

Beamish

The North of England Open Air Museum

Joint Committee

Annual Return 2013/2014

	Page
Introduction	2
Certification of the Annual Return	2
Foreword by the Treasurer to the Joint Committee	3
Statement of Responsibilities for the Annual Return	6
Statement of Accounting Policies	7
Annual Governance Statement	10
<u>Annual Return - Accounting Statements</u>	
Income and Expenditure Account	16
Statement of Total Recognised Gains and Losses	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Annual Return - Accounting Statements	20

Beamish Museum is owned by the constituent authorities of the Beamish Joint Committee and managed and operated by Beamish Museum (a charitable company limited by guarantee) on behalf of the Joint Committee on land owned by Durham County Council and leased to Sunderland City Council as nominee for and on behalf of the Joint Committee.

However, in July 2013 the constituent authorities approved a draft agreement to disband the Joint Committee and hand over responsibility for management of the Museum to Beamish Museum. The Joint Committee also approved the decision to surrender the existing lease with Sunderland City Council in consideration of Durham County Council granting a new 50 year lease to Beamish Museum. At a meeting held on 28th March 2014, all of the constituent authorities formally approved the proposal to dissolve the Joint Committee on 31st March 2014. As a result of this decision the constituent authorities agreed to designate Sunderland City Council as the body to certify the Annual Return and assume responsibility for all transitional financial arrangements.

Elsewhere within the Annual Return is the Annual Governance Statement which includes assurances on the systems of internal control and the governance arrangements in place during 2013/2014, which was its final year of operating before it was dissolved. This Committee is charged with ensuring that the financial reporting requirements are carried out in accordance with the relevant regulations.

G Cook
Chairman of the Audit and Governance Committee

Date: 26th September 2014

Certification of the Annual Return

As Chairman of the Audit and Governance Committee held on the 26th September 2014, I hereby acknowledge receipt of the Annual Return for 2013/2014 by this Committee, on behalf of Beamish Joint Committee and in accordance with the Accounts and Audit Regulations (England) 2003 Regulation 7(1), I confirm that the Annual Return was approved at the Audit and Governance Committee on 26th September 2014 in accordance with sub-paragraph 10 (3) (a) with regard to the aforementioned regulations.

G Cook
Chairman of the Audit and Governance Committee

Date: 26th September 2014

The Joint Committee is exempt from preparing a Statement of Accounts under the 'Code of Practice on Local Authority Accounting in the United Kingdom 2013' published by the Chartered Institute of Public Finance and Accountancy (CIPFA). It is, however, required to produce an Annual Return prepared in accordance with proper practices in relation to accounts. This means that the provisions of the Code of Practice will be relevant to the extent that they are not overridden or made redundant by statutory requirements. The Annual Return of the Joint Committee for the financial year 2013/2014 is shown in the following pages and contains the following financial statements:

- **Statement of Responsibilities for the Annual Return**
This discloses the respective responsibilities of the Joint Committee and the Treasurer.
- **Statement of Accounting Policies**
This discloses the accounting policies that are significant to the understanding of the Annual Return.
- **Annual Governance Statement**
This statement sets out the principal arrangements that are in place to ensure a sound system of internal control is maintained, which is reviewed annually and approved each year by the Joint Committee.
- **Income and Expenditure Account**
This statement brings together expenditure and income relating to all of the Joint Committee's functions.
- **Balance Sheet**
This shows the balances and reserves available to the Joint Committee, its long-term indebtedness, fixed and net current assets employed by its operations, and summarised information on the fixed assets held.
- **Statement of Total Recognised Gains and Losses**
This statement shows all of the Joint Committee's gains and losses arising in the financial year.
- **Cash Flow Statement**
This summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

The Joint Committee was dissolved on 31st March 2014 and Sunderland City Council was designated as the body to certify the Annual Return and assume responsibility for all transitional financial arrangements. As a result of the Joint Committee being dissolved all assets and liabilities held by the Joint Committee as at 31st March 2014 were transferred, as agreed, to either Sunderland City Council or Beamish Museum. The Balance Sheet of the Joint Committee therefore shows that the Joint Committee held no assets or liabilities as at 31st March 2014. The Notes to the Balance Sheet (Notes 4 to 11) include the Balance Sheet transactions that took place during the year and the subsequent transfer of the assets and liabilities as at 31st March 2014 which can be summarised as follows:

