

DEPARTMENT FOR CULTURE, MEDIA AND SPORT

**GREATER MANCHESTER MUSEUM OF SCIENCE AND INDUSTRY
TRUST ANNUAL REPORT and FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st MARCH 2009**

*Presented to Parliament
By the Secretary of State for Culture, Media and Sport
By Command of Her Majesty
January 2010*

**Company Registration No: 02067804
Charity Registration No: 518412**

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

CONTENTS

Officers and Professional Advisers	1
Report of the Trustees	2 - 10
Remuneration Report	11 - 12
Other Statutory Reports	
Statement on the System of Internal Control	13
Statement of the Trustees' Responsibilities	14
Statement of Accounting Officer's Responsibilities	14
Independent Auditors' Report	15 - 16
Financial Statements	
Consolidated Statement of Financial Activities	17 - 18
Consolidated and Charity Balance Sheets	19
Consolidated Cash Flow Statement	20 - 21
Notes to the Accounts	22 - 39

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

L Wood* (Chair)
M Bailey
D Benjamin* (Resigned 18 November 2008)
M Brooks
M Dyble
P G S Entwistle* (Resigned 19 December 2008)
P Fell* (Vice Chair – appointed 4 June 2009)
J Haxby (Appointed 12 December 2008)
C Hibbert
T A Hinchliffe
D Johnston* (Vice Chair – resigned 27 June 2008)
R Owen* (Appointed 4 June 2009)
D A Phoenix* (Appointed 4 June 2009)
M J Prior (Resigned 26 September 2008)
H Seaton
A Snape
L Wilson

*DCMS appointee. Other Trustees are appointed by the Trust Board.

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

ACCOUNTING OFFICER

S Davies

REGISTERED OFFICE

Liverpool Road
Castlefield
Manchester
M3 4FP

BANKERS

HSBC	Cater Allen Private Bank	The Co-operative Bank
4 Hardman Square	9 Nelson Street	1 Balloon Street
Spinningfields	Bradford	Manchester
Manchester	BD1 5AN	M60 4EP
M3 3EB		

SOLICITORS

Berg Legal
Scottish Mutual House
35 Peter Street
Manchester M2 5BG

AUDITORS

Beever and Struthers
Chartered Accountants
St George's House
215/219 Chester Road
Manchester M15 4JE

COMPANY REGISTRATION NO. 02067804

REGISTERED CHARITY NO. 518412

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES

The directors (who are also the Trustees) present their annual report and the audited financial statements of the Charity for the year ended 31 March 2009. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the charity.

MISSION, STRATEGY AND OBJECTIVES

The objects of the Memorandum and Articles of Association of the Trust are:

"..... to advance the education of the public by securing the preservation, restoration, improvement, enhancement and maintenance of features and objects of industrial, scientific and historical interest in the County of Greater Manchester and surrounding areas, including the provision of a museum for the display of such features and objects and the organisation of meetings, exhibitions, lectures, publications and other forms of instruction relevant to the historical and industrial development of the said area by the provision of a museum".

The Museum's vision is:

To be a world-class cultural attraction right at the heart of everything Manchester has to offer.

Manchester has been making connections across the world for hundreds of years, from its pivotal role in the international cotton trade and its pioneering scientific achievements, to its global reputation today as a hotbed of musical and creative talent, and the home of great football.

As part of the Museum's long-term development project Revolution MOSI, we aim to unlock the full potential of our historic site and create a new 21st century museum and visitor attraction that connects a passion for the past with a fascination for the future. As well as physically reconnecting MOSI with the city as part of our revolutionary development plans, our vision also aims to establish the Museum as an integral part of Manchester's regeneration, both as a tourist destination and as a centre for new and emerging industries.

MOSI's transformation into a world-class cultural attraction is set against a backdrop of city-wide regeneration and development. Manchester is positioning itself as the 'Original Modern City' and the Museum's vision and strategy aims to support and reflect that ambition. MOSI is at the heart of Manchester's cultural renaissance – and Manchester's past, present and future is, as always, firmly at the heart of the Museum.

The Museum's mission is:

To make science and industry inspirational

Over the next ten years, the Museum aims to transform its existing site, galleries and visitor experience to ensure it delivers on its mission to become a museum that will make science and industry inspirational for current and future audiences.

The first part of the site transformation will be the redevelopment of the Main Building, scheduled to start in November 2009, ready for re-opening at the end of Summer 2010. This £7.1 million development project will provide new visitor facilities including new learning facilities, an expanded Xperiment interactives gallery and a brand new gallery: Revolution Manchester. This gallery will provide a compelling and inspiring introduction to the Museum's core themes and its central storyline. It will also provide a taster of the story of Manchester's development as the world's first industrial city by showcasing some of the key achievements that have made Manchester the City it is today.

In addition to the capital programme MOSI will concentrate on the following priority areas and related goals to ensure its success:

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES (CONTINUED)

MISSION, STRATEGY AND OBJECTIVES (CONTINUED)

Priority A: Visitor experience

- To broaden our audience profile and diversity
- To improve interaction with visitors
- To develop our site to meet visitor needs and expectations
- To create marketing programmes which promote MOSI as inspiring, educational and fun

Priority B: Collections

- To develop our collections and use them to showcase our region's contribution to the world
- To care for our collections in line with the Museums, Libraries and Archives Council's benchmarks and best practice
- To provide access to collections

Priority C: Being a great employer

- To ensure MOSI is a place people want to come and work
- To recruit and retain high calibre staff
- To create a motivating, fulfilling and productive environment
- To deliver effective leadership
- To provide staff development and expertise
- To develop a thriving volunteer and placement programme

Priority D: Sustainable business

- To identify and maximise returns from revenue generating opportunities
- To optimise and continually develop systems and processes
- To ensure assets are safeguarded and resources deployed efficiently
- To operate in a sustainable, environmentally and socially responsible way

Priority E: Research, learning and engagement

- To develop audience-focused learning programmes that enrich people's lives
- To develop and deliver an engaging programme of exhibitions and events
- To showcase leading-edge scientific research and developments taking place in our region
- To interpret our collections, maximising their potential to engage
- To develop research programmes to enrich our knowledge of the Museum's themes and collections

The MOSI vision provides a very clear and prioritised path for the Museum's future development. The vision, together with the strategic priorities are reviewed periodically to ensure they are consistent with the charity's objectives and designed to make the Museum of Science and Industry truly world class in every way.

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES (CONTINUED)

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

The Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the guidance on public benefit published by the Charities Commission. Our main activities and the people who engage in them and use our facilities are described below. All of our charitable activities focus on the provision of a Museum although those activities are not limited to the Museum site itself as there are a number of outreach programmes in local communities and throughout the city and region. The Museum provides educational services including taught sessions for schools and other groups as well as exhibitions, events and lectures.

Who used and benefited from our services?

As well as members of the general public who come to visit the Museum, work is done with specific groups with activities targeted to their individual needs. These include: school children; out-of-school groups such as Brownie Guides and local community groups.

Access to our services

The Museum is open to everyone and is free at the point of entry. Its main catchment area is Greater Manchester, although every year it welcomes visitors from outside the region who are either visiting the city or have a specific interest in the items on display in the Museum.

For those who are unable to or do not wish to visit the Museum itself, there is extensive access to the collections and information about the activities of the Museum available on the website. In addition, the Museum has an outreach service which works with local communities to develop material and exhibitions which can be woven alongside existing stories and displayed in the Community Exhibition Gallery.

The impact of our work

The impact of the Museum on its visitors varies from person to person and often depends on the reasons they chose to interact with the charity in the first place. Many make repeat visits and often return to see new exhibitions and activities or to see old favourites. Our learning programmes enjoy the support of a large number of schools, whose teachers recognise the positive impact on pupils particularly when subjects covered in school are backed up with complementary activities at the Museum.

THIS YEAR'S ACTIVITIES

MOSI's record-breaking exhibition 'BODY WORLDS 4: The Original Exhibition of Real Human Bodies', enjoyed an extended run to August 2008 due to unprecedented public demand. A spin-off series of public lectures linked to the show gave visitors the chance to debate some of the most fascinating and controversial subjects in modern science from DNA databases and stem cell research to the ethics of displaying body parts.

The Museum reached a quarter of a century on its current site in September 2008 and launched a fascinating anniversary exhibition to mark the occasion. One of the only special exhibitions to be completely developed in-house, 'The Making of MOSI' was packed full of fascinating artefacts collected over the last 25 years, some of which had never been on display before. The exhibition told the story of the Museum's development over the years, constantly reflecting the changes in science and industry in Manchester and across the world. It also gave visitors a glimpse of MOSI's exciting plans for the future.

