

Tyne & Wear Museums Development Trust

Registered Charity No. 1055974

Annual Report and Accounts

Year Ended 31 March 2008

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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:

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

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 employed by Newcastle City Council for and on behalf of Tyne & Wear Museums.

Officers:

Correspondent:	Alec Coles Director
Administration:	Martin Williams Principal Trading and Development Officer
Finance:	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
Steve Nicklin
District Auditor
2nd 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 2008 under the Charities Act 1993, together with the draft 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 (The Trust) was established in June 1996 and is registered with the Charity Commission under charity number 1055974.

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
- Seconded Trustees.

There are five Council Trustees who are nominated by the five Tyne and Wear authorities. All Council Trustees automatically retire three years after their nomination, although they are eligible for re-nomination. The council which 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 Seconded 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 TWM. The officers of TWM also have delegated responsibility for the day to day running of the Trust.

All trustees give their time voluntarily and received no benefits, remuneration or expenses from 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 TWM. 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 TWM.
- To support and assist the museums and galleries situated within the five metropolitan districts of Tyne and Wear and administered by TWM.

Objectives for the Year

This year the focus for project funding has been:

- £45,000 for a North East Regional Museums Hub/ Public Catalogue Foundation (PCF) 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

The focus for unrestricted income has been:

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

The focus for organisational management has been to:

- Undertake a review of the Trust's purposes, procedures and governance;
- Identify the way in which the Trust should develop to meet the charitable objectives of TWM in the future; and,
- Organise a programme of training to maintain the personal competence of Trustees.

Strategies to achieve the year's objectives

These included:

- working in partnership with the PCF and the University of Newcastle to develop fundraising strategies for *Revealing Painting* and the *Diversity of Life* gallery;
- working with the Hub Funding Advice Coordinator to identify and apply to trusts and foundations for *Culture Shock*;
- introducing new style donation boxes at TWM sites;
- creating a new *Support Us* section on the TWM website; and
- appointing a fundraising consultant to undertake a fundraising health check/individual giving feasibility study.

Principal activities for the year

The Trust exists primarily to enable TWM to raise funds from charitable and philanthropic sources and does not provide programmes, projects and services directly. However the Trust has begun to take a more active role in fundraising and this year all on site cash donations have been administered through the Trust enabling TWM to take advantage of Gift Aid. In addition TWM online giving facility has been extended to all sites with the introduction of a new *Support Us* website and TWM has prepared numerous 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 for 2007/08 the Trust exceeded the target set for *Revealing Paintings* and secured £200,000 for the *Diversity of Life* gallery. These grants have not been paid into the Trust by 31 March 2008. £10,000 was raised for *Culture Shock* with the balance of project funding coming from non-charitable sources. An application to the Northern Rock Foundation for *Imagine a Nation* was withdrawn when the foundation closed its Culture and Heritage programme in November. The target for *Imagine a Nation* has subsequently been met from non-charitable sources. In total 19 applications were made to 18 different trusts and foundations for grants to the value of £524,000. Three of these applications were approved, 14 were unsuccessful, one was withdrawn and one is still being considered.

The Trust achieved its target for unrestricted income and the level of public donations has increased significantly on the previous year. Income from on-site donation boxes has more than doubled from 2006/07. 373 people chose to enhance their donation by using gift aid.

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 21 January 2009 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 £119,370. Of this total, £112,152 (94%) was on direct charitable activities.
- Total incoming resources were £152,270, of which £137,467 (90%) was in the form of grants and donations.
- Grants received included £36,000 from the Shipley Art Gallery Trust for the *Designs for Life* gallery; £15,000 from the Northern Rock Foundation for the *Remembering Slavery* project; £12,500 from the Northern Rock Foundation for the *Our Way - British Sign Language (BSL) in Museums & Galleries* and £10,000 from the Gillian Dickinson Trust for the *Culture Shock* project.
- On-site donations amounted to £14,307 including gift aid, in 2007/08, whilst £49,122 was transferred to the Trust by TWM.

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 2007/08 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. Appropriate investment advice continues to be provided by Newcastle City Council.

