

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 2006**

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

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<b>Trustees</b>	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. A Ferrier M Heymann E Burch
<b>Secretary</b>	J N Hart L.L.B.
<b>Charity number</b>	306338
<b>Company number</b>	946307
<b>Principal address</b>	Singleton Chichester West Sussex PO18 OEU
<b>Registered office</b>	Singleton Chichester West Sussex PO18 OEU
<b>Auditors</b>	Jones Avens Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
<b>Bankers</b>	Barclays Bank plc 74/75 East Street Chichester West Sussex PO19 1HT
<b>Solicitors</b>	Thomas Eggar The Corn Exchange Baffins Lane Chichester West Sussex PO19 1GE

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**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 2006***

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The trustees present their report and accounts for the year ended 31 December 2006.

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, the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

## **Structure, governance and management**

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

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.  
A Ferrier  
M Heymann  
E Burch

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.

New trustees are given essential documents including the Memorandum and Articles of Association, recent accounts, and guidance as to their responsibilities. The Chairman, Treasurer, Museum Director and senior staff meet the new trustee individually for briefing. The Museum's Training Officer is aware of trustees' training needs and arranges appropriate training from time to time.

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. The day to day management of the charity is delegated to the Museum director, Richard Harris.

Note 17 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.

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**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY  
GUARANTEE)  
CONSOLIDATED FINANCIAL STATEMENTS  
TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2006***

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The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks. The museum staff have an ongoing programme in place for risk assessment.

**Objectives and activities**

The charity's main 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 main objectives for the year were as follows.

- To make significant progress towards achievement of new visitor facilities through the "Access Project". The application for outline planning permission was submitted in September.
- To continue to develop the Interpretation Department that was established in 2005, through training and recruitment.
- To continue to develop the range and quality of our adult courses and provision for school visits. Our new website for schools was launched in June.
- To continue to improve access to our rural life collections. With assistance from the Designation Challenge Fund we established a project to create videos of the use and maintenance of horse-drawn machinery.
- To restore to working order the timber crane rescued from Basing, Hampshire in 1997. This was achieved by June.
- To continue the Knowledge Transfer Partnership project with Reading University. One Associate is researching the social history context for our exhibit buildings, and another is researching the delivery of digital information to visitors.
- To improve our management of Health and Safety, a consultant was appointed, and started regular visits in June.
- One of our continuing objectives is to respond in a timely fashion to opportunities to save historic buildings under threat by dismantling them for re-erection in the Museum. One such building was acquired during the year, a prefabricated church built in 1908 in South Wonston, Hampshire.

Singleton Museum Services Limited significantly enhanced the Museum shop through re-display and improved sourcing of appropriate products, while the café concession achieved record results.

The Museum depends on a substantial input of volunteer resources for its day to day operation. In the year, volunteers contributed about 35,000 hours of work. Recruitment, induction and training procedures were significantly enhanced. The numbers of volunteers registered with the Museum increased from 390 to 420 in the year.

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY  
GUARANTEE)  
CONSOLIDATED FINANCIAL STATEMENTS  
TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2006***

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**Achievements and performance**

2006 saw an increase in visitor numbers over last year and an increase in admissions income. The year started with uncertainty over the implementation of new rules from HM Revenue & Customs for reclaiming tax on the admission charge gift-aided by our visitors. The Museum put in place an approved scheme whereby the whole of the visitors' payment could be donated and gift-aided, providing the donation is at least 10% more than the standard admission charge. The response from our visitors was very positive enabling us to reclaim £69,613 in tax over the year.

Our other primary 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 - all made strong contributions to the very satisfactory overall financial result. The Friends of the Museum made grants totalling £178,135 from their subscription income and fundraising activities. This is the largest amount granted in one year.

We were very grateful to receive £15,121 in legacies during the year. £14,636 of this, being unrestricted, was transferred to the Weald & Downland Open Air Museum Endowment Trust to be invested for the longer term support to the Museum.

