



ANNUAL REPORT AND ACCOUNTS 2003/4





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DIRECTORS' REPORT

CHAIR'S FOREWORD



MLA North West is the regional strategic development agency for museums, libraries and archives in the North West of England. We are core funded by the Museums, Libraries and Archives Council, a non-departmental body sponsored by the Department for Culture, Media and Sport (DCMS).

Although a new organisation, MLA North West has made significant progress over the last year.

Early in 2003, six additional Board members were recruited and our first Chief Executive Officer, Clare Connor, joined us in August. Over the following six months, Clare recruited many new members of staff and the organisation relocated to its new premises in Warrington in March 2004 and changed the company name with effect from 1 April 2004. With a strong Board and a complete staff team, we are now addressing the challenging agenda for museums, libraries and archives in the region.

On behalf of the Board of Management of MLA North West, I present here our annual report and accounts for the financial year 2003 to 2004.

Steve Garland
CHAIR
MLA North West Board of Management



A WORD FROM THE CHIEF EXECUTIVE

I am pleased to introduce this first annual report as Chief Executive of MLA North West.

Museums, libraries and archives connect people to knowledge and information, creativity and inspiration. MLA North West exists to promote museums, libraries and archives, and their contribution to learning, community engagement and the economy.

The report highlights some of our key activities over the last year, and gives a flavour of our work. However, there are many other initiatives planned for the future and we have devised a plan of work under key themes, for example: access and inclusion; learning; collections development; leadership and advocacy; research and development; workforce development.

MLA North West has worked with many partners at a regional and national level, and we will continue to forge new partnerships in the future. If you would like to know more about our work, do not hesitate to contact us.

Clare M Connor
CHIEF EXECUTIVE

**Museums, libraries and archives
connect people to knowledge and
information, creativity and inspiration.**

DIRECTORS' REPORT

DIRECTORS

The Directors who served during the year are all members of the company and were as follows:

	NAME	APPOINTING BODY
CHAIR	S P Garland	North West Federation of Museums & Art Galleries
DEPUTY CHAIR	D G Lightfoot	Libraries North West
OTHER DIRECTORS	B Bennison from 2/5/2003	Board of Management
	J M Grisenthwaite* from 18/07/2003	North West Regional Archive Council
	R C Green from 2/5/2003	Board of Management
	J L O Holden from 2/5/2003	Board of Management
	J R Hodgson	North West Regional Archive Council
	B Jackson	North West Regional Archive Council
	J H Little	Libraries North West
	K J Mulley	North West Regional Archive Council
	G Porter	North West Federation of Museums & Art Galleries
	M Robinson	North West Federation of Museums & Art Galleries
	S C Roodhouse* from 18/7/2003	Board of Management
	V A Tandy from 2/5/2003	Board of Management
	F M Thomson	Libraries North West
	J D Wertheim* from 18/7/2003	Board of Management
	K R Ellard from 12/12/2003	Libraries North West
	J W Forrester from 12/11/2004	North West Federation of Museums & Art Galleries
	G S Boxer from 12/11/2004	North West Federation of Museums & Art Galleries

Directors who retired during the year

K J Mulley to 18/7/2003	North West Regional Archive Council
G Porter to 7/4/2004	North West Federation of Museums & Art Galleries
J L O Holden to 20/11/2003 (deceased)	Board of Management
F M Thomson to 3/10/2003	Libraries North West
B Bennison to 12/11/04	Board of Management

The Co-optees and Observers who served during the year were as follows:

	NAME	NOMINATING BODY
Observers	C M Connor to 4/8/2003	Libraries North West
	S Valentine from 12/12/2003	Libraries North West

*indicates member of Audit Committee from 14/5/2004

Executive and Professional Liability insurance is held with effect from 1/5/2004 (for governors, directors, council members, officers or trustees of the Charity) with an indemnity of £1 million.

OBJECTS

The objects of the charity are to advance the education of the public and to further any other purpose which may be charitable according to the law of England and Wales which relates to the establishment, maintenance, operation and development of museums, art galleries, libraries and archives and related services and activities in the counties of Cheshire, Cumbria, Greater Manchester, Lancashire and Merseyside and in the Isle of Man.

ORGANISATIONAL STRUCTURE

The Charity is administered by a Board of Directors, numbering 13, which meets quarterly. The Board appoints a Chief Executive Officer to manage the day to day operations of the Charity and during the year 2003 - 2004 there was a staff of 12 full and part time officers.



DIRECTORS' REPORT

REVIEW OF ACTIVITIES



Image courtesy of the Manchester Ship Canal Co.



Image courtesy of Chetham's Library, Manchester



Image courtesy of National Museums Liverpool (Merseyside Maritime Museum)

Listening to the past, speaking to the future: the report of the Archives Task Force

This analysis of the state of UK archives was issued at the end of March 2004 and supported by consultation with and contributions from the region. It sets out a clear path for archives to develop new audiences and describes their untapped potential. The recommendations of the report will be a key part of the next regional archive strategy and business plan for MLA North West.

North West Archives Festival

In September 2003 museums, libraries, archives and other organisations joined together to promote archives through the North West Archives Festival, part of Archives Awareness Month. Over 40 events took place in the region, supported by 12 grants from MLA North West. A publicity campaign to promote these events and archives in general produced over £340,000 worth of coverage in the press and on radio, television and the internet. The North West coverage amounted to over 40% of the national coverage for the festival. The national evaluation concluded that the volume of coverage received, twinned with the fact that nearly three quarters of that coverage conveyed the key messages, would suggest that the campaign had an effect on raising general awareness of archives in a positive way.



