



MUSEUMS LIBRARIES ARCHIVES  
NORTH WEST

# REPORTS AND FINANCIAL STATEMENTS

31 March 2005

# CONTENTS

	Page
Legal and administrative details	1
Directors' report	2 - 8
Auditors' report	9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 24

# LEGAL AND ADMINISTRATIVE DETAILS

**STATUS:** Museums, Libraries and Archives North West 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

<b>HONORARY OFFICERS:</b>	Steve P Garland	Chair
	David G Lightfoot	Deputy chair
	Clare Connor	Company Secretary

<b>PRINCIPAL STAFF:</b>	Clare Connor	Chief Executive
	Shirley Bridge	Head of Business Support
	Chris Chadwick	Head of Development
	Jonathan Finch	Head of Policy

**BANKERS:** Co-op Bank plc  
PO Box 101  
1 Balloon Street  
Manchester M60 4EP

**AUDITORS:** Warings Chartered Accountants & Registered Auditors  
Bedford House  
60 Chorley New Road  
Bolton BL1 4DA

# DIRECTORS' REPORT

## Chair's Foreword

During March 2004, MLA North West worked closely with MLA on a joint campaign, Investing in Knowledge, which aimed to highlight the contribution of museums, libraries and archives to the knowledge economy, and other agenda, and to encourage inward investment from government. We have continued the work of engaging with funders and stakeholders at national and regional level in order to raise awareness and increase recognition of the great contribution which museums, libraries and archives make to our region and our society.

Throughout 2004, MLA North West continued to work closely with museums, libraries and archives in the North West, not least through our key partners: the North West Museums Hub; our own Museums Policy Advisory Group; Libraries North West; and the North West Regional Archives Council.

On behalf of the Board of Management of MLA North West, I present here our annual report and accounts for the financial year 2004 to 2005.

**Steve Garland**  
Chair  
MLA North West Board of Management

# DIRECTORS' REPORT

## A Word from the Chief Executive

In September 2004, MLA North West held a launch event in St George's Hall, Liverpool titled Northern Lights: the power of culture to inspire learning. We took the opportunity to launch in the North West the Inspiring Learning for All framework for museums, libraries and archives, and we showcased throughout the event some of the exciting learning opportunities which the sector facilitates across the region, through speakers, video and exhibitions.

Over the year, we have continued to advocate the sector's contribution to learning, as well as other economic and social agendas. We believe that engagement in culture can help to change and improve the lives of individuals and communities, and we continue to make our case to key regional decision-makers and funders.

MLA North West's regional role has been increasingly recognised over the year 2004 – 2005, and we are now actively engaged in providing advice related to the sector in the North West for a range of agencies, for example the Heritage Lottery Fund and the Audit Commission.

In 2004, we launched MLA North West's magazine, In Focus, and published three themed issues, now all available on our web-site at:

[www.mlanorthwest.org.uk](http://www.mlanorthwest.org.uk)

Some other key activities from the year are highlighted in our review of activities below.

**Clare M Connor**  
Chief Executive

# DIRECTORS' REPORT

## Directors

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

	Name	Appointing Body
<b>Chair</b>	S P Garland	North West Federation of Museums & Art Galleries
<b>Deputy Chair</b>	D G Lightfoot	Libraries North West
<b>Other Directors</b>	J M Grisenthwaite *	North West Regional Archive Council
	B Jackson	North West Regional Archive Council
	J H Little	Libraries North West
	S C Roodhouse * from 18/7/2003	Board of Management
	V A Tandy from 2/5/2003	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' REPORT

## Directors who retired during the year

B Bennison to 12/11/2004	Board of Management
G Porter to 7/4/2004	North West Federation of Museums & Art Galleries
M Robinson to 13/8/2004	North West Federation of Museums & Art Galleries
J D Wertheim to 12/5/2005	Board of Management
J R Hodgson to 12/5/2005	North West Regional Archive Council
R C Green to 7/7/2005	Board of Management

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

	Name	Nominating Body
<b>Observers</b>	S Valentine	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.

# DIRECTORS' REPORT

## 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 there is a staff of 18 full and part time officers.

## Background

MLA North West is the regional strategic development agency for the museums, libraries and archives sector in the North West of England, aiming to maximise the contribution of museums, libraries and archives to the region, and to its distinctive cultural, social, educational and economic life and identity.

## Our vision

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

## Our core purpose

MLA North West exists to champion the museums, libraries and archives sector in the North West, in order to raise profile and increase investment.

