingham was attended by 1,687 delegates, visitors and exhibitors from across the UK and overseas.
- A series of Museum Practice one-day seminars offered advice on key areas of practice and remained popular; events were held in Cardiff, London and Manchester.
- MuseumTech, which was held at the Museum of Science and Industry in Manchester was a new kind of Museum Practice one-day event - a digital festival. It was a great success, attracting 142 delegates.
- The MA continued to run national and regional members' meetings, providing an opportunity for members to network and contribute to the MA's work; events were held in Bangor, Belfast, Brighton, Coventry, Durham and Exeter.
- The MA ran its third Moving on Up conference, a one-day event for new and emerging museum professionals. This was held at the Merseyside Maritime Museum and attracted 99 delegates.

In 2016/17:

- The MA will run its conference and exhibition in Glasgow in November 2016.
- The MA will run Moving On Up for a fourth time; it will be held in Edinburgh at the Royal College of Surgeons.
- Museum Practice one-day seminars will continue to evolve and we are planning a new format that will look at the future of museums.
- The MA will hold members' meetings in the nations and regions, visiting Belfast, Cambridge, Derby, Inverness, London, Sheffield and Truro.



The conference and exhibition in Birmingham was attended by

1,687 delegates

POLICY AND ADVOCACY

The MA champions the value of museums to society, and our new Code of Ethics and Museums Change Lives, our vision for the positive social impact of museums, have been the focus of our policy work in 2015/16.

Funding remains the biggest single challenge for our sector and the MA has advocated for the retention of public funding at local and national level as well as helping to develop sustainable new models for individuals and institutions through our policy work and through our professional development schemes.

In 2015/16 the MA:

Museums Change Lives

- Continued to advocate to funders, sector bodies and governments.
- Published more than 20 new case studies on the MA website.
- Delivered keynotes and session at seminars and conferences throughout the UK and internationally.
- Established a working group to review progress on Museums Change Lives.
- Hosted Museums Change Lives pop-ups at conference.

Advocacy

- Engaged politicians and government agencies throughout the UK.
- Attended pre-election hustings in England, Wales and Scotland.
- Delivered press and broadcast interviews on topics ranging from museum funding to ethics, disposal, collections and museum closures, including: BBC local and national radio; BBC local TV; Sky News; the Guardian; the Art Newspaper; the Independent; and the Financial Times.

- Met with: Art Fund, Arts Council England, Association of Independent Museums, British Council, Dementia Friendly Arts Group, Department for Culture, Media and Sport, Engage, Group of Small Local Authority Museums, Heritage Lottery Fund, Irish Museums Association, National Museums Directors' Council, Museums, Archives and Libraries Division, Wales, Museums Galleries Scotland and Scottish Federation of Museums to discuss collaboration on a number of issues including funding, workforce strategy and advocacy.
- Spoke at: All Party Parliamentary Group on Arts, Health and Wellbeing; American Alliance of Museums conference; Paul Hamlyn Our Museums conference; Museology Seminar, Finland; Yorkshire and Humberside Federation of Museums and Art Galleries; National Museum Development Network Conference; Refloating the Ark conference; Reimagining the Museum conference, Argentina; Netherlands Museums Association Annual Conference; Humanities and the Public Good seminar; Polytechnic Museum Conference, Moscow; Impacting Change: The Social Role of the Museum in Ireland; Positive Change for People and Communities Seminar, Belfast;

In 2016/17 the MA will:

- Review Museums Change Lives to assess impact and delivery, and relaunch and rebrand the campaign.
- Develop a museum advocacy day to engage museums and elected representatives across the UK
- Develop a Museums Taskforce to produce a comprehensive report including research and future options and business models.
- Respond to policy consultations in all four nations of the UK.
- Conclude the review of workforce and publish research on diversity in the sector.



ETHICS

The MA's Ethics Committee regularly considers a range of ethical issues and gives advice to institutions and individuals. In 2015/16 The committee worked with the MA board and staff to contribute to the review of the Code of Ethics.

In 2015/16:

- The Ethics Committee gave advice to a number of institutions regarding possible sale from collections.
- The MA completed the review of the Code of Ethics after a rigorous consultation, which included meetings across the UK, two online consultations and discussion with stakeholders. The new Code was passed unanimously at the MA AGM in November 2015.
- The new Code was launched at meetings in Scotland, Wales and England, and MA staff have spoken at events and delivered training to members, students and museum staff throughout the UK and internationally.

In 2016/17:

- The MA will publish ethical guidance on museum closure.
- The MA will continue to disseminate the new Code of Ethics.
- The MA will provide further case studies of ethical best practice.

TRUSTS AND FUNDS

The MA administers two trusts established to assist museums and their staff in specific areas of collections development and care. Trustees consider each grant upon application and how it relates to the stated purposes of the trust.

Beecroft Bequest

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

Grants awarded 2015/16:

- **Keswick Museum & Art Gallery**
£4,000 towards the purchase of 'The Waterfall at Keswick' by Joseph Farington
- **Fife Cultural Trust**
£2,500 towards the purchase of Medieval Seal Matrix
- **The Strawberry Hill Trust**
£2,000 towards the purchase of Warburton Chair
- **Ayscoughfee Hall Museum**
£4,013.92 towards the purchase of Silver Tazza made by Pierre Platel in 1712
- **Buxton Museum & Art Gallery**
£800 towards the purchase of the Watercolour Dovedale by Mary Mitford.

The Museums Association Benevolent Fund (including the Trevor Walden Trust)

The Museums Association Benevolent Fund was established to alleviate financial distress suffered by members of the MA and their dependents. The Trevor Walden Trust was set up to advance the education and training of museums and galleries personnel.

The trustees of the Trevor Walden Trust and the Museums Association Benevolent Fund agreed to merge the two trusts to enable more effective grant-making and this merger took place in 2015/16. Grant-making was mainly on hold throughout the year while the legal changes were made but the trustees awarded £5,000 to fund delegate fees for Associateship of the Museums Association (AMA) participants receiving their award at the MA annual conference.

In 2016/17 the fund will be available to alleviate financial distress and to continue to support the professional development of museums and galleries staff, including bursaries for AMA fees and MA courses and events, and further funding for AMA participants to attend the MA annual conference in November 2016.

Daphne Bullard Trust and Kathy Callow Trust

In June 2015, the trustees of the Daphne Bullard Trust and the Kathy Callow Trust agreed with the MA to take over the administration of their funds. In 2015/16, the funds of both trusts were transferred out and the MA is no longer the reporting charity for them.

