



Tyne & Wear Archives & Museums

Statement of Accounts 2016/17

TYNE & WEAR
archives &
museums

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Section	Contents	Page
Preface	Introduction by the Director of TWAM	5
1. Explanatory Foreword	1.1 Explanatory Foreword from the Head of Finance, Governance & Resources	7
	1.2 Statement of Responsibilities for the Statement of Accounts	35
	1.3 Independent Auditor's Report to the Members of the Tyne & Wear Archives & Museums Strategic Board	37
2. Core Financial Statements	Statement of financial activities	39
	Balance sheet	40
	Statement of cash flows	41
3. Notes to the Core Financial Statements		42

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Preface

Introduction to the Statement of Accounts by Iain Watson, Director, Tyne & Wear Archives & Museums

Tyne & Wear Archives & Museums' (TWAM) mission is to help people determine their place in the world and define their identities, so enhancing their self-respect and their respect for others.

TWAM is committed to this mission as set out in our Corporate Plan.



These accounts demonstrate the high standard of financial management and governance required by those charged with governance and implemented by the staff of TWAM.

I would like to use this Preface to thank all the members of both the Joint Committee and Audit Committee for their contribution over the year 2016/17. I would also like to thank the Trustees of the TWAM Development Trust for their support in fund-raising, and finance and governance staff for their careful management of our finances. Despite the ongoing challenges in public sector funding, TWAM has again delivered excellent performance, of outstanding quality and to budget, this is in no small part due to the dedication and commitment of staff and volunteers right across the organisation.

TWAM continues to be one of the country's leading regional museum and archive services and a national and international exemplar of good practice.

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1. Explanatory Foreword

1.1 Explanatory Foreword from the Head of Finance, Governance & Resources, Jackie Reynolds

Welcome to the Tyne & Wear Archives & Museums' Statement of Accounts 2016/17.

Following changes in accounting requirements introduced in 2014, TWAM has opted to produce our statement of accounts in a manner consistent with the Accounting and Reporting by Charities Statement of Recommended Practice (SORP) 2015 and the Financial Reporting Standard FRS10. This decision enables us to demonstrate our commitment to transparency and provides all our funding partners, members of the public (including visitors and local residents), stakeholders and other interested parties with the confidence that we are publically accountable.



My aim is to provide information so that, all readers can:

- Understand the overarching financial position of TWAM;
- Have confidence that the public money with which TWAM has been entrusted and which TWAM has used, has been accounted for in an appropriate manner; and
- Be assured that the financial position of TWAM is sound and secure.

The Explanatory Foreword provides some information about TWAM as well as the key issues affecting TWAM and the accounts. It also provides a summary of the financial position at 31 March 2017.

I have prepared the Explanatory Foreword so that it is structured as follows:

1. An introduction to TWAM
2. Review of the Year and Key Achievements 2016/17
3. Summary of Financial Performance 2016/17
4. External Environment and Looking Ahead to 2017/18
5. Principal Risks, Management and Mitigation
6. Governance & Assurance Report
7. Acknowledgements
8. Contact for further information

1.1.1 An Introduction to TWAM

TWAM is a large and successful archive and museums service which receives 1.3m visits per annum to the nine venues which it manages on behalf of four local authorities (Gateshead, Newcastle, North Tyneside and South Tyneside) and Newcastle University. TWAM has a strong reputation for innovative thinking and for the quality of access, inclusion and learning work. TWAM is increasingly recognised for its entrepreneurial approach. TWAM has a wider network of local, regional, national and international partnerships across the educational, community, business and cultural sectors. TWAM also manages a 'county' Archive for Tyne and Wear.

TWAM venues are:

Venue	Funder & Owner
Shibley Art Gallery (founded 1915)	Gateshead Council
Discovery Museum (founded 1934) Laing Art Gallery (founded 1901)	Newcastle City Council
Segedunum Roman Fort, Baths & Museum (founded 2000) Stephenson Railway Museum (founded 1986)	North Tyneside Council
South Shields Museum & Art Gallery (founded 1876) Arbeia Roman Fort & Museum (founded 1953)	South Tyneside Council
Great North Museum: Hancock (founded 1829) Hatton Gallery (founded 1926)	Newcastle University
Tyne and Wear Archives (based at Discovery Museum, est. 1974)	Five councils in Tyne & Wear

Our mission... is to help people determine their place in the world and define their identities, so enhancing their self-respect and their respect for others.

Our vision... for the future is for everyone to have access to museum and archive provision in Tyne and Wear, to use this access and to value it for the significant and positive impact that it makes upon their lives. We will provide real or virtual, worldwide access to our museums and archives and their collections.

TYNE & WEAR ARCHIVES & MUSEUMS

In 2016/17 TWAM was governed by a Joint Committee consisting of 12 members drawn from the four Tyneside councils. The final meeting of the Joint Committee took place on 27 April 2017, and will be replaced in 2017/18 by a new Strategic Board, which will include independent members in addition to elected members.

The relationship between the four partners is set out in a Joint Agreement. The relationship with Newcastle University in respect of the Great North Museum sites lies outside the Joint Agreement and is the subject of a separate agreement between Newcastle City Council (as lead authority for TWAM) and the University.

Sunderland City Council is a partner in respect of the Joint Archive Service and TWAM provides some specialist museum services to Sunderland museums funded by Arts Council and some services including trading and exhibition design on a commercial basis.

Joint local authority museums and archive services have existed across the Tyne & Wear area since 1974. Joint local authority services have provided democratic accountability, brought economies of scale and allowed a service to develop which is connected regionally, nationally and internationally.

The financial contribution that the Councils make towards management of their museums is significantly multiplied by national funding secured by TWAM. In particular this consists of two tranches of funding from Arts Council England (ACE). TWAM receives Core Museums Grant and Major Partner Museum (MPM) Grant from ACE. This equates to 30% of TWAM's overall funding. In addition, under two separate funding arrangements with ACE:

- TWAM has been awarded funding from Arts Council to act as a Bridge organisation. The only museum service to take on a Bridge role, TWAM is one of 10 Bridge organisations across the UK using their experience and expertise to connect children and young people with art and culture.
- TWAM also delivers the Museum Development programme for the North East. The programme is a comprehensive, effective and collaborative response to the needs of museums in the North East and the communities they serve. Through the programme TWAM supports a total of 58 museums across the North East.

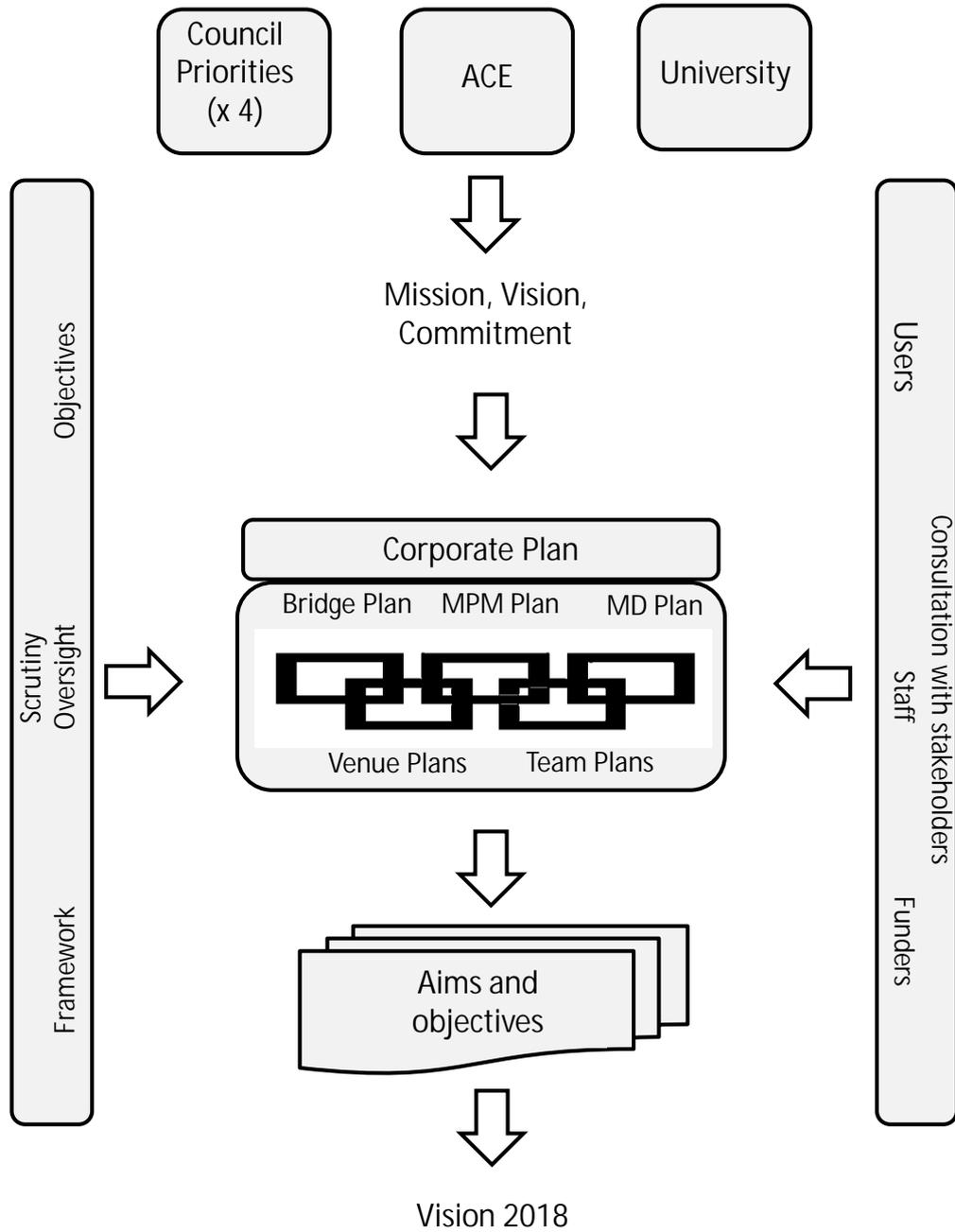
The allocation of costs across TWAM is governed by Service Level Agreements (SLA) enabling the partners to pay agreed charges. Costs are classified under three major headings – Operational, Specialist, and Corporate.

