

# **Tyne & Wear Museums Development Trust**

**Registered Charity No. 1055974**

**Annual Report and Accounts**

**Year Ended 31 March 2007**

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## **Trustees, Officers and Advisors**

The Trustees of the Tyne & Wear Museums Development Trust (the 'Trust') are all members of the Tyne & Wear Museums Joint Committee. They have all served in the year, and are:

### **Trustees:**

Pauline Allen	Councillor, Newcastle City Council
John Hamilton	Councillor, Gateshead Council
Frank Lott	Councillor, North Tyneside Council
James Sewell	Councillor, South Tyneside Council
William Stephenson	Councillor, City of Sunderland

### **Seconded Trustee:**

Ged Bell	Chair of Tyne & Wear Museums Joint Committee (Councillor, Newcastle City Council)
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The officers of the Trust are all employees of Tyne & Wear Museums.

### **Officers:**

<b>Correspondent:</b>	Alec Coles Director
<b>Administration:</b>	Martin Williams Principal Trading and Development Officer
<b>Finance:</b>	Jackie Reynolds Senior Manager: Corporate Affairs

The registered office of the Trust is:

Tyne and Wear Museums  
Discovery Museum  
Blandford Square  
Newcastle upon Tyne  
NE1 4JA

**Advisors:**

**Bankers:**

**City of Newcastle upon Tyne c/o**  
Co-operative Bank PLC  
Norfolk House  
84/86 Grey Street  
Newcastle upon Tyne  
NE1 6BZ

**Solicitors:**

**City of Newcastle upon Tyne c/o**  
Valerie Dodds  
Head of Legal Services  
Civic Centre  
Newcastle upon Tyne

**Auditors:**

**Audit Commission c/o**  
Lynne Snowball  
District Auditor  
2<sup>nd</sup> Floor  
Nickalls House  
Metro Centre  
Gateshead  
NE11 9NH

**Investment Advisors:**

**City of Newcastle upon Tyne c/o**  
Ian Richardson  
Senior Loans & Investments Officer  
Room 151  
Civic Centre  
Barras Bridge  
Newcastle upon Tyne  
NE99 1RD

## **Annual Report of the Tyne & Wear Museums Development Trust**

The Trustees of the Tyne & Wear Museums Development Trust present their annual report for the year ended 31 March 2007 under the Charities Act 1993, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP 2005.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Tyne & Wear Museums Development Trust (TWMDT) was established in June 1996 under the name North East Discovery Trust and is registered with the Charity Commission under charity number 1055974. During 2006/07, a review of the role of the Trust was undertaken. One conclusion of the review was that the name North East Discovery Trust did not accurately reflect the stated purpose of the trust and could lead to confusion, given that only one of Tyne and Wear Museums' (TWM) venues is named Discovery. The new name of the Trust is Tyne & Wear Museums Development Trust. The names of the Trustees, executive officers and principal address of the Trust are as listed on page 3. Particulars of the Trust's professional advisors are given on page 4.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### ***Governing Document***

The Trust is governed by its Trust Deed dating from 1996 and last amended in 2006.

#### ***Trustees***

There are two types of trustee:

- Council Trustees, and
- Secoded Trustees.

There are five Council Trustees who are nominated by the five constituent authorities. All Council Trustees automatically retire three years after their nomination, although they are eligible for re-nomination. The council who nominates a Council Trustee has the right to nominate the replacement.

The Council Trustees may from time to time nominate additional persons to be Trustees. These Trustees are known as Secoded Trustees and serve for one year, although they are also eligible for re-election.

#### ***Organisational Management***

The Trustees are legally responsible for the overall management and control of the Trust. They meet, as part of the Joint Committee a minimum of four times a year. The work of carrying out their policies is carried out by the officers of Tyne & Wear Museums. The officers of Tyne & Wear Museums also have delegated responsibility for the day to day running of the Trust.

## **Risk Management**

The Trustees are responsible for the management of risk faced by the Trust. Detailed considerations of risk are delegated to the officers of Tyne & Wear Museums. Risks are identified, assessed and controls established throughout the year. A formal review of the Trust's risk management processes is undertaken on an annual basis.