## Our role

We:

- provide strategic leadership
- act as a powerful advocate
- develop capacity to promote innovation and change



# DIRECTORS' REPORT

## Review of activities

### Data Research Project

The specific objectives of the project are to identify and evaluate existing data relating to museums, libraries and archives in the region, to assess the needs for data through consultation with the sector and key stakeholders and provide MLA North West with proposals data collections needs. The final report is due in May 2005.

### Rising Stars

The fifth Rising Stars programme was run during the autumn of 2004, however it was broadened to include archives and libraries staff as well as museums staff for the first time. Fifteen junior and middle managers from all parts of the sector participated in the programme designed specifically by NTS. The course lasted for ten weeks, with participants attending a one day session each week focusing on such issues as project management and finance. Independent evaluation demonstrated that all the participants enjoyed the course and found it very worthwhile, MLA North West will undertake further evaluation to assess the impact of the programme on the participants longer term, and the organizations they work in.

### Domain Advisory groups

MLA North West was extremely pleased to complete the set of domain advisory groups during 2004/2005. Links had already been developed between the North West Regional Archives Council and Libraries North West to ensure that these organisations would act as advisory groups and sounding boards for their respective domains. The gap for the museum domain was filled when MLA North West joined forces with North West Federation of Museums and Galleries to bring together a representative cross section of individuals to create the Museums Advisory Group. The first meeting was held in January of this year.

# DIRECTORS' REPORT

## Regional Museums Strategy

MLA North West and the North West Museums' Hub have worked in partnership along with support from Culture Northwest to develop Celebrating our cultural heritage: Investing in a future for all, a strategy for the region's Museums and Galleries. The Strategy's mission is to put the museums of the region at the leading edge of cultural life in the United Kingdom, promoting the North West's exceptional sector as one of the most vibrant and innovative in Europe, for the benefit of residents and visitors. The Strategy was published in the Autumn of 2004, and over 2,000 copies have been circulated throughout the museums sector and to key stakeholders.

## Setting up of Cultural Observatory

MLA North West is a key partner in and contributor to Culture Northwest's Observatory management group. The group has been created to develop a Cultural Observatory for the region, providing cross sectoral, region wide evidence based intelligence about the North West's cultural sector and proactive advocacy of research that will inform policy and support the cultural agenda. The observatory will develop a focal point for networking, exchange of best practice and access to reliable intelligence. It will also create easier access to more accurate and reliable information to regional cultural policy frameworks, give strategic direction for the regional cultural agenda, lobby for research and underpin advocacy and result in a forum for gaining intelligence.

## The Cultural Entitlement programme: museums, archives and schools as partners in learning

The North West Cultural Entitlement Programme is a major 2 year initiative with combined funding of £360,000 from the Department for Culture Media and Sport (DCMS) and the Department for Education and Skills (DfES).

The programme is focused on museum and gallery education for school aged children and aims to stimulate demand from schools for existing museum and archive education programmes, to improve the quality of those programmes and to widen access to them.

Activities in the first year have been based firmly on the evidence provided by research with teachers and LEAs and have been targeted at archives and museums outside the Renaissance funded North West Museum's Hub.

Funding is supporting a number of posts and projects including artists working on contemporary art with local schools at Bury Art Gallery and the development of a better quality outreach service and joint marketing to schools in Blackburn.

In partnership with LEAs in Halton and Cumbria we have appointed two Cultural Development Officers to work alongside local authority staff on behalf of the cultural sector in the North West. The post in Cumbria is also supported by Creative Partnerships.

# DIRECTORS' REPORT

## Literature Matters

Literature Matters is a two-year national project, jointly funded by the DfES, the Arts Council (ACE) and MLA, which aims to enthuse trainee teachers and their tutors about children's literature, and to enable them to see the creative potential of using library services, ultimately boosting reading in schools.

In the North West, professional librarians and Initial Teacher Training (ITT) providers have been working together to develop trainee teachers as literature champions, promoting regional live literature events and family reading groups as ways of enthusing trainee teachers and school children about literature and libraries.

In November, ITT providers were engaged at Teacher Training Agency (TTA) regional meetings, and partnerships have been developed between providers and library services. A regional steering committee with ITT, TTA, library and ACE representatives has been established to monitor the project, and a regional working group has been taking Literature Matters forward practically, planning regional training for library staff for example.

## Inspire

Building on the success of the INSPIRE pilots in Liverpool and Cumbria, the INSPIRE North West Steering Group was formed in December 2004 with representation from existing library partnerships, MLA North West, and chaired by Libraries North West. The group's vision is to develop seamless access to libraries in the North West of England, and in doing so, to become a leading example of best practice for implementing INSPIRE. Links with the INSPIRE England Steering Group are ongoing.