Transport was one of the major themes for MOSI's 25th anniversary year as the Museum prepared to celebrate 100 years of British aviation during 2009. 'Dreams of Flight', the first of three aviation-themed holiday events in February, included creative workshops, story-telling sessions, a bird of prey demonstration and a re-enactment of the first English hot air balloon flight, complete with new costumed character, James Sadler. Visitors also had the chance to make paper planes and see if they could fly further than the historic 30-metre flight achieved by AV Roe's triplane in 1909.

MOSI's working replica of the 'Baby', the world's first modern computer designed and built in Manchester, celebrated its 60th anniversary in July 2008 with a packed programme of activities in conjunction with the University of Manchester. Now in its new, more visible home in the Main Building, the Baby treated visitors to demonstrations, a live video link up with school children at the university and a simulator which allowed visitors to try their hand at computer programming 1940s-style! The celebrations were topped off with a visit from Geoff Tootill, one of the only surviving members of the original Baby team.

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES (CONTINUED)

THIS YEAR'S ACTIVITIES

Other key events at MOSI this year included...

... *Manchester Firsts* – a nine-day extravaganza of interactive, family fun during the May half-term, showcasing Manchester's pioneering contribution to science and industry through art, drama, demonstrations and experiments.

... The second *Manchester Science Festival* – MOSI was again a leading partner, and key venue, for this inspirational festival of scientific discovery. Highlights included Science Busking around the city, how to bend a free kick and fun science shows.

... *Take Your Place in History* – an open day for African, Caribbean and Asian visitors to delve into MOSI's archive collections and tell their stories about how Manchester's trading heritage has influenced their lives.

... *Nights at the Museum* – a unique stand up comedy night in the Power Hall featuring Paul Sinha, part of a Manchester-wide programme of unusual evening events in the city's Museums and Galleries.

... *Connecting with People's Histories* – a lottery-funded oral history project to make some of the fascinating and moving human stories connected to MOSI's collections available online.

MOSI's contribution to tourism has been recognised this year, with two prestigious awards:

The Museum's revamped website was voted Tourism Website of the Year at the annual Manchester Tourism Awards 2008 then won the regional Website of the Year prize at the Northwest Tourism Awards.

MOSI's ambition to be a world-class cultural attraction took another step forward this year when the Museum was awarded 'World Class Service' status, making it the first museum in the country to be given this accolade.

ACHIEVEMENTS AND PERFORMANCE

2008-09 DCMS FUNDING AGREEMENT CORE PERFORMANCE INDICATORS

	2008-2009
Total number of visitors	745,188
Number of unique users visiting the website	416,535
Number of adults aged 16 and over from NS-SEC 5-8	116,256
Number of children visitors aged 15 and under	298,050
Number of visits by UK adult visitors aged 16 and over from an ethnic minority background	26,828
Number of visits by UK adult visitors aged 16 and over who consider themselves to have a limiting long-term illness, disability or infirmity	53,657
Number of overseas visits	74,519
Number of facilitated and self-directed visits to the museum/gallery by children under 16 in formal education	61,816
Number of instances of children under 16 participating in on-site organised activities	41,991
Number of instances of children under 16 participating in outreach activity outside the museum/gallery	3,640

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

2008-09 DCMS FUNDING AGREEMENT CORE TARGETS

	2008-2009
Number of instances of adults aged 16 and over participating in organised activities at the museum/gallery	44,962
Number of instances of adults aged 16 and over participating in outreach activities outside the museum/gallery	2,705
% of visitors who would recommend a visit	78%
Number of UK loan venues	7
Net income from trading	£332,532

FINANCIAL REVIEW

The Museum has had another very busy year with visitor numbers of 745,188 (2008 – 819,104 visitors). The 'BODY WORLDS 4' exhibition was extended beyond its initial run and continued to draw visitors until its final day in August. In the latter part of the year, there was no blockbuster exhibition, hence the slightly reduced visitor numbers compared to the prior year, but the Museum staged a number of events and programmed activities which continued to draw crowds.

Trading and commercial activities remained buoyant with net income from trading of £332,532 being paid over as Gift Aid to the Museum. However, in the current economic climate the Museum is adopting a conservative approach and has reviewed its budget planning, making sure that it is well placed to cope with any potential drop in income. The Museum's financial needs have been carefully prioritised, with the most important being known as the 'Main Effort'. In this way everyone is clear what is the absolute priority at any given moment, if difficult choices have to be made about how to allocate resources. Income generation is now the responsibility of all departments and, along with fundraising, was the Main Effort for this year.

Total incoming resources for the group were £7,535,022 (2008 - £7,597,641). The loss for the year before depreciation (£1,327,982) and actuarial adjustments (£944,000) is £116,378 (2008 – gain of £828,319). The primary reason for the year –on – year change is a large write off, treated as an exceptional item, as noted below. In addition there was a further write off of £219,342 in relation to old fixed assets no longer in use.

Like many organisations in the UK, MOSI fell victim to the banking crisis this year, with £923,319 tied up in the Icelandic bank Kaupthing, Singer and Friedlander at the time it went into administration in October, including £9,375 of interest due. The Museum is classed as a wholesale depositor and therefore must recover its investment through the administration process. An amount of £913,944 has been written off through the SOFA in the year. Since the year end, the Museum has received its first distribution through the administration process amounting to £184,664 which is equivalent to 20p in the £. It is not yet clear how much of the investment will ultimately be recovered although the administrators have indicated that this is likely to be a minimum of 50p in the £. The Director and Senior Management Team are maintaining their efforts to keep the story in the public eye and on the MPs' agenda as they continue the campaign to get the money back.

This year saw a dedicated fundraising department in place at MOSI for the first time. A Head of Fundraising has been appointed and the team has produced a strategy designed to bring substantial funds into the Museum to support both its capital and revenue projects.

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

The group deficit for the year (after all outgoing resources, including depreciation) was £2,388,360 (2008 – surplus £94,917). As well as the items noted above, a key change was an actuarial loss of £944,000 (2008 – gain of £614,000) primarily arising on the drop in value of the assets in the pension scheme. The loss has been transferred to reserves.

The payment of a dividend is not permitted by the company's Memorandum of Association.

The Museum received a number of grants during the year for both its capital and revenue programmes. These are detailed in notes 2 and 3 to the accounts.

PLANS FOR FUTURE PERIODS

While MOSI awaits the rebirth of the Main Building, the anniversary theme that dominated this year continues into 2009-10. The Museum will be celebrating the centenaries of the first all-British flight and the first Beyer-Garratt locomotive, while the extraordinary Da Vinci exhibition looks set to be MOSI's biggest and best yet.

With a new festival director, due to start in May 09, MOSI's input into the third Manchester Science Festival looks set to bring more people, activities and cutting edge science than ever to the Museum. As co-supporter of the festival with the Northwest Development Agency, MOSI is leading the organisation of the packed programme of events, and is one of the key venues in the city. Once again there will be a host of exciting, hands-on activities taking place across Greater Manchester to get people exploring, talking about, getting excited by and doing science.

MOSI will have a presence at the South Korea Science Festival, one of the largest science festivals in the world, for the first time in August 2009. The festival directors were so impressed by the Museum when they visited the Manchester Science Festival, they invited MOSI - one of only a handful of organisations from outside Korea – to participate. The MOSI team will present 'The Science of Sound' complete with science busking, hands-on experiments, images from the collections and a tribute to the 'Manchester Sound', showcasing the city's contribution to the music industry.

A huge gathering of Beyer-Garratt locomotives, celebrating 100 years since the first one rolled off the production line, is set to be the impressive finale of MOSI's biggest ever Transport Festival. The nine-day event includes a 'Roaring Road Rally', a car building challenge, a chance to recreate one of Da Vinci's incredible moving machines, plus lots of transport-themed activities.

STAFFING, STRUCTURE, GOVERNANCE AND MANAGEMENT

Trust Governing Document

The Greater Manchester Museum of Science and Industry Trust is a private company limited by guarantee, governed by its Memorandum and Articles of Association. The Memorandum of Association of the company is such as to exempt it, under the provisions of Section 30 Companies Act 1985, from including "limited" as part of its name.

It is a registered charity with the Charity Commission (number 518412) and its company registration number is 02067804. The Trust is funded by the Department for Culture, Media and Sport (DCMS). DCMS follows the Office of National Statistics in classifying the Museum as a Central Government Non-Departmental Public Body (NDPB). The Museum therefore has to comply with certain reporting requirements and disclosures.