- **Operational costs:** These relate to the basic running costs of individual venues, including employee costs associated with operating each building, premises related expenses and supplies and services. The income generated from all forms of trading activity including admissions, shops, venue hire and events is also included within this heading.

TYNE & WEAR ARCHIVES & MUSEUMS

- **Specialist costs:** These relate to the provision of specialist services which allow the provision of an effective and quality museum and archive service. This includes Archaeology, Conservation, Art, Archivists, Development, History, Communications and Design. Costs are allocated on the basis of the use made of the services within a local authority area and the needs of the collections in each area.
- **Corporate costs:** Are determined by TWAM and financed from Core Museums Grant from ACE. Services include: the Senior Management Team, Administrative, Financial, and Human Resources staff, Lead Authority support services, training and professional development and corporate accommodation at Discovery Museum.

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Overview diagram of TWAM's Corporate Plan

1.1.2 Review of the Year and Key Achievements

Priorities

TWAM, through its Joint Committee and its officers, delivers programmes which support its five priorities. These are aligned with the aims of TWAM's key funding stakeholders. For reporting purposes TWAM reports against the five Arts Council goals. These are:

- **Goal 1:** *Excellence is thriving and celebrated in the arts, museums and libraries.*
- **Goal 2:** *Everyone has the opportunity to experience and to be inspired by the arts, museums and libraries.*
- **Goal 3:** *The arts, museums and libraries are resilient and environmentally sustainable.*
- **Goal 4:** *The leadership and workforce in the arts, museums and libraries are diverse and appropriately skilled.*
- **Goal 5:** *Every child and young person has the opportunity to experience the richness of the arts, museums and libraries.*

Summary of the year

Overall visitor figures for TWAM for 2016/17 were 1,265,135, compared to 1,460,759 in 2015/16, a drop of 13% (11% excluding the Hatton which was closed). Performance has varied across different venues, with Newcastle seeing the largest fall, whilst Gateshead saw no significant change in visitor numbers.

This follows a year, in 2015/16, when TWAM experienced its highest number of visitors for a five year period – the previous high coinciding with the reopening of the Great North Museum after its £27m refurbishment.

For TWAM a number of key factors affected visitor numbers in 2016/17. These were:

- The closure for refurbishment of the Hatton Gallery – Hatton visitors would have accounted for 2% of TWAM's overall visitor total.
- 2015/16 saw two Easters falling within the financial year, 2016/17 saw no Easter weekends, traditionally a strong museum visiting period, particularly for services such as TWAM with a very strong local audience.

As well as any national trends and the impact of Easter, the drops in numbers can in part be explained by variations in programming from year to year and weather influencing decisions on which attractions to visit.

The profile of TWAM's audience broadly reflects the demographic profile of the region's population although it varies across our venues. 75% of visitors are from Tyne and Wear, 44% visit with children aged under 16 years and 40% are from socio economic groups C2DE. Research carried out into our visitors' experience shows that levels of

satisfaction are very high: 97% rated their visit to our museums and galleries as good or very good and 53% of visits are repeat visits.

TWAM's financial position remains sound in face of ongoing financial challenges. In 2016/17 TWAM achieved savings and additional income of £274,240 and further savings and additional income generation totalling £483,970 are planned to be delivered in 2017/18.

Pressures on TWAM's budgets

Following seven consecutive years of efficiency savings, totalling £4.3 million, further significant reductions have been made in the local authority revenue contributions to TWAM for 2017/18. Both MPM and Core Museum budgets from ACE have been protected at the indicated level. Savings have been achieved by TWAM via a programme of efficiency savings, income generation, workforce planning and, where unavoidable, in some areas, reductions in service. The cost of redundancies associated with these savings has been addressed and funded from reserves and additional contributions.

Sunderland Museums and Heritage

TWAM continued to provide specialist museum services to Sunderland, funded by Arts Council through Core Museums Grant, as well as providing a range of commercial services which are paid for by Sunderland City Council. Work undertaken has included the support for exhibitions in Sunderland, alongside continuing work on collections management, conservation and a variety of other specialist areas. Sunderland continue to be part of the Joint Archives Service and the Archives service has been actively involved with community engagement activity in the City.

Key achievements for 2016/17

- Completion of bids to Arts Council for funding for the period 2018-22 with awards to be announced in June 2017;
- In November 2016 the Cabinets of the four Tyneside local authorities confirmed their support for the creation of a new Strategic Board, to replace the existing Joint Committee and help support TWAM as it moves forward;
- NewcastleGateshead will host the Great Exhibition of the North in 2018. TWAM along with Newcastle Gateshead Initiative (NGI), who led the bid, and other partners, played a key role in the bidding process for the Great Exhibition;
- Work on transforming the Hatton Gallery progressed and will be launched to the public in autumn 2017;
- Launch of our new Must-see Museums membership scheme, which allows us not only to tailor information to people's interests, but to find out more about visiting habits and patterns;
- The Laing Art Gallery was awarded the accolade of Programme of the Year in the 2016 Living North Awards, and we also received a Journal Culture Award for TWAM's Collections Dive: a new online way to access our collections;
- The year saw the completion of major improvements at Segedunum and the securing of grant funding for development at Arbeia;

TYNE & WEAR ARCHIVES & MUSEUMS

- In 2017, we are celebrating the centenary year of the Shipley Art Gallery in Gateshead;
- We continue to work strongly nationally and internationally, including delivering a three day training programme for senior museum professionals in Guangzhou, China;
- The *CultureTrack* programme was completed, having helped more than 40 young people not in employment, education or training to gain skills, confidence and experience;
- We launched *Live Well*, a three year Big Lottery-funded project with National Museums Northern Ireland that offers learning opportunities for older adults who do not currently engage with museum services;
- The WallQuest community archaeology project was completed, having involved 550 local people in research and excavation along Hadrian's Wall. Discoveries included the original Roman baths at Segedunum Roman Fort in North Tyneside, and statuettes of two different Roman goddesses at Arbeia Roman Fort in South Tyneside;
- The area outside Discovery Museum has been transformed into the Challenger Plaza, a new space for outdoor events. The Plaza was officially opened by the Lord Mayor Cllr Hazel Stephenson;
- While the Hatton Gallery itself is closed for a £3.8 million redevelopment, outreach programmes and new commissions have fostered new relationships with community groups and kept the gallery in the public eye;
- Newcastle department store Fenwick marked the 125th anniversary of the opening of its Bond Street store in 2016. Materials from the Fenwick archive, which is managed by Tyne & Wear Archives, not only provided a valuable resource for researching the store's history but also inspired merchandise and formed part of the window display at Bond Street;
- Working with a range of national partners enabled TWAM to bring outstanding loans and exhibitions to the North East. In the past year the Laing Art Gallery has worked with the British Library, Ben Uri Gallery, the National Portrait Gallery and the House of Illustration. South Shields Museum & Art Gallery partnered with Tate Britain, the British Museum and Birmingham Museum & Art Gallery to bring spotlight loans to the region. Dr Nicholas Cullinan, the Director of the National Portrait Gallery, delivered the second Annual TWAM/Northumbria University public lecture;
- **Museum Development:** More than 50 Accredited museums benefited from specialist advice and development opportunities, including helping museums to better understand their audiences and to become more commercially aware;
- **Culture Bridge North East** TWAM manages the North East Bridge organisation, Culture Bridge North East (CBNE), which connects cultural organisations and the education sector so children and young people can have access to great arts and excellent cultural opportunities. This year saw the first Culture Bridge North East region-wide conference for the cultural and education sectors. The theme was *Imagine If...* and it brought together teachers, school

staff, cultural organisations and venues to focus on how cultural learning can inspire young people to learn more and do more;

- TWAM was shortlisted in the first ever Creative Green Awards, run by Julie's Bicycle, the London-based charity which supports the creative community to act on climate change and environmental sustainability.

Heritage Assets

Heritage assets are assets that are held 'principally for their contribution to knowledge or culture'. Accounting standards require those organisations who hold heritage assets to disclose the value of these assets in their balance sheet. TWAM's legal status does not allow ownership of 'assets', therefore, heritage assets are included in the balance sheets of the local authorities, alongside any other appropriate disclosures required under FRS 102. Assets have been allocated to the local authorities based on the methodology laid out in the Joint Agreement.

TWAM's policy for acquisition, preservation, management and disposal of heritage assets can be referenced on the TWAM website <https://twmuseums.org.uk/files/5029-acquisitions-and-disposal-policy.pdf>

The heritage assets held and managed by TWAM are the collections of assets and artefacts either exhibited or stored in the venues listed on page 9. In addition, under the terms of the Partnership Agreement and contract for the provision of Archive Services between Sunderland City Council and Newcastle City Council on behalf of TWAM, TWAM manages the asset register relating to the collections of assets and artefacts either exhibited or stored in:

- Monkwearmouth Station Museum (founded 1973)#
- Sunderland Museum & Winter Gardens (founded 1846)
- Washington F Pit (founded 1976)

Monkwearmouth Station Museum closed on 31 March 2017.

The collections held by TWAM are diverse, covering six principal fields. The collection ranges in medium and materials, and includes objects, specimens, documents, digital media and film. The total collection size is estimated at approximately 1.1m museum objects and approximately 1.6k cubic meters of archive material. It reflects a period of collecting of over 200 years by the archives, museums and their predecessor bodies. The definition of numbers in the collection follows museum and archive best practice but, in terms of valuing the asset, is fairly arbitrary as single items accessioned may comprise a wide range of objects, artefacts, components or supporting papers. However, the following table indicates the estimated number of objects/records held within each collecting area:

TYNE & WEAR ARCHIVES & MUSEUMS

Category	Estimated number of objects/records as at 31 March 2016	Number of objects accessioned in the year	Estimated number of objects/records as at 31 March 2017
Art (including fine art, decorative art, contemporary craft and design)	45,283	354	45,637
Archaeology	226,721	11	226,732
Ethnography	7,112	0	7,112
History (including social history, costume, maritime history and engineering, science and industry)	202,324	1,826	204,150
Natural Sciences (including geology and biology)	642,772	519	643,291
Total	1,124,212	2,710	1,126,922
	Cubic Metres		Cubic Metres
Archives	1,582		1,582

These collections are not currently valued in their entirety. This is due to a number of factors such as the lack of information on purchase price, the unavailability of comparable market values, the diverse nature of the objects and the volume of objects held. Only the value of the art collection is shown in the five local authority Balance Sheets, and is based on detailed insurance valuations (based on market values). Items in the Art collection estimated to be worth in excess of £10k are identified separately for insurance purposes. From these records the valuation of this collection as at 31 March 2017 is £131 million. We believe it is not practicable to value the remaining collections as this would incur a disproportionate cost, even if it were possible, and that cost would not be commensurate with any benefits to the organisation or its users. This exemption is permitted by FRS102. This is also in line with best practice in the sector.