Beamish Museum	Amount £000
<u>Asset / Liability</u>	
Fixed Assets	23,642
Cash (Reserves)	79
Deferred Liability	(565)
	23,156
<u>Reserve</u>	
Capital Financing Account	(23,077)
Earmarked Reserves	(9)
Capital Development Reserve	(43)
Revenue Reserve	(27)
	(23,156)
 Sunderland City Council	
<u>Asset / Liability</u>	
Debtors	217
Creditors	(54)
Cash	(163)
	0

The revised budget estimate approved by the Joint Committee on 26th April 2013 forecast a break-even position at the year end based on a contribution from reserves of £50,731. The actual contribution made from reserves at the year end was £47,038. The Joint Committee's accumulated revenue reserve therefore decreased from £74,293 at 1 April 2013 to £27,255 at 31 March 2014. The revenue reserve and the capital development reserve will be utilised by Beamish Museum to repay historic debt in order to reduce future annual debt charges.

In September 2013, Beamish set out a programme of capital projects to improve the performance of the Museum in the Development and Engagement Plan (DEP) from 2013 to 2025, which replaced the Museum's Business and Operational Improvement Plan (BOIP). The DEP Early Priority capital programme includes seven capital project areas at a total estimated cost of £1.548m, including £1.132m of funding previously secured and brought forward from the BOIP.

During 2013/2014, work was carried out on several projects at a total combined cost of £0.681m, the details of which are included at Note 4 to the Balance Sheet.

The fixed assets, including land, buildings and the permanent collection in its entirety will be leased to Beamish Museum under the terms of the new 50 year lease and will be included on the Balance Sheet of Beamish Museum who will be responsible for all future capital expenditure.

Sonia Tognarelli - Treasurer to the Joint Committee

Date: 26th September 2014

The Joint Committee's Responsibilities

The Joint Committee is required:

1. To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For this Joint Committee, that officer is the Head of Financial Resources of the Lead Authority (Sunderland City Council), who acts as Treasurer to the Joint Committee.
2. To manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
3. To approve the Annual Return. The Joint Committee designated Sunderland City Council as the body to approve the Annual Return following the decision to dissolve the Joint Committee on 31st March 2014.

The Treasurer to the Joint Committee's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Annual Return which, in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code"), is required to present a true and fair view of the financial position of the Joint Committee at the accounting date and its income and expenditure for the year ended 31st March 2014.

In preparing this Annual Return, the Treasurer has:

1. Selected suitable accounting policies and then applied them consistently;
2. Made judgments and estimates that were reasonable and prudent;
3. Complied with the Code, except where disclosed.

The Treasurer has also:

1. Kept proper accounting records which were up to date;
2. Taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Treasurer confirms that the above responsibilities have been observed and that the accounts set out in the following pages show a true and fair view of the financial position of the Joint Committee at 31st March 2014.

Sonia Tognarelli
Treasurer to the Joint Committee
Date: 26th September 2014

1. General Principles

The Accounts have been prepared in accordance with the principles of the Code of Practice on Local Authority Accounting in the United Kingdom 2013 issued by CIPFA. They conform to the requirements of the Code of Practice as required for smaller bodies except where disclosed in the following notes:

2. Fixed Assets

Intangible Fixed Assets

Intangible fixed assets are defined in FRS 10 - Goodwill and Intangible Assets as being non-financial fixed assets that do not have a physical substance but are identifiable and are controlled by the entity through custody or legal rights. For the Joint Committee, intangible assets include software and software licences where these are assessed as bringing benefits to the Joint Committee for more than one financial year. These assets are included at cost.

Tangible Fixed Assets

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis. All expenditure on the acquisition, creation or enhancement of fixed assets is accounted for on an accruals basis and is capitalised in the Balance Sheet, provided that the fixed asset yields benefit to the Joint Committee and the services it provides, for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets, which is charged direct to the Income and Expenditure account as it is incurred.

Fixed assets are valued at original purchase cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Capital projects that are still in progress as at 31st March are classed as 'fixed assets under construction' and are shown in the Balance Sheet as non-operational assets on a purchase cost basis. These cost values are transferred to operational assets once the capital scheme has been completed.