# DIRECTORS' REPORT

## Archives Awareness

The second national Archives Awareness Campaign took place between October and December 2004 and was supported by MLA North West, through advocacy and a media training event, managed jointly with the National Council on Archives. For the first time the campaign was linked to a national media initiative, namely the BBC genealogy programme *Who Do you Think You Are*. This proved highly successful, with national evaluation indicating that those attending events had a younger and more diverse profile than both the usual visitor to UK archives and those who attended events in 2003. Regional evaluation showed that the campaign had long-term effects on archive repositories including:

- Raising user figures
- Raising public and internal profiles
- Developing new services
- Giving staff new skills
- Raising staff morale

## Access to Archives

The second Access to Archives (A2A) project, *Mills, Mansions and Corner Shops*, managed by Lancashire Record Office and supported by the Heritage Lottery Fund was successfully completed in May 2004. A third project, *Community Spirit*, also supported by MLA North West and the Heritage Lottery Fund began in July 2004 and was managed by Greater Manchester County Record Office. Both these projects are consortium projects which aim to widen access to archives, through the conversion of archival catalogues to digital format and the promotion of services to new audiences. A2A projects have been successful in both attracting new users to archives (an average of 50% of new users of the A2A database are new users of archives) and encouraging co-operative ways of working in the region.

## Designation

MLA North West assisted MLA centrally to design the extension of the Designation scheme to archives and libraries and to promote the scheme to potential participants. The decision of the independent board is expected in September 2005.

# DIRECTORS' REPORT

## Audience Development Plan

The issue of developing audiences for archives was examined in the research for a regional audience development plan. Workshops with archivists and consultation sessions with new users produced an innovative plan to widen access to archives in the north west, providing access to new collections, new ways of using collections to current users and introducing archives to new audiences. The plan includes proposals for the use of volunteers in assisting new users and the embedding of audience development practices in archive service planning. It is intended that the plan will be implemented as part of the Access All Areas project.

## Archives collections

A regional assessment of the conservation and preservation needs of archive collections was completed in a joint project between 24 archive offices, the National Preservation Office and MLA North West. This provided both a regional overview and individual office reports which have been utilised for forward planning in individual services. The regional reports highlighted buildings stock, skills and succession planning as particular issues of concern in the region.

## Manchester Pathfinder Evaluation

MLA North West supported research undertaken to prove the value of the Manchester City Library Pathfinder Project. The research amply demonstrated the success of the service in attracting new users to the Authority's web site as an integral part of the City Council's E-Government strategy and has justified further investment in the service whilst, for MLA North West, it provided a wealth of advocacy material and case studies.

## Public Libraries Visioning Group

MLA North West is pleased to have provided support for a small group of Public Library Authorities, known as the Visioning Group. Throughout the year, senior managers for some of the most dynamic services in the region were able to meet in an informal and supportive environment to share best practice in creating new directions and building stakeholder support for their services. Building on these foundations, further ongoing work for the Group has focused on practical proposals for developing regional activities.

# DIRECTORS' REPORT

## Curriculum Online

Curriculum Online is one of many ways we seek to link museums, libraries and archives to the school curriculum. The sector has rich resources on the internet, useful for a wide range of school subject from history to science and citizenship. Curriculum Online makes these riches available to schools by indexing them by teaching subject, along with other electronic resources. MLA North West organised a day seminar on Curriculum Online on 5th April, attended by over 50 representatives of the sector.

## Accreditation

In January 2005, MLA North West invited the first group of museums to apply for the new Museums Accreditation Scheme, these consisted of museums with designated collections and museums in the North West Hub. The roll out of the scheme across the region will continue over the next 5 years with future support and training seminars being planned.

The North West Regional Launch of the Museums Accreditation Scheme took place in March 2005 at the Museum of Science and Industry in Manchester. This event was run in partnership with the North West Federation of Museums and Galleries. This was a very well attended event which highlighted the benefits of applying the Inspiring Learning for All framework as a tool for planning and organisational development.

## Museums Development Fund

In August 2004 we launched the grants programme of the Museum Development Fund. There was a second round in February 2005. In total, there have been 30 successful projects which have received a total of £146,098. Projects ranged from conservation training and access to a video conferencing pilot for schools. Several of these projects are consortium projects, such as the Cheshire Museums Forum, which brings the total number of museums supported by the MDF grants fund to 53 in the North West. The MDF has also been used to support Inspiring Learning for All and Accreditation training for regional museums staff.

## Inspiring Learning for All

Since the national launch of ILFA in March 2004, MLA North West has been working with a range of museum, library and archive services to implement the framework in the region.