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES (CONTINUED)

Trustees

The Trustees who served during the year and since the year end are shown on page 1.

In accordance with the Articles of Association Lorelly Wilson, Howard Seaton and Tony Snape retire and, being eligible, offer themselves for re-election.

Appointment of Trustees

Trustees are appointed by the members at the general meeting after nomination by the Trustees or a member qualified to vote at the meeting, subject to Articles 42 and 43. Four of the Trustees are appointed by DCMS and these are identified on page 1.

The Trustees sign a formal declaration on appointment, and at regular intervals thereafter, which lists other directorships and any other interests which potentially may conflict with their obligations as Trustees. Details are kept in a Register of Interests and are available for inspection at the Registered Office upon request.

Trustee Recruitment, Induction and Training

The balance of the Trust Board with respect to relevant skills, expertise and equality and diversity is monitored on an ongoing basis by the Corporate Governance Committee. All vacancies are promoted on the Museum website.

Before formally joining the Board, each new Trustee receives a detailed briefing pack outlining their role and responsibilities together with detailed information about the Museum - its operational context, structure and strategy. A formal personal induction meeting is arranged with the Trust Chair and the Museum Director, which includes a site tour and introductions to other members of the Museum team.

The Trust Board monitors performance and evaluates its training needs on an ongoing basis. Trustees regularly attend meetings and professional development seminars in order to ensure they are observing best practice in Governance issues.

Organisation

The organisation is overseen by the Board of Trustees, who work on a voluntary basis. The Board has a governance role and meets three times a year to approve plans and budgets, to check progress and financial results against those plans and to ensure that the organisation is being run in an effective and appropriate manner. The Board has established two sub-committees to oversee particular aspects of the organisation's activities and performance, namely the Finance and Audit Committee (incorporating Risk Management) and the Corporate Governance Committee. In addition, there is a separate Board of Directors for MSIM Enterprises Limited, the Museum's trading company.

The strategic management of the charity and the setting of its overall direction is undertaken by the Director, supported by the Senior Management Team.

New Director

Former senior Army officer Steve Davies MBE took the helm in August 2008. As a railway enthusiast, Friend of the Museum and original member of the Liverpool Road Station Society, Steve brings a passion for industrial heritage and a wealth of knowledge to MOSI, along with strong and proven leadership qualities.

The new Director spent much of his first few weeks scrutinising every inch of the 2.7 hectare site and talking to staff and visitors about their experience of the Museum. The result was a root and branch review of MOSI's operations designed to bring everything, from paintwork to people, up to world class standard to ensure the Museum's ambitious development plans are built on solid foundations.

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES (CONTINUED)

STAFFING, STRUCTURE, GOVERNANCE AND MANAGEMENT

Staff

Headcount as of 31 March 2009 was 122. This comprises:

- 65 women; and 57 men
- 89 full time members of staff
- 33 part time members of staff

The average number of sick days lost due to sickness during the year was 6 days; 5 days excluding long term sickness.

Permanent staff are entitled to join the Greater Manchester Pension Fund, which is a funded defined benefit scheme. The Museum accounts for its pension scheme under the provisions of FRS 17 'Retirement Benefits' and further details of the scheme are included in note 10 to the accounts.

The charity has a structure for communicating information to, and consulting with, its employees. This is done by regular meetings between senior and operational managers, the outcome of which is communicated to other staff via departmental briefings. In addition there are periodic "all – hands" briefings, newsletters and intranet updates, which are accessible by all members of staff.

Since its inception, The Museum of Science and Industry has run a successful Friends and Volunteers' programme. Work carried out by these individuals has been integral to the development and success of the Museum over this period. Our Friends and Volunteers are a committed, diverse range of people aged from 18 to 80. Some have senior roles in industry, others are studying a project at university or possess specialised skills that relate to our exhibits and collections. Some simply have an interest in the Museum and like to contribute in whatever way they can. As an organisation we wish to continue that invaluable contribution and further develop the Museum to enhance learning and enjoyment for everyone. At the end of the financial year there were 80 active volunteers and 143 Friends of the Museum.

Related Parties

The DCMS is regarded as a related party and during the year, the Museum has had various material transactions with the DCMS. The Trustees have taken advantage of the exemption in paragraph 4(c) of FRS 8 in respect of disclosure of these transactions.

The charity has one wholly owned subsidiary, MSIM Enterprises Limited. The results of its subsidiary are consolidated into the group accounts on a line by line basis. MSIM Enterprises Limited has its own board of directors made up of Trustees, members of the charity's senior management team and independent directors.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finance of the organisation, and are satisfied that procedures and systems are in place to mitigate exposure to risks. Further information is contained in the Statement of Internal Control on page 13.

Investment Powers

The Memorandum and Articles of Association of the Trust contain the following investment powers:

To invest the monies of the Trust not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

During the year, the Museum invested funds not immediately required in high interest deposit accounts and bank deposits. Details of returns from these bank deposits are included in the financial statements.

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

REPORT OF THE TRUSTEES (CONTINUED)

Reserves Policy Statement

The charity's general reserve has decreased from a surplus of £1,528,181 to a surplus of £763,416. The Trustees recognise the need to maintain a level of reserves, which is appropriate to the needs of the charity, bearing in mind the nature of the income and expenditure streams and the need to balance variable income with a number of fixed commitments. The Trustees have conducted a review of the reserves of the charity and have established the desired level of general reserves. The current planning process of the Museum is designed to ensure that an appropriate level of reserves is maintained and that accumulated reserves will be used in future years to support forthcoming developments.

The charity has a number of designated and restricted funds, which are represented by fixed assets. The purpose of these funds is detailed in the financial statements.

Equal Opportunities Employment Policy

The Museum recruits, develops and trains staff regardless of gender, sexuality, ethnic background, marital status, disability or religious belief. Equal opportunities monitoring forms part of the recruitment process, ensuring information is captured and analysed. The process is managed to ensure that candidates are selected solely on their suitability for the post. In line with current legislation, the Museum takes all reasonable steps to accommodate any specific requirements at interview that may be necessary for people with disabilities. Equally, reasonable steps are also taken to adapt working practices or equipment for any staff who become disabled while in employment.

Creditor Payment Policy

The Museum operates a system, which is designed to ensure that all proven creditors are paid within 30 days of the date of the invoice, unless agreed otherwise. The Museum is a signatory to the Better Payment Practice Code.

Auditors

Beever and Struthers are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by the Board of Trustees.

Signed on their behalf by:

S Davies, Accounting Officer

18 January 2010

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

Remuneration Report

Year Ended 31 March 2009

Remuneration Policy

The Accounting Officer and senior staff are paid as per DCMS guidelines and approved in the pay remit, submitted annually. No other Directors received payment during the year. The Accounting Officer is paid at a salary level agreed by the Corporate Governance Committee and Board. His remuneration package includes a performance related bonus of up to 15% of annual salary. The Museum does not have a separate Remuneration Committee.

Salaries of other staff are also determined in accordance with DCMS guidelines by the pay remit process and overall salary budgets are approved by the Board.

Service Contracts

The director's contract contains provision whereby either the company or the employee may terminate the employment by giving six months' notice in writing. During the initial probationary period of 6 months, notice is one month from either party.

For Senior Managers, either the company or the employee may terminate the employment by giving three months' notice in writing. During the initial probationary period of 6 months, notice is one week from either party.

Salaries and Pension Benefits

Mr Tony Hill, who was the Acting Director at the start of the financial year, was the Accounting Officer until 10 August 2008 and was the highest paid employee during the year. The new Director, Mr Steve Davies, was appointed on 11 August 2008 and was Accounting Officer from that date. Their total emoluments for the year to 31 March 2009 were as follows:

<u>Mr Tony Hill</u>	2009	2008
	£	£
Emoluments	77,159	58,099
Pension costs	9,511	7,792
	<hr/>	<hr/>
	86,670	65,891

The emoluments figure comprises £67,159 (2008 - £58,099) pensionable salary and a bonus of £10,000 (2008 - £nil). At 31 March 2009, Mr Hill had an accrued pension of £3,250 (2008 - £2,009) and on retirement he is entitled to a lump sum equivalent to three years' pension. The pension increase, net of inflation, in the year to 31 March 2009 was £1,205.