The Museum operates a de-minimis level under which expenditure on fixed assets is charged to revenue as it is incurred. The de-minimis level has been established at a value of £10,000 for the recording of all capital assets other than vehicles which are recorded as fixed assets irrespective of cost. Asset values are not adjusted for depreciation and assets are not re-valued.

Disposals: when an asset is disposed of, the value of the asset in the Balance Sheet is written-off to the Income and Expenditure Account as part of the gain or loss on disposal. Receipts from disposals are credited to the Income and Expenditure Account as part of the gain or loss on disposal i.e. netted off against the carrying value of the asset at the time of disposal.

3. Debtors and Creditors

Revenue transactions are recorded on a system of receipts and payments during the year.

The treatment of expenditure and income that relates to periods that span the 31st March year-end requires further explanation.

a) Periodical Payments relating to periods not ending on 31st March

In these cases the charges made in the financial year reflect a 12-month period for the service provided e.g. four quarters accounts are included.

b) Debtors

The debtors in the Balance Sheet represent sums due to the Joint Committee which had not been paid by the year-end, and which are regarded as collectable.

c) Creditors

The Joint Committee uses a procurement module within its Financial Management System to account for the bulk of its creditors each year. This means that all orders for goods and services must be processed through the system with the effect that the system records and identifies all creditors as being both commitments (where the goods have been received by 31st March 2014 but not yet invoiced) and creditor payments (where the goods have been received and invoiced but not paid until the following financial year), automatically. This means that there is a significant reduction in the need for manual intervention.

d) Receipts in Advance

The Joint Committee occasionally receives funds from third parties, including grants, ahead of their intended use. Such receipts are posted to the Balance Sheet in order that they can be matched in the following year with the expenditure to which they relate.

4. Provisions

Provisions are amounts set aside to meet specific future expenditure, the amount and timing of which cannot yet be accurately determined.

5. Cost of Support Services

Sunderland City Council and Durham County Council provided support services to the Joint Committee. Sunderland City Council provides Financial, Audit, IT, Personnel and Payroll support based on a formal Service Level Agreement with the Joint Committee. The charges made for each of these service areas are calculated based on full cost recovery applied against the most appropriate apportionment basis for the service (e.g. days worked, staff numbers etc.). The associated costs are included in Running Expenses in the Income and Expenditure Account.

Durham County Council provides Legal, Committee and Property Services support to the Joint Committee on a nil cost basis.

6. Internal Interest

Interest is credited to the Income and Expenditure Account based on the level of fund balances. The amounts are calculated using 7-day money market rates.

7. External Interest

All interest payable to the Joint Committee on external borrowings undertaken by Sunderland City Council is accrued and accounted for in the accounts for the period to which they relate on the basis that the treatment reflects the overall economic effect of borrowings. Similarly, interest receivable on investments made with Sunderland City Council is also accrued and accounted for in the accounts of the period to which they relate.

8. Investments and Deferred Liability

Sunderland City Council administers all of the Joint Committee's borrowing through its Consolidated Advances and Borrowing Pool (CABP) and as such the Joint Committee does not undertake borrowing of its own. The amount of borrowing undertaken by Sunderland City Council on the Joint Committee's behalf has been recognised as a deferred liability on the Balance Sheet for 2013/2014.

All investments are made via Sunderland City Council and interest on investments is calculated on a 7-day rate and paid to the Joint Committee half yearly.

9. Value Added Tax

VAT is not included in the Joint Committee's Income and Expenditure Account as all VAT collected is payable to HM Revenues and Customs and all VAT paid is recoverable from it.

10. Loan Repayments

These transactions are included in the Income and Expenditure Account and are accrued into the appropriate financial year to which they relate.

Scope of Responsibility

The Joint Committee of Beamish, the North of England Open Air Museum is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Joint Committee has approved and adopted a local Code of Corporate Governance which is consistent with the principles of the SOLACE/CIPFA Framework, Delivering Good Governance in Local Government.

This Statement explains how the Joint Committee has complied with the SOLACE/CIPFA Framework and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Museum is directed and controlled. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Museum's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The governance framework has been in place at the Museum for the year ended 31st March 2014 and up to the date of approval of the Annual Return.

The Governance Framework

There is a clear vision of the Museum's purpose and intended outcomes that is clearly communicated, both within the organisation and to external stakeholders.