MPs, Heads of Service, learning practitioners and representatives from museums, libraries and archives helped to launch ILFA in the North West at the Northern Lights event at St George's Hall in Liverpool, in October 2004, which was run in partnership with Culture Northwest.

Many museum, library and archive services are exploring ways of applying ILFA to their organisations, and examples of this work leading to awards and further recognition are already emerging.

# DIRECTORS' REPORT

Successful organisations are creating new teams across their staff to embed ILFA, and services are working cross-domain, in partnership with local authority learning and education departments, to develop museums', libraries' and archives' roles in the wider work of the authority.

Staff from a range of services across the North West have formed a Learning Advocates Network, which is exploring ILFA in more detail and building on participants' ongoing work, resulting in a group of practitioners who will spread the benefit of their experience and expertise across the region.

MLA North West has also used the ILFA framework to inform its staff development and review programme, to evaluate its projects and events, and as a business planning tool.

## 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 organisation 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.

# DIRECTORS' REPORT

## 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 provided financial services to MLA North West and the director of finance was 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: 12 January 2006**



# AUDITORS' REPORT

## TO THE MEMBERS OF MUSEUMS, LIBRARIES AND ARCHIVES NORTH WEST

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

# AUDITORS' REPORT

We have audited the financial statements on pages 10 to 24 which have been prepared under the accounting policies set out on pages 12 and 13.

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 8, 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.

# AUDITORS' REPORT

## 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 2005 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  
Bedford House  
60 Chorley New Road  
Bolton

Date: 30 January 2006

# STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2005 £	Total 2004 £
<b>INCOMING RESOURCES</b>					
Activities in Furtherance of the Charity's Objects:					
MLA Core Grant	2	454,000	647,000	1,101,000	1,101,000
MLA additional grant	2	141,208	-	141,208	230,045
Other grants	3	24,184	-	24,184	22,826
Fees for services		-	-	-	6,120
Investment income	4	-	34,282	34,282	26,019
Other income		-	19,768	19,768	637
<b>Total Incoming Resources</b>		<b>619,392</b>	<b>701,050</b>	<b>1,320,442</b>	<b>1,386,647</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of Generating Funds</b>					
Fundraising & Publicity		-	-	-	7,955
<b>Charitable Expenditure</b>					
Project Grants		-	-	-	35,846
Learning & Access		134,274	147,779	282,053	-
Strategic Services 115,937		-	115,937	-	-
Advice & Information		-	-	-	160,643
Projects		100,177	91,735	191,912	514,416
Education & Training		-	-	-	150,520
Policy & Development		291,334	41,228	332,562	80,652
Training		8,414	-	8,414	-
Transitional Costs	5	-	54,083	54,083	334,137
Management, Administration & Support		1,078	473,718	474,796	274,373
<b>Total resources expended</b>	<b>7</b>	<b>651,214</b>	<b>808,543</b>	<b>1,459,757</b>	<b>1,558,542</b>

# STATEMENT OF FINANCIAL ACTIVITIES

<b>NET INCOMING/ OUTGOING RESOURCES</b>	<b>Notes</b>	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total 2005 £</b>	<b>Total 2004 £</b>
	6	(31,822)	(107,493)	(139,315)	(171,895)
Transfer between funds		83,737	(83,737)	-	-
Net movement in funds		51,915	(191,230)	(139,315)	(171,895)
Fund balances brought forward at 1 April 2004		122,533	542,733	665,266	837,161
Fund balances carried forward at 31 March 2005		174,448	351,503	525,951	665,266

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 2005

	Notes	£	2005	£	2004
	£		£		
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		43,412		38,041
<b>CURRENT ASSETS</b>					
Debtors	11	282,367		442,000	
Cash at bank and in hand		491,396		866,858	
		773,763		1,308,858	
Creditors: amounts falling due within one year	12	(291,224)		(681,633)	
<b>NET CURRENT ASSETS</b>			<b>482,539</b>		<b>627,225</b>
<b>NET ASSETS</b>	15		<b>525,951</b>		<b>665,266</b>
Represented by:					
Income funds:					
Restricted funds			174,448		122,533
Unrestricted funds:					
Designated			40,178		138,798
General			311,325		403,935
<b>TOTAL FUNDS</b>	16		<b>525,951</b>		<b>665,266</b>

The financial statements set out on pages 10 to 24 were approved by the Board of Directors on 12 January 2006

Signed on behalf of the Board of Directors

**Mr S P Garland**  
Director and Chair of the Board of Management

The notes on pages 12 to 24 form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## 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 MLA 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:

Strategic Services	7%
Access & Learning	17%
Knowledge & Development	17%
Management & Administration	37%
Programmes	22%

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

# NOTES TO THE FINANCIAL STATEMENTS

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.