Image reproduced by permission of the John Rylands University Manchester, Labour History and Archive Study Centre

Logjam audit of uncatalogued archives

In January 2004 the Logjam audit of uncatalogued archives in the North West was completed. Covering 30 repositories, the report aimed to identify, quantify and prioritise uncatalogued archival collections in the region. The results are staggering, with 29% of archives in the region being uncatalogued and inaccessible. The report proposed a three-part solution to this problem which is now being taken forward. Evaluation of the project has shown that 100% of the participants viewed the project as worthwhile and a number had already acted upon its recommendations.

North West Archives conservation and preservation audit

This year-long project to assess the preservation and conservation needs of archive services is being conducted in partnership with the National Preservation Office. Over 20 offices are carrying out an audit of their collections and results will be published.

Access to Archives (A2A)

A regional partnership, led by Lancashire Record Office and MLA North West, was successful in raising over £160,000 to deliver the Mills, Mansions and Corner Shops project to provide online access to catalogue descriptions. The project was funded by a partnership of the Heritage Lottery Fund, the Public Record Office, the North West Regional Archives Council, the National Council on Archives and 25 partner archive services.



Reproduced by permission of the County Archivist, Lancashire Record Office.



DIRECTORS' REPORT

REVIEW OF ACTIVITIES



The Museums and Galleries Lifelong Learning Initiative Phase 2

This national project, funded by the Department for Education and Skills, aimed to test new ways of working with learners in museums and galleries. In the North West the project was called Sangam, meaning 'coming together' and focused on engaging Asian women in learning at Bolton Museum and Art Gallery, Urbis in Manchester and Touchstones Gallery in Rochdale. A programme of practical craft workshops were held at all three museums and galleries and at local community centres linked to 'Sangam' – a major exhibition of arts and crafts from the city of Mumbai.

The workshops generated artwork by the women which was subsequently exhibited, collections of materials from South Asia and a resource pack to accompany the collections for use in the future with family groups.



Museums and Galleries Education Programme Phase 2

This programme was a major education initiative funded by the Department for Education and Skills to bring museums, galleries and schools together to develop innovative and exciting ways of delivering the National Curriculum. Seventeen museums, libraries and archives worked alongside schools to create exciting and innovative programmes and resources. A specific strand of the funding supported the development of resources to support teachers delivering the new Citizenship curriculum at Key Stage 3 (pupils aged 11 to 14 years). The resulting guide has been sent to all North West Local Education Authorities and other learning stakeholders.





North West Diversity Festival

Taking place from September to December 2003, this festival aimed to encourage museums, libraries and archives to broaden their audiences by developing events to appeal to specific target groups, for example: people from minority ethnic communities, people in rural isolation, people affected by social exclusion and people with poor literacy and numeracy skills. The theme of the festival was 'Hidden Talents' and events were planned which would 'identify, document, preserve, celebrate and develop understanding of the diversity of traditional skills that can be

found across communities in the region'. Fifteen organisations organised a variety of events, for example: the Harris Museum's 'Time for Tea' project which engaged elderly residents of a local care home; Trafford library's Rangoli workshops with young Asian girls; Stockport Heritage Services mini-festival which included lace-makers, wood-turners and well-dressers and attracted a significant Heritage Lottery Fund grant. Hidden Talents was part of a national diversity festival funded and coordinated by the Museums, Libraries and Archives Council (MLA).

North West disability database

In March 2003 MLA North West commissioned the development of a regional database of disability trainers and auditors. This was in response to research carried out by the Museums, Libraries and Archives Council (MLA) into the needs of museums, libraries and archives staff in relation to adapting their premises and their services to meet the needs of disabled visitors and users. The database, which consists of more than 60 trainers and auditors was launched at the Chester Grosvenor Museum in November 2003, and is now available via the MLA North West website.

DIRECTORS' REPORT

REVIEW OF ACTIVITIES



Skills for Life

The North West Skills for Life project is one of three projects funded by the Department for Education and Skills to encourage museums, libraries and archives to improve their provision for adult basic skills. The project was designed to test the usefulness of a dedicated post for adult basic skills within MLA North West. Courses have been offered for museum and library staff on awareness of adult basic skills and how to offer support for learners in Manchester, Bolton, Oldham and Salford. New programmes for visitors and users have been developed at Imperial War Museum North, Manchester Central Library and the Museum of Science and Industry in Manchester.

Older Learners in Cumbria

This initiative, funded by £25,000 from the Northern Rock Foundation, aims to improve museum services in Cumbria for older people. An introductory guide for museums working with older people has been produced, based on the evaluation and experience of four pilot projects.

MLA North West has commissioned the National Institute of Adult Continuing Education (NIACE) to carry out research into how this experience can be built upon. NIACE are currently working on producing a development plan which will provide the basis for funding applications to develop work into a second phase and will support the development of a county-wide strategy to ensure that a quality, standardised approach is adopted by the sector in Cumbria.

Education Programme Delivery Plan

In July 2003 MLA North West began work with the North West Museums Hub to produce the Education Programme Delivery Plan, as part of the Renaissance in the Regions programme for museums. The plan outlines how a comprehensive and integrated service to schools across the North West will be delivered by the region's museums. Extensive consultation was carried out with teachers and local education authorities in each sub region to establish their needs. The plan contains a variety of initiatives including: the appointment of a 'museums ambassador' within the Schools Improvement Service of Manchester City Council; new outreach programmes in Cumbria; and artist in residence activities in Bolton.





Inspiring Learning for All

The Inspiring Learning for All Framework was launched in London in March 2004 by Charles Clarke, Secretary of State for Education and Skills and MLA North West has been working with many museums, libraries and archives services in the region on implementing this framework in the North West.