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 going back to 1990. In 2006 we received £567,364 as a result of this claim. This is made up of our claim of £361,327 plus statutory interest and costs. The income is shown under "Other incoming resources" in the Statement of Financial Activities. The trustees have approved that these funds be designated for application to projects in support of the Museum's development. £550,000 of this has been transferred to the Weald & Downland Open Air Museum Endowment Trust to invest on behalf of the Museum.

**Financial review**

The trustees have set an objective to generate a small surplus on unrestricted funds each year to provide a contingency fund, build up a reserve to provide start-up funds for new projects and minimise the requirement for an overdraft facility. This objective was achieved in 2006. At the balance sheet date, the level of assets held in unrestricted funds was £452,762 (of which £13,550 related to non charitable trading fund) and in restricted funds was £4,065,671 giving total funds of £4,518,433. Included in unrestricted funds are cash reserves of £293,912.

**Asset cover for funds**

Note 22 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.

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY  
GUARANTEE)  
CONSOLIDATED FINANCIAL STATEMENTS  
TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

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**Plans for the future**

New objectives for 2007:

- We will commission, in partnership with the Edward James Foundation and subject to the success of a grant application, a Landscape Conservation Management Plan for West Dean Park to underpin our proposals for the new visitor facilities planned in the Access Project, and make further significant progress towards the achievement of this project.
- We will review our site masterplan as part of our preparation for production of a new Forward Plan covering 2008-2012.
- We will establish a new exhibit, based on cultivated fields, showing the historical development of arable farming in the region.
- Subject to planning permission, we will re-erect as new exhibits the church from South Wonston, dismantled in 2006, a 17th-century bell-frame, and a hay barn from Ockley in Surrey
- Subject to planning permission and award of grant aid, we will erect a shelter for the display of a large group of our horse-drawn vehicles and agricultural implements.
- We will submit for validation by Bournemouth University an MSc course in Building Conservation, and if successful, recruit the first cohort. The adult course department will be enhanced by an additional team member.
- We will carry out site and exhibit improvements, including new pathways and refurbishment of the Hangleton Cottage and the hall from Boarhunt.
- Subject to the award of grant aid we will restore to working order an important early threshing drum acquired in 1985 from a farm in the Ashdown Forest.

**Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**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.

On behalf of the board of trustees

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

Trustee

Dated: 26 March 2007

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

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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)**

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We have audited the consolidated group accounts of Weald and Downland Open Air Museum Limited (Limited by Guarantee) for the year ended 31 December 2006 set out on pages 8 to 21. These accounts have been prepared in accordance with the accounting policies set out on page 11.

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 5, 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 Small Entities, in the circumstances set out in note 24 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)**

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**Opinion**

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charitable group's affairs as at 31 December 2006 and of its incoming resources and application of resources in the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the accounts.

**Jones Avens**

Chartered Accountants  
Registered Auditor  
Piper House 4 Dukes Court  
Bognor Road Chichester  
West Sussex PO19 8FX