<u>Mr Steve Davies</u>	2009	2008
	£	£
Emoluments	56,292	-
Pension costs	7,364	-
	<hr/>	<hr/>
	63,656	-

The emoluments figure comprises £56,292 (2008 - £Nil) pensionable salary. No bonuses were paid in the year to 31 March 2009 (2008 - £nil). A bonus of £8,367 was paid in April 2009 in respect of the year ended 31 March 2009. At 31 March 2009, Mr Davies had an accrued pension of £699 (2008 - £nil) and on retirement he is entitled to a lump sum equivalent to three years' pension. The pension increase, net of inflation, in the year to 31 March 2009 was £699.

Other senior staff have not consented to further publication of salary or pension information.

Greater Manchester Museum of Science and Industry Trust

Annual Report and Financial Statements – 31 March 2009

Remuneration Report

Year Ended 31 March 2009

Remuneration

Remuneration includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. The report is based on payments made by the Charity and thus recorded in these accounts.

All remuneration payments in the year were in cash and employees received no benefits in kind.

There have been no payments to senior managers in the year for compensation for loss of office, nor any for former managers.

Pensions

The Museum of Science and Industry in Manchester is an admitted body of the Greater Manchester Pension Fund ("the scheme"), which is a funded, defined benefit scheme.

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Statement of Financial Activities so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

The pension costs are assessed on the advice of a professional qualified actuary using the projected unit method. The scheme is funded in advance by contributions from its members, including the company and its employees at rates assessed by the scheme actuary in regular funding reviews.

Pension scheme assets are valued at market value at the balance sheet date. The pension scheme deficit is recognised in full on the Balance Sheet.

Further details of the pension scheme can be found in note 10 to these accounts and at the website www.gmpf.org.uk

Signed:

S Davies, Accounting Officer

Date: 18 January 2010

Greater Manchester Museum of Science and Industry Trust

Statement on the System of Internal Control Year ended 31 March 2009

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Museum's policies, aims and objectives, whilst safeguarding the public funds and the Museum's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it 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 Trustees and Management recognise the importance of risk management and it has been given a high priority during the year. The Museum has made substantial progress since last year and has a system in place at 31 March 2009, and up to the date of approval of the annual report and accounts, which accords with Treasury guidance.

The risk management processes have developed at different points throughout the year and improvements have been made on the advice of the internal auditors. At the year-end, the system in place is as follows:

- Risk Management is overseen by the Finance and Audit Committee and is a standing agenda item on each Committee meeting.
- Updates are given to each meeting of the Board of Trustees by the Risk Manager and the Chairman of Finance and Audit Committee.
- A detailed risk register has been prepared, which shows the risks to which the Museum is exposed, evaluated for likelihood and impact of occurrence. In addition, controls to mitigate those risks have been identified.
- Each risk has been assigned an 'owner', whose role is to ensure testing of the control, building of the controls where they are weak or lacking, and drawing up an action plan for further improvement.
- The new Director introduced changes to the risk management system and risk register in order to make it more focussed and effective.
- The new risk register has been communicated to managers in the Museum and will be further enhanced in the coming year based on both Trustees' and management's input.

The Museum employs independent Internal Auditors who operate to standards defined in the Government Internal Audit Standards. They submit regular reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Museum's system of internal control, together with recommendations for improvement. The Internal Auditors last reviewed Risk Management in March 2009 and made some recommendations for improving the new system. These will be implemented in the coming year.

Data loss and information management – the Museum suffered no protected personal data incidents during 2008-09 or prior years, and has made no reports to the Information Commissioner's Office.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, the Finance and Audit Committee which oversees the work of the Internal Auditors, the executive managers within the Museum who have responsibility for the development and maintenance of the internal control framework, and comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Finance and Audit Committee.

S Davies

Accounting Officer

Date: 18 January 2010

Greater Manchester Museum of Science and Industry Trust

Statement of the Trustees' responsibilities in respect of the Accounts Year ended 31 March 2009

The Trustees (who are also directors) of The Greater Manchester Museum of Science and Industry Trust are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Charity at the end of the financial year and of the surplus/deficit of the Charity for that period. In doing so the Trustees are required to:-

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the accounts on the going concern basis unless it is inappropriate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Charity's accounting records, cash holdings and all its receipts and remittances.

In accordance with company law, as the company's directors, we are satisfied that:

- There is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

L Wood
Chairman of Trustees

Date: 18 January 2010

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

The Department for Culture, Media and Sport has directed Greater Manchester Museum of Science and Industry Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of the affairs of Greater Manchester Museum of Science and Industry Trust and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by The Department for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

The Department for Culture, Media and Sport has appointed Steve Davies as Accounting Officer of Greater Manchester Museum of Science and Industry Trust. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Greater Manchester Museum of Science and Industry Trust's assets, are set out in the Non-Departmental Public Bodies Accounting Officer's Memorandum issued by the Treasury and published in Managing Public Money.

S Davies
Accounting Officer

Date: 18 January 2010

Independent Auditors' Report To The Members of The Greater Manchester Museum Of Science And Industry Trust

Independent Auditors' Report to the Members

We have audited the Financial Statements of the Greater Manchester Museum of Science and Industry Trust for the year ended 31 March 2009 set out on pages 17 to 39 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an auditor's 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 Charity and the Charity'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

The Directors' (who are also the Trustees of The Greater Manchester Museum of Science and Industry Trust) responsibilities for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statements of Trustees' Responsibilities. As described in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for ensuring the regularity of financial transactions.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

We also report to you if, the Trustees' Report is not consistent with the Financial Statements, if the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Charity are not disclosed.

We reviewed whether the statement on internal control reflects the Charity's compliance with Treasury's guidance "Corporate Governance: statement on the system of internal control". We report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with the information we are aware of from our audit of the financial statements.

We read other information contained in the Trustees' Report (or, where appropriate, the Annual Report), and consider whether it is consistent with the audited Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

**Independent Auditors' Report To The Members of
The Greater Manchester Museum Of Science And Industry Trust**

Independent Auditors' Report to the Members (Continued)

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant 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 and that, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and the group as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985;
- In all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.
- The information given in the Trustees ' Report is consistent with the financial statements.

BEEVER AND STRUTHERS
Chartered Accountants & Registered Auditors
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date: 18 January 2010

Greater Manchester Museum of Science and Industry Trust

Consolidated Statement of Financial Activities (including Income and Expenditure Account)

Year ended 31 March 2009

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2009 £	Total funds 2008 £
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Voluntary income:</i>					
Gifts, legacies and donations	4	9,272	-	9,272	16,210
Grants	2	4,788,000	-	4,788,000	4,171,000
<i>Activities for generating funds:</i>					
Commercial trading operations		786,533	-	786,533	1,950,618
<i>Investment income:</i>					
Bank interest		63,934	-	63,934	80,482
<i>Incoming resources from charitable activities:</i>					
Galleries and displays	3	-	20,000	20,000	136,155
Collections		4,219	6,913	11,132	82,134
Admissions and exhibitions		1,541,874	-	1,541,874	685,560
Learning, outreach and public engagement		89,747	145,970	235,717	165,905
Other income from activities on site		68,560	10,000	78,560	309,577
TOTAL INCOMING RESOURCES		7,352,139	182,883	7,535,022	7,597,641
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		33,653	-	33,653	14,082
Costs of commercial trading operations		414,792	-	414,792	1,321,050
Charitable activities					
Galleries and displays		2,231,323	1,071,370	3,302,693	3,707,013
Collections		924,525	5,966	930,491	878,588
Admissions and exhibitions		2,337,115	1,724	2,338,839	943,194
Learning, outreach and public engagement		1,014,833	23,197	1,038,030	969,504
Other costs of activities on site		122,965	-	122,965	268,166
Governance costs		46,639	-	46,639	76,127
Other resources expended: finance (income)		22,000	-	22,000	(71,000)
Total resources expended excluding notional cost charge	7	7,147,845	1,102,257	8,250,102	8,106,724
Exceptional item	25	729,280	-	729,280	-
Notional cost charge	6	117,165	-	117,165	124,199
Total resources expended including notional costs		7,994,290	1,102,257	9,096,547	8,230,923
Notional cost credit		(117,165)	-	(117,165)	(124,199)
TOTAL RESOURCES EXPENDED		7,877,125	1,102,257	8,979,382	8,106,724
Net outgoing resources before transfers and tax		(524,986)	(919,374)	(1,444,360)	(509,083)

