

Charity Registration No. 306338

Company Registration No. 946307 (England and Wales)

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)**

CONSOLIDATED FINANCIAL STATEMENTS

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	D Tomlinson M.A. (Cantab) (Chairman) J Houlton B.Sc M.Sc CEng M.B.C.S. (Vice Chairman) J N Hart L.L.B. (Hon Secretary) M Pollock (Hon Treasurer) N Clutton O.B.E. F.R.I.C.S. G M Burton Lady E Benson D O Russell F.R.I.B.A. F.R.S.A. N McGregor-Wood M.A. (Cantab) Barrister-at-Law P Bryant OBE Dr J Godfrey M.A. M Garston L.L.B. D Streeter B.Sc F.I.B.I.O.I. F.L.S. M Heymann A Ferrier E Burch
Secretary	J N Hart L.L.B.
Charity number	306338
Company number	946307
Principal address	Singleton Chichester West Sussex PO18 OEU
Registered office	Singleton Chichester West Sussex PO18 OEU
Auditors	Jones Avens Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
Bankers	Barclays Bank plc 74/75 East Street Chichester West Sussex PO19 1HT
Solicitors	Thomas Eggar The Corn Exchange Baffins Lane Chichester West Sussex PO19 1GE

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
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**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

The trustees present their report and accounts for the year ended 31 December 2005.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The charity is a company limited by guarantee. The charity's objects are to stimulate public interest in and to promote the preservation of buildings of architectural or historical interest and to stimulate public interest in ancient crafts, trades and manufactures.

The policies adopted in furtherance of these objects are to run an open-air museum which inspires and delights its users, to provide lifelong learning based on the Museum's collections, to ensure high standards of collections care and to pursue research and scholarship. There has been no change in these during the year.

The trustees appointed the Weald and Downland Open Air Museum Limited board to manage the group activity through and with the museum director and his staff.

Review of activities

The Museum received 144,970 visits in the year. This figure includes 22,841 visits by children in school groups and 2,488 visits by adults attending courses. Feedback from visitor surveys shows a high level of interest in the Museum and satisfaction at the quality of the visitor experience.

We continued to develop our special events, with new activities at Easter and on Fathers' Day, and a Gypsy Festival. Despite intense local competition, visitor numbers at events remained strong, with the increase in the post-Christmas period being especially noticeable.

The number of volunteers registered to work at the Museum rose to over 400 during the year, the highest it has ever been. Volunteers contribute an estimated 35,000 hours of work each year.

Many aspects of our Health and Safety arrangements were improved during the year, including the appointment of a trustee with responsibility for Health and Safety, a completely revised Health and Safety Policy, a new Disaster and Emergency plan, a new Child Protection Policy, new Fire Risk Assessments, and comprehensive staff training.

Our Collections team made excellent progress with the Designation Challenge Fund supported project to provide access by digital means to the collections of large objects currently stored off site.

During the year we commenced a project to restore a timber crane collected in 1997. This will be re-erected in spring 2006. We also constructed, with the assistance of a grant from SEEDA, a small traditional building to provide a Rural Training Facility in traditional building crafts.

We applied for and were granted a variation to the terms of the planning permission for the Downland Gridshell allowing us to use it for public gatherings of various kinds, under strictly limited conditions.

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005**

Trustees

The trustees, who are also the directors for the purpose of company law, who served during the year were:

D Tomlinson M.A. (Cantab) (Chairman)

J Houlton B.Sc M.Sc CEng M.B.C.S. (Vice Chairman)

J N Hart L.L.B. (Hon Secretary)

M Pollock (Hon Treasurer)

N Clutton O.B.E. F.R.I.C.S.

G M Burton

Lady E Benson

D O Russell F.R.I.B.A. F.R.S.A.

N McGregor-Wood M.A. (Cantab) Barrister-at-Law

P Bryant OBE

Dr J Godfrey M.A.

M Garston L.L.B.

D Streeter B.Sc F.I.B.I.O.I. F.L.S.

M Heymann

A Ferrier

E Burch

(Appointed 25 April 2005)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees are appointed to the board in accordance with the Memorandum and Articles of Association.