FUTURE PLANS

In 2008/09 the focus for project funding will be:

- £50,000 to conserve and display two former conservation areas at Arbeia Roman Fort;
- £70,000 for capital enhancements to the Great North Museum project;
- £100,000 from the Esmeé Fairbairn Foundation Museum and Heritage Collection Strand; and
- £250,000 for the *Creative Spirit* gallery at the Laing Art Gallery

The focus for unrestricted income will be:

- £17,000 from on site cash donations; and
- £1,500 from regular and online giving

The focus for organisational management will be to:

- Review the recommendations of the fundraising health check/individual giving feasibility study and develop an action plan.

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 MARCH 2008**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2008	<i>Total Funds 2007</i>
		£	£	£	£
Incoming Resources (Note 3)					
Incoming resources from generated funds					
Voluntary Income	3a:	63,931	73,536	137,467	<i>106,004</i>
Investment Income	3b:	2,397	12,406	14,803	<i>9,350</i>
Incoming resources from charitable activities		0	0	0	<i>0</i>
Other incoming resources		0	0	0	<i>0</i>
TOTAL INCOMING RESOURCES		66,328	85,942	152,270	<i>115,354</i>
Resources Expended (Notes 4 - 6)					
Charitable Activities	4a:	14,499	101,652	116,151	<i>58,305</i>
Governance Costs	4b:	320	2,899	3,219	<i>3,534</i>
TOTAL RESOURCES EXPENDED		14,819	104,551	119,370	<i>61,839</i>
Net Incoming Resources		51,509	-18,609	32,900	<i>53,515</i>
Investment gains/losses		0	0	0	<i>0</i>
NET MOVEMENT IN FUNDS (Note 7 & 8)		51,509	-18,609	32,900	<i>53,515</i>
Fund Balances at 1 April 2007		0	245,489	245,489	<i>191,974</i>
Fund Balances at 31 March 2008	7 & 8:	51,509	226,880	278,389	<i>245,489</i>

The notes on pages 13 to 22 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2008

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2008	Total Funds 2007
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets		0	0	0	0
Total Fixed Assets		0	0	0	0
Current Assets					
Debtors & Prepayments		0	0	0	0
Investments		51,509	226,880	278,389	245,489
Cash at Bank & In Hand		0	0	0	0
Total Current Assets		51,509	226,880	278,389	245,489
Creditors: amounts falling due within 1 year		0	0	0	0
Net Current Assets/ (liabilities)		51,509	226,880	0	245,489
Total assets less current liabilities		51,509	226,880	0	245,489
Creditors: amounts falling due after more than 1 year		0	0	0	0
Total Net Assets		51,509	226,880	0	245,489
Funds of the Trust					
Unrestricted funds	8	51,509	0	51,509	0
Restricted income funds	7	0	226,880	226,880	245,489
Total Funds		51,509	226,880	278,389	245,489

Approved by the Trustees on 21 January 2009:

Trustee, Tyne & Wear Museums Development Trust

The notes on pages 13 to 22 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	Grants and donations 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 Trusts investments represent its cash balances.

3. Analysis of incoming resources

3a: Voluntary Income	2008		2008 Total Funds	2007 Total Funds
	Unrestricted Funds	Restricted Funds		
	£	£	£	£
Esmeé Fairbairn Foundation: <i>Designs for Life</i> (Shipley Art Gallery)	0	0	0	10,000
Northern Rock Foundation: <i>National Touring Partnership</i> (Laing Art Gallery)	0	0	0	40,000
Northern Rock Foundation: <i>Our Way- British Sign Language (BSL) in Museums & Galleries</i> (Tyne and Wear Museums)	0	12,500	12,500	12,500
Garfield Weston Foundation	0	0	0	30,000
Sir James Knott Trust:	0	0	0	5,000
Catherine Cookson Foundation:	0	0	0	3,000
Public Donations:	0	0	0	2,831
Tyne and Wear Museums Business Partners: <i>Jackie Milburn Restoration</i> (Stephenson Railway Museum)	0	0	0	2,643
Public Donations: <i>Regional Resource Centre</i>	0	0	0	30
<i>Great North Musum</i>	0	36	36	0
<i>Public Donations:</i>	63,429	0	63,429	0
<i>General Fund-raising</i>	502	0	502	0
Shipley Art Gallery Trust: <i>Designs for Life</i> (Shipley Art Gallery)	0	36,000	36,000	0
Northern Rock Foundation: <i>Remembering Slavery</i> (Tyne and Wear Museums)	0	15,000	15,000	0
Gillian Dickinson Trust <i>Culture Shock</i> (Tyne and Wear Museums)	0	10,000	10,000	0
Total	63,931	73,536	137,467	106,004