INSPIRE

Information Sharing Partners in Resources for Education (INSPIRE) is a national initiative to promote access to academic, public and national libraries and is supported and managed by the Society of College, National and University Libraries (SCONUL) and the Society of Chief Librarians (SCL). Here in the North West, INSPIRE has been piloted through two projects in Cumbria and Liverpool. The project targeted groups of adult learners to explore their needs and facilitate their access to a wide range of library resources. The overall aim of the pilot projects was to reach out to adults outside of formal education, encouraging them to engage in, return to, or continue with learning. Partners included Sure Start, the Eden Rural Foyer and the Open University and the project evaluation has shown that many involved in the project have been inspired to begin or return to study. Libraries North West acted as the region's representative on the national INSPIRE Steering Group and continues to play a leading role.

Into the Net

Supported by the New Opportunities Fund digitisation project, the Into the Net project engaged young people in Lancashire in producing and promoting a web-based resource on the history and culture of football, in association with the Nation Football Museum in Preston. A guide for museums on engaging young people in similar projects has been produced.



DIRECTORS' REPORT

RESERVES POLICY

Free reserves will be identified within unrestricted funds, including designated funds. Restricted funding will not be included within this definition. In identifying the resources level for MLA North West consideration will be taken of the secure and predictable nature of funding from MLA and will concentrate on setting levels against this low level risk. The focus of the reserves will be to cover unexpected costs that might arise and could not be met from annual funding income. These could include staff redundancies, staff sickness, maternity leave, recruitment costs and any liabilities involved in property leases.

Reserves level will be set at 10% of unrestricted annual funding and levels reviewed on an annual basis. At the annual review, accumulated reserves may be made available for furtherance of MLA North West's objectives and in accordance with the strategic aims of MLA North West.

The board of management may set transitional reserves where major changes are anticipated.

GRANT MAKING POLICY

The Council offers grants to museums, libraries and archives in accordance with its charitable objectives. Awards are made in line with its published grant making policy approved by the board in March 2002.

RISK STATEMENT

The Board of Management has examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular monitoring and reviews so that the necessary steps can be taken to lessen these risks.

RELATED PARTY TRANSACTIONS

The charity has a working relationship with North West Federation of Museums & Art Galleries, North West Regional Archive Council and Libraries North West, all of whom are entitled to nominate directors. Bolton MBC provides financial services to MLA North West and the director of finance is MLA North West Honorary Treasurer. A summary of significant transactions with those parties is set out in note 18 to the financial statements in accordance with paragraph 163 of SORP.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the surplus or deficit of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and other statutory requirements. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution for the reappointment of Warings, Chartered Accountants and Registered Auditors, will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

CLARE CONNOR
Secretary

Date signed: 30/11/04

AUDITORS' REPORT

AUDITORS' REPORT

TO THE
MEMBERS OF
MUSEUMS,
LIBRARIES AND
ARCHIVES
NORTH WEST

(Formerly The North
West Museums, Libraries
And Archives Council)

We have audited the financial statements on pages 13 to 26 which have been prepared under the accounting policies set out on page 15.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described on page 3, the company directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relating to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2004 and of the company's incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

WARNINGS

Chartered Accountants and Registered Auditors

Date signed: 30/11/04

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2004

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2004 £	Total 2003 £
INCOMING RESOURCES					
Activities in Furtherance of the Charity's Objects:					
Resource Core Grant	2		1,101,000	1,101,000	689,000
Resource additional grant	2	230,045	-	230,045	344,913
Other grants	3	22,826	-	22,826	57,300
Fees for services		-	6,120	6,120	10,680
Membership subscriptions		-	-	-	99,044
Investment income	4	-	26,019	26,019	21,348
Other income		-	637	637	3,466
Total Incoming Resources		252,871	1,133,776	1,386,647	1,225,751
RESOURCES EXPENDED					
Costs of Generating Funds					
Fundraising & Publicity		-	7,955	7,955	-
Charitable Expenditure					
Project Grants expenditure		-	35,846	35,846	203,858
Advice & Information		-	160,643	160,643	180,417
Education & Training Projects		-	150,520	150,520	122,377
Policy & Development		450,334	64,082	514,416	265,149
Support Costs		-	80,652	80,652	-
Transitional Costs	5	-	157,928	157,928	106,870
Management & Administration		-	334,137	334,137	36,323
		-	116,445	116,445	81,341
Total resources expended	7	450,334	1,108,208	1,558,542	996,335
NET INCOMING/(OUTGOING) RESOURCES					
	6	(197,463)	25,568	(171,895)	229,416
Transfer between funds		58,931	(58,931)	-	-
Net movement in funds		(138,532)	(33,363)	(171,895)	229,416
Fund balances brought forward at 1 April 2003		261,065	576,096	837,161	607,745
Fund balances carried forward at 31 March 2004		122,533	542,733	665,266	837,161

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

BALANCE SHEET as at 31 March 2004

	Notes	£	2004 £	£	2003 £
FIXED ASSETS					
Tangible fixed assets	10	-	38,041	-	6,047
CURRENT ASSETS					
Debtors	11	442,000	-	425,571	-
Cash at bank and in hand		866,858	-	573,922	-
		1,308,858		999,493	
Creditors: amounts falling due within one year	12	(681,633)	-	(168,379)	-
NET CURRENT ASSETS		-	627,225	-	831,114
NET ASSETS	15	-	665,266	-	837,161
Represented by:					
Income funds:					
Restricted funds		-	122,533	-	261,065
Unrestricted funds:					
Designated		-	138,798	-	496,922
General		-	403,935	-	79,174
Total Funds	16		665,266		837,161

The financial statements set out on pages 15 to 26 were approved by the Board of Directors on

Signed on behalf of the Board of Directors on 30/11/04

The notes on pages 15 to 26 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

1 ACCOUNTING POLICIES

a) Going concern

The financial statements have been prepared on the going concern basis.

b) Basis of Accounting

The financial statements have been prepared under the historical cost convention and comply with the Statement of Recommended Practice "Accounting by Charities" and applicable accounting standards.