The Museum's forward plan is clearly detailed in Beamish's Future Plan 2013 - 2025, which was prepared with extensive consultation with stakeholders and approved in January 2013. It will be reviewed regularly by the Board of Beamish Museum. The Museum's Business Plan from 2009/10 to 2012/13 was the Business and Operational Improvement Plan 2009 - 2013. This plan was

prepared in 2008/09 and reviewed regularly by the Board of Beamish Museum in consultation with staff, volunteers and key stakeholders.

The Museum Director reports to the Joint Committee on a bi-monthly basis on the operation of the Museum by Beamish Museum and its trading subsidiary. The reports include details of visitor numbers, income generation, trading activity, planned events and commentary on the outcome of events that have taken place, curatorial issues, education issues and other developments.

The Museum Director continues to meet with all museum stakeholders both informally and formally, to keep them involved and informed of developments at the Museum. This includes attending meetings of the Friends of Beamish and the Beamish Development Trust.

Communication of objectives to staff and stakeholders takes place through the following means:

- Bi-monthly Beamish Museum Board and Joint Committee meetings;
- Distribution of the Future Plan 2013 - 2025 both internally and beyond the Museum including online;
- Monthly 'Catch-Up' Meetings in the Tea Room with all staff and volunteers invited, where progress and results are regularly reviewed and upcoming developments discussed openly;
- Annual staff away days including all staff. Training includes a review of the previous year's performance as well as a look at the priorities in the year ahead;
- Staff training and induction sessions, held regularly in teams from early 2009 to help develop the business plan and continue to allow staff to suggest ways of improving the visitor experience and performance of the museum;
- Attendance by the Museum Director and other officers at a number of stakeholder meetings including those with Arts Council England (Renaissance); Heritage Lottery Fund; Visit County Durham and the Durham Cultural Partnership;

The Foreword to the Annual Return sets out the Museum's priorities, how the Museum spent money on achieving these during the last financial year, and how successful the Museum has been.

Through the Museum's Investors in People (IIP) processes, a staff focus group and a volunteer focus group continues to meet to improve communication through all levels in the Museum.

The Museum's future plan has been reviewed in terms of its governance arrangements, including ways of strengthening partnerships with Local Authorities in the North East. The following actions have been taken:

- The constitution of the Joint Committee has been reviewed resulting in the decision to dissolve the Joint Committee as at 31st March 2014.

- A draft agreement / memorandum has been prepared to form a Regional Stakeholder Group which engages all local authorities and regional partners.
- The Articles and Memorandum of Understanding governing Beamish Museum are being reviewed to clarify the membership and responsibilities of the charity, including capital development of the Museum.

Through reviews by external inspectorates and funders the Museum constantly seeks ways of securing continuous improvement. The Museum has professional and objective relationships with funders and all external inspectorates.

There is an annual review of the Museum's Code of Corporate Governance to ensure that it is up to date and effective.

Arrangements exist for measuring the quality of the Museum's performance, for ensuring it is delivered in accordance with the Museum's objectives and for ensuring that they represent the best use of resources, including:

- There are clear and effective performance management arrangements including personal development plans with staff which address financial responsibilities.
- Performance reports are issued weekly and distributed via e-mail to all departments in the Museum. They are monitored weekly in operational management group meetings.
- Reports on key performance indicators and trading accounts for retail and catering are issued to all relevant managers and supervisory staff monthly.
- Services are delivered by suitably qualified / trained / experienced staff and all posts have detailed job profiles / descriptions and person specifications.
- Codes of Conduct defining the standards of behaviour for members and staff are in place, conform to appropriate standards, and are communicated and embedded across the organisation. The following are in place:
 - Members' Codes of Conduct;
 - Employees' Code of Conduct;
 - Whistle Blowing Policy.
- Standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, are reviewed and updated as appropriate and clearly define how decisions are taken and the processes and controls required to manage risks:
- The Head of Financial Resources (Sunderland) is the designated Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972 ensuring lawfulness and financial prudence of decision making, and is responsible for the proper administration of the Museum's financial affairs.