The key controls used by the Trust include:

- Activities which are designed to support TWM's corporate objectives. There is an annual Corporate Planning process, which includes performance management;
- Feedback from beneficiaries and funders;
- Comprehensive budgetary control, monitoring and reporting arrangements;
- Established organisational structure and lines of reporting;
- Formal written policies; and,
- Clear authorisation.

Through the risk management processes established for the Trust, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that the systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

## **AIMS AND OBJECTIVES**

### **Trust Aims**

- To promote the education of the public and business community in the appreciation of the arts and science, by encouraging and guiding them to participate in and contribute to the activities of the museums and galleries situated within the five metropolitan districts of Tyne and Wear and administered by Tyne and Wear Museums.
- To support and assist the museums and galleries situated within the five metropolitan districts of Tyne and Wear and administered by Tyne and Wear Museums

### **Objectives for the Year**

This year the focus has been:

- To restore the steam locomotive *Jackie Milburn* at Stephenson Railway Museum (Jackie Milburn Appeal);
- To develop new permanent displays at the Shipley Art Gallery (*Designs for Life*), South Shields Museum & Art Gallery (*Changing Faces*) and the Great North Museum Project (*Diversity of Life*);
- To support a programme of exhibitions and learning events inspired by the 200th anniversary of the parliamentary abolition of the slave trade in the British colonies (*Remembering Slavery*); and
- To increase the level of donations from the general public.

### ***Strategies to achieve the year's objectives***

These included:

- working with North Tyneside Council, the North Tyneside Steam Railway Association, Newcastle Chronicle & Journal and Jack Milburn, Jackie Milburn's son to develop the Jackie Milburn Appeal;
- working with the Hub Funding Advice Coordinator to identify and apply to trusts and foundations:
- promoting the trust's new name and registered charity number more widely;
- telling people about TWM's charitable aims and asking them to donate;
- giving people the opportunity to support specific aspects of TWM's work;
- encouraging people to make their charitable donations eligible for Gift Aid; and,
- linking up with the Charities Aid Foundation to enable people to give online.

### ***Principal activities for the year***

The Trust exists primarily to enable TWM to raise funds from charitable sources and does not provide programmes, projects and services directly. However the Trust is beginning to take a more active role in fundraising and this year TWM undertook its first public appeal to raise £38,000 for the restoration of the steam locomotive *Jackie Milburn*. The Jackie Milburn Appeal was launched at Stephenson Railway Museum in May 2006 and potential donors were encouraged to give in person at the site, by post or telephone and by visiting a dedicated website where they could make donations online. In addition to the public appeal TWM prepared several applications to trusts and foundations for project funding.

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

The level of fundraising activity has increased on the previous year. In terms of the targets set for 2006/07 the Trust successfully raised project funding for the restoration of the steam locomotive *Jackie Milburn* (Jackie Milburn Appeal) and Remembering Slavery. Fundraising for the projects called 'Public Catalogue Foundation' (Revealing Paintings) and 'Culture Shock' will take place in 2007/08. Funding for 'Looking at Lowry' was identified from non-charitable sources and fundraising for 'Fit for Purpose' has been deferred. In total 15 applications were made to 15 different trusts and foundations for grants to the value of £522,550. Six applications were approved, eight were unsuccessful and one is still being considered.

Although the Trust only achieved 53% of its target for individual giving, the levels of donations from the general public increased considerably on the previous year. The public's response to the Jackie Milburn Appeal was overwhelming and hundreds of people gave to TWM for the first time. Their details have been recorded on a computer database and will provide the start-up for a future donor development programmes.