Over

£13,000

of grants awarded in 2015/16, from trusts administered by the MA

COLLECTIONS

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

In 2015/16:

- The EFCF awarded £1,005,458 in grants to 12 projects.
- Of the 12 projects, three involve a partnership of museums and other organisations, 10 are in England and two are in Northern Ireland.
- Two collections network days were held in London and Manchester, with over 30 participants at each.
- The fund criteria were updated to reflect the high standard of community engagement that successful projects are achieving.

In 2016/17:

- A further £500,000 will be awarded in grants in autumn 2016.
- Supported by the Esmée Fairbairn Foundation, the MA will launch a new phase of EFCF funding, to run from early 2017 to the end of 2019, with grants to museums worth £3.5m over three years.
- The work of the fund will be extended, to share examples of best collections and engagement practice across the whole sector, through more widely accessible collections network events and online resources.
- Applicants and grantees will be supported through conferences, workshops and meetings.
- At the MA conference in Glasgow, the fund will feature sessions, application surgeries and a pop-up demonstrating successful projects.

Over

£11m

in awards per year



WORKFORCE DEVELOPMENT

Across the UK the MA's workforce initiatives and programmes continue to support museums and those who work in and for them to develop. In the coming year the MA will review and develop its workforce offer ensuring that it continues to foster a healthier, more resilient, diverse and adaptable workforce.

The MA successfully ran a second phase of its mid-career project Transformers. This programme takes museum professionals from a broad variety of backgrounds to participate in an intensive personal development programme designed to support them to test out new ways of working that contribute to healthier, more resilient, diverse and adaptable organisations.

In 2015/16:

- 72 people registered for the Associateship of the Museums Association (AMA).
- 34 members were supported to achieve their AMA awards.
- Five people achieved the Fellowship of the Museums Association (FMA).
- The MA, with funds from Arts Council England, Museums Galleries Scotland and the Federation of Museums and Art Galleries of Wales, supported 26 mid-career professionals, including 23 from museums in England, two from museums in Scotland and one from a museum in Wales, to bring about change in their practice, organisation and the community they serve through a second round of the Transformers programme.

In 2016/17:

- The MA will complete a review of its workforce strategy.
- 500 members undertaking the AMA will continue to be supported.
- 12 members will be supported to achieve the FMA.
- The MA will deliver a major expansion of the Transformers programme, funded by Arts Council England, Museums Galleries Scotland, the Federation of Museums and Art Galleries of Wales, and the Paul Hamlyn Foundation, to enable over 160 mid-career professionals to develop their skills, confidence and influence, and to contribute to more resilient, diverse and adaptable organisations.

500 members supported in undertaking the AMA

REVIEW OF FINANCIAL ACTIVITIES

The results for the year 2015/16 show a positive net movement in funds of £18,463 due to trading activity.

Overall, unrestricted income was £95,137 higher than last year and unrestricted expenditure increased by 14% (£263,621).

Our key areas of unrestricted income are: membership £909,650 (2015: £870,343), publications £360,061 (2015: £375,917) and events £459,706 (2015: £430,286). This year, the MA held seven events in addition to the annual conference.

The MA has a lease on a property in Clerkenwell Close, London that runs to September 2016.

The balance of restricted funds decreased by £95,974. This was mainly due to the Daphne Bullard fund being transferred out of the MA management. There was a loss on the investments held by the trusts and a small reduction in the funds held to administer the collections fund programme.

The balance of endowment funds decreased by £63,437 mainly due to the Kathy Callow Trust being transferred out of the MA. There was a loss on the investments held by the remaining endowment fund.

During the year the grant-making trusts administered by the MA were able to make grants under the terms of their individual trust deeds. The Beecroft Bequest made grants of £13,314 and the Benevolent Fund (incorporating the Trevor Walden Trust) made grants of £5,000.

Statement of the board's responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The board members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the board members are aware:

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

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

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

Members of the board

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

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2016 was 8,354 (31 March 2015: 7,478). Members of the board have no beneficial interest in the charitable company.

Auditors

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

Approved by the board on 14 July 2016 and signed on its behalf by

David Fleming

INDEPENDENT AUDITORS' REPORT

Respective responsibilities of the board and auditors

As explained more fully in the statement of the board's responsibilities set out in the report of the board, 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.

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

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 report of the board 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.

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 2016 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the board 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' Annual Report and from preparing a Strategic Report.

Neil Finlayson, Senior Statutory Auditor

27 July 2016

for and on behalf of Kingston Smith LLP
Statutory Auditor
Devonshire House, 60 Goswell Road,
London, EC1M 7AD

STATEMENT OF FINANCIAL ACTIVITIES

Incorporating an income and
expenditure account

For the year ended
31 March 2016

					2016	2015
	Note	Endowment £	Restricted £	Unrestricted £	Total £	Total £
Income and endowments from:						
<i>Donations and legacies</i>	4	-	318,254	-	318,254	200,556
<i>Investment income</i>		12,589	3,142	107,337	123,068	128,087
<i>Charitable activities</i>	5	-	-	1,790,117	1,790,117	1,750,196
<i>Other incoming resources</i>		-	-	31,748	31,748	40,369
Total incoming resources		12,589	321,396	1,929,202	2,263,187	2,119,208
Resources expended						
<i>Charitable activities</i>	6	14,420	338,104	1,855,223	2,207,747	1,904,447
Total resources expended	6	14,420	338,104	1,855,223	2,207,747	1,904,447
Net gain/(loss) on investment assets		(21,639)	(11,530)	(3,808)	(36,977)	209,846
Net incoming/(outgoing) resources before transfers and other recognised gains and losses	7	(23,470)	(28,238)	70,171	18,463	424,607
Gross transfers between funds	15	-	-	(10,155)	(10,155)	-
Transfer of funds out of the charity		(39,967)	(67,736)	-	(107,703)	-
Actuarial gain/(loss) on defined benefit pension scheme		-	-	(104,000)	(104,000)	(103,000)
Net movement in funds for the year		(63,437)	(95,974)	(43,984)	(203,395)	321,607
Reconciliation of funds						
Funds brought forward at 1 April 2015		473,296	425,782	2,120,893	3,019,971	2,698,364
Funds carried forward		409,859	329,808	2,076,909	2,816,576	3,019,971

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. Movements in funds are disclosed in Note 15 to the financial statements.