- The Legal Services Manager (Property, Planning and Projects), (Durham) is the Museum's Monitoring Officer who has maintained an up to date version of the Constitution and has endeavoured to ensure lawfulness and fairness of decision making.
- The Museum has in place up to date Procurement Procedure Rules and Financial Procedure Rules, which are subject to regular review.
- Written procedures are in place covering financial and administrative matters, as well as HR policies and procedures. These include:
 - Whistle Blowing Policy;
 - Anti Fraud and Corruption Policy;
 - Codes of Conduct;
 - Complaints Policy;
 - Procurement Codes of Practice.
- There are robust and well embedded risk management processes in place, including a Corporate Risk Profile and individual risk profiles for all new developments and business plans.
- There are comprehensive budgeting systems in place and a robust system of budgetary control, including formal quarterly and annual financial reports, which indicate financial performance against forecasts.
- There are clearly defined capital expenditure guidelines in place.
- Appropriate project management disciplines are utilised.

The core functions of an audit committee, identified in CIPFA's Audit Committees - Practical Guidance for Local Authorities, are undertaken by members. The Museum has a Board which, as well as approving the Museum's Annual Return, undertakes to:

- consider the effectiveness of the museum's corporate governance arrangements, risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance that action is being taken on risk-related issues identified by auditors and inspectors;
- be satisfied that the museum's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
- receive and consider the external audit plan;
- where appropriate, review the findings of internal audits, the main issues arising, and seek assurance that action has been taken where necessary;
- consider the reports of external audit and inspection agencies;

- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted;
- review the external auditor's opinions and reports to members, and monitor management action in response to the issues raised by external audit;

Arrangements exist to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

- The Legal Services Manager (Property, Planning and Projects), (Durham) is the Museum's designated Monitoring Officer to safeguard the legality of all Museum activities.
- The Museum maintains an internal audit service, provided by Sunderland City Council.
- The Museum is regularly audited by external funders for revenue and capital projects including Renaissance. Agencies involved include the DCMS, Heritage Lottery Fund, and Arts Council England.

Arrangements for whistle-blowing and for receiving and investigating complaints are in place and are well publicised:

- The Museum is committed to establishing and maintaining effective reporting arrangements to ensure that, where an individual, whether an employee of the Museum, a Member, or any member of the public, has concerns regarding the conduct of any aspect of the Museum's business, they can do so through a variety of avenues, promptly and in a straight forward way.
- The framework in place ensures the aims of this Policy are met are set out in the 'Whistle Blowing Policy' document.

Review of Effectiveness

The Joint Committee of the Museum has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed by feedback from Members and the work of all senior managers within the museum who have responsibility for the development and maintenance of the governance environment, any internal audit reports and also by comments made by the external auditors and other review agencies and inspectorates. Beamish Museum will continue to review the effectiveness of its governance framework.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes the following:

- The role of the Museum's Board includes the following:
 - promoting and maintaining high standards of conduct by members, co-opted members;
 - monitoring the operation of the Members' Code of Conduct;

- monitoring the operation of the Museum's Anti-Fraud and Corruption Policy so far as it relates to the actions of Members of the Museum Board;
- considering reports and complaints relating to the conduct of Members of the Board;
- All Senior Managers have participated in the annual governance review through carrying out self-assessments relating to their areas of responsibility.
- The Director has provided a Controls Assurance Statement relating to the museum, having considered the detailed self-assessments from the Senior Managers.
- Internal audit planning processes include consultation where appropriate with the Director and reviews of the Business and Operational Improvement Plan. Internal Audit carries out regular systematic auditing of key financial systems in operation at the Lead authority and used by the Museum.

The Board of Beamish Museum will be responsible for the continuous improvement of the Museum's corporate governance and internal control arrangements.

Geoff Cook
Chairman of Audit &
Governance Committee

Sonia Tognarelli CPFA
Treasurer to the
Joint Committee

Richard Evans
Museum Director

Date: 26th September 2014

Income and Expenditure Account for the Year Ended 31 March 2014

	Notes	2013/2014		2012/2013	
		£000	£000	£000	£000
Income					
Constituent Authorities contributions		59		76	
Other income		443	502	1,631	1,707
Expenditure					
Running expenses	2	124		973	
Interest payable and similar charges		20	144	22	995
Net surplus/(deficit) for year			358		712
Net operating surplus/(deficit) for the year before appropriations:			358		712
Transfer (to)/from Capital Development Reserve			238		295
Transfer (to)/from Earmarked Reserves			0		(1)
Capital Financing			(961)		(1,332)
Net surplus / (deficit) for the year			(365)		(326)

Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2014

	Notes	2013/2014 £000	2012/2013 £000
Operating Surplus/(deficit) for the year on the Income and Expenditure Account		358	712
Gain/(loss) arising on transfer of fixed assets to Beamish Museum		(23,642)	0
Gain/(loss) arising on transfer of deferred liability to Beamish Museum	9	565	0
Total recognised gains/(losses) for the year		(22,719)	712

Balance Sheet as at 31 March 2014

	Notes	2013/2014		2012/2013	
		£000	£000	£000	£000
Fixed Assets	4				
Intangible Fixed Assets		0		104	
Tangible Fixed Assets					
Operational assets:					
Infrastructure		0		2,175	
Land and buildings		0		14,960	
Vehicles, plant and equipment		0		3,158	
Community assets		0		1,127	
Non-operational assets:					
Assets under construction		0		1,437	
Deferred premiums on the early repayment of debt		0	0	0	22,961
Total fixed assets					
Long Term Investments	5	0		0	
Current Assets					
Debtors	6	0		1,146	
Total current assets		0		1,146	
Current Liabilities					
Creditors	7	0		(125)	
Cash at bank overdrawn		0		(657)	
Total current liabilities		0		(782)	
Net current assets/(liabilities)			0		364
Net assets					
Deferred Liability (Borrowing)	8		0		(606)
Total assets less liabilities			0		22,719
Capital financing account	9		0		22,354
<u>General Reserves:</u>					
Earmarked reserves	10	0		9	
Capital development reserve	11	0		282	
Revenue fund balance		0	0	74	365
Total equity			0		22,719

Cash Flow Statement for the Year Ended 31 March 2014

This statement summarises the flow of cash from revenue and capital transactions with third parties.

	Notes	2013/2014		2012/2013	
		£000	£000	£000	£000
Revenue Activities					
Expenditure:					
Cash paid to and on behalf of employees		0		0	
Other operating cash payments		128	128	976	976
Income:					
Cash received for goods and services		0		0	
Other revenue income		(986)	(986)	(443)	(443)
Servicing of Finance					
Expenditure:					
Interest paid		20		22	
Income:					
Interest received		0	20	(1)	21
Net cash flow from revenue activities	12		(838)		554
Capital Activities					
Expenditure:					
Purchase of fixed assets			780		907
Income:					
Capital grants received		(640)		(904)	
Other capital income		0	(640)	0	(904)
Net cash inflows/(outflows) before financing	16		(698)		557
Management of Liquid Resources					
Increase/ (decrease) in short term deposits	14		0		(532)
Financing					
Expenditure:					
Repayment of amounts borrowed	15		41		41
Income:					
New loans raised	15		0		0
(Increase)/decrease in cash	13		(657)		66

Notes to the Income and Expenditure Account**1. Members' Allowances**

There are no Members' allowances paid by the Joint Committee.

2. External Audit Fees

The Joint Committee has made a provision of £1,600 for fees relating to the external audit and inspection of the 2013/2014 accounts.

	2013/2014 £000	2012/2013 £000
Fees payable to the External Auditors	2	2

3. Related Party Transactions

The Code requires the disclosure of any material transactions with related parties to ensure that stakeholders are aware when these transactions take place and the amount and implications of such transactions. Relevant disclosures include the provision of support services as disclosed in the accounting policies and disclosure in respect of Government Grants which is shown in the notes to the cash flow statement. Disclosures in respect of members' interests are also required to be reported. After consultation with Members there are no disclosures to report.

Beamish Development Trust is a registered charity whose principal activity is the raising of money from industry, commerce, private trusts and individuals to support the development plans of Beamish Museum. Consequently, a close relationship exists between the two bodies. The Chairman of the Beamish Joint Committee, also sat as a Trustee on the Charity and those officers who advise the Joint Committee are also responsible for advising the Development Trust. This relationship ceased with effect from 31st March 2014.

The Joint Committee has a significant and controlling influence over Beamish Museum and Beamish Museum Trading Limited (BMTL). During 2013/2014 the Joint Committee was responsible for the assets of the Museum and made all decisions on capital schemes and procuring grants for capital development. Beamish Museum (a charitable company limited by guarantee) is responsible for managing and operating the Museum on behalf of the Joint Committee. BMTL manages all of the retailing and catering operations. All staff are employed by Beamish Museum and some are seconded to BMTL as appropriate.

Sunderland City Council charged the Joint Committee £23,223 for financial services and advice in 2013/2014.