Greater Manchester Museum of Science and Industry Trust

Consolidated and Charity Balance Sheets 31 March 2009

	Note	Group		Charity	
		2009 £	2008 £	2009 £	2008 £
FIXED ASSETS					
Tangible assets	11	12,750,228	13,541,620	12,724,860	13,512,577
Investment in subsidiary	12	-	-	108,683	108,683
		<u>12,750,228</u>	<u>13,541,620</u>	<u>12,833,543</u>	<u>13,621,260</u>
CURRENT ASSETS					
Stocks	14	48,379	51,693	-	-
Debtors	15	463,487	416,988	548,980	489,100
Cash at bank and in hand		<u>1,192,480</u>	<u>2,303,020</u>	<u>1,020,842</u>	<u>2,143,674</u>
		1,704,346	2,771,701	1,569,822	2,632,774
CREDITORS: amounts falling due within one year	16	<u>(552,254)</u>	<u>(1,021,641)</u>	<u>(533,085)</u>	<u>(994,394)</u>
NET CURRENT ASSETS		<u>1,152,092</u>	<u>1,750,060</u>	<u>1,036,737</u>	<u>1,638,380</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,902,320	15,291,680	13,870,280	15,259,640
Pension Liability	10	<u>(1,298,000)</u>	<u>(299,000)</u>	<u>(1,298,000)</u>	<u>(299,000)</u>
		<u>12,604,320</u>	<u>14,992,680</u>	<u>12,572,280</u>	<u>14,960,640</u>
FUNDS					
Restricted funds	17	10,214,343	11,133,717	10,214,343	11,133,717
Unrestricted funds:					
Designated funds	18	2,892,521	2,597,742	2,892,521	2,597,742
General funds	18	<u>763,416</u>	<u>1,528,181</u>	<u>763,416</u>	<u>1,528,181</u>
Unrestricted funds excluding pension liability		3,655,937	4,125,923	3,655,937	4,125,923
Pension liability		<u>(1,298,000)</u>	<u>(299,000)</u>	<u>(1,298,000)</u>	<u>(299,000)</u>
Total unrestricted funds		2,357,937	3,826,923	2,357,937	3,826,923
Non-charitable trading funds	18	<u>32,040</u>	<u>32,040</u>	-	-
Total Funds		<u>12,604,320</u>	<u>14,992,680</u>	<u>12,572,280</u>	<u>14,960,640</u>

Approved by the Trustees and signed on their behalf by:

Laurie Wood

Chairman of Trustees

18 January 2010

Greater Manchester Museum of Science and Industry Trust

Consolidated Cash Flow Statement Year ended 31 March 2009

	Note below	2009 £	2008 £
Net cash (outflow) / inflow from operating activities	I	(636,467)	1,265,958
Returns on investments and servicing of finance	II	62,516	79,629
Net cash outflow from capital expenditure and financial investment	III	(536,589)	(2,762)
Net cash (outflow) / inflow before use of liquid resources		(1,110,540)	1,342,825
(Decrease) / increase in cash in the year	IV	<u>(1,110,540)</u>	<u>1,342,825</u>

I. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group 2009 £	Group 2008 £
Net outgoing resources	(715,080)	(509,083)
Kaupthing Singer & Friedlander funds written off	(729,280)	-
Interest receivable	(63,934)	(80,482)
Depreciation - fixed assets	1,327,982	1,347,402
Decrease / (Increase) in stock	3,314	(16,875)
Increase in debtors	(45,082)	(82,555)
(Decrease) / Increase in creditors	(469,387)	588,551
Provision for service cost of defined benefit pension scheme net of pension scheme contributions paid	33,000	90,000
Defined benefit pension scheme finance cost / (income)	22,000	(71,000)
Net cash (outflow) / inflow from operating activities	<u>(636,467)</u>	<u>1,265,958</u>

II. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Group 2009 £	Group 2008 £
Interest received	<u>62,516</u>	<u>79,629</u>
Net cash inflow from returns on investments and servicing of finance	<u>62,516</u>	<u>79,629</u>

Greater Manchester Museum of Science and Industry Trust

Consolidated Cash Flow Statement (continued) Year ended 31 March 2009

III. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	Group 2009 £	Group 2008 £
Purchase of tangible fixed assets	755,934	410,443
Disposal of tangible fixed assets	(219,345)	(407,681)
Net cash outflow from capital expenditure and financial investment	<u>536,589</u>	<u>2,762</u>

IV. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Group 2009 £	Group 2008 £
(Decrease) / Increase in cash in the year	(1,110,540)	1,342,825
Movement in net funds in the year	(1,110,540)	1,342,825
Net funds at start of year	<u>2,303,020</u>	<u>960,195</u>
Net funds at end of year	<u>1,192,480</u>	<u>2,303,020</u>

V. ANALYSIS OF NET FUNDS

Group	2008 £	Cash flow £	2009 £
Cash at bank and in hand	<u>2,303,020</u>	(1,110,540)	<u>1,192,480</u>
	<u>2,303,020</u>	<u>(1,110,540)</u>	<u>1,192,480</u>

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

1. ACCOUNTING POLICIES

Basis of preparation

The Financial Statements are prepared under the historical cost convention, modified to include the revaluation of tangible fixed assets at their value to the Museum by reference to current costs at the balance sheet date as determined in the Accounts Direction. The Museum believes that the modified historic costs are not materially different to the historic costs shown in the Balance Sheet.

The Financial Statements have also been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", published in March 2005, the Accounts Direction issued by the Department for Culture Media and Sport and applicable United Kingdom accounting policies. The Accounts Direction can be obtained from the Charity's registered office. The particular accounting policies adopted by the Trustees are described below.

The Statement of Financial Activities (SOFA) and Balance Sheets consolidate the financial statements of the charity and its subsidiary undertaking. The result of the subsidiary is consolidated on a line by line basis.

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

The Trustees consider that the Museum is a going concern and it is appropriate to present the accounts on that basis.

INCOMING RESOURCES

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt. Where a claim for repayment of income tax has or will be made, such income is grossed up for tax recoverable. The following accounting policies are applied to income:

Grants receivable from Government bodies for revenue expenditure

Grants are recognised on a cash basis.

Grants receivable from Government bodies for capital expenditure

Grants are recognised on a cash basis in accordance with the terms of the grants as restricted funds or unrestricted funds. Any restricted fund is subsequently reduced by the depreciation charge on the assets purchased.

Other Grants receivable

Other grants are recognised on an accruals basis where the terms of the Grant have been met and the future receipt is therefore certain.

Donations

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure. Cash collections to which the charity is entitled but which it has not received by the year end are included in incoming resources in the statement of financial activities and shown as debtors in the Balance Sheet.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

1. ACCOUNTING POLICIES (continued)

Donated assets

Assets given for use by the charity are recognised as incoming resources at their estimated market value when receivable, where the valuation is reasonably obtainable and reliable. If they form part of the fixed assets at the year end, they are included in the Balance Sheet at the value at which the gift was included in incoming resources, less any provision made for depreciation.

All estimates of the value of the gifts are made by the Trustees, with the assistance of Collections Department staff and on the basis of available information.

Investment income

Investment income is accounted for when receivable and includes the related tax recoverable.

RESOURCES EXPENDED

Allocation of costs

The charity's operating costs include staff costs, premises costs and other related costs. Such costs are allocated between costs of generating funds, charitable activities and governance costs. Staff costs are allocated according to the costs of staff working directly in the relevant activity and property costs are allocated according to the space used by each activity. Where costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

Cost of generating funds

Fundraising and publicity

Fundraising and publicity costs represent expenditure in relation to staff members who are directly engaged in publicity and fundraising, and related costs of the publicity and fundraising activity.

Commercial trading operations

Costs of commercial trading operations represent the costs of the Museum's subsidiary, MSIM Enterprises Limited, further details of which are presented in note 13 to the accounts.

Charitable expenditure

Costs of activities in furtherance of the charity's objects includes all expenditure directly related to the objects of the charity analysed by activity, together with allocations of depreciation and other costs attributable to the activity.

Governance costs

Governance costs represent expenditure incurred in the general running of the charity and include internal and external audit, legal costs and costs ensuring compliance with constitutional and statutory requirements.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

1. ACCOUNTING POLICIES (continued)

Fund accounting

The charity maintains various types of funds as follows:

Restricted funds

Restricted funds represent grants and donations received which are allocated by the donor for specific purposes. The purpose and use of the restricted funds are set out in the notes to the accounts.

Unrestricted funds

Unrestricted funds are made up of:

Designated funds

Designated funds are amounts which have been put aside at the discretion of the Trustees for specific purposes.

General unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Tangible fixed assets

Following the abolition of the Greater Manchester Council on 31 March 1986 the ownership of the land and buildings at the Castlefield site, Manchester, occupied by the Museum was transferred to the newly incorporated Greater Manchester Museum of Science and Industry Trust. Restrictions have been placed on the disposal of the land and buildings which form a unique site comprising five listed buildings, including the world's oldest surviving passenger railway station. Consequently it is impossible to establish a sufficiently reliable valuation of the site and no value has been attributed thereto in the financial statements. Expenditure on subsequent improvements to the buildings has, however, been capitalised at cost and is being depreciated over twenty five years from the date when the improvements are completed.

Purchased historic exhibits are capitalised. Fixed assets are stated at cost, less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Capital work in progress	nil
Building improvements	4% straight line
Galleries	10% straight line
Plant, fixtures and fittings	20% straight line
Computer and audio-visual equipment	33.33% straight line
Motor vehicles	20% reducing balance

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

1. ACCOUNTING POLICIES (continued)

Pension costs

The Museum of Science and Industry in Manchester is an admitted body of the Greater Manchester Pension Fund ("the scheme") which is a funded, defined benefit scheme.

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Statement of Financial Activities so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

The pension costs are assessed on the advice of a professional qualified actuary using the projected unit method. The scheme is funded in advance by contributions from its members, including the company and its employees at rates assessed by the scheme actuary in regular funding reviews.

Pension scheme assets are valued at market value at the balance sheet date. The pension scheme deficit is recognised in full on the Balance Sheet.

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the Statement of Financial Activities.

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

Taxation

The Charity is a registered charity and is therefore exempt from taxation on its charitable activities. Any tax charge arising is in respect of the subsidiary company's activities.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

2. GRANT INCOME

	2009	2008
	£	£
Unrestricted revenue grants		
Department for Culture, Media and Sport	3,873,000	3,771,000
	<u> </u>	<u> </u>
Unrestricted capital grants		
Department for Culture, Media and Sport	915,000	400,000
	<u> </u>	<u> </u>
Total	<u>4,788,000</u>	<u>4,171,000</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2009	2008
	£	£
Galleries and displays		
<u>Xperiment Interactive Gallery</u> Oglesby Trust	20,000	-
	<u> </u>	<u> </u>
<u>Textiles Gallery</u> Cotton Industry War Memorial Trust	-	115,000
	<u> </u>	<u> </u>
<u>Air and Space Gallery</u> North West Development Agency	-	20,655
	<u> </u>	<u> </u>
	<u>20,000</u>	<u>135,655</u>

Total incoming resources for the year excluding capital grants £7,515,022 (2008 - £7,482,141).

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

4. DONATIONS

There are no donated assets which have been valued by the Trustees either in the current or in the prior year.

5. ANALYSIS OF INCOME AND EXPENDITURE ACCOUNT

	2009			2008		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
INCOMING RESOURCES						
Voluntary income	3,882,272	915,000	4,797,272	3,787,210	400,000	4,187,210
Activities for generating funds	786,533	-	786,533	1,950,618	-	1,950,618
Investment income	63,934	-	63,934	80,482	-	80,482
Incoming resources from charitable activities	1,887,283	-	1,887,283	1,263,830	115,500	1,379,331
TOTAL INCOMING RESOURCES	6,620,022	915,000	7,535,022	7,082,140	515,500	7,597,641
RESOURCES EXPENDED						
	Revenue £	Capital (Depreciation) £	Total £	Revenue £	Capital (Depreciation) £	Total £
Costs of generating voluntary income	31,786	1,867	33,653	14,082	-	14,082
Costs of commercial trading operations	406,949	7,843	414,792	1,313,338	7,712	1,321,050
Charitable activities	6,414,746	1,318,272	7,733,018	5,428,591	1,337,874	6,766,465
Governance costs	46,639	-	46,639	74,310	1,817	76,127
Other resources expended	22,000	-	22,000	(71,000)	-	(71,000)
TOTAL RESOURCES EXPENDED	6,922,120	1,327,982	8,250,102	6,759,321	1,347,403	8,106,724

6. NOTIONAL COSTS

H M Treasury requires the Museum as a Non Departmental Public Body to disclose a notional cost of capital to represent the opportunity cost to the Exchequer of assets used by the Museum.

The calculation is based on 3.5% (2008 - 3.5%) of the average capital employed by the Museum during the year, excluding lottery funded and donated assets.

The Museum is outside the boundary for resource budgeting and as such the cost of capital will not act as a budgetary restraint.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	2009 Total £	2008 Total £
Costs of generating funds					
Costs of generating voluntary income	10,056	21,730	1,867	33,653	14,082
Costs of commercial trading operations	225,619	181,330	7,843	414,792	1,321,050
Charitable activities					
Galleries and displays	1,070,118	1,069,950	1,162,625	3,302,693	3,707,013
Collections	497,709	391,937	40,845	930,491	878,588
Admissions and exhibitions	217,792	2,026,766	94,281	2,338,839	943,194
Learning, outreach and public engagement	691,521	328,567	17,942	1,038,030	969,504
Other costs of activities on site	68,947	51,439	2,579	122,965	268,166
Governance costs	3,650	42,989	-	46,639	76,127
	2,785,412	4,114,708	1,327,982	8,228,102	8,177,724
Other resources expended	-	22,000	-	22,000	(71,000)
	<u>2,785,412</u>	<u>4,136,708</u>	<u>1,327,982</u>	<u>8,250,102</u>	<u>8,106,724</u>

Other resources expended relates to the finance cost / (income) arising from the pension scheme asset.

8. NET OUTGOING RESOURCES

	2009 £	2008 £
Net outgoing resources for the year are stated after charging:		
Auditors' remuneration - audit fees	9,500	11,410
- non audit services	775	1,500
Depreciation - owned assets	1,317,667	1,337,087
- leased assets	10,315	10,315
Rentals under operating leases		
Other operating leases	121,142	119,218
	<u>1,359,399</u>	<u>1,381,430</u>

9. TAXATION

The company is a registered charity No. 518412 and its income falls within the exemptions of Section 505 and Section 506 of the Income and Corporation Taxes Act 1988. The tax charge arising is in respect of the subsidiary company's activities.

	2009 £	2008 £
UK corporation tax at 21% (2008 - 20%)	-	10,000
Deferred tax:		
Timing differences, origination and reversal	-	-
Adjustments to the estimated recoverable amount	-	-
	<u>-</u>	<u>10,000</u>

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

9. TAXATION (continued)

The tax assessed for the year is lower (2007: lower) than that resulting from applying the standard rate for corporation tax for small companies in the UK of 20% (2007 - 19%). The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before tax of MSIM Enterprises Limited	-	62,019
Tax at 21% (2008 - 10%) thereon	-	12,404
Capital allowances in excess of depreciation	-	(2,454)
Expenditure not deductible for tax purposes	-	50
	-	10,000

10. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2009 £	2008 £
Wages and salaries		
- direct employees	2,361,230	2,237,008
- agency staff	13,712	14,718
Social security costs	190,427	166,003
Other pension costs	220,043	330,727
	2,785,412	2,748,456

Included in the above is £Nil (2008 - £Nil) in respect of staff costs which have been capitalised.

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance costs (see note 7) and amounts recognised in the statement of recognised gains and losses.

	2009 No	2008 No
Average number of employees during the year		
Visitor Services	35	33
Collections and curatorial	13	12
Technical services	12	10
Learning, outreach and public programmes	18	21
ICT	5	5
Marketing	4	4
Management and administration	15	15
Trading activities	4	6
	106	106

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

10. INFORMATION REGARDING EMPLOYEES AND TRUSTEES (continued)

	2009 No.	2008 No.
The number of senior staff paid in each of the following bands during the year (salary plus taxable benefits excluding pension contributions) was:		
£40,001 - £45,000	1	1*
£45,001 - £50,000	1	1
£50,001 - £55,000	2	2
£55,001 - £60,000	1	1
£75,001 - £80,000	1	-
£95,001 - £100,000	-	1

All are members of the Museum's pension scheme, except as noted below.