# NOTES TO THE FINANCIAL STATEMENTS

## **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

## 2 MLA grant

£1,242,208 of grant was receivable during the year ended 31 March 2005 from MLA (2004: £1,331,045). This money is available for the following purposes:

	Restricted funds £	Unrestricted funds £	Total 2005 £	Total 2004 £
Core Grant	454,000	647,000	1,101,000	1,101,000
A 2 A Access to Archives	3,125	-	3,125	3,125
Training & Skills Action Plan	-	-	-	9,500
MGEP2 - Schools Initiative	-	-	-	51,337
RA Skills Sharing	-	-	-	750
Cultural Diversity Festival	-	-	-	2,500
Adult Basic Skills	6,250	-	6,250	13,000
Regional Database of Disability Trainers	-	-	-	750
Museum Development Fund	73,333	-	73,333	73,333
Archives Task Force	-	-	-	750
Inspire	5,000	-	5,000	15,000
EPDP	-	-	-	60,000
Cultural Diversity Network Ph 2	2,500	-	2,500	-
Logjam Archives Audit	8,750	-	8,750	-
Archives Festival	6,250	-	6,250	-
Strategic commissioning	36,000	-	36,000	-
	<b>595,208</b>	<b>647,000</b>	<b>1,242,208</b>	<b>1,331,045</b>

## 3 Other grants

	Restricted Funds £	Unrestricted Funds £	Total 2005 £	Total 2004 £
NOF - Museum Fever into the Net	14,184	-	14,184	22,826
Adult learners	10,000	-	10,000	-
	<b>24,184</b>	<b>-</b>	<b>24,184</b>	<b>22,826</b>

## 4 Investment income

	2005 £	2004 £
Interest receivable	34,282	26,019

# NOTES TO THE FINANCIAL STATEMENTS

## 5 Transitional costs

	£	£
Redundancy costs	40,293	260,177
Relocation fees	-	21,106
Staff training	-	303
Legal & professional	8,108	13,913
Recruitment	-	24,398
Publications	479	14,240
Travel & subsistence	3,909	-
Office running costs	1,294	-
	<b>54,083</b>	<b>334,137</b>

## 6 Net incoming/outgoing resources before transfer

is stated after charging/(crediting)	£	£
Depreciation	19,760	14,757
Directors' remuneration	-	-
Directors' reimbursed expenses	-	348
Auditors' remuneration:		
• Audit	5,875	5,235
• Other	3,525	1,410
Operating lease rentals:		
• Property	67,822	32,469
	<b>96,982</b>	<b>54,219</b>

Expenses reimbursed to 3 Directors (2004: 3) were for travel, subsistence, accommodation and conference costs.

# NOTES TO THE FINANCIAL STATEMENTS

## 7 Total resources expended

	Learning & Access	Strategic Services	Projects	Policy & Development
<b>Staff Costs (Note 8)</b>	134,766	68,133	20,625	142,936
Agency Staff	-	-	9,428	-
Recruitment	-	-	1,892	-
Staff Training	881	-	260	4,547
Travel & Subsistence	22,511	15,150	2,636	24,564
Development	19,695	1,527	83,912	21,167
Premises	-	-	-	-
Office Running Expenses	8,344	1,039	7,357	4,134
Legal, Professional and Consultancy	58,966	28,857	59,927	103,234
Audit Fees	-	-	-	-
Seminar Costs	-	-	-	-
Grants Payable (Note 9)	-	-	-	25,487
Depreciation	-	-	-	-
Advertising and marketing	36,890	1,231	5,875	6,493
	<b>282,053</b>	<b>115,937</b>	<b>191,912</b>	<b>332,562</b>

Training	Transitional Costs	Management, Administration & Support	2005 Total £	2004 Total £
-	40,293	174,646	581,399	684,680
-	-	4,740	14,168	24,731
-	-	-	1,892	36,167
8,108	-	-	13,796	6,600
244	3,909	3,876	72,890	53,261
-	-	847	127,148	-
-	-	91,022	91,022	65,571
62	1,294	102,210	124,440	71,084
-	8,108	64,088	323,180	286,213
-	-	5,875	5,875	6,645
-	-	-	-	9,211
-	-	-	25,487	299,622
-	-	19,760	19,760	14,757
-	479	7,732	58,700	-
<b>8,414</b>	<b>54,083</b>	<b>474,796</b>	<b>1,459,757</b>	<b>1,558,542</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 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.