Dated: 16 April 2007

**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 2006**

	Notes	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
<b><u>Incoming resources from generated funds</u></b>					
Voluntary income	2	508,869	73,472	582,341	752,180
Activities for generating funds	3	412,524	-	412,524	408,830
Investment income	4	24,599	5,284	29,883	13,699
		<b>945,992</b>	<b>78,756</b>	<b>1,024,748</b>	1,174,709
Incoming resources from charitable activities	5	569,329	-	569,329	532,640
Other incoming resources	6	588,019	-	588,019	16,304
<b>Total incoming resources</b>		<b>2,103,340</b>	<b>78,756</b>	<b>2,182,096</b>	1,723,653
<b><u>Resources expended</u></b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	7	24,888	-	24,888	641
Trading costs	3	222,498	-	222,498	227,677
		<b>247,386</b>	<b>-</b>	<b>247,386</b>	228,318
<b>Net incoming resources available</b>		<b>1,855,954</b>	<b>78,756</b>	<b>1,934,710</b>	1,495,335
<b>Charitable activities</b>					
Costs of charitable activities	7	1,233,017	119,318	1,352,335	1,249,028
Grant to Endowment Trust	7	564,636	-	564,636	211,124
<b>Total charitable expenditure</b>		<b>1,797,653</b>	<b>119,318</b>	<b>1,916,971</b>	1,460,152
Governance costs	7	8,631	-	8,631	10,200
<b>Total resources expended</b>		<b>2,053,670</b>	<b>119,318</b>	<b>2,172,988</b>	1,698,670
<b>Net incoming/(outgoing) resources before transfers</b>		<b>49,670</b>	<b>(40,562)</b>	<b>9,108</b>	24,983
Gross transfers between funds	14	(2,814)	2,814	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>46,856</b>	<b>(37,748)</b>	<b>9,108</b>	24,983
Fund balances at 1 January 2006		405,906	4,103,419	4,509,325	4,484,342
<b>Fund balances at 31 December 2006</b>		<b>452,762</b>	<b>4,065,671</b>	<b>4,518,433</b>	4,509,325

**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 2006***

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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 2006**

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	15		4,042,590		4,079,788
<b>Current assets</b>					
Stocks		36,300		41,273	
Debtors	18	112,324		126,026	
Project bank accounts		450,983		412,734	
Cash at bank and in hand		108,078		35,837	
			707,685		615,870
<b>Creditors: amounts falling due within one year</b>	19	(226,542)		(181,033)	
<b>Net current assets</b>			481,143		434,837
<b>Total assets less current liabilities</b>			4,523,733		4,514,625
<b>Creditors: amounts falling due after more than one year</b>	20		(5,300)		(5,300)
<b>Net assets</b>			4,518,433		4,509,325
<b>Income funds</b>					
Restricted funds	21		4,065,671		4,103,419
Non-charitable trading fund		13,550		13,715	
Other unrestricted funds		439,212		392,191	
Unrestricted funds			452,762		405,906
			4,518,433		4,509,325

The accounts were approved by the Board on 26 March 2007

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 2006**

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**1 Accounting policies**

**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.

The charitable group has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charitable group.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985. The comparative figures have been restated to comply with the SORP 2005.

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, donations, legacies, museum entrance fees, schools education, courses, shop sales, catering income, income from special events, venue hire, enhanced visits, harvest income, rent receivable, and bank interest receivable, 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 voluntary income, trading costs, charitable expenditure (split between undertaken directly, support costs and grants payable) and governance costs. Token redemption and gift aid expenditure has been allocated to costs of generating voluntary income. Trading costs is the expenditure in Singleton Museum Services Limited excluding audit and accountancy fees. Bank charges have been allocated to support costs within charitable expenditure as well as an apportionment of wages and salaries (100% of the Finance Officer's salary and 50% of the secretaries salaries) and depreciation of the fixtures, fittings and equipment. Amounts transferred to Weald and Downland Open Air Museum Endowment Trust are included in grants payable. External audit and accountancy fees are included in governance costs. All other costs are included in charitable expenditure undertaken directly. All expenditure is recognised on an accruals basis.

**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

Heritage assets consist of museum exhibits and the gridshell building which are depreciated over the remaining life of the lease on leasehold properties.

**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 2006**

**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 Irrecoverable VAT**

Irrecoverable VAT is written off to the Statement Of Financial Activities in the year it arises.

**2 Voluntary income**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2006 £</b>	<b>Total 2005 £</b>
Donations and gifts	350,088	100	350,188	307,506
Legacies receivable	15,121	-	15,121	236,000
Grants receivable for core activities	143,660	73,372	217,032	208,674
	<u>508,869</u>	<u>73,472</u>	<u>582,341</u>	<u>752,180</u>

Included in donations and gifts is £243,756 (2005 - £204,684) relating to museum entrance fees received under gift aid.