3b: Investment Income	2008		2008 Total Funds	2007 Total Funds
	Unrestricted Funds	Restricted Funds		
	£	£	£	£
Bank Interest	2,397	12,406	14,803	9,350
Total	2,397	12,406	14,803	9,350

4. Analysis of resources expended

4a: Charitable activities	2008		2008 Total Funds	2007 Total Funds
	Unrestricted Funds	Restricted Funds		
	£	£	£	£
Catherine Cookson Foundation: South Shields Museum: <i>Redevelopment</i>	0	14,095	14,095	0
ShIPLEY Art Gallery Trust: ShIPLEY Art Gallery <i>Designs for Life</i>	0	36,229	36,229	0
Esmeé Fairbairn Foundation: ShIPLEY Art Gallery <i>Designs for Life</i>	0	10,064	10,064	0
Northern Rock Foundation: Tyne and Wear Museums <i>Remembering Slavery</i>	0	15,095	15,095	0
<i>Andrew Weir Shipping</i> Tyne and Wear Museums <i>Regional Museums Store</i>	0	11,674	11,674	0
Northern Rock Foundation: ShIPLEY Art Gallery: <i>Contemporary Craft Gallery</i>	0	1,179	1,179	0
Northern Rock Foundation: Laing Art Gallery: <i>National Touring Partnership</i>	0	0	0	41,414
Sir James Knott Trust: WA Handley Charity Trust: Tyne and Wear Museums: <i>Museums Fortnight Fest.</i>	0	0	0	2,731
	0	135	135	1,226
Northern Rock Foundation: ShIPLEY Art Gallery <i>Northern Rock Craft Acquisition Fund</i>	0	13,181	13,181	10,291
Public Donations <i>Tyne and Wear Museums</i>	14,499	0	14,499	0
Tyne and Wear Museums Business Partners: Stephenson Railway Museum: <i>Jackie Milburn Restoration.</i>	0	0	0	2,643
Total	14,499	101,652	116,151	58,305

Resources expended include support costs associated with charitable activity which are identified in Note 5.

4b: Governance Costs	2008		2008 Total Costs	2007 Total Costs
	Unrestricted Funds	Restricted Funds		
	£	£	£	£
Auditors Fee	124	1,126	1,250	1,200
Other	196	1,773	1,969	2,334
Total	320	2,899	3,219	3,534

5. Support Costs

Support cost type	Charitable Activity £	Governance Costs £	Total Costs £
General Finance & Administration tasks	3,999	0	3,999
Preparation of Annual Accounts	0	1,125	1,125
Completion of Charity Returns	0	231	231
Preparation of Annual Report	0	175	175
Travel & Training	0	165	165
Other Report Preparation & Attendance at Trustee meetings	0	273	273
Total	3,999	1,969	5,968

The Trust does not employ any staff directly. Employees of Newcastle City Council employed on behalf of Tyne and Wear Museums undertake duties on behalf of the Trust as part of their employment, as the Trust was created to support and assist the museums and galleries administered by TWM. Duties include preparing the accounts and annual report, fund-raising and general administration. The time spent of Trust duties is recorded and recharged to the Trust on an at cost basis.