	2005 £	2004 £
Wages and salaries	485,027	408,617
Social security costs	39,443	24,060
Pension costs:		
Capital cost of redundancies	-	192,109
In year non-recurring payments	-	13,069
Annual pension costs (employer's contribution 11.9%)	56,929	46,825
	<b>581,399</b>	<b>684,680</b>

1 member of staff had emoluments within the range of £50,000 to £60,000 in the year (2004: 1). The average weekly number of employees (full time equivalent) during the year was as follows:

	2005	2004
Management & Admin	8.20	6.87
Learning & Access	4.80	2.26
Policy & Development	4.00	0.85
Strategic Services	1.00	1.00
Projects	0.30	1.02
	<b>18.30</b>	<b>12.00</b>

### Secondment Costs

	2005 £	2004 £
Cultural Entitlement Co-ordinator (From University of Wales Swansea)	3,182	-
Archive officer (From Wirral MBC)	-	39,344
Learning Officer	-	14,224
	<b>3,182</b>	<b>53,568</b>

### Professional indemnity insurance

Insurance is held with an indemnity of £1 million at a cost of £3,176 (2004: £3,176).

# NOTES TO THE FINANCIAL STATEMENTS

## 9 Project grants expenditure

	2005 £	2005 £	2004 £
<b>Learning &amp; Access</b>			
Oldham M B Council	10,000	-	-
Rossendale Museum	8,000	-	-
Manchester City Council	2,000	-	-
Rochdale MBC	-	-	19,571
Preston City Council	-	-	12,140
Bolton MBC	-	-	11,300
Blackburn with Darwen BC	-	-	10,018
Museum of Science & Industry	-	-	10,000
University of Manchester	-	-	7,326
The Ruskin Museum	-	-	5,250
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
Lancaster University	-	-	3,576
Warrington Brough Council	-	-	3,397
Norton Priory Museum Trust	-	-	3,184
Armit Library & Museum CTR	-	-	1,532
Lakeland Arts Trust	-	-	-
Lancashire County Council	-	-	-
Rochdale MBC	-	-	-
Barrow Borough Council	-	-	-
Bury MBC	-	-	-
NTL Museum of Labour History	-	-	-
Chorley Borough Council	-	-	-
SHISHA	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

	2005 £	2005 £	2004 £
Tameside MBC	-	-	-
Quaker Tapestry	-	-	-
Prescot Museum	-	-	-
Others under £1,000	487	-	1,415
<b>Sub Total</b>	<b>20,487</b>	-	<b>109,829</b>

## Stewardship

Museum of Science & Industry	-	-	11,283
Manchester City Museum	-	-	11,000
NTL Museum of Labour History	-	-	10,698
Cheshire County Council	-	-	7,605
Salford City Council	-	-	6,000
The Ruskin Museum	-	-	4,895
Bolton MBC	-	-	4,000
Stockport MBC	-	-	3,909
Liverpool Scottish MSM Trust	-	-	3,800
Preston City Council	-	-	3,096
Oldham MBC	-	-	2,832
Burnley Borough Council	-	-	2,574
University of Manchester	-	-	2,299
City of Carlisle	-	-	2,069
Lytham Heritage Group	-	-	1,337
Englesea Brook Chapel & Museum	-	-	1,329
Bury MBC	-	-	-
Macclesfield Silk Museum	-	-	-
Armitt Library & Museum CTR	-	-	-
Rochdale MBC	-	-	-
Lancashire County Museum Service	-	-	-
Wordsworth Trust	-	-	-
Manchester Jewish Museum Trust	-	-	-
Tameside MBC	-	-	-



# NOTES TO THE FINANCIAL STATEMENTS

	2005 £	2005 £	2004 £
Chester City Council	-	-	-
Quaker Tapestry	-	-	-
Warrington Borough Council	-	-	-
Lancashire Fusiliers Museum Trust	-	-	-
Macclesfield Museums Trust	-	-	-
Lakeland Arts Trust	-	-	-
Chethams Hospital	-	-	-
Kings Own Museum Appeal	-	-	-
Millom Folk Museum	-	-	-
Lancaster City Council	-	-	-
Barrow Borough Council	-	-	-
Others under £1,000	-	-	1,588
<b>Sub Total</b>	-	-	<b>80,314</b>
<b>Other</b>			
Cumbria Arts Education	5,000	-	-
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
Oldham MBC	-	-	3,000
NTL Museum of Labour History	-	-	2,940

# NOTES TO THE FINANCIAL STATEMENTS

	2005 £	2005 £	2004 £
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	-		-
The North West Cultural Consortium	-		-
Others under £1,000	-	-	4,124
		5,000	109,479
<b>Total</b>		<b>25,487</b>	<b>299,622</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 10 Tangible fixed assets