The Charity has taken advantage of the provisions of Section 226(5) of the Companies Act 1985 and has prepared an income and expenditure account instead of a profit and loss account as prescribed by Schedule 4.

As a small company as defined in Section 247 of the Companies Act 1985, the Charity has taken advantage of the exemption from preparing a cash flow statement.

c) Incoming resources

All income is accounted for on a receivable basis.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Grant from Resource allocated to general purposes is taken to the income and expenditure account in the year to which it relates.

Specific grants for the purchase of fixed assets are recognised in the Statement of Financial Activities when receivable.

d) Expenditure

Expenditure is included on an accruals basis.

Charitable expenditure and administration costs comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with staff time as follows:

Project Grants	12%
Advice & Information	36%
Education & Training	21%
Management & Administration	31%

Management and administration costs are those incurred in connection with the management of the Council's assets, organisational administration and compliance with constitutional and statutory requirements.

Project grants are charged to expenditure when the conditions attaching to the grant have been fulfilled by the recipient. Where a grant has been awarded subject to the fulfilment of conditions, the amount of grant is transferred to designated or restricted funds.

e) Fund accounting

General funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity.

Designated funds are those which have been set aside at the discretion of the Directors for specific purposes. The purpose and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal in which the funds are raised.

The purpose and use of the restricted funds are set out in note 16 of the financial statements.

f) Grants payable

Grants are charged to expenditure when the conditions attaching to the grant have been fulfilled by the recipient. Where a grant has been awarded subject to the fulfilment of conditions, the amount of the grant is transferred to designated or restricted funds where received.

Grants to be paid out of the income of future years where payment is subject to conditions being met are disclosed but not matched by a transfer from existing general funds to designated or restricted funds. These have been disclosed in note 13.

g) Tangible fixed assets

The Charity's policy with regard to fixed assets is to capitalise those with a value of over £500 in accordance with Schedule 4 of the Companies Act 1985. Tangible fixed assets are capitalised at their purchase price together with any incidental expenses of acquisition.

Provision for depreciation is made to write off the cost of tangible fixed assets on a straight-line basis over the expected useful life of the assets concerned. The write off period used is four years for all categories of assets with a full year's charge being made in the year of acquisition.

h) Investments

The financial statements reflect bank interest receivable during the year. Credit is taken for interest accrued but not received at the balance sheet date.

i) Pension costs

The majority of the Charity's employees are members of the Greater Manchester Pension Fund. Payments made to the scheme, and charged as costs, are calculated in accordance with actuarial advice and represent a proper charge to cover the accruing liabilities on a continuing basis.

j) Taxation

The company is a registered charity and is therefore exempt from Income Tax and Corporation Tax under the provisions of Section 505(1) of the Income and Corporation Taxes Act 1988.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued*
2 RESOURCE GRANT

£1,331,045 of grant was receivable during the year ended 31 March 2004 from Resource (2003: £1,033,913). This money is available for the following purposes:

	Restricted funds £	Unrestricted funds £	Total 2004 £	Total 2003 £
Core Grant	-	1,101,000	1,101,000	689,000
A 2 A Access to Archives	3,125	-	3,125	12,500
Training & Skills Action Plan	9,500	-	9,500	19,000
MGEP2 - Schools Initiative	51,337	-	51,337	16,163
RA Skills Sharing	750	-	750	2,250
Cultural Diversity Festival	2,500	-	2,500	5,000
Adult Basic Skills	13,000	-	13,000	5,750
Regional Database of Disability Trainers	750	-	750	2,250
Museum Development Fund	73,333	-	73,333	-
Archives Task Force	750	-	750	-
Inspire	15,000	-	15,000	-
EPDP	60,000	-	60,000	-
Cultural Diversity Network Ph 2	-	-	-	5,000
Logjam Archives Audit	-	-	-	26,250
Archives Festival	-	-	-	18,750
Project Grants Scheme	-	-	-	232,000
	230,045	1,101,000	1,331,045	749,663

3 OTHER GRANTS

	Restricted Funds £	Unrestricted Funds £	Total 2004 £	Total 2003 £
NOF - Museum Fever into the Net	22,826	-	22,826	37,300
MA/DFES Asian Womens' Workshop	-	-	-	20,000
	22,826	-	22,826	57,300

4 INVESTMENT INCOME

	2004 £	2003 £
Interest receivable	26,019	21,348

5 TRANSITIONAL COSTS

	£	£
Redundancy costs	260,177	-
Relocation fees	21,106	-
Staff training	303	-
Legal & professional	13,913	12,785
Recruitment	24,398	7,396
Publications	14,240	-
Grants	-	16,142
	334,137	36,323

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued***6 NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS**

is stated after charging / (crediting)

	2004 £	2003 £
Depreciation	14,757	15,969
Directors' remuneration	-	-
Directors' reimbursed expenses	348	436
Auditors' remuneration:		
- Audit	5,235	3,700
- Other	1,410	-
Operating lease rentals:		
- Property	32,469	20,953
- Vehicles	-	2,924
	54,219	43,982

Expenses reimbursed to 3 Directors (2003: 3) were for travel, subsistence, accommodation and conference costs.

