

Registered Number:

7334262

Charity Number:

1137867



A young visitor enjoying interactive art at the Laing Art Gallery.
Photography by Colin Davison.

Tyne & Wear Archives & Museums Development Trust

(A company limited by guarantee)



Unaudited Trustees' Report and Financial Statements For the period ended 31 March 2016

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, THE TRUSTEES
AND ADVISORS FOR THE PERIOD ENDED 31 MARCH 2016**

Trustees:

Ivor Stolliday (Chair)

John Hamilton (Resigned 30 June 2016) John McElroy (Joined 30 June 2016)

Neil Braithwaite

Ammar Mirza

Andrew J Miller

Christine Holland

James N Garbutt (Vice-Chair)

David F Haley (Resigned 4 May 2016)

Company registered number:

7334262

Charity registered number:

1137867

Registered Office:

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

Company Secretary:

Jackie Reynolds

Independent Examiners:

Ryecroft Glenton
Chartered Accountants
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

Bankers:

Co-operative Bank PLC
Norfolk House
84/86 Grey Street
Newcastle upon Tyne
NE1 6BZ

Solicitors:

John Softly
Assistant Director, Legal Services
Newcastle City Council
Civic Centre
Newcastle upon Tyne

Nationwide Building
Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Lloyds Bank
PO Box 1000
Andover
BX1 1LT

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Tyne & Wear Archives & Museums Development Trust (the charitable company) for the period 1 April 2015 to 31 March 2016. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The charitable company is registered as a company limited by guarantee and was set up by a Memorandum of Association on 3 August 2010. The charitable company was formed to take over the activities of the unincorporated charity Tyne & Wear Museums Development Trust (Charity number 1055974), the transfer occurring on 1 December 2010.

The principal objects of the charitable company are:

- to advance the education of the public (particularly, but not limited to those within, the metropolitan county of Tyne & Wear) by encouraging them to participate in and contribute to the activities of an archive and museum service managed by Tyne & Wear Archives and Museums (TWAM) and to value it for the positive impact that it makes upon their lives;
- to advance art, culture, heritage and science by supporting TWAM to establish and maintain a world class archive and museum service that is accessible and enlightening;
- to contribute to the advancement of civic responsibility and good citizenship by supporting TWAM to help to equip people with the capacity to understand and operate successfully in society; and
- such other charitable purpose beneficial to the community consistent with the objects above as the trustees shall in their absolute discretion determine.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The directors of the company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the charity.

All Trustees are appointed for a four year term, with the exception of the initial Trustees where half of their number were appointed for an initial two year term, and on stepping down after that initial four or two year term (as appropriate) were eligible for reappointment. That reappointment will be for a maximum period of a further four years. On stepping down after that further four year term each Trustee will be eligible for reappointment. That reappointment will be for a maximum period of a further four years.

Recruitment of new Trustees will be overseen by the Board. In addition to the statutory duties, potential new trustees should utilise any specific skills, knowledge or experience to help the board of trustees make sound decisions and in particular take a pro-active interest in fundraising including:

- Suggesting new sources of income and 'open doors'.
- Be willing to share personal and business contacts and help raise funds from those contacts.
- Communicating the real practical value of every donation made to the Trust.
- Be the voice of the donor in the organisation.
- Understand the key principles of fundraising.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The induction pack for new Trustees includes organisational information, who TWAM is, what TWAM do, why TWAM do it, outcomes etc; role and responsibilities of the Trustee board; individual responsibilities as board members; information on charities and fundraising and a schedule of delegation.

Every board meeting is preceded by a 30 minute tour or talk hosted by a TWAM specialist. The purpose of these events is to improve Trustees knowledge and experience of TWAM's work. In 2015/16 Trustees took part in curator-led guided tours of two high profile exhibitions at the Laing Art Gallery and visited a new Roman Baths excavation at Segedunum Roman Fort to meet the archaeologists and volunteers involved in the dig.

'The opportunity to meet expert staff, go behind the scenes and handle precious objects is a privilege and a pleasure. These events help me better understand what makes museums and archives 'tick'. This in turn enable me to be a better advocate for TWAM when talking to potential supporters.'