	Office Equipment £	Fixtures & Fittings £	Total £
<b>COST</b>			
At 1 April 2004	120,789	66,569	187,358
Additions	23,069	2,062	25,131
Disposals	(97,525)	(35,823)	(133,348)
At 31 March 2005	46,333	32,808	79,141
<b>DEPRECIATION</b>			
At 1 April 2004	105,807	43,510	149,317
Charge for the year	11,558	8,202	19,760
Eliminated on disposal	(97,525)	(35,823)	(133,348)
At 31 March 2005	19,840	15,889	35,729
<b>NET BOOK VALUE</b>			
At 31 March 2005	26,493	16,919	43,412
At 31 March 2004	14,982	23,059	38,041

## 11 Debtors

	2005 £	2004 £
Other debtors	215,029	42,000
Short term loans to Bolton MBC	-	400,000
Prepayments	67,338	-
	282,367	442,000

The short term loans to Bolton MBC were 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 12 Creditors: Amounts falling due within one year

	2005	2004
	£	£
Trade creditors	270,386	404,066
Other creditors	-	267,336
Accruals	20,838	9,906
Other taxes and social security costs	-	325
	291,224	681,633

'Other creditors' represented 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.

## 13 Grant commitments

At 31 March 2005 the Charity had awarded £Nil of grants which are unpaid at the year end as the conditions for receipt had not been met at that date (2004: £25,796). 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 2005 the Charity had annual commitments under non-cancellable leases as follows:

	Land and Buildings		Other	
	2005	2004	2005	2004
	£	£	£	£
Expiring within one year	-	24,000	-	-
Expiring within 2-5 years	47,000	47,000	-	-
	47,000	71,000	-	-

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 15 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total 2004 £
<b>Fund balances at 31 March 2005 are represented by:</b>				
Tangible fixed assets	-	40,178	3,234	43,412
Current assets	430,713	-	343,050	773,763
Current liabilities	(119,388)	-	(171,836)	(291,224)
Total net assets	311,325	40,178	174,448	525,951

# NOTES TO THE FINANCIAL STATEMENTS

## 16 Statement of funds

UNRESTRICTED FUNDS	At 1 April 2004	Income	Expenditure	Transfers	At 31 March 2005
<b>Designated funds:</b>					
<b>Capital Replacement Fund:</b>					
Applied	38,041	-	(18,682)	20,819	40,178
	<b>38,041</b>	-	<b>(18,682)</b>	<b>20,819</b>	<b>40,178</b>
<b>Grant Reserve Funds:</b>					
01/02 Offered grants balance	10,163	-	(10,163)		-
02/03 Offered grants balance	23,684	-	(23,684)		-
<b>Other funds:</b>					
MLA North West contribution to continuing projects	-	-	-	-	-
• Adult Basic Skills	8,980	-	(8,980)		-
• A 2 A	10,000	-	(10,000)		-
• Archives Festival	9,362	-	(9,362)		-
• Logjam	12,474	-	(12,474)		-
• Museums and Galleries WDP	7,000	-	(7,000)		-
• Northern Rock Foundation - Older Learners	5,889	-	(5,889)		-
• Asian Womens Workshop	-	-	-		-
• Inspire	5,684	-	(5,684)		-
• Renaissance in the region	-	-	-		-
• Literacy matters	-	-	-		-
• MGEP 2 - Schools Initiative	7,521	-	(7,521)		-
Transitional Reserve	-	-	(54,083)	54,083	-
	<b>100,757</b>	-	<b>(154,840)</b>	<b>54,083</b>	-
Total Designated Funds	138,798	-	(173,522)	74,902	40,178
<b>General Funds:</b>	<b>403,935</b>	<b>701,050</b>	<b>(635,021)</b>	<b>(158,639)</b>	<b>311,325</b>
<b>Total Unrestricted Funds</b>	<b>542,733</b>	<b>701,050</b>	<b>(808,543)</b>	<b>(83,737)</b>	<b>351,503</b>