BALANCE SHEET

As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible Fixed Assets	10	2,085	3,710
Intangible Fixed Assets	11	48,169	67,348
Investments	12	1,843,398	1,997,190
		1,893,652	2,068,248
Current assets			
Debtors	13	271,519	270,819
Cash at bank and in hand		1,086,968	1,070,194
		1,358,487	1,341,013
Creditors: amounts falling due within one year	14	662,563	676,290
Net current assets/(liabilities)		695,924	664,723
Net assets excluding pension asset		2,589,576	2,732,971
Defined benefit scheme asset	19	227,000	287,000
Net assets including pension asset	15	2,816,576	3,019,971
Funds			
Endowment funds		409,859	473,296
Restricted funds		329,808	425,782
Unrestricted funds			
Designated funds		727,001	703,710
General funds		1,122,908	1,130,183
Unrestricted income funds excluding pensions asset		1,849,909	1,833,893
Pension reserve	19	227,000	287,000
Total unrestricted funds		2,076,909	2,120,893
Total funds	15	2,816,576	3,019,971

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

Approved by the board on 14 July 2016 and signed on its behalf by

David Fleming President
Anna Brennand Board member



STATEMENT OF CASH FLOWS

For the year ended
31 March 2016

	2016 £	2015 £
Cash flow/(outflow) from operating activities		
Cash generated from operations	(105,473)	81,777
Interest paid	-	-
Net cash (used in)/provided by operating activities	(105,473)	81,777
Cash flow from investing activities		
Investment income and interest received	10,337	11,076
Proceeds from disposal of fixed asset investments	-	-
Acquisition of fixed asset investments	(4,905)	(67,348)
Disposal of financial instruments	116,815	-
Net cash used in investing activities	122,247	(56,272)
Net increase in cash and cash equivalents	16,774	25,505
Cash and cash equivalents at beginning of year	1,070,194	1,044,689
Cash and cash equivalents at end of year	1,086,968	1,070,194
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
	2016 £	2015 £
Net income including endowments	(203,395)	321,607
Adjustments for:		
Depreciation charges	1,625	1,625
Amortisation	24,084	-
Bank interest received	(10,337)	(11,076)
Net (gains)/ losses on investments	36,977	(209,846)
Decrease in pension asset	60,000	62,000
Decrease / (increase) in stock	-	3,044
Decrease/ (increase) in debtors	(700)	90,503
Increase/ (decrease) in creditors	(13,727)	(176,080)
Net cash (used in)/ provided by operating activities	(105,473)	81,777

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. Movements in funds are disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

1. Accounting Policies

a) The financial statements have been prepared under the historical cost convention except for investments which are included at market value. The statements have been prepared in accordance with the Statement of Recommended Practice (SORP) FRS 102, Accounting and Reporting by Charities published in 2015, the Companies Act 2006 and applicable accounting standards. This is the first set of financial statements prepared under FRS 102. The date of transition to FRS 102 is 1 April 2014. An explanation of first time adoption is given in Note 21.

b) The charity is a company limited by guarantee and incorporated in England and Wales. The members of the company are the individuals and institutions in membership of the Association. In the event of the charity being wound up, the liability in respect of guarantee is limited to £1 per member of the charity. The company is a public benefit entity.

c) The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

d) General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

e) Restricted and endowment funds are to be used for specific purposes as laid down by the donor. Income generated from investments held by the funds is restricted to use by the fund. Expenditure which meets these criteria is charged to the fund.

f) Incoming resources, including grants, are included in the statement of financial activities (SOFA) when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably, net of VAT where applicable.

g) Membership income is included on a receivable basis with amounts relating to future accounting years deferred as subscriptions in advance. For subscriptions of publications the amount recognised is calculated on a pro-rata basis covering the period paid for in the accounting year. Events income is recognised in the accounting year in which the event takes place.

h) Investment income and gains are allocated to the appropriate fund.

i) Resources expended are accounted for on an accruals basis and allocated to the particular activity where the cost relates directly to that activity. However, the support costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned first to restricted funds in accordance with funding restrictions and then to the remaining unrestricted activities on the basis of staff numbers. Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably.

j) Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are now regarded as part of support costs which are allocated to the cost of activities undertaken by the Charity.

k) Grants and bursaries payable are recognised when a decision to make an award has been made and communicated to the recipients.

l) Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

m) The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all its financial instruments

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

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

Basic financial assets

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

Basic Financial Liabilities

"Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

"Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

"Trade payables are obligations for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

Furniture and Equipment

10.00% per annum, straight line method

Depreciation costs are allocated to Support Costs.

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

Database

33.33% per annum, straight line method

Amortisation costs are allocated to Support Costs.

p) Investments held as fixed assets are included at mid-market value at the balance sheet date. The gain or loss for each period is taken to the statement of financial activities. Unrealised gains are shown in note 12a. Realised gains are shown on the face of the SOFA. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment are recognised immediately in the profit or loss account.

q) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the length of the lease.

r) The charity used to operate a defined benefit pension scheme on behalf of its employees. The scheme is now closed. The assets of the scheme are held separately from those of the charity in an independently administered scheme.

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

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

s) The charitable company also agrees to contribute to personal pension schemes. The pension cost charge represents contributions payable by the charitable company to the individual schemes. The charitable company has no liability under the schemes other than for the payment of those contributions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

t) Trust funds are funds:

- i) which are administered by or on behalf of the MA
- ii) whose funds are held for specific purposes which are within the general purposes of the MA; or
- iii) which are subject to a substantial degree of influence by the MA, are treated as branches and accounted for as part of the MA.

u) The MA undertakes an administrative role in the running of the Esmee Fairbairn Collections Fund. The MA undertake this service in return for a grant which is recognised as income in the statutory accounts.

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

Funds received and expended in this manner are excluded from the accounts as income and expenditure. Further details can be found in note 20.