6. Investment Assets

Analysis of investments	Value at year end £	Income from investments for the year £
Cash at Bank	278,389	14,803
Total	278,389	14,803

7. Restricted Funds: Movement in Year

Ref	Fund Names	Balance at 1 April 2007	Incoming Resources	Outgoing resources	Investment gains	Balance at 31 March 2008
1	Andrew Weir Shipping: Regional Museum Store: <i>Conservation</i>	18,040	0	11,600	0	6,440
2	Northern Rock Foundation: Shipley Art Gallery: <i>Craft Acquisition Fund</i>	140,060	0	13,098	0	126,962
3	Northern Rock Foundation: Tyne and Wear Museums <i>Our Way- British Sign Language (BSL) in Museums & Galleries</i>	12,500	12,500	0	0	25,000
4	Garfield Weston Foundation: Sir James Knott Trust: Catherine Cookson Foundation: Public Donations: Stephenson Railway Museum <i>Jackie Milburn Restoration.</i>	30,000 5,000 3,000 2,831	0 0 0 0	0 0 0 0	0 0 0 0	30,000 5,000 3,000 2,831
5	Public Donations: <i>Regional Resource Centre</i> GNM	30 0	0 36	0 0	0 0	30 36

Ref	Fund Names	Balance at 1 April 2007	Incoming Resources	Outgoing resources	Investment gains	Balance at 31 March 2008
6	Gillian Dickinson Trust <i>Culture Shock</i>	0	10,000	0	0	10,000
7	Catherine Cookson Foundation: South Shields Museum: <i>Redevelopment</i>	14,006	0	14,006	0	0
8	Esmeé Fairbairn Foundation ShIPLEY Art Gallery: <i>Designs for Life</i>	10,000	0	10,000	0	0
9	Northern Rock Foundation: ShIPLEY Art Gallery: <i>Contemporary Craft Gallery</i>	1,172	0	1,172	0	0
10	WA Handley Charity Trust: People's Gallery: <i>Outreach</i>	135	0	135	0	0
11	ShIPLEY Art Gallery Trust <i>Designs for Life</i>	0	36,000	36,000	0	0
12	Northern Rock Foundation <i>Remembering Slavery</i>	0	15,000	15,000	0	0
13	Reserves	8,715	0	3,541	12,406	17,580
	Total Funds	245,489	73,536	104,551	12,406	226,880

Notes on future use of restricted funds

1. 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 £2.5k of the funding will be utilised in 2008/09 on further work on the Doxford engine, which will be matched by volunteer input.

2. 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 focused on the Shipley Art Gallery and the Middleborough 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.

3. 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 reluctant 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.

4. *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 2009/10.

5. *Public Donations: Regional Resource Centre / Great North Museum*

These public donations will be expended on the specified project and will be used to resource display, outreach and learning work.

6. *Gillian Dickinson Trust: Culture Shock*

Fundraising for Culture Shock was completed in March 2008 allowing the project to begin. A Project co-ordinator was appointed in May 2008 and will begin work in June 2008. The funding will be drawn down, in line with the project cash flow, at a fixed intervention rate in the period June 2008 - May 2010.

13. *Reserves*

In accordance with the Reserves Policy, the reserve is maintained at a level estimated to meet the audit and administration fees for the next three years. The Reserve is drawn from interest which is earned on the unallocated Trust donations.

8. Un-restricted Funds: Movement in Year

Ref	Fund Names	Balance at 1 April 2007	Incoming Resources	Outgoing resources	Investment gains	Balance at 31 March 2008
1	Fundraising: <i>General</i>	0	502	0	0	502
2	Public Donations: <i>General</i>	0	63,429	12,422	0	51,007
3	Investment Income	0	2,397	2,397	0	0
	Total Funds	0	66,328	14,819	0	51,509

Public donations will be utilised to further the objectives of the venue in which the donation was made.

9. 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 2007/08, the Trust did not receive any funding or make any payments to any organisation in which any Trustee had an interest.

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 2008 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. My audit work has been undertaken so that I might state to the charity's 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 charity and its trustees as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and auditor

The responsibilities of the trustees for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

I have been appointed as auditor under section 29 of the Audit Commission Act 1998 and section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of the Charities Act 1993. My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Charities Act 1993. I report to you whether, in my opinion, the information which comprises the commentary on the financial performance of the charity, included in the Annual Report, is consistent with the financial statements. I also report to you 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.

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

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the 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 that 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2008 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 the Charities Act 1993; and
- information which comprises the commentary on the financial performance of the charity, included in the Annual Report, is consistent with the financial statements.

Steve Nicklin
(Officer of the Audit Commission)
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January 2009