TWAM considers that the heritage assets will have indeterminate lives and a high residual value; hence it is not considered appropriate to charge depreciation on these assets.

The following table sets out the statement of heritage assets as per the requirements of FRS102. All valuations were carried out internally by qualified TWAM staff.

Local Authority	Estimated number of Art objects valued at £10k or above as at 1 April 2016	Additional Objects recognised in the year	Estimated number of Art objects valued at £10k or above as at 31 March 2017	Heritage Assets recognised at valuation as at 1 April 2016	Revaluation of Art objects	Carrying Value as at 31 March 2017
Gateshead	184	2	186	£14.19m	£0.16m	£14.35m
Newcastle	727	-1	726	£105.36m	£0.80m	£106.16m
North Tyneside	0	0	0	£0m	£0m	£0m
South Tyneside	13	0	13	£0.53m	£0m	£0.53m
Sunderland	133	0	133	£9.98m	£0m	£9.98m
Total	1,057	1	1,058	£130.06m	£0.96m	£131.02m

Did you know that in 2016/17 we achieved...

Highlights 2016-17

1,268,927
visits to
our venues



THE
LATE
SHOWS

40,689 visits
to The Late
Shows, our annual
Museums at Night
event

BLOG

40,501
visits to
our blog



127,167
followers on
social media



119,367 children took part in
organised educational
activities

TWAM's Commitment
*A World-class service that is
innovative, imaginative,
creative, totally inclusive, secure
and sustainable.*



57
exhibitions
across our
venues



4,486
engagements
with our
outreach
programme



17,011 children,
young people,
teachers and adults
used our loan
boxes



554
volunteers

provided
48,300 hours



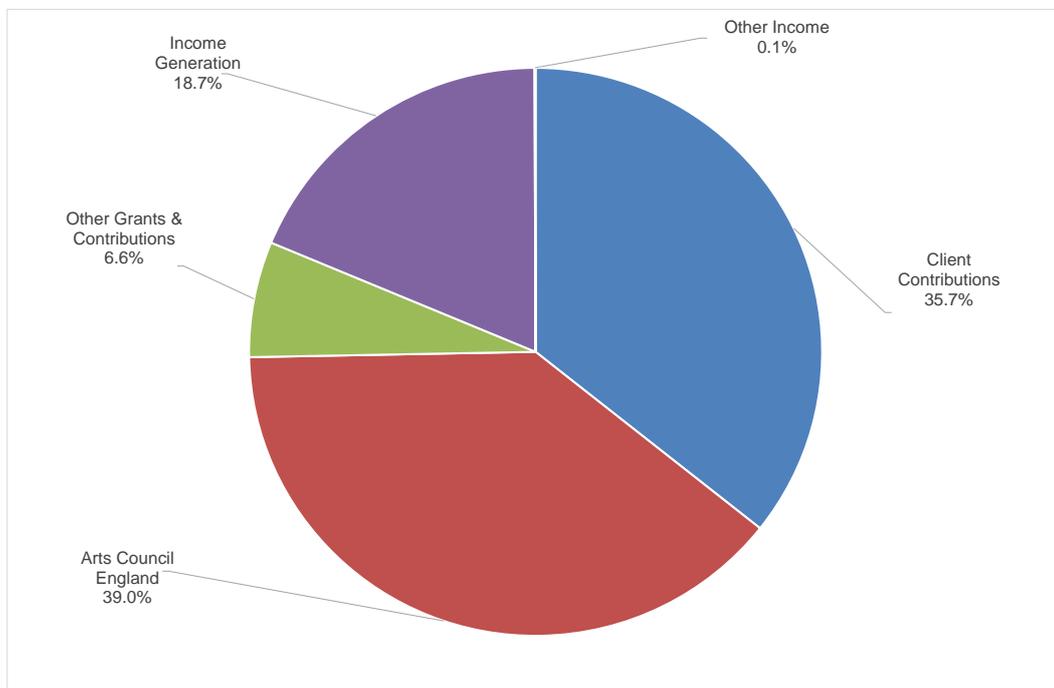
1.1.3 Summary of Financial Performance 2016/17

Revenue Outturn

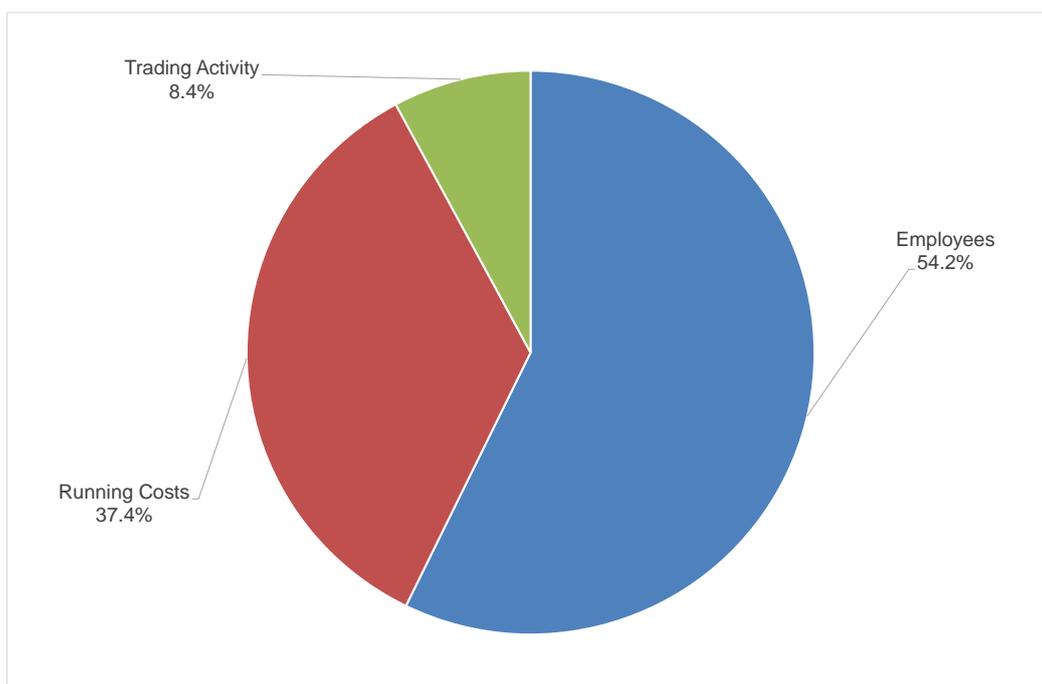
The outturn for TWAM is a net contribution from general reserves of £88,108.

The following pie charts illustrate, in broad terms:

- where the money comes from:

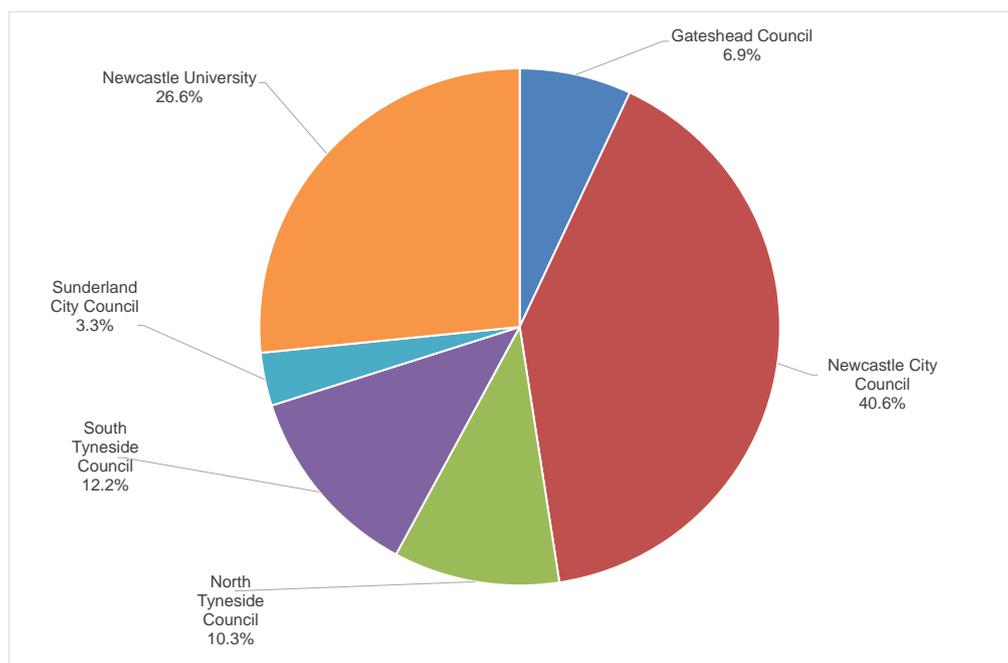


- what the money was spent on:



TYNE & WEAR ARCHIVES & MUSEUMS

- an analysis of individual client contributions:



Budget Comparison

TWAM's budget required client contributions of £3,610,040. The outturn of £3,652,496 represents an increase of £42,456. The main differences are:

- Additional contributions, to finance redundancies associated with the 2017/18 budget proposals were agreed by the TWAM Joint Committee in March 2017. This amounted to £31,060; and
- An increase of £13,668 in respect of the contribution from Newcastle University. This funding is based on the academic year (August to July), and therefore this apparent overspend represents a mid-year position. It is expected that the outturn will be consistent with the budgeted contribution.

Client Contributions	Estimate £	Actual £	Variance £
Gateshead Council	257,410	253,758	(3,652)
Newcastle City Council	1,458,410	1,483,480	25,070
North Tyneside Council	376,990	376,766	(224)
South Tyneside Council	438,240	445,833	7,593
Sunderland City Council	121,200	121,201	1
Newcastle University	957,790	971,458	13,668
Total	3,610,040	3,652,496	42,456

Capital Expenditure

In 2016/17, TWAM also received an allocation of ACE Capital Funding of £491,798 including £22,084 awarded and vired from 2015/16. The £22,084 was used to complete the Discovery Plaza. The 2016/17 allocation was utilised to refurbish galleries, improve access to collections, develop digital strategies and to advance the work of the enterprise project in generating income.