## **ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Charities Act 1993 requires the Trustees of the Tyne & Wear Museums Development Trust to prepare accounts for each financial year which give a true and fair view of its financial activities during the year and its financial position at the end of the year. In preparing the accounts the Trustees should follow best practise, and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the accounts; and,
- prepare the accounts on the going concern basis unless it is inappropriate to assume the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Trust at any time, and to enable them as trustees to ensure that the accounts comply with charity law. The Trustees are also responsible for safeguarding the Trust's assets and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Approved by the Trustees on 28 June 2007 and signed on its behalf by:

Trustee, Tyne & Wear Museums Development Trust

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The out-turn position is positive, as the Trust has kept its overall revenue expenditure within budget. The key points are summarised below:

- Total resources expended were £61,839. Of this total, £58,305 (94%) was on direct charitable activities.
- Total incoming resources were £115,354, of which £106,004 (92%) was in the form of grants and donations.
- Grants received included £40,000 relating to the second instalment of a grant from the Northern Rock Foundation towards the cost of extending and developing the National Gallery Touring Partnership for a further three years from 2006 to 2008. The total grant offered is £120,000.
- Fund raising for the restoration of the *Jackie Milburn* locomotive raised £43,474.

### ***Reserves policy***

During 2003/04 the Trustees adopted a Reserves Policy which created a Reserve with funds to finance the audit and administration fees for the next three years. The Reserve is drawn from interest which is earned on the unallocated Trust donations. Previously, the interest was allocated proportionately to each of the donations in the Trust. Now, the Reserve has first call on the interest, ensuring that a Reserve equivalent to the estimated administration and audit fees for the next three years is maintained. Any interest not required by the Reserve continues to be allocated as before.

The review of the policy in 2006/07 concluded that the decision to maintain a reserve for this purpose was prudent, but concluded that the level needed to be revised to reflect increasing governance and support costs associated with increased activity. The principle that the reserve should be equivalent to the estimated costs for the next three years was maintained.

### ***Investment policy and objectives***

The Trustees' aim is to maximise the total investment return within the objectives of maintaining income, while continuing to preserve the real value of investments. Proper investment advice continues to be provided by Newcastle City Council.

## FUTURE PLANS

TWM (as part of the North East Regional Museums Hub) has recently begun working with the Public Catalogue Foundation to develop a project that will make TWM's entire collection of oil paintings accessible through a series of illustrated catalogues (Revealing Paintings). The Trust will establish a designated fund to raise money for the project and support the restoration and conservation of TWM's art collections in the future. The Trust has set targets for project funding of:

- £45,000 for a North East Regional Museums Hub project called 'Revealing Paintings';
- £80,000 for a North East Regional Museums Hub project called 'Culture Shock';
- £50,000 for 'Imagine a Nation' at the Laing Art Gallery; and

- £300,000 for the 'Diversity of Life' gallery at the Great North Museum Project

The Trust is committed to increasing the level of public donations for general purposes. In 2007/08 new donation boxes will be installed at nine TWM sites and a communications strategy will be launched to promote philanthropic giving by individuals. In terms of annual targets this means raising donations of:

- £14,000 from on site donation boxes
- £500 from online fundraising for 'Where the need is greatest'

Over the next year the Trust will undertake a review of its purposes, procedures and governance; identify, by means of a strategic plan, the way in which the Trust should develop to meet the charitable objectives of TWM in the future; and, organise a programme of training for trustees.

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED  
31 MARCH 2007**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2007	<i>Total Funds 2006</i>
		£	£	£	£
<b>Incoming Resources (Note 3)</b>					
<b>Incoming resources from generated funds</b>					
Voluntary Income	3a:	0	106,004	<b>106,004</b>	<i>190,500</i>
Investment Income	3b:	0	9,350	<b>9,350</b>	<i>5,479</i>
<b>Incoming resources from charitable activities</b>					
		0	0	<b>0</b>	<i>0</i>
<b>Other incoming resources</b>					
		0	0	<b>0</b>	<i>0</i>
<b>TOTAL INCOMING RESOURCES</b>		<b>0</b>	<b>115,354</b>	<b>115,354</b>	<i>195,979</i>
<b>Resources Expended (Notes 4 - 6)</b>					
<b>Costs of generating funds</b>					
Charitable Activities	4a:	0	58,305	<b>58,305</b>	<i>118,550</i>
Governance Costs	4b:	0	3,534	<b>3,534</b>	<i>2,530</i>
<b>TOTAL RESOURCES EXPENDED</b>		<b>0</b>	<b>61,839</b>	<b>61,839</b>	<i>121,080</i>
<b>Net Incoming Resources</b>		<b>0</b>	<b>53,515</b>	<b>53,515</b>	<i>74,899</i>
<b>Investment gains/losses</b>		<b>0</b>	<b>0</b>	<b>0</b>	<i>0</i>
<b>NET MOVEMENT IN FUNDS (Note 7)</b>		<b>0</b>	<b>53,515</b>	<b>53,515</b>	<i>74,899</i>
<b>Fund Balances at 1 April 2006</b>		<b>0</b>	<b>191,974</b>	<b>191,974</b>	<i>117,075</i>
<b>Fund Balances at 31 March 2007</b>		7:	<b>0</b>	<b>245,489</b>	<i>191,974</i>