Review of financial position

Our visitor numbers increased over 2004 and contributed to a 12.6% increase in income from admissions. Visitors who were able to gift aid their admission charge enabled us to reclaim an additional £57,629 in tax. The rules for gift aid claims for charities such as ours will change from April 2006 and this will put substantial pressure on our admissions income. All of our other main sources of income - Adult Courses and the Schools Service, Sales from the Shop and Café and income from Special Events and the use of the Museum's facilities - also improved on their achievements last year. This solid financial performance across the board enabled the Museum to continue to invest in the resources needed to maintain and grow the activities and events which keep the Museum attractive and competitive.

We were very grateful to receive over £236,000 in legacies during the year, including £210,000 from Mr Peter Price. £211,124 was transferred to the Weald & Downland Open Air Museum Endowment Trust to be invested in the longer term for the Museum's future development. The Friends of the Museum continue to provide vital support through their subscriptions and fundraising activities and contributed grants totalling £134,716.

In 2004 the Museum was confirmed to be an exempt organisation for the payment of VAT on admissions income under Cultural Exemption legislation and during 2005 we submitted a retrospective claim for the repayment of VAT for the period allowed by the legislation. We were notified in January 2006 that this claim will be paid and is expected to be in the order of £500,000 including statutory interest. These funds will be applied to the Museum's future development.

The net income for the year on unrestricted funds of £50,736 will enable us to meet our objective to maintain a small reserve sufficient to meet cash flow requirements over year end and during the winter period leading up to the start of the main season in 2006.

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005**

Reserves policy

The trustees have set an objective to generate a small surplus on unrestricted funds each year to minimise the requirement for an overdraft facility, provide a contingency fund and build up a reserve to provide start-up funds for new projects.

Risk factors

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The museum staff have an ongoing programme in place for risk assessment.

Asset cover for funds

Note 15 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Related parties

Note 10 gives details of the two subsidiary companies of Weald and Downland Open Air Museum Limited. Weald and Downland Museum Operations Limited is a registered charity (no. 1066745) as well as a registered company (no. 3427059) and is dormant and Singleton Museum Services Limited is a trading subsidiary (company no. 1437695).

The trustees consider the performance of the subsidiaries to be satisfactory.

With effect from commencement of business on 1 January 2004, the business of Weald and Downland Museum Operations Limited, its assets, liabilities and obligations were transferred to Weald and Downland Open Air Museum Limited for a nominal consideration.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Jones Avens be reappointed as auditors of the company will be put to the Annual General Meeting.

Statement of disclosure to auditor

(a) so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board of trustees

D Tomlinson M.A. (Cantab) (Chairman)

Trustee

Dated: 27 March 2006

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED
(LIMITED BY GUARANTEE)**

We have audited the consolidated group accounts of Weald and Downland Open Air Museum Limited (Limited by Guarantee) for the year ended 31 December 2005 set out on pages 7 to 17. These accounts have been prepared in accordance with the accounting policies set out on page 10.

This report is made solely to the group'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 group'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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities on page 4, the trustees, who are also the directors of Weald and Downland Open Air Museum Limited for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the group 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 trustees' remuneration and transactions with the group is not disclosed.

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

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 accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Smaller Entities, in the circumstances set out in note 17 to the accounts.

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED
(LIMITED BY GUARANTEE)**

Opinion

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the group's state of affairs as at 31 December 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Jones Avens