Actual 2015/16 £	Category	Actual 2016/17 £
236,168	Gallery Development	367,711
66,871	ICT/Digital	25,197
31,146	Audience Development/Access to Collections	8,250
128,445	Sustainability / Income Generation / Enhanced Security	90,640
462,630		491,798

Value for Money

Making the best use of resources is one of the key priorities for TWAM and underpins our aim to deliver services more efficiently whilst not compromising on service quality.

The VFM Strategy not only set out a framework for achieving VFM it also included specific goals for 2016/17. Achievements against these are summarised below:

- Prepare a Business plan for the proposed Trading Company.
 - Significant work on the revision of the Business plan has been undertaken.
 - Changes in the proposed staff structure, variability of certain income streams, the proposed introduction of Exhibition Tax Relief and dependencies relating to the proposed technical structure of the Trading Company mean that this will need to be completed in 2017/18.
- Implement Balanced Score Card.
 - Devised Balanced Scorecard to monitor and report on operational performance on a monthly basis.

TYNE & WEAR ARCHIVES & MUSEUMS

- Designated variety of different metrics to be monitored, bracketed broadly under the four dimensions of 'Engagement', 'Reputation', 'Performance', 'Service'.
 - Includes detailed P&L accounts.
 - Focus is on what can be done to influence current and future performance and it is informed by review.
- Create Operational Management Team.
 - Team of managers and senior managers meet monthly to:
 - Monitor operational plans across TWAM.
 - Review Balanced Scorecard data.
 - Challenge underperformance.
 - Improve commercial performance across TWAM.
 - Review P&L accounts.
- Identify carbon reduction targets on a venue by venue basis.
 - A comprehensive Energy Audit was carried out on Discovery Museum in January 2017 and a report produced with recommendations.
 - This is part of a rolling programme for each venue. Once it has been decided how the information within the report is to be used it will help TWAM identify a target for reducing its carbon footprint.
- Ensure the 2016/17 budget requirements are successfully implemented.
 - Production of monthly Management Accounts.
 - Scrutiny by Joint Committee via regular budget update reports to each meeting on progress of implementation.
 - 'Substantial' Level of Assurance from Internal Audit Report on Financial Control.
- Review reserves policy, including an analysis of financial needs, risks, future income streams and cost pressures and consider options to increase general reserves to make up for planned revenue utilisation.
 - Reviews completed as part of process for setting 2017/18 budget and the ACE NPO bid process.
 - Use of reserves at 31.3.17 in line with expectations.

TYNE & WEAR ARCHIVES & MUSEUMS

- General reserves at 31.3.17 represent 7% budgeted expenditure in line with reserves policy.

During 2017/18, TWAM will continue to think creatively and encourage our staff to do the same, to ensure that we deliver on our mission and vision. With a strong set of values, and a dynamic leadership team, we are in a position to deliver efficient and sustainable archives and museum services that will continue to make a difference.

1.1.4 External Environment and Looking Ahead to 2016/17

Looking ahead the financial position continues to be challenging. This section sets out some of the key national issues which are likely to affect TWAM over the next 12 months and beyond.

The Culture White Paper published in March 2016 was themed around four areas:

1. Everyone should enjoy the country's culture offers, no matter where they start in life;
2. The riches of our culture should benefit communities across the country;
3. The power of culture can increase our international standing;
4. Culture investment, resilience and reform.

It established a Museums Review and TWAM was a consultee for this review in 2016. It is anticipated that the outcomes of this review will be published after the Summer Recess in autumn 2017.

Another outcome of the White Paper was a proposal for Exhibition Tax Relief. This is Corporation Tax based relief and was originally intended to pass into law in early 2017. It is now likely to be included in a Finance Bill later in the year.

TWAM has been successful in securing funding of £15,175,480 from Arts Council as a National Portfolio Organisation for the period 2018-22. This represents a change in the way in which Arts Council funds museums – for the first time they are integrated into the portfolio with the full range of other arts and cultural organisations. This has been a positive move for museums with the number of museums across England receiving regular revenue funding increasing from 21 to 72.

Whilst TWAM has maintained the level of funding it receives from Arts Council in 2017-18 for the period 2018-22 (although there is no allowance for cost of living increases / inflation), continuing pressure on local authority funding means that it is likely that funding contributions from local authority partners will continue to decrease, putting increased pressure on the organisation to deliver more earned income.

Government responsibility for museums has resided for some time with the Department for Culture, Media and Sport. Following the General Election in June 2017, the Department was renamed Digital, Culture, Media and Sport, emphasising the strong links between culture and digital. At the same time a new minister – John Glen MP - assumed responsibility for museums and he has visited the Great North Museum: Hancock as part of plans for the Great Exhibition of the North.

TYNE & WEAR ARCHIVES & MUSEUMS

The Great Exhibition of the North (GEOTN) was a competition open to all towns and cities across the North in March 2016 and TWAM played a key role, along with NGI, and the North East Cultural Partnership, in convening early discussions in the region. The Director was part of the team from NewcastleGateshead who pitched the bid to the GEOTN Board and following this successful pitch the largest event in the country in 2018 will happen in the North East from 22 June – September 2018.

In 2017/18 we will be celebrating the Shipley Art Gallery's centenary, and we are looking forward to the launch of both the refurbished Hatton Gallery and *Charge! The Story of England's Northern Cavalry* display at Discovery Museum in the autumn of 2017.

Great North Museum: Hancock, Arbeia Roman Fort and Segedunum are all participating in the Wall-wide Hadrian's Cavalry project, a major and unique exhibition celebrating the prestigious Roman cavalry regiments that once guarded this famous North West frontier of the mighty Roman Empire. The project was initiated and is chaired by TWAM. At Arbeia capital developments funded by the Heritage Lottery Fund and the DCMS Wolfson Museums and Galleries Improvement Fund will take place and an exciting exhibition and events programme across all venues will include significant loans from national partners.

Following a governance review undertaken in 2014, this year will see the establishment of a new Strategic Board to replace the Joint Committee which has provided for TWAM's governance up to now. At the same time we will establish a new Trading Company to manage TWAM's commercial operations.

1.1.5 Principal Risks, Management and Mitigation

Going concern

TWAM has reviewed its financial position and financial forecasts, taking into account the levels of reserves, the agreements with key funders and the systems of financial control and risk management. As a result of this review, TWAM believes that it is well placed to manage operational and financial risks successfully. Accordingly, those charged with governance consider that TWAM has adequate resources to continue in operational existence for the foreseeable future. They continue to support the going concern basis in accounting in preparing the annual accounts.

Internal control

The Strategic Board and its predecessor the Joint Committee, are responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the strategic and operational risks TWAM has and could be exposed to.

Processes in place regarding risk management and internal controls include the following:

- A Risk Management Framework;
- An Internal Audit function provided by our lead authority Newcastle City Council;
- The Audit Committee review how and whether TWAM management have followed up on internal audit recommendations. Audit Committee also reviews more detailed reports from senior management on key areas of risk;
- Specific risk management procedures are put in place for all major projects and significant partnerships.

Risk Register

There are currently 14 risks on the strategic risk register, of which 10 have a residual rating of medium (Amber) and 4 low (Green). Overall risk scores have reduced during 2016/17 as controls have been assessed as operating to the extent that, either the likelihood of the risk occurring, or its impact on the organisation, is low, and therefore the risks are being managed within accepted tolerances.

TYNE & WEAR ARCHIVES & MUSEUMS

Principal Risks	Mitigation and Management	Residual Risk Rating
Major Incident at a TWAM venue	<ul style="list-style-type: none"> • Business continuity and emergency plans are in place to minimise disruption to operations from unexpected events • Business Continuity Plan updated & approved by Joint Committee in November 2016 • Command structure for major events 	
Failure to maintain the Health, Safety and Wellbeing of public/ workforce/ customers/ clients	<ul style="list-style-type: none"> • Dedicated specialist resource is applied in key areas such as health and safety, risk and assurance and legal that support organisation-wide events and operations • Proactive detection, e.g. through newly established H&S Working Group, to monitor, report, investigate potential adverse events and incidents • Continuing programme of Health and Safety improvements and training delivered to strengthen our safety management system 	
TWAM is unable to implement proposed governance changes for 2017/18 and failure to secure long-term renewal of Joint Agreement	<ul style="list-style-type: none"> • All four Tyneside Cabinets approved establishing a Strategic Board & creating a Trading Company in November 2016; Joint Agreement signed February 2017 • Project Coordinator Implementation Project appointed • Bond Dickinson appointed to provide legal advice 	
Failure to develop a diverse business base with an entrepreneurial culture	<ul style="list-style-type: none"> • Income generation project with dedicated project manager, and proactive performance monitoring • Ongoing engagement and approval of major funders with TWAM activity and alignment with funders' strategic objectives • Report on Fund-Raising by More Partnership completed January 2017 	
Medium term budget proposals of funding partners include significant reductions in funding for TWAM	<ul style="list-style-type: none"> • Application to ACE for NPO funding 2018-2022 submitted 1 February 2017 • Joint Agreement signed February 2017 • Trading Company & Strategic Board approved to be in place spring / summer 2017 	

TYNE & WEAR ARCHIVES & MUSEUMS

Principal Risks	Mitigation and Management	Residual Risk Rating
National Portfolio Organisation (NPO) status: TWAM is unsuccessful in its bid to secure NPO funding from ACE for 2018-22	<ul style="list-style-type: none"> • Track record and reputation • Ongoing engagement with major funders and Joint Agreement signed February 2017 • Application to ACE for NPO funding 2018-2022 submitted 1 February 2017 	
Failure to sustain a robust 5 year financial strategy	<ul style="list-style-type: none"> • Application to ACE for NPO Funding 2018-2022 submitted 1 February 2017 • Creation of a Trading Company • More Partnerships report on fund-raising potential • Reserves Policy 	
Impact on staff resilience (stress and motivation) of organisational change & budget reductions	<ul style="list-style-type: none"> • Investors in People Silver Status • Annual appraisal process for all staff • Monitoring of sickness absence stats by Operational Management Team 	
Failure to deliver a successful Great Exhibition of the North	<ul style="list-style-type: none"> • Partnership with NGI • Funding secured from DCMS • Dedicated Project Board 	
Failure to appoint a suitable chair for TWAM Strategic Board	<ul style="list-style-type: none"> • All four Tyneside Cabinets approved establishing a Strategic Board in November 2016 • Legal agreements in place • Recruitment process agreed, with all major stakeholders represented on appointing committee 	