The notes on pages 13 to 23 form part of these accounts.

**BALANCE SHEET AS AT 31 MARCH 2007**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2007	Total Funds 2006
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Fixed Assets		0	0	0	0
Investments		0	0	0	0
<b>Total Fixed Assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current Assets</b>					
Debtors & Prepayments		0	0	0	0
Cash at Bank & In Hand		0	245,489	<b>245,489</b>	193,174
<b>Total Current Assets</b>		<b>0</b>	<b>245,489</b>	<b>245,489</b>	<b>193,174</b>
<b>Creditors: amounts falling due within 1 year</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1,200</b>
<b>Net Current Assets/ (liabilities)</b>		<b>0</b>	<b>245,489</b>	<b>245,489</b>	<b>191,974</b>
<b>Total assets less current liabilities</b>		<b>0</b>	<b>245,489</b>	<b>245,489</b>	<b>191,974</b>
<b>Creditors: amounts falling due after more than 1 year</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Net Assets</b>		<b>0</b>	<b>245,489</b>	<b>245,489</b>	<b>191,974</b>
<b>Funds of the Trust</b>					
Unrestricted funds		0	0	0	0
Restricted income funds	7	0	245,489	<b>245,489</b>	191,974
<b>Total Funds</b>		<b>0</b>	<b>245,489</b>	<b>245,489</b>	<b>191,974</b>

Approved by the Trustees on 28 June 2007:

Trustee, Tyne & Wear Museums Development Trust

The notes on pages 13 to 23 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1. Basis of preparation

#### 1.1 Basis of Accounts Preparation

The accounts are prepared under the historical cost convention, in accordance with:

- Accounting and Reporting for Charities – Statement of Recommended Practice (SORP 2005); and,
- with Accounting Standards; and,
- with the Charities Act 1993.

#### 1.2 Change in basis of accounting

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

#### 1.3 Changes to previous accounts

No changes have been made to accounts for previous years.

### 2. Statement of Accounting Policies

#### Incoming Resources

##### Recognition of incoming resources

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

##### Incoming resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

##### Grants and donations

Grant and donation are only included in the SoFA when the charity has unconditional entitlement to the resources.

##### Investment Income

This is included in the accounts when receivable.

## **Expenditure and Liabilities**

**Liability Recognition** Liabilities are recognised as soon as there is a legal or constructive obligation committing the Trust to pay out resources.

**Governance Costs** Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to the trustees on governance or constitutional matters.

**Support costs** Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. staff costs by the time spent and other costs by their usage.

## **Assets**

**Tangible fixed assets** The trust has no tangible fixed assets.

**Investments** The Trust has no investments other than cash at bank.

### 3. Analysis of incoming resources

<b>3a: Voluntary Income</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Northern Rock Foundation:		
<i>Northern Rock Craft Acquisition Fund</i> (Shipley Art Gallery)	0	150,000
Esmée Fairburn Foundation:		
<i>Designs for Life</i> (Shipley Art Gallery)	10,000	0
P&O Makower Trust		
<i>Patron's evening</i> (Shipley Art Gallery)	0	500
Northern Rock Foundation:		
<i>National Touring Partnership</i> (Laing Art Gallery)	40,000	40,000
Northern Rock Foundation:		
<i>Our Way- British Sign Language (BSL) in Museums &amp; Galleries</i> (Tyne and Wear Museums)	12,500	0
Garfield Weston Foundation	30,000	0
Sir James Knott Trust:	5,000	0
Catherine Cookson Foundation:	3,000	0
Public Donations:	2,831	0
Tyne and Wear Museums Business Partners:	2,643	0
<i>Jackie Milburn Restoration.</i> (Stephenson Railway Museum)		
Public Donations:		
<i>(Regional Resource Centre)</i>	30	0
<b>Total</b>	<b>106,004</b>	<b>190,500</b>