# NOTES TO THE FINANCIAL STATEMENTS

## RESTRICTED INCOME FUNDS

UNRESTRICTED FUNDS	At 1 April 2004	Income	Expenditure	Transfers	At 31 March 2005
<b>MLA Additional Grants:</b>					
(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	550	3,125	(9,925)	-	(6,250)
(18) Logjam Archives Audit	(8,750)	8,750	-	-	-
(19) Archives Festival	(6,250)	6,250	-	-	-
(20) Training & Skills Action Plan	17,455	-	-	-	17,455
(21) Project Grants Scheme	2,112	-	(2,112)	-	-
(23) MGEP2 - Schools Initiative	(32,500)	-	-	-	(32,500)
(25) RA Skills Sharing	1,649	-	(1,649)	-	-
(27) Cultural Diversity Festival	(2,500)	2,500	-	-	-
(30) Adult Basic Skills	(6,250)	6,250	-	-	-
(40) Museum Development Fund	73,261	73,333	(585)	-	146,009
(36) Archives Task Force	(187)	-	-	187	-
(34) Inspire	9,287	5,000	(14,287)	-	-
(35) EPDP	10,824	-	(10,824)	-	-
Renaissance in the region	-	454,000	(470,557)	(3,095)	(19,652)
Strategic commissioning	-	36,000	(107,802)	(1,217)	(73,019)
<b>Other Grants:</b>					
(8) MDA Regional ICT Support	608	-	(608)	-	-
(11) NOF- Into the Net	(14,184)	14,184	-	-	-
(12) Northern rock old learners	-	-	(25,000)	-	(25,000)
(13) MDA - Web Training Adult learners	1,220	-	(1,220)	-	-
	-	10,000	-	-	10,000
<b>Restricted Capital Fund</b>					
Applied	-	-	(1,078)	4,312	3,234
<b>General fund provision</b>					
Provision for future restricted income	70,621	-	-	83,550	154,171
<b>Total Restricted Income Funds</b>	<b>122,533</b>	<b>619,392</b>	<b>(651,214)</b>	<b>83,737</b>	<b>174,448</b>
<b>TOTAL FUNDS</b>	<b>665,266</b>	<b>1,320,442</b>	<b>(1,459,757)</b>	<b>-</b>	<b>525,951</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 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

- (4) The purpose of the MLA (Cross Domain Bid 1) grant fund is to provide a Strategic Development Officer to produce a Regional Archives Strategy.
- (5) The purpose of the MLA (Cross Domain Bid 2 (A)) grant fund is to implement and monitor the progress of the Regional Archive Strategy.
- (9) The purpose of the MLA (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.
- (17) The purpose of the MLA (A 2 A Access to Archives) grant fund is to provide online access to archival catalogues in the region.
- (18) The purpose of the MLA (Logjam Archives Audit) grant fund is to make archive collections more accessible to the public by prioritising uncataloged repositories.
- (19) The purpose of the MLA (Archives Festival) grant fund is to promote awareness and use of key archive collections in the region.
- (20) The purpose of the MLA (Training & Skills Action Plan) grant fund is to address skills gaps in the sectors.
- (21) The purpose of the MLA (Project Grants Scheme) grant fund is to provide grants in furtherance of NWMLAC objectives.
- (23) The purpose of the MLA (MGEP-Schools Initiative) grant fund is to develop education and citizenship initiatives in museums and archives.



# NOTES TO THE FINANCIAL STATEMENTS

- (25) The purpose of the MLA (RA Skills Sharing) grant fund is to share experiences and skills of sector staff.
- (27) The purpose of the MLA (Cultural Diversity Festival) grant fund is to promote good practice in cultural diversity.
- (30) The purpose of the MLA (Adult Basic Skills) grant fund is to engage in adult basic skills initiatives.
- (40) The purpose of the MLA (Museum Development Fund) grant is to meet the strategic needs of non Hub museums.
- (36) The purpose of the MLA (Archives Task Force) grant is to review future strategy for archives in the region.
- (34) The purpose of the MLA (Inspire) grant is to widen participation of adults within libraries.
- (35) The purpose of the MLA (EPDP) grant is to implement a comprehensive education plan within schools.

The purpose of the MLA (Renaissance in the Region) fund is for activities aimed at developing museums in the region to best meet the needs of users.

The purpose of the MLA (Strategic Commissioning) fund is to develop museums education activity.

The purpose of the MLA (Literature Matters) fund is to increase the knowledge of children's books and libraries in their initial teacher training, and to enhance links between initial teacher training providers and libraries and the literature sector.

## 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 2004. 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.

# NOTES TO THE FINANCIAL STATEMENTS

The pension charge for the year was:

	2005 £	2004 £
Capital cost of redundancies	-	192,109
In year non-recurring payments	-	13,069
Annual pension costs (employers contribution 11.9%)	56,929	46,825
	<b>56,929</b>	<b>252,003</b>

## 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 provided financial services for MLA North West up to 31/12/04 with BMBC's Director of Finance acting as 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 and £42,000 were owed to the Charity were fully repaid at the year end.

An amount £267,336 was owed to BMBC by the Charity at 31 March 2004 but was fully repaid at the year end.

During the year, no grants were awarded to BMBC (2004: £8,475), and no grants were paid (2004: £19,775).

## 19 Capital commitments

There were no capital commitments at 31 March 2005 (2004: 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.