1.1.6 Governance and Assurance Report

Governance Overview

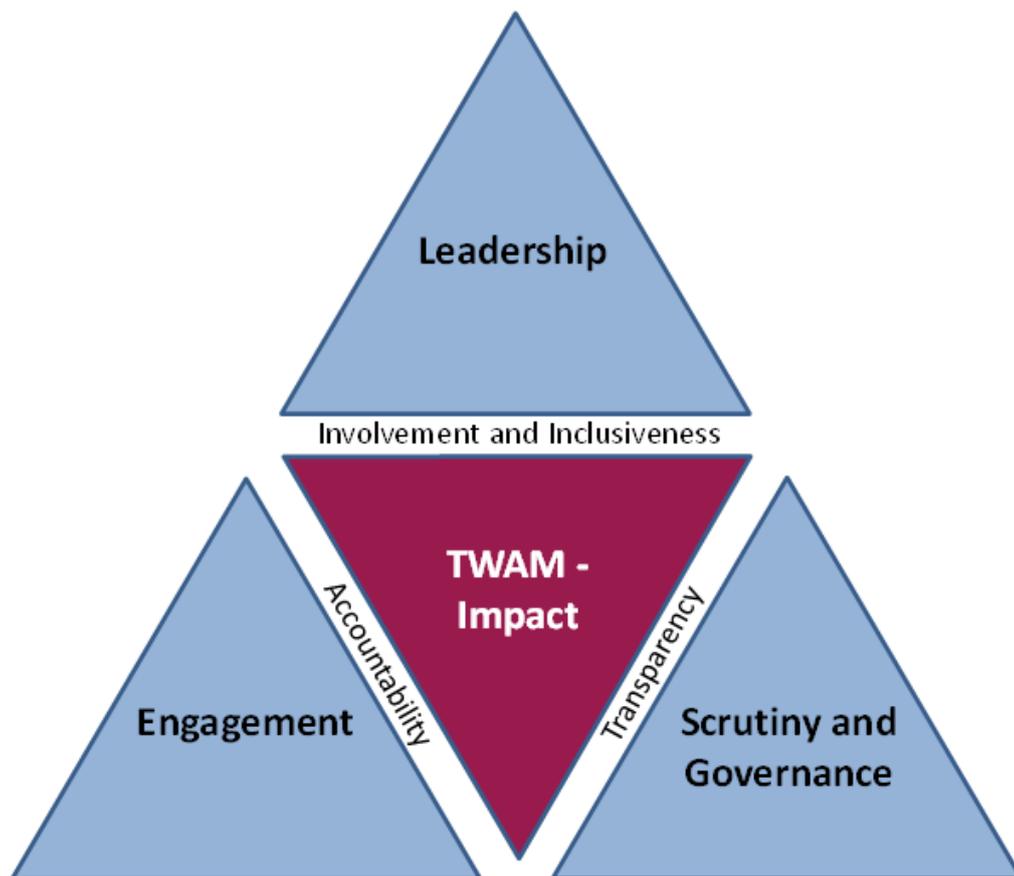
During 2016/17, as a governing body the Joint Committee demonstrated a willingness and ability to act in the best interest of the stakeholders of TWAM.

TWAM is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Purpose of Governance

At TWAM we believe that the fundamental requirements of good governance are: accountability, transparency, lawfulness, responsiveness, equity and inclusivity, effectiveness and efficiency and a participatory approach.

Governance Framework

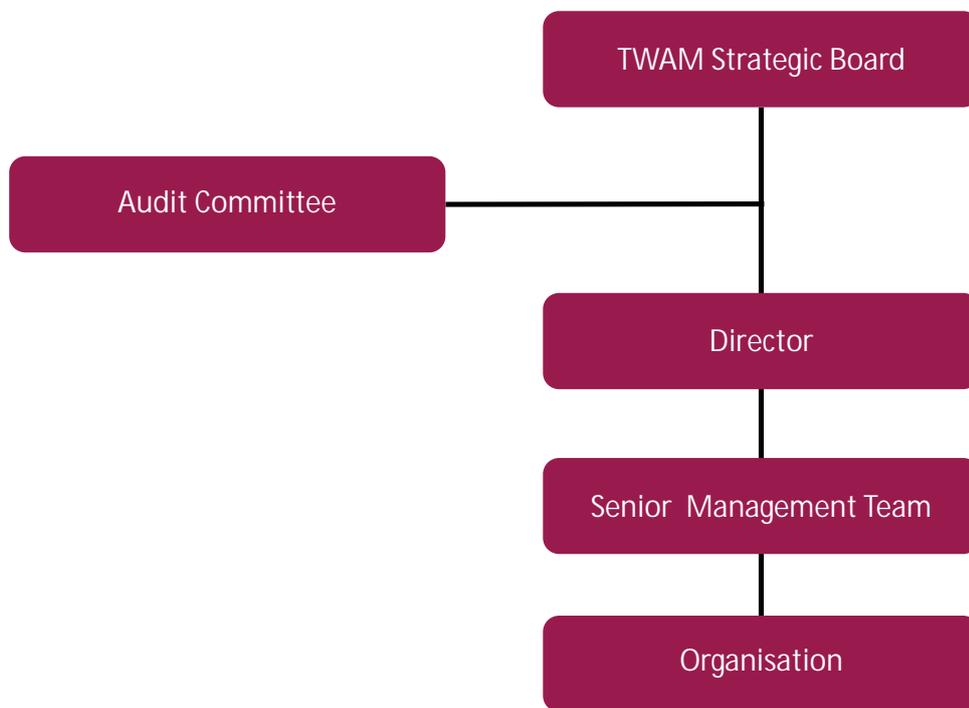


Overview diagram of TWAM's Governance Framework

Leadership and Management

TWAM has an effective management structure which takes collective responsibility for the long-term success of the organisation. There is an appropriate balance of skills, experience, independence and knowledge of TWAM to enable duties and responsibilities to be discharged successfully.

<https://twmuseums.org.uk/governance/senior-management-team>. The governance structure defines and documents the roles and responsibilities of the Strategic Board, Audit Committee and officer functions, with clear delegation arrangements and protocols for effective communication.



Scrutiny and Governance

TWAM has adopted an assurance framework designed to give sufficient, continuous and reliable assurance on the stewardship of TWAM, the management of its major risks to organisational success and the delivery of improved, cost-effective public service.

Engagement

TWAM establishes clear channels of communication with all sections of the community and other stakeholders, through a variety of channels, encouraging open and meaningful consultation and ensuring accountability.

<https://twmuseums.org.uk/corporate-publications-and-policies/policies>

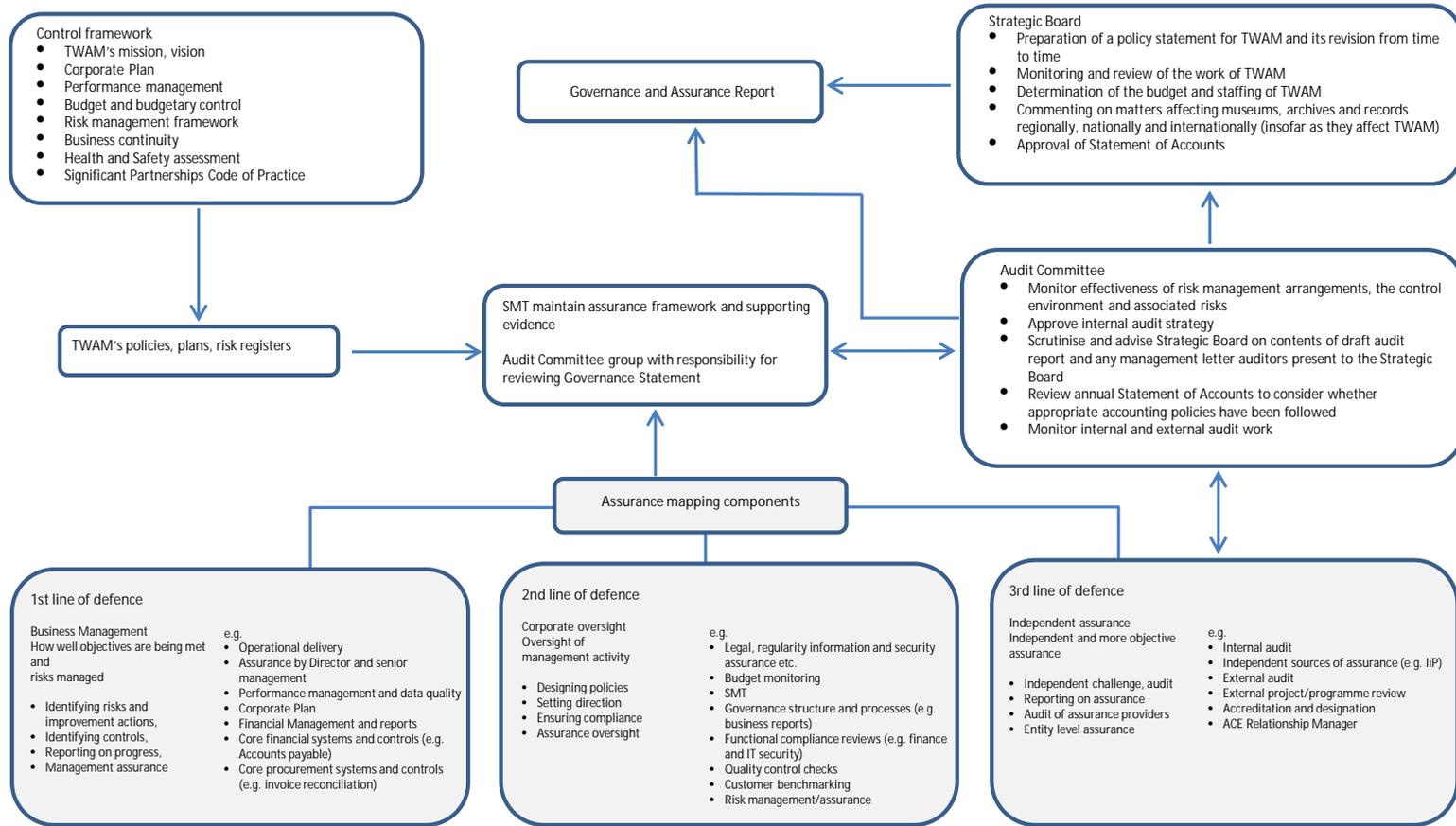
Impact

TWAM has a clear mission and a vision for 2018. Impact is measured via Annual Report, Statement of Accounts, publication of KPIs and achievement of objectives.