James Garbutt, Trustee

In November 2015 Trustees met with client officers from TWAM's funding councils and the Chair of the Joint Committee. The discussion focused around TWAM's core competencies, the specific skills of Trustees and how those could help to make the case to potential funders. Following the meeting TWAM produced a table of 17 'Myths and Facts' to help Trustees make the case more effectively. These included:

Myth	Fact
Museums aren't relevant to me.	Local museums are vital to preserving local heritage, and the history of your area.
I don't really use museums and galleries.	Did you know that you could have lunch, take an art class or even get married in one of our museums and galleries? We now offer a diverse range of services.
Museums and galleries don't do much to support themselves.	21% of TWAM's funding is now self-generated and this figure has increased every year for the last 3 years.
Museums are inefficient and poorly run.	TWAM has saved £4.1 million since 2009/10. For every £1 invested there is a return of £4.12.
Public donations do not really make a difference.	This year TWAM is aiming to raise £118,800 from donations, which will support 4 jobs and enable 1.4 million visitors enjoy our facilities.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board meets three times a year to review progress and update the operational plans. A scheme of delegation was agreed by the Trustees at their first meeting which sets out roles and responsibilities of the Board, Trustees and officers of TWAM. If required, sub committees may be convened to examine some areas in more detail and report back to the Board.

RELATED PARTY RELATIONSHIPS

To ensure that formal procedures are in place to require Trustees to declare all their actual or potential conflicting interests, a "conflicts of interests disclosure form" is completed annually and at each Board meeting, if appropriate, the Trustees discuss their interests and a formal minute is recorded of the interests declared and any action agreed.

RISK MANAGEMENT

The Trustees are responsible for the management of risk faced by the Trust. The Trustees have adopted a Risk Management Framework, which outlines the overarching approach of the Trust to risk management. Adoption of the Risk Management Framework has helped ensure that risk management continues to be recognised as an integral part of good management practice and the delivery of the Trust's objectives.

Risk management needs to allow for the effective assessment and exploitation of opportunities while also identifying what will prevent the Trust from achieving its objectives, and ensuring it has in place procedures to minimise, or manage, those risks. Risk management therefore involves a planned and systematic approach to the identification, assessment and mitigation of the risks that could hinder the achievement of strategic objectives. The Trust's risk management process involves the following main steps:

- articulating the Board's approach to risk management;
- assigning responsibility for the management of risk;
- identifying the key strategic risks that would prevent achievement of objectives;
- evaluating the significance of each risk;
- identifying suitable responses and controls for each risk;
- reviewing, reporting and learning.

The Strategic Risk Register contains the most significant risks to the Trust's objectives and highlights risk priorities perceived at present and further actions required to manage, reduce or mitigate these risks.

AIMS AND OBJECTIVES FOR THE PUBLIC BENEFIT

Trustees refer to the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and in planning future activities. The Trust carries out its objects by raising funds from individual donors, trusts and foundations to support a wide variety of archive and museum activities including:

- Exhibitions and displays
- Capital improvements
- Cataloguing
- Acquiring objects for the collection
- Conservation and restoration work
- Learning programmes
- Outreach projects with all sections of the community

By supporting such activities the Trust helps TWAM achieve its strategic vision of ensuring everyone has access to archive and museum provision, and is able to use this access and to value it for the significant and positive impact that it makes upon their lives. For more information about TWAM please visit www.twmuseums.org.uk/

Trustees recognise the huge contribution made by volunteers and the following Friends, Affiliates and Connected Charities:

- Friends of Discovery Museum
- Friends of the Hatton Gallery
- Friends of the Laing Art Gallery (FLAG)
- Friends of Segedunum
- Friends of the Shipley Art Gallery
- Natural History Society of Northumbria
- North Tyneside Steam Railway Association
- Society of Antiquaries of Newcastle upon Tyne
- The Arbeia Society
- The Light Dragoons Heritage Trust

In 2015/16, 621 volunteers donated 36,057 hours to support TWAM's work. Volunteers are currently involved in a wide range of activities that include helping to catalogue important collections, welcoming visitors and explaining exhibits, supporting the day-to-day running of Stephenson Railway Museum and asking for donations at events throughout the year to raise money for TWAM.