<b>3b: Investment Income</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank Interest	9,350	5,479
<b>Total</b>	<b>9,350</b>	<b>5,479</b>

#### 4. Analysis of resources expended

<b>4a: Charitable activities</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Catherine Cookson Foundation:		
South Shields Museum: <i>Redevelopment</i>	0	77,981
Northern Rock Foundation:		
Laing Art Gallery: <i>National Touring Partnership</i>	41,414	40,068
P&O Makower Trust		
Shipleigh Art Gallery: <i>Patron's evening</i>	0	501
Sir James Knott Trust:	2,731	0
WA Handley Charity Trust:	1,226	0
Tyne and Wear Museums: <i>Museums Fortnight Fest.</i>		
Northern Rock Foundation:		
Shipleigh Art Gallery <i>Northern Rock Craft Acquisition Fund</i>	10,291	0
Tyne and Wear Museums Business Partners:		
Stephenson Railway Museum: <i>Jackie Milburn Restoration.</i>	2,643	0
<b>Total</b>	<b>58,305</b>	<b>118,550</b>

<b>4b: Governance Costs</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Auditors Fee	1,200	1,240
Other	2,334	1,290
<b>Total</b>	<b>3,534</b>	<b>2,530</b>

## 5. Support Costs

<b>Support cost type</b>	<b>Charitable Activity</b>	<b>Governance Costs</b>	<b>Total Costs</b>
	<b>£</b>	<b>£</b>	<b>£</b>
General Finance & Administration tasks	1,900	0	1,900
Preparation of Annual Accounts	0	1,125	1,125
Completion of Charity Returns	0	363	363
Preparation of Annual Report	0	175	175
Travel & Training	0	376	376
Other Report Preparation & Attendance at Trustee meetings	0	295	295
<b>Total</b>	<b>1,900</b>	<b>2,334</b>	<b>4,234</b>

## 6. Investment Assets

<b>Analysis of investments</b>	<b>Value at year end</b>	<b>Income from investments for the year</b>
	<b>£</b>	<b>£</b>
Cash at Bank	245,489	9,350
<b>Total</b>	<b>245,489</b>	<b>9,350</b>

**7. Restricted Funds: Movement in Year**

Ref	Fund Names	Balance at 1 April 2006	Incoming Resources	Outgoing resources	Investment gains	Balance at 31 March 2007
1	Catherine Cookson Foundation: South Shields Museum: <i>Redevelopment</i>	14,006	0	0	0	14,006
2	Northern Rock Foundation: Laing Art Gallery: <i>National Touring Partnership</i>	0	40,000	40,000	0	0
3	Esmée Fairburn Foundation Shipleigh Art Gallery: <i>Designs for Life</i>	0	10,000	0	0	10,000
4	Northern Rock Foundation: Shipleigh Art Gallery: <i>Contemporary Craft Gallery</i>	1,172	0	0	0	1,172
5	Andrew Weir Shipping: Regional Museum Store: <i>Conservation</i>	18,040	0	0	0	18,040
6	Sir James Knott Trust: People's Gallery: <i>Outreach</i>	2,637	0	2,637	0	0

Ref	Fund Names	Balance at 1 April 2006	Incoming Resources	Outgoing resources	Investment gains	Balance at 31 March 2007
7	WA Handley Charity Trust: People's Gallery: <i>Outreach</i>	1,319	0	1,185	0	134
8	Northern Rock Foundation: Shipleigh Art Gallery: <i>Craft Acquisition Fund</i>	150,000	0	9,940	0	140,060
9	Northern Rock Foundation: Tyne and Wear Museums <i>Our Way- British Sign Language (BSL) in Museums &amp; Galleries</i>	0	12,500	0	0	12,500
10	Garfield Weston Foundation: Sir James Knott Trust: Catherine Cookson Foundation: Public Donations: Tyne and Wear Museums Business Partners: Stephenson Railway Museum <i>Jackie Milburn Restoration.</i>	0	30,000	0	0	30,000
		0	5,000	0	0	5,000
		0	3,000	0	0	3,000
		0	2,831	0	0	2,831
		0	2,643	2,643	0	0
11	Public Donations: <i>Regional Resource Centre</i>	0	30	0	0	30