Beamish Museum will be responsible for the assets of the Museum and for making decisions on capital schemes and procuring grants for capital development now that the Joint Committee has been dissolved.

Notes to the Balance Sheet

4. Movement of Fixed Assets

All assets on the asset register are recorded at original purchase cost. Values are only updated for subsequent additions and the assets have not been subject to depreciation or revaluation during 2013/2014. The total fixed asset value of £23.642m was transferred to Beamish Museum for inclusion on its Balance Sheet with effect from 1st April 2014. The transfer of fixed assets has not been included in the Joint Committee's Income and Expenditure Account as the assets were expensed when they were acquired not when they were transferred.

	Intangible Assets £000	Infra- structure £000	Land & Buildings £000	Vehicle, Plant & Machinery £000	Community £000	Non Operational Assets £000	Total £000
Gross Book Value 31/03/13	104	2,175	14,960	3,158	1,127	1,437	22,961
Reclassification	0	45	1,239	153	0	(1,437)	0
Additions	0	35	359	24	0	263	681
	104	2,255	16,558	3,335	1,127	263	23,642
Transfer assets to Beamish Museum	(104)	(2,255)	(16,558)	(3,335)	(1,127)	(263)	(23,642)
Gross Book Asset Value 31/03/14	0	0	0	0	0	0	0

Capital expenditure incurred in the year was £0.681m and the main items are detailed below:

Capital Expenditure	2013/2014 £000
Entrance Building (inc. toilets)	15
Eston Church	10
Hetton Band Hall	55
Transport & Industry Projects	66
Kelly's Store	10
Pit Pony Stables	91
Town Bakery	142
Hexham Goods' Stables	81
Wingate Café	25
Staff Offices	19
ICT Infrastructure	35
Home Farm Cottages	92
Chemist / Photographer's Studio	19
Colliery Mission Hut	21
	681

The capital expenditure of £0.681m was funded as detailed below:

Capital Funding	2013/2014 £000	%
Grants and contributions	443	65
Capital development reserve	238	35
	<u>681</u>	<u>100</u>

5. Long Term Investments

Beamish Museum (a charitable company limited by guarantee) is responsible for managing the Museum on behalf of the Joint Committee. Beamish Museum Trading Limited, a subsidiary of Beamish Museum Limited (BML) manages all of the retail and catering operations. Beamish Museum and its trading subsidiary were incorporated on 22/03/2006 and 05/03/2008 respectively. The new companies did not hold any assets during 2013/14 and are therefore shown at a nominal value on the balance sheet.

6. Debtors

The total Debtors balance of £217,636 was transferred to Sunderland City Council for inclusion on its Balance Sheet with effect from 1st April 2014.

	31 March 2014 £000	31 March 2013 £000
Sundry Debtors - Revenue	0	1
Sundry Debtors - Capital Schemes	195	193
VAT Refund of Input Tax	22	26
Sundry Debtors - Beamish Museum Revenue	0	926
	<u>217</u>	<u>1,146</u>
Transfer Debtors to Sunderland City Council	(217)	0
Balance as at 31 st March	<u>0</u>	<u>1,146</u>

7. Creditors

The total Creditors balance of £53,680 was transferred to Sunderland City Council for inclusion on its Balance Sheet with effect from 1st April 2014.

	31 March 2014 £000	31 March 2013 £000
Sundry Creditors - revenue	3	6
Sundry Creditors - capital	51	119
	<u>54</u>	<u>125</u>
Transfer Creditors to Sunderland City Council	(54)	0
Balance as at 31 st March	<u>0</u>	<u>125</u>

8. Deferred Liability

Sunderland City Council administers all of the Joint Committee's borrowing through its Consolidated Advances and Borrowing Pool (CABP) and as such the Joint Committee does not undertake borrowing in its own name. The amount of borrowing undertaken by Sunderland City Council on the Joint Committee's behalf has been recognised as a deferred liability on the Balance Sheet for 2013/2014. The total deferred liability of £565,192 was transferred to Beamish Museum for inclusion on its Balance Sheet with effect from 1st April 2014. The transfer of the deferred liability has not been included in the Joint Committee's Income and Expenditure Account as the loans were expensed when they were acquired not when they were transferred.