Objectives for the Year

To support TWAM's core activities in 2015/16 the Trust set itself the enormous challenge of increasing unrestricted income by nearly 300%.

	Target 2014/15	Target 2015/16	Change
Donations	£54,430	£118,800	£64,370
Appeals	£8,480	£10,000	£1,520
Patrons	£0*	£4,000	£4,000
Trusts & Foundations	£0*	£117,500	£117,500
Total	£62,910	£250,300	£187,390

**Prior to 2015/16 income from patrons and trust & foundations was largely restricted to capital developments and special projects.*

Additional funds were needed to ensure capital developments and special projects could be delivered or developed as proposed. These included:

- Completing the 'Hatton Future Campaign' to support the £3.8 million capital refurbishment of Newcastle University's Hatton Gallery
- Raising funds for the 'Empire, Frontier & River Roman Gallery' at Segedunum Roman Fort
- Delivering a second round HLF application for the Light Dragoon's 'England's Northern Cavalry' project
- Securing business sponsorship and Arts Council funding for the 'Late Shows 2015' event
- Supporting the 'Discovery Museum Plaza' project around the Challenger 2 Tank

Strategies to achieve the year's objectives

To achieve this step-change in unrestricted income Trustees targeted significant growth in private donations, including on-site/online gifts, appeals and patrons, business partnerships and grants from trusts & foundations.

- I. ***Donations:*** To achieve growth in private donations TWAM rolled-out the 'Visitor Giving' approach to all 9 sites. This approach is characterised by trained staff engaging visitors as they enter a venue and inviting them to donate. Site-specific fundraising pages were introduced on TWAM's new-look website and donation messaging was expanded onto social media platforms.
- II. ***Appeals:*** This included current appeals such as 'My Tyneside Wall' at Discovery Museum and 'Butterfly Wall' at the Great North Museum: Hancock plus an appeal directed at walkers of Hadrian's Wall at Segedunum Roman Fort and animal lovers ('Adopt an Animal') at South Shields Museum.
- III. ***Patrons:*** This has included the current Exhibitions Partners scheme at the Laing Art Gallery with plans to launch a new high-level donor programme called the 'Alexander Laing Circle'.
- IV. ***Trusts & Foundations:*** This year the Trust focussed on grants for both core and non-core activities such as exhibitions, learning programmes, festivals and staff costs. In 2015/16 the Trust submitted 50 applications worth over £543,000 of which 10 totalling £230,200 were successful.

Principal activities for the year

The Trust exists to support the work of TWAM and has an active role in fundraising for archive and museum activities. Throughout the year Trustees have continued to suggest new sources of income, meet with potential supporters and represent the Trust at exhibition openings, networking events and fundraising dinners.

In February 2015 Trustees met to review fundraising plans for the strategic period 2015/16 to 2017/18. They met again in February 2016 to monitor progress and agree plans for the 2016/17. Trustees also reviewed the findings of a recently published Public Administration and Constitutional Affairs Committee (PACAC) report 'The 2015 charity fundraising controversy' and draft guidance on key fundraising principles for trustees published by the Charity Commission.

Trustees recognise their responsibilities in ensuring TWAM's approach to fundraising reflects best practice and welcomed the setting up of a new, independent Fundraising Regulator.

Cllr John Hamilton, elected member for Gateshead, former Chair of the unincorporated charity and Vice Chair of the Trust since 2010, stood down as Vice Chair at the Trust's AGM in December 2015. The Chair, Ivor Stolliday commented, that *'Cllr Hamilton was instrumental in establishing the Trust and has made a great contribution during its first five years. As Vice Chair he was an enthusiastic advocate for the charity's work and provided a vital link to TWAM's local authority partners. We are all genuinely grateful for his support and wish him well for the future.'*

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The benefit of the Trust's work is the provision of archive and museum activities that are available to the widest possible audience and brings people in touch with new experiences and perspectives, which can have a positive effect on their lives. The Trustees are pleased that the achievements and performance of the Trust, examples of which are set out below, demonstrate solid progress.