12	Reserves	4,800	0	5,434	9,350	8,716
<b>Total Funds</b>		<b>191,974</b>	<b>106,004</b>	<b>61,839</b>	<b>9,350</b>	<b>245,489</b>

### Notes on future use of restricted funds

#### 1. Catherine Cookson Foundation, South Shields Museum

The redevelopment of South Shields Museum has now been completed. The interest which has accrued on the donation will be used to help lever additional funding to enable the Land, River and Sea Gallery at South Shields Museum to be renewed. This had not taken place throughout 2006/07 as further funding had not been secured at that time. However funding is now in place and it is envisaged to be utilised within 2007/08.

#### 3. Esmeé Fairbairn Foundation, Shipley Art Gallery, Designs for Life

The Esmeé Fairbairn Foundation awarded £50,000 to the Shipley Art Gallery to be used over a five year period for a programme of activity around the craft collection. This funding has been allocated in support of the Northern Rock Foundation Craft Acquisition Fund awarded to the Shipley for purchasing craft over a five year period.

The £50,000 fund is held by the Northern Rock Foundation (NRF) on behalf of the Esmeé Fairbairn Foundation. Tyne and Wear Museums applied to NRF for £10,000 from this fund to support a new gallery of art, craft and design at the Shipley, funded by the Heritage Lottery Fund and the DCMS/Wolfson Foundation. This gallery is scheduled for completion in early 2008.

#### 4. Northern Rock Foundation, Shipley Art Gallery, Contemporary Craft Gallery

This sum is the part of the interest which has accrued on a grant of £55,000 from the Northern Rock Foundation in 2002 to commission new cases for the Contemporary Craft Gallery at the Shipley Art Gallery. This remaining sum will be dedicated to the redevelopment of this gallery and the adjacent gallery focusing on Tyne and Wear Museums' collections of decorative art and contemporary craft. This redevelopment will be funded by DCMS/Wolfson Foundation and a grant from the Heritage Lottery Fund. The funding will be put towards this project. The new gallery is scheduled to be completed in early 2008.

#### 5. Andrew Weir Shipping, Regional Museums Store

The donation from Andrew Weir Shipping was made, and is set aside, for the long-term benefit of the TWM industrial and maritime collections held at the Regional Museums Store (RMS) at Beamish. It is intended to make use of this resource for the preventive and remedial conservation of these collections, and in particular to improve their condition and appearance for the benefit of visitors to the RMS. To maximise the benefit of the donation, it is being used to provide match funding to lever other grants which are available from time to time for this

purpose (for example the MLA PRISM Fund) and also to respond to other opportunities, such as supporting the involvement of skilled and experienced volunteers. Therefore, the donation will be utilised over several years. Approximately £6k -£7k of the funding will be utilised in 2007/08 on further work on the Doxford engine, which will be matched by volunteer input.

#### 7. WA Handley Trust, People's Gallery

The funding from the two grants from Sir James Knott Trust and WA Handley Trust for the People's Gallery has been utilised on the delivery of a young person festival event which took place in August 2006. The *Museum Fortnight Fest* was promoted to 'looked-after' young people across the region. TWM worked in partnership with the *Ignite* festival which had been set up and is led by care professionals from the 'looked-after' young people's sector throughout the region. The Festival promoted museums and galleries as a place for 'looked-after' young people, foster families and their key workers to go to learn, engage with collections, spend time together and have fun. The remaining balance is to be utilised within the next financial year to fund an outstanding commitment for the project.