2. Judgements and key sources of estimation uncertainty

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

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

3. Prior year Statement of Financial Activities

For the Year Ended 31 March 2015

	Note	Endowment £	Restricted £	Unrestricted £	2015 Total £	2014 Total £
Income and endowments from:						
<i>Donations and legacies</i>	4	-	200,556	-	200,556	88,620
<i>Investment income</i>		12,408	4,679	111,000	128,087	13,791
<i>Charitable activities</i>	5	-	-	1,750,196	1,750,196	1,771,765
<i>Other incoming resources</i>		-	500	39,869	40,369	64,998
Total incoming resources		12,408	205,735	1,901,065	2,119,208	1,939,174
Resources expended						
<i>Charitable activities</i>	6	15,998	202,847	1,685,602	1,904,447	1,907,583
Total resources expended	6	15,998	202,847	1,685,602	1,904,447	1,907,583
Net gain on investment assets		32,673	31,023	146,150	209,846	101,656
Net incoming/(outgoing) resources before transfers and other recognised gains and losses	7	29,083	33,911	361,613	424,607	133,247
Gross transfers between funds	14	-	-	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme		-	-	(103,000)	(103,000)	(68,000)
Net movement in funds for the year		29,083	33,911	258,613	321,607	65,247
Reconciliation of funds						
Funds brought forward at 1 April 2014		444,213	391,871	1,862,280	2,698,364	2,633,117
Funds carried forward		473,296	425,782	2,120,893	3,019,971	2,698,364

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

4. Donations and Legacies

	Restricted £	Unrestricted £	2016 £
Trusts and funded projects			
Arts Council England	228,410	-	228,410
Other	7,500	-	7,500
	235,910	-	235,910
Esmee Fairbairn Foundation Effective Collections	82,344	-	82,344
	82,344	-	82,344
	Restricted £	Unrestricted £	2015 £
Trusts and funded projects			
Arts Council England	94,500	-	94,500
Other	23,600	-	23,600
	118,100	-	118,100
Esmee Fairbairn Foundation Effective Collections	82,456	-	82,456
	82,456	-	82,456

5. Charitable activities

	Restricted £	Unrestricted £	2016 £
Membership	-	909,650	909,650
Publications	-	360,061	360,061
Events	-	459,706	459,706
Professional development	-	60,700	60,700
	-	1,790,117	1,790,117
	Restricted £	Unrestricted £	2015 £
Membership	-	870,343	870,343
Publications	-	375,917	375,917
Events	-	430,286	430,286
Professional development	-	73,650	73,650
	-	1,750,196	1,750,196

NOTES TO THE FINANCIAL STATEMENTS

6. Total resources expended

For the Year Ended 31 March 2016

	Publications £	Events £	Membership £	Professional development £	Policy & public affairs £	Governance £	Support £	Trusts/ Projects £	2016 Total £	2015 Total £
Staff costs – direct (Note 8)	166,125	153,832	153,198	78,755	133,272	11,907	313,929	111,147	1,122,165	973,570
Direct costs	251,363	208,962	39,247	1,750	12,998	3,396	284,811	145,540	948,067	884,517
Grants and Bursaries	-	-	-	-	-	-	-	95,837	95,837	30,559
Depreciation	-	-	-	-	-	-	25,709	-	25,709	1,625
Trustees' expenses	-	-	-	-	-	-	15,969	-	15,969	14,176
Sub total	417,488	362,794	192,445	80,505	146,270	15,303	640,418	352,524	2,207,747	1,904,447
Allocated support costs	174,857	131,142	131,142	87,428	131,152	(15,303)	(640,418)	-	-	-
Total resources expended	592,345	493,936	323,587	167,933	277,422	-	-	352,524	2,207,747	1,904,447

For the Year Ended 31 March 2015

	Publications £	Events £	Membership £	Professional development £	Policy & public affairs £	Governance £	Support £	Trusts/ Projects £	2015 Total £	2014 Total £
Staff costs – direct (Note 8)	179,138	140,207	140,624	67,144	98,106	11,221	250,048	87,082	973,570	1,037,083
Direct costs	253,279	176,477	38,997	3,930	10,378	-	300,252	101,204	884,517	821,448
Grants and Bursaries	-	-	-	-	-	-	-	30,559	30,559	22,534
Depreciation	-	-	-	-	-	-	1,625	-	1,625	15,449
Trustees' expenses	-	-	-	-	-	14,176	-	-	14,176	11,069
Sub total	432,417	316,684	179,621	71,074	108,484	25,397	551,925	218,845	1,904,447	1,907,583
Allocated support costs	179,169	124,423	124,423	49,769	99,538	(25,397)	(551,925)	-	-	-
Total resources expended	611,586	441,107	304,044	120,843	208,022	-	-	218,845	1,904,447	1,907,583

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

This is stated after charging/crediting:	2016 £	2015 £
Interest payable	-	-
Bank charges	15,515	15,370
Depreciation	25,709	1,625
Operating lease rentals	-	-
• property	29,278	49,267
Board's remuneration	-	-
Board's reimbursed expenses (travel and subsistence)	12,031	10,932
Auditors' remuneration:	-	-
• Audit	13,750	10,000
• Other services	-	-
Income from quoted investments	13,719	17,087
Bank interest receivable	10,337	11,076

Reimbursed travel and subsistence costs relating to attendance at board meetings were paid to 9 (2015:8) board members during the year. Trustee indemnity is covered by the organisation's Charity Care insurance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

8. Staff costs and numbers

Staff costs were as follows:	2016 £	2015 £
Salaries and wages	793,099	683,990
Settlement payments	-	10,000
Social security costs	83,617	72,585
Temps/Consultants	21,691	18,250
Costs of pension scheme - defined contribution	60,085	52,109
Costs of pension scheme - defined benefit	80,590	31,381
	1,039,082	868,315
Other staff costs	117,083	105,255
	1,156,165	973,570
Total emoluments paid to staff were:	793,099	693,990

The charity considers its key management personnel comprise the trustees, the director and three heads of departments. The total employment benefits including employer pension contributions of the key management personnel were £275,927 (2015: £201,037 with Director's post vacant for most of the year). Trustees receive no remuneration.

Earnings over £60,000	2016 No.	2015 No.
Number of employees receiving £80,001 - £90,000	-	-
Number of employees receiving £70,001 - £80,000	1	-
Number of employees receiving £60,001 - £70,000	2	3

The employees above participated in the pension scheme. Contributions paid on behalf of the employees total £16,741 (2015: £17,088).