Donations from April 2015 to the end of March 2016 were £106,621 which represents an increase of 96% on 2014/15. Donation per visit (DPV) has increased from 3.8p to 7.4p and almost every TWAM site has shown an increase. DPV target for 2015/16 was 10p and several sites have exceeded this.

Overall, private donations, including on-site/online gifts, appeals and patrons increased by 84%.

The Trust raised £45,200 from trusts and foundations for core activities including grants for under 5's activity at the GNM: Hancock, formal learning at the Laing Art Gallery and a programme to help families with special educational needs (SEN) in the South Tyneside.

For non-core activities the Trust raised £184,950 including grants to deliver the Late Shows in May 2015, support the costs of framing and conserving rarely seen art works at the Hatton Gallery, and for the GNM: Hancock, a major award to develop the 'mobile museum' concept and bring new experiences to the City of Newcastle.

In total, the Trust raised £160,604 for core activities in 2015/16. This represents a 156% increase on 2014/15 and 64% of the annual target. The shortfall was largely due to trusts and foundations performing less well than anticipated. Capacity in TWAM's Development

Team, a steep learning curve to apply funding to core activities and increased competition for grants contributed to less money being raised.

	Target 2015/16	Actual 2015/16	% Achieved
Donations	£118,000	£106,621	88
Appeals	£10,000	£6,794	68
Patrons	£4,000	£2,189	55
Trusts & Foundations	£117,500	£45,250	38
Total	£249,500	£160,604	64

The fundraising shortfall of £88,896 was underwritten by TWAM utilizing reserves, in-year savings and income generated from other activities e.g. retail sales. Front line services were not affected, however Trustees have reflected on fundraising performance in 2014/15 and adjusted annual targets for 2016/17 accordingly.

PUBLIC BENEFIT – CASE STUDY

The Special Educational Needs (SEN) project in South Tyneside is a good example of how public benefit is derived from the Trust's support for TWAM's activities.

TWAM operates two sites within South Tyneside; South Shields Museum & Art Gallery and Arbeia Roman Fort & Museum. These sites attract over 150,000 visitors every year, including over 9,000 children taking part in educational activities.

Approximately 10% of the school-aged children currently being educated in South Tyneside have been identified with SEN needs with a further 20% of the pre-school population having similar learning difficulties. Learning staff at the museum and fort are trained in delivering specialist SEN learning for young people and currently delivers a small number of targeted workshops and programmes in school times.

In 2014/15 learning staff began looking for like-minded partners to help develop an expanded SEN activities that would widen access for families with SEN needs over the next two years.

The new programme includes early opening events for children with SEN at South Shields Museum, a new summer school programme for families with SEN at Arbeia Roman Fort, partnerships with local SEN schools and community groups to increase and enhance much needed activity and training for staff at the museum and fort in working with children with SEN needs, and in communicating through the Makaton sign language system.

Thanks to grants from the Catherine Cookson Charitable Trust, Morrisons Foundation and Sobell Foundation the new programme started in April 2016 and is already helping to improve the lives of young people with SEN needs in South Tyneside.

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.

RESERVES POLICY

The Trustees feel that it is appropriate to hold a reserve with funds to finance the administration and governance fees and will earmark the use of interest earned on investments for this purpose until the level of reserves is sufficient to meet the estimated costs of these fees for the following three years.

At 31 March 2016, Trust reserves as described above are £5,146

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustees (who are also directors of Tyne & Wear Archives & Museums Development Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 12 December 2016 and signed on their behalf, by:

Ivor Stolliday
Chair of Trustees
Tyne & Wear Archives & Museums Development Trust

TYNE & WEAR ARCHIVES & MUSEUMS DEVELOPMENT TRUST
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2016

Independent examiner's report to the Trustees of Tyne & Wear Archives & Museums Development Trust

I report on the financial statements of the charitable company for the year ended 31 March 2016 which are set out on pages 17 to 29.