#### 8. Northern Rock Foundation, Shipley Art Gallery, Craft Acquisition Fund

The sum of £300,000 has been awarded by the Northern Rock Foundation to develop contemporary craft collections of national significance in the North East region focussed on the Shipley Art Gallery and the Middlesbrough Institute for Modern Art (MIMA). The grant has been equally divided between the two venues for the purchase of contemporary craft over a five year period. The grant has been awarded as one single payment to each venue in order to receive the extra benefit of interest which will enhance buying capability. An acquisitions panel has been established by the Shipley to support and advise on the purchasing of craft. The purchase of the first two items has been made, with support from the V&A Purchase Grant Fund. The appointment of a new Keeper of Art for the Shipley, specialising in craft, will facilitate the further development of the collection through this fund. The project objectives are below:

##### Project Objectives

- To develop contemporary craft collections of national significance;
- to ensure that the acquisitions policies and resulting collections of the two institutions are both coherent and complementary;
- to ensure that the collections of the two institutions are developed as part of a national framework for craft collections and take due account of the nature and scope of other collections;
- to ensure that potential public benefit informs the acquisition programmes, in terms of developing public awareness of and engagement with contemporary craft;
- to use the core funding provided by the Northern Rock Foundation to lever in additional resources to maximise the impact of the project.

9. Northern Rock Foundation, Our Way- British Sign Language (BSL) in Museums & Galleries

This innovative project aims to encourage members of the Deaf community to participate and engage with museums and galleries in the North East. The majority of the Deaf community are not enthusiastic about visiting museums and galleries. The main reason for this is the lack of British Sign Language (BSL) interpretation within museums and galleries.

The *Our Way* project aims to recruit Deaf volunteers to liaise with museum staff and create BSL led tours across TWM and HUB venues. The volunteers will then guide groups of people (BSL users) on the tours, thus creating interpretation for the Deaf community in their first language and preferred means of communication.

10. Various Sources: The Jackie Milburn Restoration Fund

The Jackie Milburn Restoration Fund represents grants and donations toward the project to restore to operation the steam locomotive 'Jackie Milburn' at the Stephenson Railway Museum. The project is to be substantially resourced by the Heritage Lottery Fund (HLF), and a requirement of the HLF was that all match-funding should be secured before a formal commencement of work. The Fund is holding money which was donated to the project in advance of the formal start of the project. Work is now under way and it is expected that the project will be completed during 2008/09.

11. Public Donations: Regional Resource Centre

The Regional Resource Centre Public Donations Fund represents donations in support of activities at the Centre, and it will be used to resource display and outreach work.

**8. Disclosure of related party transactions**

The Trust is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Trust or to be controlled or influenced by the Trust. Disclosure of these transactions allows readers to assess the extent to which the Trust might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Trust.

Trustee's have direct control over the Trust's financial and operating policies. During 2006/07, the Trust did not receive any funding or make any payments to any organisation in which any Trustee had an interest.

## **Draft Independent auditor's report to the trustees of Tyne and Wear Museums Development Trust**

I have audited the financial statements of Tyne and Wear Museums Development Trust for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the *Statement of Recommended Practice 2005: Accounting and Reporting by Charities* and with the accounting policies set out therein.

This report is made solely to the trustees of Tyne and Wear Museums Development Trust in accordance with Part II of the Audit Commission Act 1998 and section 43 of the Charities Act 1993. My audit work has been undertaken so that we might state to the trustees those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the trustees of Tyne and Wear Museums Development Trust for my audit work, for this report, or for the opinions I have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law, the *Statement of Recommended Practice 2005: Accounting and Reporting by Charities* and relevant accounting standards are set out in the Statement of Trustees' Responsibilities.

In accordance with regulations made under section 44 of the Charities Act 1993, the charity has been granted a dispensation under section 9(2)(a) of the Charities (Accounts and Reports) Regulations 1995, permitting the audit to be carried out by the auditor appointed by the Audit Commission. My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the *Statement of Recommended Practice 2005: Accounting and Reporting by Charities*. I also report to you if, in my opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

### **Tyne and Wear Museums Development Trust**

I read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of Opinion**

I conducted my audit in accordance with the Charities Act 1993 and International Standards on Auditing issued by the Auditing Practices Board. An audit includes

examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

## **Opinion**

In my opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 March 2007 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the *Statement of Recommended Practice 2005: Accounting and Reporting by Charities*.

Lynne Snowball  
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Audit Commission  
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