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

	2016 No.	2015 No.
Publications	4.0	3.5
Restricted projects	2.5	2.5
Events	3.0	2.5
Membership	3.0	2.5
Professional development	2.0	1.0
Policy and public affairs	3.0	2.0
Support	3.5	3.5
	21.0	17.5

9. Taxation

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

10. Tangible fixed assets

	Furniture & equipment £	IT & computers £	Total £
Cost			
At 1 April 2015	24,734	121,379	146,113
Additions in year	-	-	-
Disposals in year	-	-	-
At 31 March 2016	24,734	121,379	146,113
Depreciation			
As at 1 April 2015	21,024	121,379	142,403
Disposals in year	-	-	-
Charge for the Year	1,625	-	1,625
At 31 March 2016	22,649	121,379	144,028
Net book value			
At 31 March 2016	2,085	-	2,085
At 31 March 2015	3,710	-	3,710

11. Intangible fixed assets

	Website & Database £	Total £
Cost		
At 1 April 2015	67,348	67,348
Additions in year	4,905	4,905
Disposals in year	-	-
At 31 March 2016	72,253	72,253
Depreciation		
As at 1 April 2015	-	-
Disposals in year	-	-
Charge for the Year	24,084	24,084
At 31 March 2016	24,084	24,084
Net book value		
At 31 March 2016	48,169	48,169
At 31 March 2015	67,348	67,348

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

12. a) Investments

	2016 £	2015 £
At 1 April 2015	1,997,190	1,787,344
Additions during the year, at cost	-	-
Disposals during the year, at brought forward value	(116,815)	-
Unrealised (loss)/gain on revaluation at 31 March 2016	(36,977)	209,846
At 31 March 2016	1,843,398	1,997,190
Historic Cost		
At 31 March 2016	1,361,033	1,361,033

Analysis of investment portfolio

	£	£
Schroder Charity Fixed Interest Fund	249,382	330,718
Schroder Charity Equity Funds	404,017	472,665
CCLA Coif Charity Fund	1,189,999	1,193,807
At 31 March 2016	1,843,398	1,997,190

12. b) Investment in subsidiary

	2016 £	2015 £
Shares in subsidiary at cost	2	2

Throughout the year the MA had a 100% shareholding in Museums Enterprises Limited, a dormant company incorporated in Great Britain. The share capital and reserves of the subsidiary are not material and therefore no consolidated accounts have been prepared.

13. Debtors

	2016 £	2015 £
Trade debtors	152,267	167,245
Other debtors	3,428	6,243
Prepayments and accrued income	115,824	97,331
	271,519	270,819

14. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	95,307	132,129
Accruals	44,291	30,106
PAYE, social security and other taxes	31,676	31,254
Other creditors	-	-
Subscriptions in advance	491,289	482,801
	662,563	676,290

Deferred income recognised in 2015 was entirely released in 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

15. Movements in funds

	At 1 April 2015 £	Incoming resources* £	Outgoing resources £	Transfers £	At 31 March 2016 £
Endowment funds					
Beecroft Bequest	433,208	12,127	(35,476)	-	409,859
Kathy Callow Trust	40,088	462	(583)	(39,967)	-
Total endowment funds	473,296	12,589	(36,059)	(39,967)	409,859
Restricted funds:					
Benevolent Fund	190,776	2,856	(17,861)	98,637	274,408
Daphne Bullard Trust	78,651	286	(1,046)	(77,891)	-
Trevor Walden Trust	98,637	-	-	(98,637)	-
Effective Collections project	58,032	82,344	(84,976)	-	55,400
Mid-career project	(314)	235,910	(245,751)	10,155	-
Total restricted funds	425,782	321,396	(349,634)	(67,736)	329,808
Unrestricted funds:					
Designated funds:					
Pension Company	600,000	-	-	-	600,000
Fixed Asset reserve**	32,652	-	-	44,095	76,747
Fixed Assets***	71,058	-	(25,709)	4,905	50,254
Total designated funds	703,710	-	(25,709)	49,000	727,001
General funds	1,130,183	1,929,202	(1,877,322)	(59,155)	1,122,908
Total unrestricted funds	1,833,893	1,929,202	(1,903,031)	(10,155)	1,849,909
Pension reserve fund	287,000	-	(60,000)	-	227,000
Total funds	3,019,971	2,263,187	(2,348,724)	(117,858)	2,816,576

*Includes gains on investment assets

** Fund established for investment in database

***Funds tied up in Fixed Assets already purchased

Purposes of Endowment Funds

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

The Kathy Callow Trustees have taken over administration of the fund during the year. All funds held were transferred out of the MA during the year.

Purposes of restricted funds

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

The Daphne Bullard Trustees have taken over administration of the fund during the year. All funds held were transferred out of the MA during the year.

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

The mid-career project, Transformers, is funded by Arts Council England, Museums Galleries Scotland and the Federation of Museums and Art Galleries of Wales.

Purposes of designated funds

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

The fixed asset fund of £100,000 was set up in 2013-14 to fund the procurement and installation of a new database. £72,000 has been spent to date with further development work ongoing. The fund was increased by £49,000 this year to provide for an IT review and a website update in the coming year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

16. Analysis of net assets between funds

	Endowment funds £	Restricted funds £	Unrestricted funds £	2016 Total funds £
Intangible Fixed Assets	-	-	48,169	48,169
Tangible Fixed Assets	-	-	2,085	2,085
Investments	386,088	267,311	1,189,999	1,843,398
Net Current Assets	22,115	62,141	609,656	693,912
Pension scheme asset			227,000	227,000
Net Assets at 31 March 2016	408,203	329,452	2,076,909	2,814,564

	Endowment funds £	Restricted funds £	Unrestricted funds £	2015 Total funds £
Intangible Fixed Assets	-	-	67,348	67,348
Tangible Fixed Assets	-	-	3,710	3,710
Investments	446,726	356,657	1,193,807	1,997,190
Net Current Assets	26,570	69,125	569,028	664,723
Pension scheme asset	-	-	287,000	287,000
Net Assets at 31 March 2015	473,296	425,782	2,120,893	3,019,971

17. Related parties

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

There were no related party transactions during the year.

18. Operating lease commitments

The charity had total commitments at the year end under an operating lease expiring as follows:

Property	2016 £	2015 £
Within one year	24639	24639
2-5 years	-	49,278
Over 5 years	-	-

Other	2016 £	2015 £
Within one year	1,000	-
2-5 years	4,000	-

19. Defined benefit pension scheme

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

The most recent full actuarial valuation was carried out at 1 April 2013 by a qualified actuary. Following the full valuation, the MA agreed with the trustees that it would pay an additional £24,000 per year towards correcting the deficit during 2014/15 and from April 2015 will pay £34,280 per year until 31 March 2030.