This report is made solely to the charitable company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent examiner'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 charitable company and the charitable company's Trustees as a body, for my work or for this report.

Respective responsibilities of Trustees and examiner

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The charitable company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charitable company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or

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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:

Dated: 12 December 2016

Detlev Anderson FCA

Ryecroft Glenton

Chartered Accountants

32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

TYNE & WEAR ARCHIVES & MUSEUMS DEVELOPMENT TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Income from:					
Donations and legacies	2	110,266	388,247	498,513	339,587
Investments	3	1,160	4,348	5,508	3,294
Total income		<u>111,426</u>	<u>392,595</u>	<u>504,021</u>	<u>342,881</u>
Expenditure on:					
Charitable activities		106,594	246,325	352,919	306,195
Total expenditure	4	<u>106,594</u>	<u>246,325</u>	<u>352,919</u>	<u>306,195</u>
Net income and Movement in funds		<u>4,832</u>	<u>146,270</u>	<u>151,102</u>	<u>36,686</u>
Reconciliation of funds:					
Total funds brought forward		107,290	402,296	509,586	472,900
Total funds carried forward		<u><u>112,122</u></u>	<u><u>548,566</u></u>	<u><u>660,688</u></u>	<u><u>509,586</u></u>

All activities relate to continuing operations.

The notes on pages 19 to 29 form part of these financial statements.

TYNE & WEAR ARCHIVES & MUSEUMS DEVELOPMENT TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7334262

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Current assets					
Debtors	8	152,538		89,756	
Cash at bank and in hand		691,002		550,690	
		<u>843,540</u>		<u>640,446</u>	
Creditors: amounts falling due within one year	9	<u>(182,852)</u>		<u>(130,860)</u>	
Net current assets			<u>660,688</u>		<u>509,586</u>
Net assets			<u>660,688</u>		<u>509,586</u>
Charity Funds					
Restricted funds	11		548,566		402,296
Unrestricted funds	11		112,122		107,290
Total funds			<u>660,688</u>		<u>509,586</u>

The Trustees consider that the charitable company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charitable company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 12 December 2016 and signed on their behalf, by:

Ivor Stolliday, Chair

The notes on pages 19 to 29 form part of these financial statements.

TYNE & WEAR ARCHIVES & MUSEUMS DEVELOPMENT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Tyne & Wear Archives & Museums Development Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charitable company, or the charitable company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is 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 benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charitable company's educational operations, including support costs and costs relating to the governance of the charitable company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Interest receivable

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

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

TYNE & WEAR ARCHIVES & MUSEUMS DEVELOPMENT TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. Accounting policies (continued)

1.10 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations	110,266	15,603	125,869	73,259
Grants	-	372,644	372,644	266,328
	<u>110,266</u>	<u>388,247</u>	<u>498,513</u>	<u>339,587</u>

In 2015, of the total income from donations and legacies, £57,367 was to unrestricted funds and £282,220 was to restricted funds.

3. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest receivable	1,160	4,348	5,508	3,294
	<u>1,160</u>	<u>4,348</u>	<u>5,508</u>	<u>3,294</u>

In 2015, of the total investment income, £ 652 was to unrestricted funds and £2,642 was to restricted funds.

4. Analysis of resources expended by expenditure type

	Total 2016 £	<i>Total 2015 £</i>
Charitable activities	351,272	305,115
Independent examiner's fees	1,647	1,080
	<u>352,919</u>	<u>306,195</u>

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Expenditure on charitable activities above comprises:

	2016	<i>2015</i>
	£	£
Grants	348,778	<i>302,761</i>
Support costs	2,494	<i>2,354</i>
Total	351,272	<i>305,115</i>

5. Analysis of grants

	Grants to Institutions	Grants to Individuals	Total	<i>Total</i>
	2016	2016	2016	<i>2015</i>
	£	£	£	£
Grants payable	243,438	105,340	348,778	<i>302,761</i>

Grants paid in the year:

	2016
	£
Jackie Milburn Appeal	836
Shears Foundation	18,403
Catherine Elisabeth Pestell	6,836
Pilgrim Trust	21,580
John George Joicey Bequest	10,406
Paul Hamlyn Foundation	44,965
George Clive Weston Bequest	5,027
Radcliffe Trust	1,508
Rothschild Trust	2,744
Sherburn House Charity	2,011
John Ellerman Foundation	42,737
David Hunter Legacy	5,490
Community Foundation	40,219
Barbour Foundation	8,044
Arts Council	15,032
Public Donations	122,940
Total	348,778

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6. Support costs

	Activities £	Total 2016 £	Total 2015 £
Administrative costs	2,494	2,494	2,354

7. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Independent examiner's fee	1,647	1,080

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

8. Debtors

	2016 £	2015 £
Due after more than one year		
Grants receivable	60,000	-
Due within one year		
Trade debtors	12,134	11,158
Other debtors	1,610	908
Gift Aid	14,111	7,850
Grants receivable	64,683	69,840
	<u>152,538</u>	<u>89,756</u>

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	27,579	6,064
Grants payable	155,273	124,796
	<u>182,852</u>	<u>130,860</u>

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10. Financial instruments

	2016	<i>2015</i>
	£	£
Financial assets measured at amortised cost	138,427	<i>81,906</i>
Financial liabilities measured at amortised cost	182,852	<i>130,860</i>

Financial assets measured at amortised cost comprise trade debtors, other debtors and grants receivable.

Financial liabilities measured at amortised cost comprise trade creditors and grants payable.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Statement of funds

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Unrestricted funds				
General Funds	107,290	111,426	(106,594)	112,122
Restricted funds				
Andrew Weir Shipping	3,548	-	-	3,548
Northern Rock Foundation	12,789	-	-	12,789
The Mouse House	18,302	31,500	(18,303)	31,499
Jackie Milburn Appeal	832	-	(832)	-
Explore! More Gallery	6,798	-	(6,798)	-
Pilgrim Trust	25,173	-	(21,463)	3,710
Boxes of Delight	6,673	5,500	(10,349)	1,824
Regional Resource Centre	30	-	-	30
South Shields - Make your mark	1,116	-	-	1,116
John Martin Circle	4,738	-	-	4,738
Laing - Laing Exhibition Partners	6,681	1,065	-	7,746
GNM - Be Part of It	34,217	6,296	(17,500)	23,013
The Late Shows Angels	415	125	-	540
My Tyneside Wall	113	152	(100)	165
Hatton Futures	142,880	137,964	(42,504)	238,340
WallQuest	21,838	12,334	-	34,172
Culture Track 2	47,979	44,000	(46,720)	45,259
Restoration of Paintings	3,883	-	-	3,883
The Estate of Florence Margaret Regnart	1,000	-	-	1,000
GNM: Hancock	13,580	-	(5,000)	8,580
Henry Rothschild Bursaries	21,727	-	(4,229)	17,498
Hatton Gallery: Touching Colours	1,000	-	-	1,000
Reserves	575	4,349	(4,117)	807
Investment income - legacy	2	-	-	2
John Readhead & Sons cataloguing project	6,000	-	-	6,000
Friends of South Shields Museum & Roman Fort	8,997	-	-	8,997
Shipleigh Art Gallery	4,600	860	(5,460)	-
Fenwick Family Archive	6,710	-	-	6,710
Roman Gallery - Segedunum	100	-	-	100
Community Foundation	-	120,000	(40,000)	80,000
Barbour Foundation	-	8,000	(8,000)	-
SEND Learning Programm	-	5,500	-	5,500
The Late Shows	-	14,950	(14,950)	-
	<u>402,296</u>	<u>392,595</u>	<u>(246,325)</u>	<u>548,566</u>
Total of funds	<u>509,586</u>	<u>504,021</u>	<u>(352,919)</u>	<u>660,688</u>

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11. Statement of funds (continued)

Notes on future use of Restricted funds:

1. Andrew Weir Shipping: Regional Museums Store (RMS)

This donation is being utilised over several years for the preventive and remedial conservation of collections, and over the next 4 years to support the ongoing volunteering engagement at the Regional Museums Store.