Assurance Framework

The following diagram illustrates how the assurance process works within TWAM:

TWAM's Assurance Framework - process overview



Improvements implemented 2016/17

During 2016/17 TWAM implemented the following actions to strengthen its corporate governance environment:

- **Balanced Scorecard**
 - Adoption of a balanced scorecard to create a framework for measuring our performance, setting measurable goals and designing a timetable for implementation.
- **Operational Management Group**
 - Evolution of the performance management group with an overarching purpose:
 - To monitor operational plans across TWAM.
 - To review Balanced Scorecard data.
 - To ensure appropriate action is taken to address underperformance.
- **Governance Review**
 - Development of the business plan for trading company.
 - All four Tyneside Cabinets approved establishing a Strategic Board in November 2016.
 - Legal agreements in place.
- **Annual Governance Statement**
 - Following the adoption of the Charity SORP, replacement of the Annual Governance Statement with Governance and Assurance Report.

Future proposals

Good governance also involves looking at ongoing and emerging issues and ensuring the framework is in place to manage them effectively. The following measures will be implemented during 2017/18 to strengthen the assurance framework:

- **Governance Review**
 - Creation of a wholly owned trading company.

- Establishment of the new Strategic Board, including an induction programme.
- **liP Assessment and Staff survey**
 - Renew liP in autumn 2017.
 - Undertake staff survey late autumn 2017.
- **NPO**
 - Successful submission of 4 year NPO Business Plan.

Conclusion

The Governance and internal control environment during 2016/17 provides reasonable and objective assurance that any significant risks impacting on the achievement of TWAM's principal objectives were identified and actions taken to avoid or mitigate their impact.

1.1.7 Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across TWAM. I would like to express my gratitude to all colleagues, from the Finance team and Governance team, who have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.

1.1.8 Contact for further information

Enquiries on the accounts, or other general financial matters, should be addressed in the first instance to Jackie Reynolds, Head of Finance, Governance & Resources, Tyne & Wear Archives & Museums on 0191 277 2158 or e-mail jackie.reynolds@twmuseums.org.uk

As part of a programme of continuous improvement we are striving to improve our system of reporting back to users of services. If you have any problems understanding this publication, or have any suggestions on how it may be improved, please contact either:-

Jackie Reynolds	or	Iain Watson
Head of Finance, Governance & Resources		Director
Tyne & Wear Archives & Museums		Tyne & Wear Archives & Museums
Discovery Museum		Discovery Museum
Newcastle upon Tyne		Newcastle upon Tyne
NE1 4JA		NE1 4JA

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1.2 Statement of Responsibilities for the Statement of Accounts

The Strategic Board's Responsibilities

The Strategic Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In TWAM, that officer is the Treasurer to the Strategic Board;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Treasurer to the Strategic Board's Responsibilities

The Treasurer to the Strategic Board is responsible for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In preparing this Statement of Accounts, the Treasurer to the Strategic Board has:

- Selected suitable accounting policies and then applied them consistently;
- Observed the methods and principles in the Charities SORP;
- Made judgements and estimates that were reasonable and prudent;
- Stated whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Strategic Board will continue in business.

The Treasurer has also:

- Kept proper accounting records, which were up to date, that disclose with reasonable accuracy, at any time, the financial position of the Strategic Board; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Strategic Board are aware at the time of approving our Statement of Accounts:

- There is no relevant information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and

TYNE & WEAR ARCHIVES & MUSEUMS

- Having made enquiries of TWAM management and the auditor that they ought to have individually taken, each have taken all steps that he/she is obliged to take in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Certification of the Accounts

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Tyne & Wear Archives & Museums at 31 March 2017 and its income and expenditure for the year ended 31 March 2017.

Tony Kirkham, Treasurer to the Strategic Board
28 September 2017

Approval of the Accounts

I confirm that the Strategic Board has approved the attached Statement of Accounts.

Rt Hon Baroness Joyce Quin,
Chair of the Strategic Board
28 September 2017

TYNE & WEAR ARCHIVES & MUSEUMS

INDEPENDENT AUDITORS' REPORT TO THE STRATEGIC BOARD OF TYNE & WEAR ARCHIVES & MUSEUMS

We have audited the financial statements of Tyne & Wear Archives & Museums (TWAM) for the year ended 31 March 2017 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Strategic Board as a body. Our non-statutory audit work has been undertaken so that we might state to the Strategic Board those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Strategic Board for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Strategic Board and auditors

As explained more fully in the Strategic Board's responsibilities statement, the Strategic Board are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as non-statutory auditors under our letter of engagement and report to you in accordance with the terms of that letter. Our agreed responsibility is to audit and express an opinion on the financial statements in a manner consistent with the Charities Statement of Recommended Practice (the SORP) and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the entity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Strategic Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Board's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of TWAM's affairs as at 31 March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in a manner consistent with the requirements of the Charities SORP

TYNE & WEAR ARCHIVES & MUSEUMS

INDEPENDENT AUDITORS' REPORT TO THE STRATEGIC BOARD OF TYNE & WEAR ARCHIVES & MUSEUMS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where best practice requires us to report to you if, in our opinion:

- the information given in the Strategic Board's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Ryecroft Glenton

Chartered Accountants
Statutory Auditors

32 Portland Terrace
Newcastle upon Tyne
Tyne & Wear
NE2 1QP
28 September 2017

Ryecroft Glenton are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

TYNE & WEAR ARCHIVES & MUSEUMS

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations & grants:					
Client contributions	2	3,652,497	-	3,652,497	3,869,770
Arts Council England	2	1,158,875	2,863,960	4,022,835	4,342,076
Other donations and grants	2	17,729	931,258	948,987	1,003,932
Museum activities	3	200,772	-	200,772	131,255
Other trading activities	4	1,467,741	-	1,467,741	1,474,202
Investments	5	6,039	-	6,039	5,995
TOTAL INCOME		6,503,653	3,795,218	10,298,871	10,827,230
EXPENDITURE ON:					
Raising funds	4	849,683	-	849,683	899,294
Museum activities		5,576,277	3,896,617	9,472,894	9,803,762
TOTAL EXPENDITURE	9	6,425,960	3,896,617	10,322,577	10,703,056
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	17	77,693 (152,180)	(101,399) 152,180	(23,706) -	124,174 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(74,487)	50,781	(23,706)	124,174
NET MOVEMENT IN FUNDS					
		(74,487)	50,781	(23,706)	124,174
RECONCILIATION OF FUNDS:					
Total funds brought forward		380,423	1,164,430	1,544,853	1,420,679
TOTAL FUNDS CARRIED FORWARD		305,936	1,215,211	1,521,147	1,544,853

The notes on pages 42 to 60 form part of these financial statements.

TYNE & WEAR ARCHIVES & MUSEUMS

**BALANCE SHEET
AS AT 31 MARCH 2017**

	Note	£	2017 £	£	2016 £
CURRENT ASSETS					
Stocks	14	318,483		324,041	
Debtors	15	1,917,719		1,574,689	
Cash at bank and in hand		11,307		388,840	
		<u>2,247,509</u>		<u>2,287,570</u>	
CREDITORS: amounts falling due within one year	16	<u>(726,362)</u>		<u>(742,717)</u>	
NET CURRENT ASSETS			<u>1,521,147</u>		<u>1,544,853</u>
NET ASSETS			<u>1,521,147</u>		<u>1,544,853</u>
MEMBERS FUNDS					
Restricted funds	17		1,215,211		1,164,430
Unrestricted funds	17		305,936		380,423
TOTAL FUNDS			<u>1,521,147</u>		<u>1,544,853</u>

The financial statements were approved by the Strategic Board on 28 September 2017 and signed on their behalf, by:

Tony Kirkham
Treasurer to the Strategic Board

Rt Hon Baroness Joyce Quin, Chair of Strategic Board

The notes on pages 42 to 60 form part of these financial statements.

TYNE & WEAR ARCHIVES & MUSEUMS

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(416,448)</u>	<u>444,903</u>
Change in cash and cash equivalents in the year		(416,448)	444,903
Cash and cash equivalents brought forward		<u>388,840</u>	<u>(56,063)</u>
Cash and cash equivalents carried forward	19	<u><u>(27,608)</u></u>	<u><u>388,840</u></u>

The notes on pages 42 to 60 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 General Principles

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.2 Basis of Preparation of financial statements and changes in Accounting Policy

As a result of the implementation of the Local Audit and Accountability Act 2014 the Strategic Board is no longer required to comply with the CIPFA Code or be subject to a mandatory external audit. However, the Strategic Board considers that in order to ensure that an effective financial and governance framework is maintained, the Strategic Board has opted to produce a Statement of Accounts in a manner consistent with the Accounting and Reporting by Charities Statement of Recommended Practice (SORP) 2015 and the Financial Reporting Standard FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Strategic Board's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

1.4 Accruals of income and expenditure

Activity is accounted for in the year in which it takes place, not simply when cash payments are made or received.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Generally a full year's charge is included in the accounts for those supplies and services used continuously and charged on a periodic basis (e.g. gas, electricity and water), but the period covered by the payments does not always coincide with the financial year.

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.5 Income

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

Revenue from the sale of goods is recognised when the Strategic Board transfers the significant risks and rewards of ownership to the purchaser and it is probable that consideration will flow to the Strategic Board.

Revenue from the provision of services is recognised when the Strategic Board can measure reliably the percentage completion of the transaction and it is probable that consideration will flow to the Strategic Board.