7 TOTAL RESOURCES EXPENDED

	Fundraising & Publicity £	Project Grants £	Advice & Information £	Education & Training £	Projects £	Transitional £	Policy & Development £	Support Costs £	Management & Admin £	2004 Total £	2003 Total £
Staff Costs (Note 8)	-	955	113,317	76,102	49,543	260,177	62,159	119,960	2,467	684,680	359,244
Agency Staff	-	-	-	-	-	-	-	24,731	-	24,731	5,915
Recruitment	-	-	-	25	1,165	24,398	-	10,579	-	36,167	15,330
Staff Training	-	64	3,064	731	439	303	820	61	1,118	6,600	1,794
Travel & Subsistence	-	-	7,252	9,636	5,585	21,106	3,998	2,597	3,087	53,261	21,011
Premises	-	3,259	9,778	11,645	-	-	-	-	40,889	65,571	26,229
Office Running Expenses	7,955	4,472	14,940	22,547	8,647	-	78	-	12,445	71,084	49,694
Legal, Professional and Consultancy	-	-	12,292	21,947	200,145	13,913	2,879	-	35,037	286,213	191,155
Audit Fees	-	-	-	-	-	-	-	-	6,645	6,645	3,765
Seminar Costs	-	-	-	1,652	7,559	-	-	-	-	9,211	9,382
Grants Payable (Note 9)	-	27,096	-	6,235	241,333	14,240	10,718	-	-	299,622	286,847
Depreciation	-	-	-	-	-	-	-	-	14,757	14,757	15,969
	7,955	35,846	160,643	150,520	514,416	334,137	80,652	157,928	116,445	1,558,542	986,335

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued*

8 STAFF COSTS

Staff costs have been allocated to expenditure headings on the basis of time spent on each area. Other direct costs have been allocated to each area on an individual basis according to office space or other suitable allocation.

Some administrative expenses have been reallocated under Allocated Support Costs in accordance with the time spent in each area by administrative staff.

	2004	2003
	£	£
Wages and salaries	408,617	306,905
Social security costs	24,060	18,023
Pension costs:		
Capital cost of redundancies	192,109	-
In year non-recurring payments	13,069	-
Annual pension costs (employers contribution 11.9%)	46,825	34,316
	684,680	359,244

1 member of staff had emoluments within the range of £50,000 to £60,000 in the year (2003: 1).

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

	2004	2003
Project Grants	1.02	0.18
Advice & Information	0.85	3.26
Education & Training	2.26	3.30
Projects	1.02	1.60
Support Costs	5.32	4.31
Management & Administration	1.53	0.35
	12.00	13.00

Secondment Costs

	2004	2003
	£	£
Strategic development officer (from North Western Regional Library System)	-	1,111
Archive officer (From Wirral MBC)	39,344	37,139
Learning Officer	14,224	
	39,344	38,250

Professional indemnity insurance

Insurance is held with an indemnity of £1 million at a cost of £3,176 (2003: £2,888).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued*

9 PROJECT GRANTS EXPENDITURE

	2004 £	2004 £	2003 £
Learning & Access			
Rochdale MBC	19,571		4,900
Preston City Council	12,140		11,337
Bolton MBC	11,300		4,000
Blackburn with Darwen BC	10,018		-
Museum of Science & Industry	10,000		2,194
University of Manchester	7,326		6,655
The Ruskin Museum	5,250		6,668
Stockport M B Council	5,000		-
Salford City Council	4,626		-
Haig Pit Restoration Group	3,995		-
National Football Museum	3,827		-
Manchester Jewish Museum Trust	3,672		8,869
Lancaster University	3,576		-
Warrington Borough Council	3,397		-
Norton Priory Museum Trust	3,184		-
Armit Library & Museum CTR	1,532		-
Lakeland Arts Trust	-		12,000
Lancashire County Council	-		10,939
Rochdale MBC	-		9,273
Barrow Borough Council	-		8,780
Bury MBC	-		8,156
NTL Museum of Labour History	-		7,948
Chorley Borough Council	-		5,988
Manchester City Council	-		5,000
SHISHA	-		4,000
Tameside MBC	-		2,909
Quaker Tapestry	-		1,685
Prescot Museum	-		1,446
Others under £1,000	1,415		3,342
Sub Total		109,829	81,466
Stewardship			
Museum of Science & Industry	11,283		-
Manchester City Museum	11,000		-
NTL Museum of Labour History	10,698		4,858
Cheshire County Council	7,605		-
Salford City Council	6,000		-
The Ruskin Museum	4,895		-
Bolton MBC	4,000		-
Stockport MBC	3,909		4,178
Liverpool Scottish MSM Trust	3,800		-
Preston City Council	3,096		-
Oldham MBC	2,832		-
Burnley Borough Council	2,574		15,226
University of Manchester	2,299		1,106
City of Carlisle	2,069		1,661
Lytham Heritage Group	1,337		-
Englesea Brook Chapel & Museum	1,329		-
Bury MBC	-		11,845
Macclesfield Silk Museum	-		10,289
Armitt Library & Museum CTR	-		10,164
Rochdale MBC	-		9,559
Lancashire County Museum Service	-		9,530
Wordsworth Trust	-		8,181
Manchester Jewish Museum Trust	-		7,423
Tameside MBC	-		6,000
Chester City Council	-		4,954
Quaker Tapestry	-		4,913
Warrington Borough Council	-		4,843
Lancashire Fusiliers Museum Trust	-		3,577
Macclesfield Museums Trust	-		3,074
Lakeland Arts Trust	-		2,819
Chethams Hospital	-		2,560
Kings Own Museum Appeal	-		1,927
Millom Folk Museum	-		1,439
Lancaster City Council	-		1,182
Barrow Borough Council	-		1,123
Others under £1,000	1,588		5,560
Sub Total		80,314	128,955
Total carried forward (page 20)		190,143	210,421