**3 Activities for generating funds**

	<b>2006 £</b>	<b>2005 £</b>
Turnover in subsidiary	332,152	323,682
Trading costs	(222,498)	(227,677)
<b>Net income from trading in subsidiary</b>	<u>109,654</u>	<u>96,005</u>
Other activities for generating funds	80,372	85,148
<b>Net activities for generating funds</b>	<u>190,026</u>	<u>181,153</u>

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY  
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 CONSOLIDATED FINANCIAL STATEMENTS  
 NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2006**

**4 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
Interest receivable	<b>24,599</b>	<b>5,284</b>	<b>29,883</b>	13,699

**5 Incoming resources from charitable activities**

	2006 £	2005 £
Museum entrance fees	320,236	290,147
Education (schools)	82,651	71,491
Courses	148,349	152,531
Special events	18,093	18,471
Charitable activities	<b>569,329</b>	532,640

**6 Other incoming resources**

	2006 £	2005 £
Net gain on disposal of fixed assets	-	474
Rent received	<b>20,655</b>	15,830
VAT refund and interest	<b>567,364</b>	-
	<b>588,019</b>	<b>16,304</b>

**WEALD AND DOWNLAND OPEN AIR MUSEUM LIMITED (LIMITED BY  
GUARANTEE)  
CONSOLIDATED FINANCIAL STATEMENTS  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**7 Total resources expended**

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2006 £	Total 2005 £
<b>Costs of generating funds</b>						
Costs of generating voluntary income	-	-	24,888	-	24,888	641
Trading costs	-	-	222,498	-	222,498	227,677
<b>Total</b>	<b>-</b>	<b>-</b>	<b>247,386</b>	<b>-</b>	<b>247,386</b>	<b>228,318</b>
<b>Charitable activities</b>						
<u>Costs of charitable activities</u>						
Activities undertaken directly:						
Unrestricted funds	493,248	11,475	667,914	-	1,172,637	1,079,658
Restricted funds	-	61,331	57,987	-	119,318	113,858
	<b>493,248</b>	<b>72,806</b>	<b>725,901</b>	<b>-</b>	<b>1,291,955</b>	<b>1,193,516</b>
Support costs:						
Unrestricted funds	42,735	11,938	5,707	-	60,380	55,512
Restricted funds	-	-	-	-	-	-
	<b>42,735</b>	<b>11,938</b>	<b>5,707</b>	<b>-</b>	<b>60,380</b>	<b>55,512</b>
Total:						
Unrestricted funds	535,983	23,413	673,621	-	1,233,017	1,135,170
Restricted funds	-	61,331	57,987	-	119,318	113,858
	<b>535,983</b>	<b>84,744</b>	<b>731,608</b>	<b>-</b>	<b>1,352,335</b>	<b>1,249,028</b>
<u>Grant to Endowment Trust</u>						
Grant funding of activities	-	-	-	564,636	564,636	211,124
	<b>535,983</b>	<b>84,744</b>	<b>731,608</b>	<b>564,636</b>	<b>1,916,971</b>	<b>1,460,152</b>
<b>Governance costs</b>	<b>-</b>	<b>-</b>	<b>8,631</b>	<b>-</b>	<b>8,631</b>	<b>10,200</b>
	<b>535,983</b>	<b>84,744</b>	<b>987,625</b>	<b>564,636</b>	<b>2,172,988</b>	<b>1,698,670</b>

Governance costs includes payments to the auditors of £4,315 (2005: £5,100) for audit fees and £4,315 (2005: £5,100) for other services.

Notes 8 to 11 give more details on the resources expended.