Interest receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

1.6 Government Grants and Contributions (Revenue)

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Strategic Board when there is reasonable assurance that:

- The Strategic Board will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Where there are preconditions attached to grants receivable, such as the need to achieve planning consent prior to receipt of a grant, no income is recognised prior to the fulfilment of that condition.

Monies advanced as grants and contributions for which conditions have not yet been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line in the Statement of Financial Activities.

1.7 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.

Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories. Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

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. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the entity. Costs of raising funds are those costs incurred in trading activities that raise funds.

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.8 Exceptional items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Statement of Financial Activities (SoFA) or in the notes to the accounts, depending on how significant the items are to an understanding of the Strategic Board's financial performance.

1.9 Fixed assets

The buildings in which the Archives and Museums are housed are the property of the stakeholders, and are therefore excluded from TWAM's balance sheet.

Museum exhibits purchased before local government re organisation in 1974 are the property of the constituent authority, which succeeded the local authority owning the exhibit prior to re organisation. Exhibits purchased by the former Tyne and Wear Metropolitan County Council and the Strategic Board are held by Newcastle City Council and are placed at the disposal of the Strategic Board in the interests of all the constituent authorities.

All records and archives acquired on behalf of the Strategic Board together with the records and archives acquired by the former Tyne and Wear Metropolitan County Council and the Strategic Board are held by Newcastle City Council as Trustee for the joint use and benefit of all of the Constituent Councils.

The value of records, archives and exhibits is excluded from the balance sheet because the Strategic Board's legal status does not allow ownership.

Heritage Assets

Heritage assets are assets that are held 'principally for their contribution to knowledge or culture'. The standard requires that a separate class of asset, heritage assets, is disclosed in an entity's balance sheet. The Strategic Board's legal status does not allow ownership of 'assets', therefore, heritage assets will be included in the balance sheets of the local authorities, alongside any other appropriate disclosures required under FRS 102. Assets have been allocated to the local authorities based on the methodology laid out in the Joint Agreement.

1.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as an expense of benefitting from use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a rent free period at the commencement of the lease).

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.11 Employee costs

The Strategic Board employees are employed by the Lead Authority, Newcastle City Council. Employee costs in the Statement of Financial Activities include all direct salaries and wages, employers' contributions for National Insurance and pension costs. The Strategic Board's employees consist of curators, archivists, officers, drivers, and visitor services personnel. The costs of certain technical and professional staff are charged initially to various holding accounts from which a recharge is made to the appropriate service such as transport or premises, to capital projects or to an outside agency.

Benefits Payable during Employment

Short term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Strategic Board. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Strategic Board to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Statement of Financial Activities when the Strategic Board is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

1.12 Local Government Pension Scheme

Employees of TWAM are admitted to the Tyne and Wear Pension Fund, which is administered by South Tyneside Council under the Local Government Pension Regulations 1997. The scheme is a defined benefit type whereby benefits are based on employee pensionable remuneration and length of service. The scheme's assets are held within the Tyne and Wear County Pension Fund. Contributions to the scheme are set by an independent actuary at a rate designed to eliminate any surplus or deficit in the fund, based on a three yearly valuation. The funds website may be visited at www.twpf.info

As the Strategic Board employees are employed by the Lead Authority, Newcastle City Council, therefore, the current service cost of these employees is borne by Newcastle City Council and disclosed in Newcastle City Council's accounts

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.13 Recharges

As the buildings in which the Archives and Museums are housed are the property of the constituent authorities, any financing charges due in respect of the Archives and Museums are paid by the individual authorities and appear as recharges to the Strategic Board.

Cost of Support Services

The costs of central support e.g. Human Resources and Legal Services, have been allocated to the Strategic Board on the basis of Service Level Agreements with Newcastle City Council.

Insurance

The insurance for the Strategic Board is arranged through Newcastle City Council, and is a separate bespoke policy. All premiums relating to the cover are charged to the Strategic Board's revenue account.

1.14 Inventories

Inventories and work in progress are valued at the lower of cost or net realisable value. Cost is based on 'latest invoice price' and issues have been charged into the accounts on the same basis.

1.15 Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from HM Revenue & Customs. VAT receivable is excluded from income.

1.16 Former Tyne & Wear County Council Debt

The Strategic Board's revenue accounts include a recharge from the constituent authorities for the share of the debt of the former County Council relating to Archives and Museums. Principal, interest and debt management expenses are recharged to the successor districts on a population basis.

1.17 Interest receivable

Interest is earned by the Strategic Board in respect of the investment of reserves which are invested in the money market until required.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.18 Financial instruments

The Strategic Board 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.

The financial assets of the Strategic Board are:

- Sundry Debtors
- Cash and Cash Equivalents Financial Liabilities

The financial liabilities of the Strategic Board are:

- Sundry Creditors

1.19 Debtors

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

Doubtful Debts

The write off of debt is part of the normal accounting process. Write off can occur in circumstances where the debts are unlikely to be collected for a number of reasons, e.g. the death of the debtor, uneconomical to collect, on legal advice or where the debtor is untraceable. Although it is good accounting practice for debts to be written off in the accounts to reflect a more accurate view of the fair value of trade debtors, they will still be pursued and recovered if the opportunity arises.

The Treasurer to the Strategic Board may write off amounts under £2,000 using delegated powers. A report is submitted annually to the Audit Committee summarising the items written off under delegated powers. Accounts written off in excess of £2,000 are submitted to the Strategic Board for approval once TWAM is satisfied that all appropriate measures have been taken to try to recover the debt. The cost of the write off is met from the provision for doubtful debts.

1.20 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months or less than three from the date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Strategic Board's cash management.

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.21 Liabilities and provisions

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 entity 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.

Provisions

Provisions are made where an event has taken place that gives the Strategic Board a legal or constructive obligation that probably requires settlement and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Statement of Financial Activities in the year that the Strategic Board becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a settlement will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income if it is virtually certain that reimbursement will be received.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Strategic Board a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Strategic Board. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that a settlement of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.22 Fund Accounting

General funds are those funds spent on the day to day activities of the Strategic Board

Designated Funds: The Strategic Board sets aside specific amounts as designated reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts from General Funds. When expenditure is to be financed from the Designated fund it is charged to the appropriate revenue account in that year against the Surplus or Deficit on the Provision of Services in the Statement of Financial Activities. The designated fund is then appropriated back in the Movement in Funds Statement so that there is no net charge against current year contributions for the expenditure.

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

1.23 Carbon Reduction Commitment Scheme

The Strategic Board is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. This scheme is currently in the second year of its second phase, which ends on 31 March 2019. The four local authorities for whom the Strategic Board manages archives, museums and art galleries are required to purchase allowances, retrospectively, and surrender them, on the basis of emissions i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted, a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the Strategic Board is recognised and reported in the costs of the Strategic Board's services and is apportioned to services on the basis of energy consumption.

TYNE & WEAR ARCHIVES & MUSEUMS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. INCOME FROM GRANTS AND DONATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Client contributions	3,652,497	-	3,652,497	3,869,770
Arts Council England	1,158,875	2,863,960	4,022,835	4,342,076
	<u>4,811,372</u>	<u>2,863,960</u>	<u>7,675,332</u>	<u>8,211,846</u>
Core contributions				
Donations and sponsorship	17,729	104,666	122,395	135,981
Other grants	-	826,592	826,592	867,951
	<u>17,729</u>	<u>931,258</u>	<u>948,987</u>	<u>1,003,932</u>
Subtotal				
Total donations and legacies	<u>4,829,101</u>	<u>3,795,218</u>	<u>8,624,319</u>	<u>9,215,778</u>
	<u>5,057,666</u>	<u>4,158,112</u>	<u>9,215,778</u>	
<i>Total 2016</i>				

3. INCOME FROM MUSEUM ACTIVITIES

	Unrestricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Income generated from museum activities	200,772	200,772	131,255
	<u>200,772</u>	<u>200,772</u>	<u>131,255</u>
<i>Total 2016</i>	<u>131,255</u>	<u>131,255</u>	

Income from museum activities is sundry income derived from existing projects and includes income from fees and charges.

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. GENERATED INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Trading and other self-generated income			
Shop sales and franchise income	586,164	586,164	658,880
Museums admissions and exhibitions	184,027	184,027	218,474
Other generated income	697,550	697,550	596,848
	<u>1,467,741</u>	<u>1,467,741</u>	<u>1,474,202</u>
Trading expenditure			
Premises costs	5,142	5,142	3,949
Travel	2,657	2,657	6,099
Supplies and services	561,691	561,691	635,265
Employee costs	280,193	280,193	253,981
	<u>849,683</u>	<u>849,683</u>	<u>899,294</u>
Net income from generated income activities	<u><u>618,058</u></u>	<u><u>618,058</u></u>	<u><u>574,908</u></u>

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Interest receivable	6,039	-	6,039	5,995
	<u>6,039</u>	<u>-</u>	<u>6,039</u>	<u>5,995</u>
<i>Total 2016</i>	<u><u>5,995</u></u>	<u><u>-</u></u>	<u><u>5,995</u></u>	

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Museum Activities	8,167,372	1,305,522	9,472,894	9,803,762
	<u>8,167,372</u>	<u>1,305,522</u>	<u>9,472,894</u>	<u>9,803,762</u>
<i>Total 2016</i>	<u><u>8,417,673</u></u>	<u><u>1,386,089</u></u>	<u><u>9,803,762</u></u>	

TYNE & WEAR ARCHIVES & MUSEUMS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. DIRECT COSTS

	Museum Activities £	Total 2017 £	<i>Total 2016 £</i>
Premises	1,629,330	1,629,330	1,376,623
Transport	84,634	84,634	89,296
Supplies and services	1,639,745	1,639,745	2,034,192
Employee costs	4,813,663	4,813,663	4,917,562
	<u>8,167,372</u>	<u>8,167,372</u>	<u>8,417,673</u>
<i>At 31 March 2016</i>	<u>8,417,673</u>	<u>8,417,673</u>	

8. SUPPORT COSTS

Support costs are costs incurred to facilitate activities. Unlike direct costs, which result directly from undertaking the activity, support costs do not change directly as a result of the activity undertaken. Support costs are as follows:-

	Allocated to Museum Activities £	Total 2017 £	<i>Total 2016 £</i>
Premises	107,320	107,320	105,402
Transport	12,115	12,115	7,763
Supplies and services	102,745	102,745	119,273
Central administration	219,312	219,312	184,444
Financing charges	56,644	56,644	54,817
Employee costs	807,386	807,386	887,359
Amortisation	-	-	27,031
	<u>1,305,522</u>	<u>1,305,522</u>	<u>1,386,089</u>
<i>At 31 March 2016</i>	<u>1,386,089</u>	<u>1,386,089</u>	

TYNE & WEAR ARCHIVES & MUSEUMS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Amortisation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on self-generated activities	280,193	-	569,490	849,683	899,294
Costs of generating funds	280,193	-	569,490	849,683	899,294
Museum Activities	5,621,049	-	3,851,845	9,472,894	9,803,762
	5,901,242	-	4,421,335	10,322,577	10,703,056
<i>Total 2016</i>	<i>6,058,901</i>	<i>27,031</i>	<i>4,617,124</i>	<i>10,703,056</i>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Amortisation of intangible fixed assets	-	27,031

During the year, one member of the Strategic Board received a special responsibility allowance of £4,704 (2016 - one member £4,704). No other member received any remuneration or benefits in kind (2016 - £NIL).