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued***9 PROJECT GRANTS EXPENDITURE** *continued*

	2004 £	2004 £	2003 £
Total Brought forward (page 19)		190,143	210,421
Other			
Liverpool Libraries & Information Services	15,000		-
Lancashire County Council	12,553		-
The University of Manchester	9,391		-
Manchester City Council	5,500		-
Manchester Jewish Museum	5,475		-
City of Carlisle	5,405		-
North West Federation	5,405		-
Preston City Council	4,857		-
Cumbria County Council	4,857		-
Bolton MBC	4,475		-
Cheshire County Council	4,041		-
Prescot Museum	3,978		-
Libraries North West	3,430		16,142
Oldham MBC	3,000		-
NTL Museum of Labour History	2,940		-
Salford Museum	2,933		-
Liverpool City Council	2,792		-
Manchester Museum	2,294		-
Tameside MBC	1,500		-
Liverpool City Libraries	1,500		-
Manchester Metropolitan University	1,029		-
Trafford MBC	1,000		-
St Marys Parish	1,000		-
Blackburn with Darwen BC	1,000		-
Business In The Arts North West	-		4,000
The North West Cultural Consortium	-		2,000
Others under £1,000	4,124		625
		109,479	22,767
Total		299,622	233,188

Beneficiaries receiving under £1,000 in the year have not been separately disclosed in the analysis.

In addition to grants paid during the year, additional grants of £25,796 had been awarded at 31 March 2004.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued***10 TANGIBLE FIXED ASSETS**

	Equipment £	Fixtures & Fittings £	Total £
COST			
At 1 April 2003	104,783	35,824	140,607
Additions	16,006	30,745	46,751
At 31 March 2004	120,789	66,569	187,358
DEPRECIATION			
At 1 April 2003	99,252	35,308	134,560
Charge for the year	6,555	8,202	14,757
At 31 March 2004	105,807	43,510	149,317
NET BOOK VALUE			
At 31 March 2004	14,982	23,059	38,041
At 31 March 2003	5,531	516	6,047

11 DEBTORS

	2004 £	2003 £
Trade debtors	-	12,520
Other debtors	42,000	13,051
Short term loans to Bolton MBC	400,000	400,000
	442,000	425,571

The short term loans to Bolton MBC are subject to the rules and conditions stated in Part IV (Section 47) of the Local Government and Housing Act (1989). The loans are repayable with a seven day notice period.

12 CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Trade creditors	404,066	146,124
Other creditors	267,336	18,555
Accruals	9,906	3,700
Other taxes and social security costs	325	-
	681,633	168,379

'Other creditors' represent amounts owed to Bolton MBC for purchase invoices paid on behalf of the Charity which had not been reclaimed through the Charity's bank account by the year end date.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued*

13 GRANT COMMITMENTS

At 31 March 2004 the Charity had awarded £25,796 of grants which are unpaid at the year end as the conditions for receipt had not been met at that date (2003: £272,723). For these grant commitments the Charity has received an amount of £25,796 which has been recognised within designated or restricted income funds.

14 OPERATING LEASE COMMITMENTS

At 31 March 2003 the Charity had annual commitments under non-cancellable leases as follows:

	Land and Buildings		2004 £	Other 2003 £
	2004 £	2003 £		
Expiring within one year	24,000	-	-	3,794
Expiring within 2-5 years	47,000	23,000	-	-
	71,000	23,000	-	3,794

The lease on the Charity's offices at Wilderspool Business Park Warrington was entered into on 4 February 2004 for a period of 10 years at a current annual rental of £34,500 and a service charge of £12,500.

The lease on the Charity's Offices at Griffin Lodge, Blackburn, was renewed on 11 April 2002 for a period of 7 years at a current annual rental of £21,000 increasing to £23,000 in the second year, £24,000 in the third and subsequent years. The lease contains a break clause which would allow early termination in July 2005.

A motor vehicle lease was entered into on 15th August 2001 for a period of 3 years at an annual rental of £3,794.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total 2004 £
Fund balances at 31 March 2004 are represented by:				
Tangible fixed assets	-	38,041	-	38,041
Current assets	924,279	139,983	244,596	1,308,858
Current liabilities	(520,344)	(39,226)	(122,063)	(681,633)
Total net assets	403,935	138,798	122,533	665,266

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued***16 STATEMENT OF FUNDS**