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**8 Costs of generating voluntary income**

	<b>2006</b>	2005
	£	£
Other costs of Costs of generating voluntary income comprise:		
Token redemption	22,792	-
Gift aid expenditure	2,096	641
	<b>24,888</b>	641

**9 Activities undertaken directly**

	Unrestricted funds £	Restricted funds £	<b>Total 2006 £</b>	Total 2005 £
Other costs relating to costs of charitable activities comprise:				
Premises costs	113,178	-	113,178	122,660
Repairs, maintenance and site development	97,891	-	97,891	77,632
Collections management and conservation	5,446	18,428	23,874	45,837
Courses and education	111,366	10,773	122,139	97,228
Publicity	67,400	-	67,400	72,558
Special events	93,989	-	93,989	66,715
Office and administration	28,538	-	28,538	27,102
Travel and volunteers	30,894	-	30,894	42,794
Legal and professional	23,515	-	23,515	37,696
Knowledge Transfer Partnership	-	28,786	28,786	1,334
Other costs	95,697	-	95,697	87,370
	<b>667,914</b>	<b>57,987</b>	<b>725,901</b>	<b>678,926</b>

**10 Support costs**

	<b>2006</b>	2005
	£	£
Other costs	<b>5,707</b>	6,158
Staff costs	<b>42,735</b>	32,268
Depreciation	<b>11,938</b>	17,086
	<b>60,380</b>	55,512

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**11 Grants payable**

	<b>2006</b>	2005
	£	£
Grant to Endowment Trust	<b>564,636</b>	211,124

During the year, £564,636 was transferred to Weald and Downland Open Air Museum Endowment Trust to invest on its behalf. This is made up of unrestricted legacies received of £14,636 and VAT refund received of £550,000. This VAT refund transferred, plus all interest received, will be made available to the Museum on an unrestricted basis, and on reasonable request by the Trustees of the Museum, for the Museum's use towards future project activity.

**12 Trustees**

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

J N 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 £722.

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**13 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2006</b>	2005
	<b>Number</b>	Number
Museum buildings and operations	<b>30</b>	28
Museum shop	<b>5</b>	4
Administration	<b>2</b>	2
	<u><b>37</b></u>	<u>34</u>

**Employment costs**

	<b>2006</b>	2005
	<b>£</b>	£
Wages and salaries	<b>509,321</b>	474,872
Social security costs	<b>41,142</b>	36,916
	<u><b>550,463</b></u>	<u>511,788</u>
Less: Transfer of wages costs to projects	<b>(14,480)</b>	(31,975)
	<u><b>535,983</b></u>	<u>479,813</u>

There were no employees whose annual emoluments were £60,000 or more.

**14 Transfers**

The transfers between funds represent transfers out of restricted funds for projects being transferred to unrestricted funds on completion, providing there are no remaining restrictions and also transfers into restricted funds where there is a deficit on a restricted fund project and the shortfall is made up from unrestricted funds.

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**15 Tangible fixed assets**

	Land and buildings	Heritage assets	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2006	868,062	3,853,823	137,280	86,441	23,075	4,968,681
Additions	10,798	13,933	17,904	6,137	-	48,772
Disposals	(1,283)	-	(9,820)	(13,712)	-	(24,815)
<b>At 31 December 2006</b>	<b>877,577</b>	<b>3,867,756</b>	<b>145,364</b>	<b>78,866</b>	<b>23,075</b>	<b>4,992,638</b>
<b>Depreciation</b>						
At 1 January 2006	271,781	417,403	112,552	66,932	20,224	888,892
On disposals	(77)	-	(9,809)	(13,697)	-	(23,583)
Charge for the year	9,317	53,770	9,001	11,938	713	84,739
<b>At 31 December 2006</b>	<b>281,021</b>	<b>471,173</b>	<b>111,744</b>	<b>65,173</b>	<b>20,937</b>	<b>950,048</b>
<b>Net book value</b>						
<b>At 31 December 2006</b>	<b>596,556</b>	<b>3,396,583</b>	<b>33,620</b>	<b>13,693</b>	<b>2,138</b>	<b>4,042,590</b>
At 31 December 2005	596,281	3,436,420	24,728	19,508	2,851	4,079,788

**16 Heritage assets**

Heritage assets consist of Museum Exhibits and the Gridshell building.