During the year, no Strategic Board member received any reimbursement of expenses (2016 - £NIL).

11. AUDITORS' REMUNERATION

	2017 £	2016 £
Fees payable to the entity's auditor and its associates for the audit of the entity's annual accounts	7,950	7,950
Fees payable to the entity's auditor and its associates in respect of:		
All other non-audit services not included above	1,950	1,950

TYNE & WEAR ARCHIVES & MUSEUMS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. STAFF COSTS

Staff costs were as follows:

	2017	<i>2016</i>
	£	£
Employee costs	4,777,304	4,985,819
Social security costs	388,710	309,924
Other pension costs	735,228	763,158
	<u>5,901,242</u>	<u>6,058,901</u>

The average number of persons employed by the entity during the year was as follows:

	2017	<i>2016</i>
	No.	<i>No.</i>
Operations and management of TWAM	213	216

Average headcount expressed as a full time equivalent:

	2017	<i>2016</i>
	No.	<i>No.</i>
Operations and management of TWAM	172	177

The number of higher paid employees was:

	2017	<i>2016</i>
	No.	<i>No.</i>
In the band £80,001 - £90,000	1	1

Included in staff costs above are redundancy payments of £37,352 (2016 - £69,032)

Key management personnel comprise the four members of the senior management team. This team received remuneration including employers National Insurance and pension contributions and allowances and benefits of £321,800 (2016: £377,125)

TYNE & WEAR ARCHIVES & MUSEUMS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. INTANGIBLE FIXED ASSETS

	Software £
Cost	
At 1 April 2016 and 31 March 2017	133,159
Amortisation	
At 1 April 2016 and 31 March 2017	133,159
Carrying amount	
At 31 March 2017	-
<i>At 31 March 2016</i>	-

14. STOCKS

	2017 £	2016 £
Goods for resale	318,483	324,041

15. DEBTORS

	2017 £	2016 £
Grants receivable	1,314,890	819,452
Other debtors	594,980	747,388
Prepayments and accrued income	7,849	7,849
	1,917,719	1,574,689

16. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Overdraft balances	38,915	-
Trade creditors	256,120	289,412
Other creditors	-	19,055
Accruals and deferred income	431,327	434,250
	726,362	742,717

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Designated funds					
Acquisitions reserve	193,146	-	-	-	193,146
Renewals reserve	13,612	-	-	1,000	14,612
Business partner reserve	63,162	-	(9,961)	-	53,201
Future repairs and maintenance	100,886	-	(50,000)	-	50,886
	<u>370,806</u>	<u>-</u>	<u>(59,961)</u>	<u>1,000</u>	<u>311,845</u>
General funds					
General Funds - all funds	9,617	6,503,653	(6,365,999)	(153,180)	(5,909)
Total Unrestricted funds	<u>380,423</u>	<u>6,503,653</u>	<u>(6,425,960)</u>	<u>(152,180)</u>	<u>305,936</u>
Restricted funds					
ACE Major Partners Museums	-	1,554,780	(1,554,780)	-	-
ACE Bridge	151,310	572,154	(540,155)	27,261	210,570
ACE Museum Development	34,348	208,645	(176,480)	-	66,513
ACE Capital	174,799	528,381	(593,534)	-	109,646
Museums earmarked balances	797,326	-	(152,110)	124,919	770,135
Other restricted grants and contributions	6,647	931,258	(879,558)	-	58,347
	<u>1,164,430</u>	<u>3,795,218</u>	<u>(3,896,617)</u>	<u>152,180</u>	<u>1,215,211</u>
Total of funds	<u><u>1,544,853</u></u>	<u><u>10,298,871</u></u>	<u><u>(10,322,577)</u></u>	<u><u>-</u></u>	<u><u>1,521,147</u></u>

TYNE & WEAR ARCHIVES & MUSEUMS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2015</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2016</i>
	£	£	£	£	£	£
Designated funds						
Acquisitions reserve	193,146	-	-	-	-	193,146
Renewals reserve	12,612	-	-	1,000	-	13,612
Business partner reserve	64,812	-	(1,650)	-	-	63,162
Future repairs and maintenance	107,886	-	(7,000)	-	-	100,886
Intangible fixed assets held	27,031	-	(27,031)	-	-	-
	<u>405,487</u>	<u>-</u>	<u>(35,681)</u>	<u>1,000</u>	<u>-</u>	<u>370,806</u>
General funds						
General Funds - all funds	(16,269)	6,669,118	(6,463,799)	(179,433)	-	9,617
	<u>(16,269)</u>	<u>6,669,118</u>	<u>(6,463,799)</u>	<u>(179,433)</u>	<u>-</u>	<u>9,617</u>
Total Unrestricted funds	<u>389,218</u>	<u>6,669,118</u>	<u>(6,499,480)</u>	<u>(178,433)</u>	<u>-</u>	<u>380,423</u>
Restricted funds						
ACE Major Partners Museums	-	1,594,260	(1,594,260)	-	-	-
ACE Bridge	27,142	526,163	(401,995)	-	-	151,310
ACE Museum Development	-	184,643	(150,295)	-	-	34,348
ACE Capital	-	462,630	(462,630)	-	-	-
Ace Other Grants	120,167	474,057	(419,425)	-	-	174,799
Museums earmarked balances	833,759	-	(214,866)	178,433	-	797,326
Other restricted grants and contributions	50,393	916,359	(960,105)	-	-	6,647
	<u>1,031,461</u>	<u>4,158,112</u>	<u>(4,203,576)</u>	<u>178,433</u>	<u>-</u>	<u>1,164,430</u>
Total of funds	<u><u>1,420,679</u></u>	<u><u>10,827,230</u></u>	<u><u>(10,703,056)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,544,853</u></u>

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17. STATEMENT OF FUNDS (continued)

Designated funds

Acquisitions Reserve: A reserve to acquire objects for the collections.

Renewals Reserve -Regional Museums Store Sinking Fund: the Agreement in respect of the Regional Museum Store (RMS) of 4 June 2001 between Beamish and TWAM obliged each partner to establish a sinking fund for periodic major repairs.

Business Partners Reserve: Funds generated by businesses that support TWAM's work through the Connecting through Culture programme.

Future Repairs and Maintenance Reserve: This reserve holds sums required to carry out essential repairs to museums.

Fixed Assets held: This fund held the balance of intangible fixed assets as recorded on the balance sheet.

TWAM makes transfers to reserves from general funds to reflect the underlying purpose of the reserve.

Restricted Funds

Arts Council England ("ACE"): TWAM is in receipt of various income streams from Arts Council England in respect of specific activities or aims. TWAM also receives additional small amounts of funding that is allocated towards these projects.

Museums Earmarked Balances: The funds within this reserve have been earmarked to support revenue expenditure and projects in future years. Balances sit within the budgets of individual stakeholders and there is, of course, no transfer between budgets of separate stakeholders. Equally, balances on central funds are allocated centrally.

Transfers from general funds to Museums earmarked balances are in respect of unused contributions provided by local authorities and other amounts relating to specific projects and remaining unspent at the year end. The subsequent utilisation of those funds may only be used for purposes relevant to the authority providing the funds.

Other Restricted Grants and Contributions are obtained from a variety of donors, Charities and Trusts towards specific purposes.

TYNE & WEAR ARCHIVES & MUSEUMS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(23,706)	124,174
Adjustment for:		
Amortisation charges	-	27,031
Decrease/(increase) in stocks	5,558	(41,964)
(Increase)/decrease in debtors	(343,030)	268,012
(Decrease)/increase in creditors	(55,270)	67,650
Net cash (used in)/provided by operating activities	(416,448)	444,903

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	11,307	8,270
Notice deposits (less than 3 months)	1,081,981	1,168,133
Overdraft facility repayable on demand	(1,120,896)	(787,563)
Total	(27,608)	388,840

The organisation does not hold a bank account. Cash deposits and overdraft facility are held by Newcastle City Council.

TYNE & WEAR ARCHIVES & MUSEUMS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

20. RELATED PARTY TRANSACTIONS

TWAM conducts business with various organisations in which members of the Joint Committee or members of staff with budgetary control are board members of that organisation or in which family members have an element of interest or control. Set out below are those transactions with related parties and with organisations sharing a member of the Joint Committee, with a cumulative annual value over £10,000 during this period or the prior year.

	2017	2016
	£	£
Expenditure incurred with Beamish Museum the Board of which shares a Joint Committee member	9,987	11,620
Expenditure incurred with Customs House the Board of which shares a Joint Committee member	32,091	15,612
Expenditure incurred with Durham University in which a member of staff is an honorary research associate within a department of the University	10,653	20,249
Expenditure incurred with Newcastle University within which a member of staff is a member of an Institute within the University	-	57,293
Expenditure incurred with the Tyne & Wear Pensions Committee the Board of which shares a Joint Committee member	9,286	21,272
Income received from Newcastle University within which a member of staff is a member of an Institute within the University	-	(888,659)
Income received from Tyne Port Health Authority the Board of which shares a Joint Committee member	-	(10,149)
	=====	=====

No member of the Joint Committee or staff member has had control or influence over any of the transactions above.