2. Northern Rock Foundation: Craft Acquisition Fund

This award is to develop contemporary craft collections of national significance in the North East region focused on the Shipley Art Gallery and the Middlesbrough Institute for Modern Art (mima).

3. The Mouse House

A second grant of £30,000 has been awarded from the Shears Foundation which will be paid on an annual basis of £10,000 per annum. The project is to fund a part time Gallery Explainer post to develop the Mouse House gallery and to cover the four key elements listed below:-

- Promotion of the Mouse House to the target audience
- Develop and deliver a programme of activities and workshops
- Maintain the Mouse House
- Evaluate the Mouse House and associated resource and activities

4. Public Donations: Jackie Milburn Appeal

The balance of public donations given to the Jackie Milburn Restoration Fund to help fund the restoration to operation of the steam locomotive 'Jackie Milburn' at the Stephenson Railway Museum is being expended on additional repairs to the engine's boiler.

5. Catherine Elisabeth Pestell: GNM - Explore! More Gallery

This donation was given to enhance the facilities within the Explore! More Gallery at the GNM: Hancock. Within this dedicated space, special activities such as handling sessions, talks and demonstrations take place using real objects from the collections, replica objects, cue cards and study notes.

6. The Pilgrim Trust: - The National Cataloguing Grants Programme for Archives - The Workshop of the World

This grant is to make fully accessible (by cataloguing) the records of Vickers-Armstrong.

7. John George Joicey Bequest: Boxes of Delight

The Learning Team at TWAM runs a free artifact loans box (Boxes of Delight) service for schools, community groups and other educational establishments. The aim of the grant is to 'sustain investment to ensure the Boxes of Delight scheme remains an innovative, integrated, efficient, well-marketed, satisfying to use, well evaluated and far reaching service'.

8. Public Donations: Specific Fund-raising campaigns

These donations were generated by specific fund-raising campaigns and will be used in line with the stated objectives of the individual campaigns. The campaigns include: **Regional Resource Centre, South Shields - Make Your Mark, John Martin Circle, Laing - Laing Exhibition Partners, CHM - Be Part of It, The Late Shows Angels and My Tyneside Wall.**

9. Hatton Futures

Capital work to transform Newcastle's Hatton Gallery into a vibrant, modern gallery space, and an exciting programme to develop new and existing audiences. Current funders are: John Ellerman Foundation; Sir James Knott Trust; J Paul Getty Jr. Charitable Trust, Shears Foundation; Friends of the Hatton Gallery

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NOTES TO THE FINANCIAL STATEMENTS
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11. Statement of funds (continued)

10. WallQuest

Funding is to be used to support this three year community archaeology programme to improve the understanding and interpretation of the eastern sector of Hadrian's Wall. Current funders: **R.W. Mann Trust and Sir James Knott Trust:** The funding is to be used to support this three year programme to improve the understanding and interpretation of the eastern sector of Hadrian's Wall.

Esmée Fairbairn Foundation: The grant will be utilised to fund an Archaeology Project Officer.

11. Culture Track – 2

This is an employability focused volunteering project aimed at supporting young unemployed people to develop the skills they need to secure employment. All funding will be used to support the overall objectives of the project and will be applied throughout the lifetime of the project. Current funders are: **Paul Hamlyn Foundation, and Sherburn House Charity.**

12. Restoration and conservation of oil paintings

Proceeds from the sale of Oil Paintings in Public Ownership in Tyne & Wear Museums (The Public Foundation Catalogue) are placed in a restricted fund to be used for the restoration and conservation of oil paintings in TWAM's collections.

13. The Estate of Florence Margaret Regnart: Legacy

This donation was given as a legacy to form part of a permanent endowment for the Laing Art Gallery.

14. George Clive Watson Bequest - GNM Hancock

Bequeathed to the GNM to enhance the museum facilities.