	At 1 April 2003	Income	Expenditure	Transfers	At 31 March 2004
UNRESTRICTED FUNDS					
Designated funds:					
Capital Replacement Fund:					
Applied	6,047	-	(14,757)	46,751	38,041
Items under £500	-	-	-	-	-
Items over £500	-	-	(1,468)	1,468	-
Unapplied	35,524	-	-	(35,524)	-
	41,571	-	(16,225)	12,695	38,041
Grant Reserve Funds:					
General Grant Reserve Fund	32,765	-	-	(32,765)	-
00/01 Offered grants balance	5,000	-	(5,000)	-	-
01/02 Offered grants balance	50,865	-	(22,096)	(18,606)	10,163
02/03 Offered grants balance	30,350	-	-	(6,666)	23,684
Other funds:					
General (North West Learning Unit)	36,823	-	(14,934)	(21,889)	-
NWMLAC Contribution to continuing projects	85,000	-	-	(85,000)	-
Adult Basic Skills	-	-	(11,020)	20,000	8,980
• A 2 A	-	-	-	10,000	10,000
• Archives Festival	-	-	(15,638)	25,000	9,362
• Logjam	-	-	(7,526)	20,000	12,474
• Museums and Galleries WDP	-	-	-	7,000	7,000
• Northern Rock Foundation	-	-	-	-	-
• Older Learners	-	-	(4,609)	10,498	5,889
• Asian Womens' Workshop	-	-	(2,280)	2,280	-
• NOF - Into The Net	-	-	(5,895)	5,895	-
• Cultural Diversity Festival	-	-	(45,341)	45,341	-
• Regional Database of Disability Trainers	-	-	(1,012)	1,012	-
• Inspire	-	-	-	5,684	5,684
• EPDP	-	-	(6,837)	6,837	-
• MGEP 2 - Schools Initiative	-	-	(836)	8,357	7,521
Transitional Reserve	214,548	-	(214,548)	-	-
	455,351	-	(357,572)	2,978	100,757
Total Designated Funds	496,922	-	(373,797)	15,673	138,798
General Funds:	79,174	1,133,776	(734,411)	(74,604)	403,935
Total Unrestricted Funds	576,096	1,133,776	(1,108,208)	(58,931)	542,733

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued***16 STATEMENT OF FUNDS** *continued*

	At 1 April 2003	Income	Expenditure	Transfers	At 31 March 2004
RESTRICTED INCOME FUNDS					
Resource Additional Grants:					
(4) Cross Domain Bid 1	3,375	-	-	-	3,375
(5) Cross Domain Bid 2 (A)	625	-	-	-	625
(9) Regional Learning Support Units	1,567	-	-	-	1,567
(17) A 2 A Access to Archives Ph1	12,190	3,125	(14,765)	-	550
(18) Logjam Archives Audit	16,662	-	(25,412)	-	(8,750)
(19) Archives Festival	17,525	-	(23,775)	-	(6,250)
(20) Training & Skills Action Plan	11,255	9,500	(3,300)	-	17,455
(21) Project Grants Scheme	165,159	-	(163,047)	-	2,112
(22) Asian Women's Workshops	3,700	-	(1,420)	(2,280)	-
(23) MGEP2 - Schools Initiative	12,443	51,337	(87,674)	(8,606)	(32,500)
(25) RA Skills Sharing	2,239	750	(1,340)	-	1,649
(27) Cultural Diversity Festival	(946)	2,500	(4,054)	-	(2,500)
(29) Regional Database of Disability Trainers	2,250	750	(3,000)	-	-
(30) Adult Basic Skills	4,657	13,000	(23,907)	-	(6,250)
(40) Museum Development Fund	-	73,333	(72)	-	73,261
(36) Archives Task Force	-	750	(937)	-	(187)
(34) Inspire	-	15,000	(5,713)	-	9,287
(35) EPDP	-	60,000	(49,176)	-	10,824
Other Grants:					
(8) MDA Regional ICT Support	608	-	-	-	608
(11) NOF- Into the Net	(9,369)	22,826	(27,641)	-	(14,184)
(12) Northern Rock Foundation - Older Learners	14,125	-	(13,321)	(804)	-
(13) MDA - Web Training	3,000	-	(1,780)	-	1,220
General fund provision					
Provision for future restricted income	-	-	-	70,621	70,621
Total Restricted Income Funds	261,065	252,871	(450,334)	58,931	122,533
TOTAL FUNDS	837,161	1,386,647	(1,558,542)	-	665,266

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued***16 STATEMENT OF FUNDS** *continued***Capital Replacement Fund**

This was maintained to provide sufficient funds for the purchase of and replacement of items of capital expenditure. A budgeted contribution was provided each year with additional contributions added if particularly large items or schemes were planned. Initially, the fund was held as an unapplied balance but as items or schemes are identified they are shown separately. The cost of an asset is released to the income and expenditure account over the asset's useful life and therefore the element of this fund identified as applied is to cover such transfers. Assets purchased for less than £500 were written off immediately against the capital replacement fund.

Grant Reserve Fund

The General Grant Reserve Fund had been created principally to set aside funds to maintain the level of grants paid to members in those years where the grant from Resource has been cut or held at a standstill. In addition, other funds have been set aside to meet specific schemes as indicated.