	2013/2014 £000	2012/2013 £000
Deferred Liability at 1 st April	606	647
Repayment of Borrowing	41	41
	565	606
Transfer Deferred Liability To Beamish Museum	(565)	0
	0	606

9. Capital Financing Account

The Capital Financing Account amalgamates the 2009/2010 balances from the Grants and Contributions to Deferred Account, the Revaluation Reserve and the Capital Adjustment Account, and includes the adjustments made as a result of re-stating fixed asset values to cost value and subsequent capital financing. The total Capital Financing Account of £23.077m, was transferred to Beamish Museum for inclusion on its Balance Sheet with effect from 1st April 2014. The Capital Financing Account is an unusable reserve.

	2013/2014 £000	2012/2013 £000
Balance as at 1 April	22,354	21,316
Capital Financing 2013/2014	723	1,038
	23,077	22,354
Transfer Capital Financing Account to Beamish Museum	(23,077)	0
	0	22,354

10. Earmarked Reserves

This Reserve was established in 2003/2004 to meet anticipated future expenditure in specific areas of the Museum. The total Reserve of £9,000 was transferred to Beamish Museum for inclusion on its Balance Sheet with effect from 1st April 2014.

	2013/2014 £000	2012/2013 £000
Joint Store Sinking Fund	9	9
Transfer Joint Store Sinking Fund to Beamish Museum	(9)	0
Balance as at 31 st March	0	9

11. Capital Development Reserve

The Capital Development Reserve was established with monies received from HM Customs and Excise in respect of a VAT refund on income on admissions. A subsequent VAT refund and associated interest has also been received from HM Revenue and Customs. The purpose of the Reserve is to provide funding for future Capital projects. The total Reserve of £43,226 was transferred to Beamish Museum for inclusion on its Balance Sheet with effect from 1st April 2014.

	2013/2014 £000	2012/2013 £000
Balance as at 1 April	282	577
Add: Internal interest appropriated to the Reserve	0	1
Less: Funding for grant debtor not received	0	(24)
Utilisation for capital funding in year	(239)	(272)
	43	282
Transfer Capital Development Reserve to Beamish Museum	(43)	0
Balance as at 31 st March	0	282

Notes to the Cash Flow Statement

12. Revenue Activities

The net cash flow can be reconciled to the Income and Expenditure Account as follows:

	2013/2014		2012/2013	
	£000	£000	£000	£000
Operating (Surplus) / Deficit for the year		(358)		(712)
Non revenue transactions:				
Capital Grants	443		726	
Minimum revenue provision	0		0	
Direct revenue funding	0		(23)	
Net Movement in reserves and provisions	0		0	
Other	0	443	0	703
Items on accruals basis:				
Increase / (Decrease) in debtors	(927)		561	
(Increase) Decrease in creditors	4	(923)	2	563
Net cash flow from revenue activities		<u>(838)</u>		<u>554</u>

13. Increase / (Decrease) in Cash

	Balance as at 1 April 2013 £000	Balance as at 31 March 2014 £000	Movement 2013/2014 £000
Cash at bank Overdrawn	(657)	(0)	657

14. Increase / (Decrease) in Liquid Resources

	Balance as at 1 April 2013 £000	Balance as at 31 March 2014 £000	Movement 2012/2013 £000
Short term investments	0	0	0

15. (Increase) / Decrease in Financing

	2013/2014 £000	2012/2013 £000
Minimum Revenue Payment of debt @ 4% per annum	8	8
Repayment of EIP Loan Principal	33	33
	<u>41</u>	<u>41</u>

16. Reconciliation of Net Cash Flow to Movement in Debt

	2013/2014 £000	2012/2013 £000
Increase / (decrease) in cash during year (Note 13)	657	(66)
Increase / (decrease) in liquid resources (Note 14)	0	(532)
(Increase) / decrease in financing (Note 15)	41	41
	<u>698</u>	<u>(557)</u>
Net Debt as at 1 st April	(1,263)	(706)
Net Debt as at 31 st March	565*	(1,263)
	<u>698</u>	<u>(557)</u>

* The net debt of £0.565m was transferred to Beamish Museum for inclusion on its Balance Sheet with effect from 1st April 2014. The transfer of the deferred liability has not been included in the Joint Committee's Income and Expenditure Account as the loans were expensed when they were acquired not when they were transferred, therefore the movement in debt is not included in the Cash Flow Statement (see Note 8 above).