Chartered Accountants

Registered Auditor

Dated: 18 April 2006

Piper House 4 Dukes Court

Bognor Road Chichester

West Sussex PO19 8FX

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
<u>Incoming resources</u>					
Grants, donations and legacies	2	647,012	105,168	752,180	538,228
Activities in furtherance of the charity's activities:					
- Museum entrance fees	2	290,147	-	290,147	245,198
- Education (schools)		71,491	-	71,491	52,145
- Courses		152,531	-	152,531	114,106
Activities for generating funds:					
- Income from trading subsidiary	3	323,682	-	323,682	286,516
- Facilities income		103,619	-	103,619	66,016
- Fundraising income		-	-	-	-
Investment income	4	8,637	5,062	13,699	4,835
Other incoming resources	5	16,304	-	16,304	16,805
Total incoming resources		1,613,423	110,230	1,723,653	1,323,849
<u>Resources expended</u>					
Costs of generating funds					
Trading costs	3	219,920	-	219,920	189,309
Charitable expenditure					
Costs of charitable activities		1,042,605	113,858	1,156,463	1,043,987
Support costs		63,268	-	63,268	53,743
Management and administration		47,895	-	47,895	61,989
Total resources expended	6	1,373,688	113,858	1,487,546	1,349,028
Net incoming/(outgoing) resources before transfers		239,735	(3,628)	236,107	(25,179)
Transfers between funds		22,125	(22,125)	-	-
Transfer to Weald and Downland Open Air Museum Endowment Trust		(211,124)	-	(211,124)	(11,384)
Net income/(expenditure) for the year/ Net movement in funds		50,736	(25,753)	24,983	(36,563)
Fund balances at 1 January 2005		355,170	4,129,172	4,484,342	4,520,905
Fund balances at 31 December 2005		405,906	4,103,419	4,509,325	4,484,342

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

The company has no recognised gains or losses other than those dealt with above.

There are no acquisitions or discontinued operations during the current or preceding year.

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Notes	£	£	2005 £	2004 £
Fixed assets					
Tangible assets	9		4,079,788		4,119,900
Current assets					
Stocks		41,273		43,441	
Debtors	11	126,026		81,663	
Project bank accounts		412,734		164,475	
Cash at bank and in hand		35,837		202,680	
			615,870	492,259	
Creditors: amounts falling due within one year	12	(181,033)		(122,517)	
Net current assets			434,837		369,742
Total assets less current liabilities			4,514,625		4,489,642
Creditors: amounts falling due after more than one year	13		(5,300)		(5,300)
Net assets			4,509,325		4,484,342
Income funds					
Restricted funds	14		4,103,419		4,129,172
Non-charitable trading fund		103,020		96,693	
Other unrestricted funds		302,886		258,477	
Unrestricted funds			405,906		355,170
			4,509,325		4,484,342

The accounts were approved by the Board on 27 March 2006

M Pollock (Hon Treasurer)
Trustee

WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000. They have also been prepared in accordance with the Charities Act 1993 and the Companies Act 1985.

The consolidation is done on a line by line basis. Weald and Downland Museum Operations Limited and Singleton Museum Services Limited are included in the consolidation. These are the only subsidiaries of the parent company.

1.2 Incoming resources

Incoming resources includes grants and donations, museum entrance fees, schools education, courses, shop sales, catering income, income from special events, venue hire, enhanced visits, harvest income, rent receivable, bank interest receivable and fundraising income (museum ball), excluding value added tax. Donations and other forms of voluntary income or benefit are recognised when received and all other income is recognised on a receivables basis.

1.3 Resources expended

Expenditure has been identified between costs of generating funds, costs of charitable activities, support costs and management and administration. All expenditure is recognised on an accruals basis. Costs of generating funds includes the expenses of the trading subsidiary, Singleton Museum Services Limited, but excludes the audit and accountancy fees and bank charges in this company which have been allocated to management and administration and support costs respectively. Support costs include an apportionment of wages and salaries (100% of the accountant's salary and 50% of the secretaries salaries), depreciation of the fixtures, fittings and equipment and bank charges. Management and administration costs include legal and professional fees and external audit and accountancy fees. All other costs are included in costs of charitable activities.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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:

Leasehold property	Remaining life of lease
Plant and machinery	33% Straight line / 20% Reducing balance / 20% Straight line
Fixtures, fittings & equipment	25% Straight line
Motor vehicles	25% Reducing balance

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting Policies **(continued)**

1.6 Accumulated funds

Restricted funds represent donations and grants made by organisations and individuals to fund individual projects.

At the point of completion, a restricted fund project is transferred to unrestricted funds providing there are no remaining restrictions.

1.7 Museum exhibits and change of accounting policy

The construction costs of the exhibits up to 1 January 2001, which were previously written off in the year the expenditure was incurred, were transferred to fixed assets in the year to 31 December 2001, and the restricted funds restated and the costs incurred since that date have been included as additions for the year. The costs incurred in the construction of the Gridshell building are included in fixed asset additions for the year. The collection of historic equipment, books and slide library are not valued as reliable cost information is not available and work on the valuation would be onerous compared with the additional benefit derived.