* Not a member of the Museum's pension scheme

Mr Tony Hill, who was the Acting Director at the start of the financial year, was the Accounting Officer until 10 August 2008 and was the highest paid employee during the year. The new Director, Mr Steve Davies, was appointed on 11 August 2008 and was Accounting Officer from that date. Their total emoluments for the year to 31 March 2009 were as follows:

<u>Mr Tony Hill</u>	2009 £	2008 £
Emoluments	77,159	58,099
Pension costs	9,511	7,792
	<u>86,670</u>	<u>65,891</u>

The emoluments figure comprises £67,159 (2008 - £58,099) pensionable salary and a bonus of £10,000 (2008 - £nil). At 31 March 2009, Mr Hill had an accrued pension of £3,250 (2008 - £2,009) and on retirement he is entitled to a lump sum equivalent to three years' pension. The pension increase, net of inflation, in the year to 31 March 2009 was £1,205.

<u>Mr Steve Davies</u>	2009 £	2008 £
Emoluments	56,292	-
Pension costs	7,364	-
	<u>63,656</u>	<u>-</u>

The emoluments figure comprises £56,292 (2008 - £Nil) pensionable salary. No bonuses were paid in the year to 31 March 2009 (2008 - £nil). A bonus of £8,367 was paid in April 2009 in respect of the year ended 31 March 2009. At 31 March 2009, Mr Davies had an accrued pension of £699 (2008 - £nil) and on retirement he is entitled to a lump sum equivalent to three years' pension. The pension increase, net of inflation, in the year to 31 March 2009 was £699.

Pension benefits are provided through Greater Manchester Pension Fund, part of the Local Government Pension Scheme.

All remuneration payments in the year were in cash and employees received no benefits in kind.

Other senior staff have not consented to further publication of salary or pension information.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

10. INFORMATION REGARDING EMPLOYEES AND TRUSTEES (continued)

Trustees' emoluments

No Trustee or person related or connected by business to them received any remuneration during the year. Travelling and subsistence expenses paid to the Trustees of the Charity during the year amounted to £269 (2008 - £114).

Pension fund

The Greater Manchester Museum of Science and Industry is an admitted body of the Greater Manchester Pension Fund ("the scheme") which is a funded defined benefit scheme. The disclosures required under FRS 17 are set out below. The actuarial value of the liabilities reported as at 31 March 2008 has been rolled forward to 31 March 2009, allowing for changes in financial assumptions as prescribed under FRS 17 by a qualified independent actuary. The next formal valuation of the scheme is due at 31 March 2010.

The amounts recognised in the profit and loss account are as follows:

Amount that has been charged to operating profit under FRS 17

	2009	2008
	£	£
Current service costs	128,000	202,000
Past service cost	76,000	17,000
Curtailement and settlements	-	48,000
	<u>204,000</u>	<u>267,000</u>
Amount that has been credited to net finance income under FRS 17		
Expected return on scheme assets	484,000	552,000
Interest on pension scheme liabilities	(506,000)	(481,000)
	<u>(22,000)</u>	<u>71,000</u>
Total charge to the profit and loss account	<u>226,000</u>	<u>196,000</u>
Actual return on scheme assets	<u>(1,180,000)</u>	<u>(295,000)</u>

The total operating charge is recognised in the following line items in the profit and loss account:

	2009	2008
	£	£
Resources expended: charitable activities	204,000	267,000
Other resources expended: finance	22,000	(71,000)
	<u>226,000</u>	<u>196,000</u>

Other finance cost is included in the profit and loss account within interest payable and similar charges. Actuarial losses of £944,000 (2008: gains of £614,000) have been recognised in the Statement of Total Recognised Gains and Losses.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

10. INFORMATION REGARDING EMPLOYEES AND TRUSTEES (continued)

The amounts recognised in the balance sheet are as follows:

	Fair value at 31 March 2009 £	Fair value at 31 March 2008 £
Estimated assets of Greater Manchester Museum of Science and Industry Trust	5,825,000	7,012,000
Present value of scheme liabilities	(7,123,000)	(7,311,000)
	<u>(1,298,000)</u>	<u>(299,000)</u>
Net pension liability	<u>(1,298,000)</u>	<u>(299,000)</u>

Changes in the present value of the defined benefit obligation scheme are as follows:

Movement in scheme deficit during the year	2009 £	2008 £
Opening defined benefit obligation	7,311,000	8,859,000
Current service costs	128,000	202,000
Contributions by scheme participants	79,000	69,000
Past service costs	76,000	17,000
Impact of settlement and curtailments	-	48,000
Interest on scheme liabilities	506,000	481,000
Benefits paid	(233,000)	(231,000)
Actuarial losses	(744,000)	(2,134,000)
	<u>7,123,000</u>	<u>7,311,000</u>
Closing defined benefit obligation	<u>7,123,000</u>	<u>7,311,000</u>

Changes in the fair value of the employer's assets are as follows:

	2009 £	2008 £
Fair value of the employer's assets at the beginning of the year	7,012,000	7,965,000
Expected return on assets	484,000	552,000
Contributions by members	79,000	69,000
Contributions by the employer	171,000	177,000
Actuarial losses	(1,688,000)	(1,520,000)
Benefits paid	(233,000)	(231,000)
	<u>5,825,000</u>	<u>7,012,000</u>
Fair value of the employer's assets at the end of the year	<u>5,825,000</u>	<u>7,012,000</u>

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

	2009 %	2008 %
Equities	67	63
Bonds	16	19
Property	7	9
Cash	10	9
	<u>100</u>	<u>100</u>

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

10. INFORMATION REGARDING EMPLOYEES AND TRUSTEES (continued)

The principal actuarial assumptions at the balance sheet date were:

	At 31 March 2009	At 31 March 2008	At 31 March 2007
Rate of increase in salaries	4.6%	5.1%	4.7%
Rate of increase in pensions	3.1%	3.6%	3.2%
Discount rate	6.9%	6.9%	5.4%
Price increases	3.1%	3.6%	3.2%

Amounts for the current and previous three periods are as follows:

	2009 £	2008 £	2007 £	2006 £
Defined benefit obligation	(7,123,000)	(7,311,000)	(8,859,000)	(7,027,000)
Fair value of scheme assets	5,825,000	7,012,000	7,965,000	7,218,000
(Deficit)/surplus in the scheme	<u>(1,298,000)</u>	<u>(299,000)</u>	<u>(894,000)</u>	<u>191,000</u>

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

11 TANGIBLE FIXED ASSETS

Group	Capital work in progress £	Building improvements £	Galleries £	Plant, fixtures and fittings £	Computers and audio visual equipment £	Motor vehicles £	Total £
Cost							
At 1 April 2008	-	20,436,627	6,463,564	1,350,623	841,313	35,024	29,127,151
Additions	155,076	40,206	66,804	285,914	207,934	-	755,934
Transfers	-	-	-	-	-	-	-
Disposals	-	(155,749)	(1,190,096)	-	(650,266)	-	(1,996,111)
At 31 March 2009	155,076	20,321,084	5,340,272	1,636,537	398,981	35,024	27,886,974
Accumulated depreciation							
At 1 April 2008	-	9,577,653	4,012,390	1,221,992	747,625	25,871	15,585,531
Charge for the year	-	812,054	379,521	57,136	77,441	1,830	1,327,982
On disposals	-	(87,875)	(1,038,626)	-	(650,266)	-	(1,776,767)
At 31 March 2009	-	10,301,832	3,353,285	1,279,128	174,800	27,701	15,136,746
Net book value							
At 31 March 2009	155,076	10,019,252	1,986,987	357,409	224,181	7,323	12,750,228
At 31 March 2008	-	10,858,974	2,451,174	128,631	93,688	9,153	13,541,620
Charity							
Cost							
At 1 April 2008	-	20,436,627	6,463,564	1,100,530	829,106	35,024	28,864,851
Additions	155,076	40,206	66,804	281,746	207,934	-	751,766
Transfers	-	-	-	-	-	-	-
Disposals	-	(155,749)	(1,190,096)	-	(650,266)	-	(1,996,111)
At 31 March 2009	155,076	20,321,084	5,340,272	1,382,276	386,774	35,024	27,620,506
Accumulated depreciation							
At 1 April 2008	-	9,577,653	4,012,390	991,956	744,404	25,871	15,352,274
Charge for the year	-	812,054	379,521	49,293	77,441	1,830	1,320,139
On disposals	-	(87,875)	(1,038,626)	-	(650,266)	-	(1,776,767)
At 31 March 2009	-	10,301,832	3,353,285	1,041,249	171,579	27,701	14,895,646
Net book value							
At 31 March 2009	155,076	10,019,252	1,986,987	341,027	215,195	7,323	12,724,860
At 31 March 2008	-	10,858,974	2,451,174	108,574	84,702	9,153	13,512,577

The net book value of the building improvements comprises £9,950,478 (2008 - £10,779,885) in respect of freehold buildings and £68,774 (2008 - £79,089) in respect of long leasehold buildings.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

12. INVESTMENT IN SUBSIDIARY

	2009 £	2008 £
Charity		
Shares in subsidiary undertaking at cost	108,683	108,683

The investment relates to the entire share capital of MSIM Enterprises Limited, a company registered in England. The subsidiary company operates as a trading company. The company covenants its profits to the charity.