Defined benefit cost:

	2016 £'000	2015 £'000
Current service cost	-	-
Net interest cost on the recognised defined benefit asset	-	-
Remeasurements recognised in the SOFA	4	24
	34	24
Remeasurements recognised in Other Comprehensive Income:		
	2016 £'000	2015 £'000
Remeasurement of defined benefit obligation	(38)	336
Return on plan assets	142	(233)
Change in effect of the asset ceiling	(70)	(79)
	34	24

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

Financial Assumptions:

	2016 %	2015 %
Discount rate at the end of the year	3.4%	3.5%
Retail Price Inflation	3.2%	3.2%
Consumer Price Inflation	2.3%	2.3%
Increases in deferment	2.3%	2.3%
Rates of increase to pensions in payment		
Pensions earned before 6/4/97	0.0%	0.0%
Pensions earned after 5/4/97	3.2%	3.2%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

19. Defined benefit pension scheme (continued)

Financial Assumptions (continued):

Based on the mortality assumptions detailed below, the following illustrates the life expectancies used to place a value on the Scheme's liabilities as at 31 March 2016.

Life expectancy	Male	Female
Member aged 65 at the effective date of the calculations	21.9	23.9
Member aged 65 at a date 20 years after the effective date of the calculations	23.2	25.4

Demographic and other assumptions

	2016	2015
Mortality after retirement base table	S2PMA & S2PFA (B=Year of Birth for males and females as appropriate)	S2PMA & S2PFA (B=Year of Birth for males and females as appropriate)
Future improvements	Males:CMI_2014_M [1%] Females:CMI_2014_F [1%]	Males:CMI_2014_M [1%] Females:CMI_2014_F [1%]
Cash commutation	100% of members will commute 25% of pension on current terms	100% of members will commute 25% of pension on current term
Retirement age	Normal retirement age	Normal retirement age
Proportion of members with a spouse	80% males; 70% females	80% males; 70% females
Average age difference between member and spouse	Females are three years younger than males	Females are three years younger than males
Discretionary increases	No allowance	No allowance

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

	2016 £'000	2015 £'000
Present value of defined benefit obligations	(2,524)	(2,475)
Fair value of plan assets	2,751	2,762
Net asset recognised in the Balance Sheet	227	287

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

	2016 £'000	2015 £'000
Opening defined benefit obligation	2,475	2,045
Service cost (current and past)	-	-
Interest cost	87	94
Remeasurement arising from changes in assumptions	34	385
Remeasurement arising from experience	(72)	(49)
Benefits paid	-	-
Liabilities at end of period	2,524	2,475

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

	2016 £'000	2015 £'000
Opening fair value of plan assets	2,762	2,394
Interest income	97	111
Actual return on plan assets, excluding interest income	(142)	233
Contributions by employer	34	24
Benefits paid	-	-
Assets at end of period	2,751	2,762

The actual (deficit)/return on plan assets was (£45,000) (2015: £344,000).

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

	2016 £'000	%	2015 £'000	%
Equities	1,320	48%	1,375	50%
Bonds and Gilts	1,045	38%	1,042	37%
Property	385	14%	333	12%
Cash	-	0%	12	1%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended
31 March 2016

20. Funds held by The MA as an intermediary agent

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

The MA also receives £1 million per year for 2014-16 over the extended life of the programme for distribution to grant recipients. Under the terms of the agreement, the MA will receive, review and filter applications which will be sent to an approval panel for consideration. The panel consists of two Esmee Fairbairn trustees, the Esmee Fairbairn chief executive, the MA's director and two members of the museums community. Based on the composition of the panel and the fact that the Esmee Fairbairn chief executive has the casting vote on the approval of awards, the MA has no ultimate control over the distribution of the awards.

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

As such, funds received and distributed under this arrangement have been excluded from the MA's accounts. This year, £215,207 was carried forward, £965,687 was received and £969,636 was awarded. At the year end, the MA held cash of £211,256 which is payable to grantees under the programme. This bank balance and corresponding liability have also been removed from the financial statements.

21. Reconciliation on adoption of FRS102

Defined Benefit Scheme

Under previous UK GAAP, the charity recognised an expected return on defined benefit plan assets in the Statement of Financial Activities. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in the statement of financial activity. There has been no change in the defined benefit at either 1 April 2014 or 31 March 2015. The effect of the change had been to reduce the credit to the Statement of Financial Activities in the year to 31 March 2015 by £26,000, and increase the credit in other comprehensive income by an equivalent amount.

Governance costs

Governance costs are no longer presented as a separate category of expenditure on the Statement of Financial Activities. They are now regarded as part of the support costs which are allocated to the cost of activities undertaken by the Charity.

Operating leases

Under previous UK GAAP, the Charity recognised total annual commitments due under operating leases. Under FRS102, total commitments over the entirety of the lease are disclosed.



CORPORATE MEMBERS

2015/16

24 Design Ltd
 A Different View
 A New Direction London Ltd
 Abound Design & Interpretation Ltd
 About Presentation Limited
 Absolute Museum & Gallery Products Ltd
 Access
 Access Displays Ltd
 Acoustiguide Ltd
 Airsource Ltd
 Amp Fab
 Appleyard & Trew LLP
 Artelia UK
 ARTEX Museum Services
 Arts Heritage Ltd
 Artswork
 Association for Cultural Enterprises (ACE)
 Aston Spinks
 ATS Heritage
 Axiell ALM (UK) Limited
 Baker Richards
 Barker Langham
 Barton Engineers Ltd
 BDRC Continental
 Beck Interiors Ltd
 Bishop's Move Ltd
 Bivouac Limited
 blackbox-av ltd
 blue ant design
 Blue Sail
 Blue The Design Company Ltd
 Bookry Ltd
 Brennan Design LLP
 Bridgeman Images
 Bruns B.V.
 Bruynzeel Storage Systems Ltd
 Buro Happold Ltd
 Buttress
 Cadogan Tate London Ltd. (Fine Art)
 Campbell & Co Design
 Carole Souvenirs
 Casson Mann
 Castleacre Insurance
 CDI UK | Clements and Street
 Celartem Europe Ltd (T/A Extensis)
 Circle Insurance Services Plc