2 Museum entrance fees

In 2005, £204,684 (2004 - £194,148) of the museum entrance fees have been included in grants, donations and legacies as they were entrance fees received under gift aid.

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Turnover	323,682	-	323,682	286,516
Operating expenses	(219,920)	-	(219,920)	(189,309)
Net income from trading	103,762	-	103,762	97,207

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Interest receivable	8,637	5,062	13,699	4,835

WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

5 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Net gain on disposal of fixed assets	474	-	474	-
Rent received	15,830	-	15,830	16,805
	<u>16,304</u>	<u>-</u>	<u>16,304</u>	<u>16,805</u>

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2005 £	Total 2004 £
Costs of generating funds:					
Trading costs	-	-	219,920	219,920	189,309
Charitable expenditure:					
Costs of charitable activities	447,545	67,045	641,873	1,156,463	1,043,987
Support costs	32,268	17,086	13,914	63,268	53,743
Management and administration	-	-	47,895	47,895	61,989
	<u>479,813</u>	<u>84,131</u>	<u>703,682</u>	<u>1,267,626</u>	<u>1,159,719</u>
	<u>479,813</u>	<u>84,131</u>	<u>923,602</u>	<u>1,487,546</u>	<u>1,349,028</u>

Management and administration costs includes payments to the auditors of £5,100 (2004- £5,682) for audit fees and £5,100 (2004- £5,682) for other services and legal and professional costs of £36,258 (2004 - £50,624) which was mostly for an interim finance officer and a financial consultant.

The major items included in other costs of charitable activities are rent and rates of £49,536 (2004 - £36,414), insurance of £29,739 (2004 - £32,712), light and heat of £27,885 (2004 - 25,745), travelling of £42,794 (2004 - £33,107), museum building repairs of £29,443 (2004 - £23,801), site development and landscaping of £27,685 (2004 - £37,324), special events of £66,715 (2004 - £51,057), publicity of £72,558 (2004 - £67,591), course expenses of £86,974 (2004 - £74,721) and irrecoverable VAT of £39,086 (2004 - £29,368).

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005**

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year and no expenses were reimbursed to them.

Neil Hart is a trustee and is also a partner of the Solicitors Thomas Eggar. During the year the company purchased professional fees from Thomas Eggar of £4,211.

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2005	2004
	Number	Number
Museum buildings and operations	28	25
Museum shop	4	4
Administration	2	2
	34	31

Employment costs

	2005	2004
	£	£
Wages and salaries	474,872	391,980
Social security costs	36,916	30,121
	511,788	422,101
Less: Transfer of wages costs to projects	(31,975)	(19,109)
	479,813	402,992

There were no employees whose annual emoluments were £50,000 or more.

WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

9 Tangible fixed assets

	Land and exhibit buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2005	4,701,019	120,109	80,246	23,075	4,924,449
Additions	20,866	17,521	6,194	-	44,581
Disposals	-	(350)	-	-	(350)
At 31 December 2005	4,721,885	137,280	86,440	23,075	4,968,680
Depreciation					
At 1 January 2005	626,250	109,181	49,846	19,272	804,549
On disposals	-	(349)	-	-	(349)
Charge for the year	62,934	3,720	17,086	952	84,692
At 31 December 2005	689,184	112,552	66,932	20,224	888,892
Net book value					
At 31 December 2005	4,032,701	24,728	19,508	2,851	4,079,788
At 31 December 2004	4,074,769	10,928	30,400	3,803	4,119,900

Included in Land and Exhibit buildings are land and buildings with a cost or valuation of £847,197, museum exhibits with a cost or valuation of £1,829,653 and Gridshell building with a cost of £2,045,035 making a total of £4,721,885 shown as cost or valuation above. The properties were revalued by the directors in 1985 for £168,680 which represents cost previously written off in the income and expenditure account. Additional amounts have been added to the revalued figure, 1986 £35,616, 1987 £11,256, 1988 £87,272, and 1989 £34,181 making a total of revalued assets of £337,005. These additional amounts to 1989 represent costs which have been matched by donations received which have been shown in the former Historic Building Development Fund.

To the sum of £337,005 an amount of £510,192 must be added which is the cost of additions to land and buildings since 1989 making a total of £847,197.