The Museum Exhibits are a collection of nearly 50 historic buildings dating from the 13th to the 19th century. Rescued from destruction, the buildings have been carefully dismantled, conserved and rebuilt to their original form and bring to life the homes, farmsteads and rural industries of the last 500 years. Many of the interiors have been furnished, recreating the way the buildings were used by their owners centuries ago. They include historical cottages, houses, shops, halls, barns, sheds, stable, school, granary, workshops, tudor kitchen, treadwheel, watermill and a timber crane.

The Downland Gridshell, completed in 2002, is one of a very small number of gridshell structures in the United Kingdom, and its design and method of construction are unique. A very high degree of carpentry skill went into its fabrication, emulating but not imitating the traditional framed buildings at the Museum. It is used for storing the Museum's collections of tools and artefacts from rural life and also provides a workshop where historic timber framed buildings can be laid out for conservation and repair.

At 31 December 2006 Museum Exhibits have a cost of £1,822,720 and the Gridshell building has a cost of £2,045,036 making a total of £3,867,756.

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**17 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 2006, the company's assets total £97,737, its liabilities £33,687 and its total funds £64,050. For the year, its turnover is £332,154, expenditure £332,319 and loss £165.

This subsidiary is included in the consolidated accounts.

<b>18 Debtors</b>	<b>2006</b>	2005
	£	£
Trade debtors	<b>73,197</b>	70,886
Other debtors	<b>20,322</b>	37,478
Prepayments and accrued income	<b>18,805</b>	17,662
	<b>112,324</b>	126,026

<b>19 Creditors: amounts falling due within one year</b>	<b>2006</b>	2005
	£	£
Trade creditors	<b>100,911</b>	56,856
Taxes and social security costs	<b>14,717</b>	16,477
Other creditors	<b>2,902</b>	2,658
Accruals	<b>108,012</b>	105,042
	<b>226,542</b>	181,033

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<b>20 Creditors: amounts falling due after more than one year</b>	<b>2006</b>	2005
	£	£
Other creditors	<b>5,300</b>	5,300

**21 Restricted funds**

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

	Movement in funds				Balance at 31 December 2006 £
	Balance at 1 January 2006 £	Incoming resources £	Resources expended £	Transfers £	
Museum Exhibits	1,491,336	12,291	(23,246)	4,216	<b>1,484,597</b>
Longport and Extension	287,873	-	(4,498)	-	<b>283,375</b>
Leasehold Properties	166,017	-	(2,594)	-	<b>163,423</b>
Store in Railway Cutting	9,485	-	(148)	-	<b>9,337</b>
Maurice Heynes Legacy	94,976	4,151	-	-	<b>99,127</b>
Gridshell	1,953,467	-	(31,273)	-	<b>1,922,194</b>
Benson Fund	25,936	1,133	-	-	<b>27,069</b>
Teachers Pack 2003/4	11,625	-	(6,294)	-	<b>5,331</b>
Arthur Cox Project	10,000	-	-	-	<b>10,000</b>
Orientation Feasibility Study	(4,517)	-	-	15,316	<b>10,799</b>
Rural Teaching Facility	21,442	-	(493)	-	<b>20,949</b>
Other	35,779	61,181	(50,772)	(16,718)	<b>29,470</b>
	<u>4,103,419</u>	<u>78,756</u>	<u>(119,318)</u>	<u>2,814</u>	<u><b>4,065,671</b></u>

**22 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2006 are represented by:			
Tangible fixed assets	158,850	3,883,740	<b>4,042,590</b>
Current assets	504,391	203,294	<b>707,685</b>
Creditors: amounts falling due within one year	(205,179)	(21,363)	<b>(226,542)</b>
Creditors: amounts falling due after more than one year	(5,300)	-	<b>(5,300)</b>
	<u>452,762</u>	<u>4,065,671</u>	<u><b>4,518,433</b></u>

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**23 Commitments under operating leases**

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Expiry date:		
In over five years	<b>27,747</b>	27,046

**24 Auditors' Ethical Standards**

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.