ClickNetherfield Ltd
 Collections Trust
 Coniston Limited
 Conservation by Design
 Countwise Systems Ltd
 Cragg Management Services Ltd
 Creative Good Limited
 Creative Place Ltd
 Criteo
 Crown Fine Arts
 Crystalizations Systems Inc
 Cultural Co-operation
 Cultural Innovations
 Customworks
 Dauphin Acrylic Design
 DC Research Ltd
 DCA Consultancy Ltd
 DDL-ART Services Ltd
 DeepStore Records Management
 Demco Interiors
 DESIGNMAP
 Discount Displays
 Display Lighting Limited
 DTEK Systems UK Ltd
 Dubai
 Each Art Unique
 Easy Tiger Creative
 Elbow Productions
 Elmwood Projects Ltd
 Envisage Design Limited
 Epson (UK) Ltd
 Erco Lighting Ltd
 Euronova Ltd
 Event Communications Ltd
 Experience Design & Management Ltd
 Extreme Display Ltd
 Far Post Design Limited
 Farrer & Co
 Fladgate LLP
 Flamingo Marketing Ltd
 Focus Consultants LLP
 Format Display
 Forster Ecospace Ltd
 Fraser Randall Productions Ltd
 G Ryder & Co Ltd
 Gander & White Shipping Ltd

Gateway Ticketing Systems, Inc
 GBDM Ltd
 GuM Studio
 H&H Sculptors Ltd
 Hahn.Constable Ltd
 Hamilton Design Ltd
 Hara Clark Ltd
 Havells Sylvania Fixtures UK Ltd
 Headland Design Associates
 Heritage Interactive Ltd
 Houghton Kneale Design Ltd
 hsd
 Iamemakers Design & Consulting
 Intelligent Counting Ltd
 Interspectral AB
 ISO
 Janie Lightfoot Textiles Ltd
 Jarrold Publishing
 Jigsaw Design & Publishing
 Joe Cool
 Julius Rutherford
 Jura Consultants
 KAD Environmental Consultancy Ltd
 Kendrick Hobbs Ltd
 Kent Services Ltd
 KGB Cleaning & Support Services Ltd
 Klug Conservation
 Koelnmesse
 Kvorning Design & Communication
 LamasaTech Limited
 Leach Colour Ltd
 Lendlease Consulting
 Light Projects Group
 Lightwaves Limited
 Link 51 (Storage Products) Ltd
 Lista UK Ltd
 Liz Amos Associates
 Llama Digital
 Lord Cultural Resources
 Luck and Steele Design
 M&G Transport & Technical Services
 Marsh Christian Trust
 Martinspeed Ltd
 Mather & Co Ltd
 MBA Great Britain
 Meaco Measurement and Control Limited

Metalico Ltd
 Metaphor
 Meyvaert Glass Engineering
 Microform Imaging Limited
 Mike Stoane Lighting Ltd
 milktwosugars
 MODES Users Association
 Momart Limited
 Morris Hargreaves McIntyre
 Movement Strategies
 Mtec Ltd
 Nash Partnership
 New Angle Multimedia
 Nick Bell Design
 Nissen Richards Studio
 North Exhibition Services LTD
 Novatron Scientific Ltd
 Objectives
 Osprey Heritage Management Ltd
 Oxford Economics
 Paragon Creative Ltd
 Partners With You Ltd
 Past Pleasures Ltd
 Paul Vick Architects
 PEEL Interactive
 Petersham Group Limited
 PLB
 Plowden & Smith Ltd
 Polstore Storage Systems Ltd
 Polyformes Ltd
 Praxis
 Precision Lighting Ltd
 Preservation Equipment Ltd
 Pringle Richards Sharratt Architects
 Projectorpoint.co.uk
 Prolight Direct Ltd
 Protosheet Engineering Limited
 PS Financials plc
 Public Catalogue Foundation
 Purcell
 R[cases] Ltd
 Rackline Systems Storage Ltd
 Ralph Appelbaum Associates
 Real Studios Ltd
 Redman Design
 Relicase Display Systems Ltd

CORPORATE MEMBERS

2015/16

Restore Document Management
 Retail Thinking
 RFK Architects
 Richard Rogers Conservation Ltd
 Root Projects Australia Pty Ltd
 Royal Institute of British
 Architects
 RWFilms
 Saxton Bampfylde
 SC Duppimex - Florea d.sign SRL
 Scala Arts & Heritage Publishers
 Schimmer Child Ltd
 Scribble and Nonsense
 Selina Fellows Retail & Marketing
 Consultancy
 Servest Group Limited
 Sheffield Hallam University
 Sheridan Design Ltd
 SI Electrical Ltd
 Sigong Tech Co. Ltd
 Simply Lamps Limited
 Simworx Ventures
 Sirius Model Making Ltd
 Sovereign Exhibitions Ltd
 Spiral Productions Ltd
 Steensen Varming (Australia)
 Stone King LLP
 Storage Solutions Ltd
 Studio MB Ltd
 Studio SP Ltd
 Studioarc Design Consultants Ltd
 Sun-X (UK) Ltd
 Surface Impression Ltd
 System Simulation
 System Store Solutions Ltd
 Syx Automations UK
 Tandem
 Tessitura Network
 Testo Limited
 The British Shop
 The Hub Limited
 The IMC Group Ltd
 The Leather Conservation Centre
 The Management Centre
 The Museum Workshop Ltd
 The Way Design
 Thermo Lignum UK Ltd
 TheWholeStory
 ThinkSee3D Ltd
 TMP (The Moule Partnership) Ltd
 TopTix (UK) Ltd
 TOR Systems Ltd
 Total Support Services
 Towergate Insurance
 Tricolor
 Tru Vue - Optium Acrylic Glazing
 Tuch Design
 Turpin Smale Catering
 Consultants
 Ugly Studios Ltd
 Universal Design Studio
 Universal Fibre Optics Ltd
 Vastari
 Vennersys Ltd
 Vertigo
 Virtu Conservation
 Housekeeping Ltd
 W. R. Berkley
 Wangda Showcases Limited
 Wigwam
 Williams Design Associates
 WNY
 Xcentuate Limited
 zetcom
 Informatikdienstleistungen
 Deutschland GmbH
 Zeutschel UK Ltd
 ZMMA Ltd