15. Henry Rothschild bursaries and community training

This is a bursary and outreach programme that engages with the Henry Rothschild ceramic collection. This is a biennial bursary award specifically aimed at 5 ceramic artists between the ages of 25 and 35 who are living and working in the UK.

Current funders are **The Rothschild Trust and The Radcliffe Trust**

16. The Ridley Family Charitable Trust - Touching Colour Exhibition: Hatton Gallery

A grant of £1,000 towards the curation of an exhibition which focused on colour and perception and was associated to the 2013 12th International Congress of the "Association Internationale de la Couleur"

17. 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.

18. Investment Income: Legacy

This relates to the estate of Florence Margaret Regnart and will be held alongside the legacy as part of a permanent endowment.

19. Sir James Knott Trust – John Readhead & Sons cataloguing project

To make fully accessible (by cataloguing) the records of John Readhead & Sons held by Tyne & Wear Archives.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Statement of funds (continued)

- 20. Friends of South Shields Museum & Roman Fort**
Funds transferred to the safekeeping of the Trust on dissolution of the Friends for the benefit of South Shields Museum & Roman Fort.
- 21. David Hunter Legacy – Shipley Art Gallery**
To purchase artwork for the Shipley Art Gallery collections.
- 22. Fenwick Ltd – The Fenwick Archive**
This grant is to fund conversion of a new store to house the Fenwick Archive, which is to be placed on deposit (indefinite loan) with TWAM. The archive will be transferred, catalogued and made available to researchers via the Archives search room.
- 23. Empire & Frontier Roman Gallery, Segedunum**
This funding combined with DCMS Wolfson Foundation and Arts Council enabled the creation of a gallery which sets the scene for Segedunum within the wider Roman Empire and British province. A key theme is the contrast between the native and Roman cultures on the Hadrian's Wall frontier. This is made very evident visually through the incorporation of reconstructions of a full size section of Hadrian's Wall and part of a native roundhouse.
- 24. Community Foundation: GNM: Hancock**
This project is to bring new experiences to our City and taking a sustainable approach to the mobile museum concept. This will take museum objects and staff into the heart of the City centre creating what could be the world's first pedal powered museum.
- 25. Barbour Foundation**
This funding is to enhance the Laing Temporary Exhibition Learning Programme. Activities delivered include school sessions, family and adult learning sessions around Alice in Wonderland and Leonardo Da Vinci.
- 26. South Shields Museum & Gallery: SEND Learning Programme**
Funding from the **Catherine Cookson Charity** and **Morrison Foundation** will help us to develop our SEN offer to the local community in a way that widens free community access, participation and provision for families with SEN needs over the next two years. As a result of this funding, Arbeia Roman Fort and South Shields Museum and Gallery will increase accessibility and inclusion in their learning programme, ensuring that the benefits of high-quality learning can be obtained by children who are disadvantaged by a combination of social factors and by SEN.
- 27. Arts Council England: The Late Shows**
Museums, galleries, studios, creative workshops and landmark historical buildings in Newcastle and Gateshead open their doors after hours to offer the public workshops, performances, art installations and behind-the-scenes tours. Festival goers are encouraged to embrace the idea of the 'culture crawl' and sample as many attractions as possible.

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**NOTES TO THE FINANCIAL STATEMENTS
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Summary of funds

	Brought Forward £	Income £	Expenditure £	Carried Forward £
General funds	107,290	111,426	(106,594)	112,122
Restricted funds	402,296	392,595	(246,325)	548,566
	<u>509,586</u>	<u>504,021</u>	<u>(352,919)</u>	<u>660,688</u>

12. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Debtors due after more than 1 year	-	50,000	50,000	-
Current assets	126,311	667,229	793,540	640,446
Creditors due within one year	(14,189)	(168,663)	(182,852)	(130,860)
	<u>112,122</u>	<u>548,566</u>	<u>660,688</u>	<u>509,586</u>

13. Related party transactions

There are no related party transactions that have taken place during the year requiring disclosure in the financial statements.

14. First time adoption of FRS 102

It is the first year that the charitable company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charitable company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.