Museum exhibits represents the exhibits on site and these were valued by the directors at the beginning of the 2001 year. The value of £1,665,000 given at 1 January 2001 represented the cost of erection of exhibits on site since the museum was founded previously written off in the income and expenditure account.

To the sum of £1,665,000 an amount of £164,653 must be added which is the cost of additions to museum exhibits since 1 January 2001 making a total of £1,829,653.

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY
GUARANTEE)
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005**

10 Investment in subsidiaries

Weald and Downland Museum Operations Limited

Weald and Downland Open Air Museum Limited holds 100% of the 2 ordinary shares in Weald and Downland Museum Operations Limited. The company's activity pre 1 January 2004 was that of operating the museum of buildings which has been developed by the parent company. With effect from commencement of business on 1 January 2004, the business of operating the museum was transferred to Weald and Downland Open Air Museum Limited and this subsidiary has been dormant since that date.

At 31 December 2005, the company's assets total £2 and its total funds were £2, being the share capital left in the company. During the year there were no incoming resources or resources expended.

This subsidiary is included in the consolidated accounts.

Singleton Museum Services Limited

Weald and Downland Open Air Museum Limited holds 100% of the 50,500 ordinary shares in Singleton Museum Services Limited. The company's activities are that of running the museum shop and cafe and dealing in certain agricultural products.

At 31 December 2005, the company's assets total £83,238, its liabilities £19,023 and its total funds £64,215. For the year, its turnover is £323,680, expenditure £318,779 and profit £4,901.

This subsidiary is included in the consolidated accounts.

11 Debtors	2005	2004
	£	£
Trade debtors	70,886	62,110
Other debtors	37,478	3,825
Prepayments and accrued income	17,662	15,728
	126,026	81,663

12 Creditors: amounts falling due within one year	2005	2004
	£	£
Trade creditors	56,856	28,600
Taxes and social security costs	16,477	14,305
Other creditors	2,658	559
Accruals	105,042	79,053
	181,033	122,517

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13 Creditors: amounts falling due after more than one year	2005	2004
	£	£
Other creditors	5,300	5,300

14 Restricted funds

The income funds of the charity include restricted funds comprising the following balances:

	Movement in funds				
	Balance at 1 January 2005	Incoming resources	Resources expended	Transfers	Balance at 31 December 2005
	£	£	£	£	£
Museum Exhibits	1,518,423	-	(24,421)	-	1,494,002
Longport and Extension	292,371	-	(4,498)	-	287,873
Leasehold Properties	168,611	-	(2,594)	-	166,017
Store in Railway Cutting	9,633	-	(148)	-	9,485
Arthur Cox Project	10,000	-	-	-	10,000
Teachers Pack 2003/04	12,200	-	(575)	-	11,625
Maurice Heynes Legacy	91,000	3,976	-	-	94,976
Gridshell building	1,983,914	25,835	(30,446)	(25,836)	1,953,467
Benson Fund	24,850	1,086	-	-	25,936
Prism Timber Crane Project	-	-	(2,666)	-	(2,666)
Other	18,170	79,333	(48,510)	3,711	52,704
	<u>4,129,172</u>	<u>110,230</u>	<u>(113,858)</u>	<u>(22,125)</u>	<u>4,103,419</u>

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2005 are represented by:			
Tangible fixed assets	159,449	3,920,339	4,079,788
Current assets	411,427	204,443	615,870
Creditors: amounts falling due within one year	(159,670)	(21,363)	(181,033)
Creditors: amounts falling due after more than one year	(5,300)	-	(5,300)
	<u>405,906</u>	<u>4,103,419</u>	<u>4,509,325</u>

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16 Commitments under operating leases

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005	2004
	£	£
Expiry date:		
In over five years	27,046	32,174

17 Auditors' Ethical Standards

In common with many charities of our size and nature we use our auditors to prepare and submit statutory financial statements.

18 Post balance sheet events

After the year end, the Company has been advised by HM Customs & Excise that our long standing claim for repayment of VAT on admissions income resulting from cultural exemption legislation has been successful. The claim covered the period from April 1990 and a sum of the order of £500,000, including statutory interest, will be paid to the Company. This sum will be applied to the Museum's future development.