AMA AND FMA

AWARDS 2015/16

AMA

Joanna Bailey
 Peter Basham
 Charlotte Berry
 Sally Bleasdale
 Sarah Brown
 Ciara Canning
 Shona Connechen
 Jemma Conway
 Mark Copley
 Sophie Cummings
 Beth Ellis
 Jane Freel
 Susan Gleave
 Abigail Hampton
 Rosanna Harrison
 Jude Holland
 Jemma Johnson-Davey
 Amal Khreisheh
 Sally Lewis
 Helen McConnell-Simpson
 Odile Masia
 Bethan Murray
 Eleni Papavasileiou
 Carina Phillips
 David Preece
 Kathryn Riddington
 Pamela Roberts
 Gemma Smith
 Ann Sutherland
 Ashleigh Taylor
 Emma Traherne
 Claire Whitbread
 Caroline Williams

FMA

Andrea Bishop
 Hazel Edwards
 Amanda Hart
 Eric Langham
 Diana Walters

NOTICE OF THE AGM

Notice is hereby given that the 2016 Annual General Meeting of the Museums Association will be held on Monday 7 November at 1400 in the Lomond room of the Scottish Exhibition and Conference Centre, Glasgow for the following purposes:

A Apologies for absence

B Minutes

To consider and adopt the minutes of the last Annual General Meeting held on Thursday 5 November 2015 at 1400 in Hall 1 of the International Convention Centre, Birmingham.

C Annual Report and Accounts of the Museums Association

To receive the Annual Report and Accounts of the Board for the year 2015/16.

D Report on financial position

To receive a report from the board on the estimated financial position and forecast in respect of current and future financial years.

E Individual membership subscriptions

To consider, and if thought fit, pass the following Ordinary Resolution (see Note 1 to Agenda).

That with effect on 1 April 2017 individual member subscription rates remain the same as those for 2016/17:

2016/17:	Museum member	Non member
Less than £24,500	£75	£80
£24,501 - £48,500	£123	£133
£48,501 - £70,000	£176	£190
Over £70,000	£203	£218
International		£151
International online only		£86
Student, retired, unemployed, volunteer		£56
Friend, trustee, paid non professional		£75

F Institutional membership subscriptions

To consider, and if thought fit, pass the following Ordinary Resolution (See Note 1 to Agenda).

That with effect on 1 April 2017 institutional member subscription rates remain the same as the rates for 2016/17:

2016/17:	Turnover	Fee
Less than £32,500		£74
£32,501 - £157,000		£155
£157,001 - £313,000		£312
£313,001 - £960,000		£651
£960,001 - £1,915,000		£915
£1,915,001 - £6,290,000		£1,566
Over £6,290,000		£1,958
Federations, friends' organisations and specialist groups		£56
Non-UK member		£190

G Auditors

To appoint auditors to the association until the conclusion of the next general meeting of the association at which accounts are laid before members and to authorise the board to fix the remuneration of the auditors.

Notes to the agenda 1. Items E and F

In recognition of the financial climate and the challenges facing all members, the individual and institutional membership bands and subscriptions have been frozen for the year.

Note: If you are not attending the conference but will be attending the AGM, please arrive at the conference centre 15 minutes before the start of the AGM and collect a voting card from Charlie Lindus on the registration desk. If you would prefer your voting card to be posted to you, email charlotte.lindus@museumsassociation.org giving your membership number and postal address.

AGM 2015

Minutes of the Annual General Meeting of the MA held on Thursday 5 November October at 1400 in Hall 1 of the International Convention Centre, Birmingham.

A Apologies for absence

No apologies were received.

B Minutes

The minutes of the Annual General Meeting of the MA held on Thursday 9 October at 1400 in the Donald Gordon Theatre, Millennium Centre, Cardiff, Wales were put to the meeting for approval. Nick Winterbotham proposed, seconded by Rachael Rogers, that the minutes be accepted as a true record. Carried.

C Annual Report and Accounts of the Museums Association

D Report on financial position

E/F Individual membership and Institutional subscriptions

Anna Brennand gave a brief overview of the key financial points for the 2014/15 accounts and review of subscription rates. Total income had risen by just over £100,000; the increase was mainly due to the increase in restricted income from Arts Council England for the Transformers programme. Unrestricted income remained very close to last year's figure. Income from events decreased by £18,000 due to the venue in Cardiff being smaller than Liverpool, which meant the exhibition income was slightly less. Income from publications decreased by £56,000 mainly due to a reclassification of income for digital licencing being moved from publications income to other incoming resources. Hilary McGowan proposed, seconded by Stephen Richards, that the Annual Report, Accounts and Financial Report be formally received. Carried.

There had been a significant growth in membership; since 2010/11 the MA has an extra 2000 members. The MA's board recommended that in light of the challenges facing the sector and improvement of the MA's finances over the last year that all membership costs are frozen and there is no increase next year. Gina Koutsika proposed, seconded by Tamsin Russell, that the 0% increase in individual membership rates be agreed. Carried. Ian Simmons proposed, seconded by Steph Mastoris, that the 0% increase in institutional membership rates be agreed. Carried.

G Articles of Association

The MA board recommended that it remove the transitional clauses in the Articles of Association.

Reyahn King proposed, seconded by Stephen Bird, that the amendments in the Articles of Association be agreed. Carried.

H To adopt the revised Code of Ethics

The MA has acted as the guardian of UK museum ethics since the first Codes of Practice and Conduct were introduced in 1977. These were updated in 1987, 1991, 2002 and 2007. The revised Code of Ethics for Museums represents a simplification of the previous code. It focuses on three key principles that should underpin the work of all museums in the UK - public benefit and public engagement, stewardship of collections, and integrity.

The new draft Code of Ethics was produced after an 18-month consultation process during 2014-15. It was a collaborative piece of work involving representatives from across the sector, funders, interest groups, members of the public and other stakeholders.

Two members of the MA's Ethics Committee; Janet Marstine, lecturer and academic director at the School of Museum Studies in Leicester and Tamsin Russell, organisational development manager at Historic Environment Scotland, outlined the process of developing the code and the outcomes.

Sharon Heal thanked the MA's Ethics Committee, Emma Faulkner, the MA's policy intern, and Alistair Brown, the MA's policy officer for their work on the review of the Code of Ethics. Jane Arthur proposed, seconded by Hilary McGowan, that the revised Code of Ethics be adopted. Carried.

I Auditors

It was recommended that Kingston Smith be re-appointed as auditors to the association until the conclusion of the next general meeting of the association at which accounts are laid before members and to authorise the board to fix the remuneration of the auditors. Sarah Brown proposed, seconded by Catherine O'Donnell, that Kingston Smith be appointed auditors to the association. Carried.

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