Restricted Income Funds

- (3) The purpose of the MA/DFEE (Salford Lifelong Learning) grant fund is to support an audience development project aimed at 16-25 year olds in museums in Salford.
- (4) The purpose of the Resource (Cross Domain Bid 1) grant fund is to provide a Strategic Development Officer to produce a Regional Archives Strategy.
- (5) The purpose of the Resource (Cross Domain Bid 2 (A)) grant fund is to implement and monitor the progress of the Regional Archive Strategy.
- (6) The purpose of the Resource (Cross Domain Bid 2 (B)) grant fund is to develop the capacity of the region's museums, archives and libraries to deliver cultural diversity work.
- (8) The purpose of the MDA (Regional ICT Support) grant fund is to identify good practice in the use of ICT to improve access to Museums Collections in the region.
- (9) The purpose of the Resource (Regional Learning Support Units) grant fund is to identify the support requirements of Museums, Archives and Libraries in the region in relation to lifelong learning.
- (10) The purpose of the Resource (Archives Development Officer) grant fund is to provide an Archive Development Officer via NCA (National Council of Archives) to contribute to the development of North West Archives in partnership with Museums and Libraries.
- (11) The purpose of the NOF (Into the Net) grant fund is to develop digitised learning materials using the collections of the National Football Museum in partnership with the Foyer Network in the Region.
- (12) The purpose of the Northern Rock Foundation grant fund (Museum, Galleries and Older Learners) is to adapt and apply the principles of the "Better Government for Older People" initiative to Museums and Galleries in Cumbria.
- (13) The purpose of the MDA (Web Training) grant fund is to provide access to web design training for Museums in the region.
- (16) The purpose of the Resource (Regional Cultural Diversity Network) grant fund is to deliver three regional training seminars on cultural diversity issues.
- (17) The purpose of the Resource (A 2 A Access to Archives) grant fund is to provide online access to archival catalogues in the region.
- (18) The purpose of the Resource (Logjam Archives Audit) grant fund is to make archive collections more accessible to the public by prioritising uncatalogued repositories.
- (19) The purpose of the Resource (Archives Festival) grant fund is to promote awareness and use of key archive collections in the region.
- (20) The purpose of the Resource (Training & Skills Action Plan) grant fund is to address skills gaps in the sectors.
- (21) The purpose of the Resource (Project Grants Scheme) grant fund is to provide grants in furtherance of NWMLAC objectives.
- (22) The purpose of the Resource (Asian Women's Workshops) grant fund is to address NWMLAC cultural strategies.
- (23) The purpose of the Resource (MGEP-Schools Initiative) grant fund is to develop education and citizenship initiatives in museums and archives.
- (25) The purpose of the Resource (RA Skills Sharing) grant fund is to share experiences and skills of sector staff.
- (27) The purpose of the Resource (Cultural Diversity Festival) grant fund is to promote good practice in cultural diversity.
- (29) The purpose of the Resource (Regional Database of Disability Trainers) is to provide information on disability expertise in the region.
- (30) The purpose of the Resource (Adult Basic Skills) grant fund is to engage in adult basic skills initiatives.
- (40) The purpose of the Resource (Museum Development Fund) grant is to meet the strategic needs of non Hub museums.
- (36) The purpose of the Resource (Archives Task Force) grant is to review future strategy for archives in the region.
- (34) The purpose of the Resource (Inspire) grant is to widen participation of adults within libraries.
- (35) The purpose of the Resource (EPDP) grant is to implement a comprehensive education plan within schools.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004 *continued*

17 PENSION COSTS

The majority of the Charity's employees are members of the Greater Manchester Pension Fund which provides benefits based on final pensionable pay. The assets of the Scheme are held separately from the Charity and the last actuarial valuation was carried out on 31 March 2001. Full details of the Scheme are disclosed in the Greater Manchester Fund Accounts which are available for inspection at Tameside MBC's offices in Ashton-under-Lyne. As the council is unable to determine its share of the underlying assets and liabilities of the scheme, the contributions are accounted for as if it were a defined contribution scheme

The next valuation of the fund scheduled to commence at the 31 March 2004 is now underway.

The pension charge for the year was:

	2004	2003
	£	£
Capital cost of redundancies	192,109	-
In year non-recurring payments	13,069	-
Annual pension costs (employers contribution 11.9%)	46,825	34,316
	252,003	34,316

18 RELATED PARTY TRANSACTIONS

The Council works closely with other organisations in the region. The most significant related party transactions, in the year, were with:

Bolton MBC (BMBC) – Bolton MBC provides financial services for MLA North West with BMBC's Director of Finance being MLA North West's Honorary Treasurer. Steve Garland, Head of Museums with BMBC and Chair of North West Federation of Museums and Art Galleries was appointed as Chair of MLA North West from 7th March 2003, and was a director prior to this.

Two loans to BMBC totalling £400,000 (2003: £400,000) and an amount of £42,000 (2003: £nil) were owed to the Charity at the year end.

An amount of £267,336 was owed to BMBC by the Charity at the year end.

During the year, grants were awarded to BMBC of £8,475 (2003: £15,300), with grants paid of £19,775 (2003: £4,000).

Libraries North West (LNW) – Libraries North West appointed three Directors to MLA North West board.

During the year Libraries North West were awarded and paid grants totalling £3,430 (2003; £16,142).

19 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2004 (2003: Nil).

20 CAPITAL

The company is a private limited company limited by guarantee and not having a share capital. The liability of each member is limited to an amount not exceeding £1.

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2004

STATUS

Museums, Libraries and Archives North West (formerly known as The North West Museums, Libraries and Archives Council) was incorporated under the Companies Act on 31 March 1981. The company is a private company limited by guarantee and not having a share capital, exempted by the Secretary of State from the requirement to use the word "limited" in its name. The liability of each member is limited to an amount not exceeding £1. The company is also registered as a charity.

COMPANY NUMBER: 1554226

CHARITY NUMBER: 511412

**REGISTERED OFFICE
AND OPERATIONAL ADDRESS**

Ground Floor
The Malt Building
Wilderspool Park
Greenalls Avenue
Warrington
Cheshire WA2 6HL

HONORARY OFFICERS

Steve P Garland	Chair
David G Lightfoot	Deputy chair
Stephen Arnfield CPFA IRRV	Honorary Treasurer
Clare Connor	Company Secretary

PRINCIPAL STAFF

Clare Connor	Chief Executive Officer appointed 4.8.03
Ian Taylor	Director resigned 4.4.03
Fergus Read	Deputy Director resigned 26.10.03
Paul Parry	Assistant Director (Learning and Access) resigned 1.6.03

BANKERS

Co-op Bank plc
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1 Balloon Street
Manchester M60 4EP

AUDITORS

Warings Chartered Accountants & Registered
Auditors
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