13. RESULTS OF TRADING SUBSIDIARY

On 24 September 1994 a wholly owned subsidiary, MSIM Enterprises Limited, commenced trading. Its principal activity is the retailing of goods and services to users of the Museum of Science and Industry in Manchester. It gift aids its taxable profits to Greater Manchester Museum of Science and Industry Trust. A summary of the results of the trading company are shown below. Full accounts have been filed with the Registrar of Companies.

MSIM Enterprises Limited – Profit and loss account	2009 £	2008 £
Turnover	786,533	1,950,618
Cost of sales	(301,556)	(1,162,611)
Gross profit	484,977	788,007
Administrative Expenses	(158,236)	(200,871)
Operating profit	326,741	587,136
Interest receivable and similar income	5,791	4,134
Payment under gift aid to Greater Manchester Museum of Science and Industry Trust	(332,532)	(529,251)
Profit on ordinary activities before taxation	0	62,019
Tax on profit on ordinary activities	0	(10,000)
Profit on ordinary activities after taxation – retained	0	52,019
Retained profit / (loss) brought forward	32,040	(19,979)
Retained profit carried forward	32,040	32,040

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

13. RESULTS OF TRADING SUBSIDIARY (continued)

	2009	2008
	£	£
MSIM Enterprises Limited - Balance Sheet		
Fixed Assets		
Tangible assets	25,368	29,043
Current Assets		
Stocks - goods for resale	48,379	51,693
Debtors	65,876	43,548
Cash at bank and in hand	171,638	159,346
	<u>285,893</u>	<u>254,587</u>
Creditors: amounts falling due within one year	(170,538)	(142,907)
	<u>115,355</u>	<u>111,680</u>
Net current assets		
	<u>140,723</u>	<u>140,723</u>
Total assets less current liabilities		
	<u>140,723</u>	<u>140,723</u>
Total net assets	<u>140,723</u>	<u>140,723</u>
Capital and reserves		
Called up share capital	108,683	108,683
Profit and loss account	32,040	32,040
	<u>140,723</u>	<u>140,723</u>
Equity shareholders' funds	<u>140,723</u>	<u>140,723</u>

14. STOCKS

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Retail stock	48,379	51,693	-	-
	<u>48,379</u>	<u>51,693</u>	<u>-</u>	<u>-</u>

15. DEBTORS

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	161,973	108,588	111,747	67,325
VAT recoverable	41,330	2,285	41,330	-
Amounts owed by subsidiary undertaking	-	-	151,369	115,660
Prepayments and accrued income	62,291	306,115	58,036	306,115
Other debtors	197,893	-	186,498	-
	<u>463,487</u>	<u>416,988</u>	<u>548,980</u>	<u>489,100</u>

There are no material balances outstanding at 31 March 2009 (2008: £Nil) with Whole of Government Accounts Bodies.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Trade creditors	283,638	150,866	271,548	139,719
Accruals and deferred income	184,392	713,217	177,313	707,117
Other creditors including taxation and social security	84,224	157,558	84,224	147,558
	<u>552,254</u>	<u>1,021,641</u>	<u>533,085</u>	<u>994,394</u>

There are no material balances outstanding at 31 March 2009 (2008: £Nil) with Whole of Government Accounts Bodies.

17. MOVEMENT IN RESTRICTED FUNDS

Restricted funds comprise the following:

Group and Charity	Balance 1 April 2008 £	Net movement £	Balance 31 March 2009 £
Capital grants	10,914,835	(1,104,785)	9,810,050
Donated capital assets	77,986	(55,697)	22,289
Unspent revenue grants	228,433	110,996	339,429
Unspent capital grants	6,567	36,008	42,575
Other	(94,104)	94,104	-
	<u>11,133,717</u>	<u>(919,374)</u>	<u>10,214,343</u>

Restricted funds represent capital grants received and donated capital assets in respect of the development of the Museum together with the unspent portion of the revenue grant. The fund balances are reduced by the depreciation charged on the assets.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

18. MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

Group and Charity	Balance 1 April 2008 £	Net movement £	Transfers £	Balance 31 March 2009 £
Designated fund	2,597,742	-	294,779	2,892,521
General fund	1,528,181	(469,986)	(294,779)	763,416
Unrestricted funds excluding pension liability	4,125,923	(469,986)	-	3,655,937
Pension liability	(299,000)	(999,000)	-	(1,298,000)
Total unrestricted funds	3,826,923	(1,468,986)	-	2,357,937
Non-charitable trading funds	32,040	-	-	32,040
Total unrestricted and non-charitable funds	3,858,963	(1,468,986)	-	2,389,977

The general fund represents the free funds of the charity which are not designated for particular purposes.

The designated fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of the tangible fixed assets which have been funded from internally generated surpluses in previous years.

The Charity incurred a deficit for the year of £1,389,360 (2008 - £552,103), excluding FRS17 adjustments.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds			Total 2009 £
	Restricted funds £	Designated funds £	Un- designated funds £	
Tangible fixed assets	9,832,339	2,892,521	25,368	12,750,228
Current assets	382,004	-	1,322,342	1,704,346
Current liabilities	-	-	(552,254)	(552,254)
Total funds before pension liability	10,214,343	2,892,521	795,456	13,902,320
Pension liability				(1,298,000)
				12,604,320

20. RELATED PARTY TRANSACTIONS

The Museum of Science and Industry in Manchester is a Non-Departmental Public Body sponsored by the Department for Culture, Media and Sport (DCMS). The DCMS is regarded as a related party. During the year, the Museum has had various material transactions with the DCMS, the Trustees have taken advantage of the exemption in paragraph 4(c) of FRS 8 in respect of disclosure of these transactions.

None of the Trustees, key managerial staff or other related parties have undertaken any material transactions with the Museum during the year.

Greater Manchester Museum of Science and Industry Trust

Notes to the Accounts Year ended 31 March 2009

21. FINANCIAL COMMITMENTS

The company is committed during the ensuing year to the following payments under operating and rental lease agreements expiring as shown:

	2009		2008	
	Land and buildings £	Other £	Land and buildings £	Other £
Between one and five years	<u>113,892</u>	<u>5,595</u>	<u>113,892</u>	<u>5,595</u>

22. CAPITAL EXPENDITURE COMMITMENTS

At 31 March 2009 the company had capital expenditure commitments amounting to £33,837 (2008-£42,329).

23. MEMBERS

The Trust is a private company limited by guarantee. No person is eligible to be a member unless they are a Trustee. Every member of the Trust undertakes to contribute to the assets of the Trust, in the event of its being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Trust contracted before he ceases to be a member, and of the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding one pound.

24. CONTINGENT LIABILITIES

There are no contingent liabilities at 31 March 2009 (2008 - £Nil).

25. EXCEPTIONAL ITEMS

At the 31 March 2008, the Museum had £500,000 on deposit with Kaupthing Singer & Friedlander Limited (KSF) which is a UK-based banking subsidiary of the Icelandic bank Kaupthing Bank. The amount on deposit was increased during 2008/09 to £913,944.

On 8 October 2008, KSF was put into administration. The full amount of investment, including accrued interest at that date was £923,319. The Museum is classed as a wholesale depositor and therefore must recover its investment through the administration process.

It is not yet clear how much of the investment will ultimately be recovered, although the administrators have indicated that this it is likely to be a minimum of 50p in the £. However, it will be some time before the administration process is concluded and therefore there is considerable uncertainty about the amount of the investment that is recoverable.

As at 31 March 2009, no funds has been returned to the Museum so the full amount of the investment was deducted from cash balances and written out of the SOFA as an exceptional item.

Since the year end, in July 2009, the Museum has received its first distribution from the administration process amounting to £184,664, which is equivalent to 20p in the £. This amount has been written back to the SOFA and shown within other debtors as at the year end.

Further amounts will only be added back when cash is received into Museum bank accounts.

The Trustees have reviewed and considered the Museum's position currently and for at least the next 12 months and have concluded that the Museum has sufficient cash and other reserves to continue as a going concern and to continue to meet its liabilities as they fall due even if none of the amount invested with the bank is recovered.