

Tyne and Wear
Archives Joint
Committee
Statement of Accounts
2003/2004

Contents

	Page
EXPLANATORY FOREWORD	3
STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS	8
STATEMENT ON THE SYSTEM OF INTERNAL CONTROL	10
AUDITORS REPORT TO TYNE AND WEAR ARCHIVES JOINT COMMITTEE	13
STATEMENT OF ACCOUNTING POLICIES	15
CONSOLIDATED REVENUE ACCOUNT	18
CONSOLIDATED BALANCE SHEET	21
STATEMENT OF TOTAL MOVEMENT IN RESERVES	24
CASH FLOW STATEMENT	25

EXPLANATORY FOREWORD

1. INTRODUCTION

Tyne and Wear Archives Joint Committee is responsible for the financial affairs and operation of the Archive Service and the Northern Region Film & Television Archive Service (NRFTA). Financial accounts for 2003/04 include the operation of both services.

It is intended that NRFTA will be incorporated as a separate company (NRFTA Ltd) with a Board of Directors. Expenditure within the Archives Service will continue for NRFTA until the company is incorporated and commences trading.

The five Metropolitan Councils represented on the Joint Committee are Gateshead Council, Newcastle City Council, Sunderland City Council, North Tyneside Council and South Tyneside Metropolitan Borough Council. The Joint Committee's accounts for the year to 31 March 2004 are detailed in the enclosed statements. This foreword provides a guide to the content of the Statement of Accounts together with an overview of the Joint Committee's financial position.

2. CONTENT AND PURPOSE OF THE STATEMENTS

(i) **The Statement of Responsibilities for the Statement of Accounts** (page 8)

This statement sets out the respective responsibilities of the Joint Committee and the Treasurer for the accounts.

(ii) **Statement of Accounting Policies** (pages 15 to 17)

This explains the basis of the figures in the accounts. The accounts can only be properly appreciated if the policies which have been followed in dealing with material items are explained.

(iii) **The Revenue Account** (pages 18 to 20)

The purpose of this account is to report expenditure and income relating to the services provided by the Joint Committee and how the net cost of these services has been financed.

(iv) **The Balance Sheet** (pages 21 to 23)

The balance sheet sets out the financial position of the Joint Committee as at 31 March 2004. It contains a summary of the current assets employed, the current liabilities, and the reserves of the Joint Committee at this point in time.

(v) **The Statement of Total Movement in Reserves (page 24)**

The statement of total movement in reserves draws together all the recognised gains and losses of the Joint Committee during the period and identifies those which have and have not been reflected in the revenue account.

(vi) **The Cash Flow Statement (page 25)**

The cash flow statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes over the course of the year.

3. **REVENUE SPENDING IN 2003/2004**

The actual expenditure and income of the Joint Committee for 2003/2004 compared with the levels forecast in the original and revised estimates is summarised below: -

Revenue Account 2003/04

2002/03		2003/04		
Actual		Base	Probable	Actual*
Outturn		Estimate	Estimate	Outturn
£		£	£	£
663,335	Total Expenditure	638,330	679,220	718,691
(86,808)	Total External Income	(29,210)	(92,240)	(102,561)
<u>576,527</u>		<u>609,120</u>	<u>586,980</u>	<u>616,130</u>
(569,834)	Total contributions from constituent authorities	(609,120)	(586,980)	(616,948)
<u>6,693</u>	(Surplus)/Deficit	<u>-</u>	<u>-</u>	<u>(818)</u>
(49,649)	Balance b/fwd	(42,956)	(42,956)	(42,956)
<u>(42,956)</u>	Balance c/fwd	<u>(42,956)</u>	<u>(42,956)</u>	<u>(43,774)</u>

* Base and probable estimates are based upon gross expenditure and gross income for the core Archives Service and NRFTA Service. The estimates do not include the estimated expenditure and income for self-financing grant funded schemes. These schemes are, however, reflected in the actual outturn.

The current self-financing schemes of the Joint Committee are:

- Research Resources in Medical History (RRMH)
- Access to Archives
- Machine Gunners
- 1901 Census Vouchers
- Northumbrian Anthology
- Cultural Diversity

Balances of grant received in advance of expenditure or grants owed are recorded in the Balance Sheet as Deferred Grants and Grant Debtors respectively. The income is released to the Revenue Account to match expenditure incurred on these schemes.

The surplus reported for 2003/04 comprises:

Surplus from Archives allocated to:	
- purchase of Bewick letters	£ 2,500
- Archive Service expenditure in 2004/05	£ 14,640
Use of NRFTA reserve for 2003/04 expenditure	<u>£(16,322)</u>
Net Surplus	£ 818

The Joint Committee agreed to carry forward £10,000 funding to 2003/04 to fund ongoing work on the records management service and the locations database at its meeting on 13 February 2003. An allocation of £5,000 to the purchase of the Bewick letters was agreed on 21 July 2003. The balances are reflected in the opening reserves position in the accounts.

The Joint Committee agreed at its meeting on 12 February 2004 that a balance of £26,640 of additional income could be carried forward to 2004/05 to enhance the Archives Service for future years. This included a projection of additional income from 2003/04 of £16,640 to supplement the existing reserve of £10,000. The actual income available was £14,640 after the late accrual of £2,000 for the audit fee. The surplus of £14,640 shown above increases the reserve to £24,640.

4. CAPITAL SPENDING IN 2003/2004

The Joint Committee did not hold any capital assets at the start of the year and did not incur any capital expenditure during 2003/2004. The building is owned by Newcastle City Council.

5. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the Joint Committee are set out on pages 15 to 17. These are in line with the accounting policies of the Lead Authority, Gateshead Council.

6. CHANGES IN STATUTORY FUNCTIONS

The principal pieces of legislation which underpin the work of the Committee are: -

- Public Records Act 1958 and 1967
- Local Government (Records) Act 1962
- Local Government Act 1972
- Local Government (Access to Information) Act 1985
- Data Protection Act 1998
- Freedom of Information Act 2000

The functions of the Joint Committee are largely enshrined in these Acts. There have been no significant changes to the statutory functions of the Committee during the course of 2003/2004. Future legislation is expected on National Records and Archives in 2006.

7. BORROWING FACILITIES

The Committee has no borrowing facility, the budget is managed so that income equals outgoings. The Committee can agree that additional income from the records service is carried forward to enhance the service in future years.

8. SOURCE OF FUNDS

The net expenditure requirements of the Joint Committee are generally met through a levy on each of the constituent authorities on a quarterly basis and the raising of fees and charges. Any excess or insufficiency in the recovery of costs to the constituent authorities will be repaid or invoiced for after the year end.

9. FUTURE DEVELOPMENTS

A brief summary of the approved budget of the Joint Committee for 2004/2005 is outlined below: -

Revenue Budget 2004/2005

	2003/2004 Actual £	2004/2005 Estimate £
Total Expenditure	718,691	680,070
Total Income	(719,509)	(680,070)
(Surplus)/Deficit	(818)	-
Balance bfwd	(42,956)	(43,774)
Balance cfwd	(43,774)	(43,774)

10. CONCLUSION

Expenditure in the year was met by income. A balance of £16,640 was agreed to be carried forward into 2004/05 in addition to the £10,000 additional income already held in reserves. The actual additional income available in 2003/04 was £14,640 after the late accrual of £2,000 for the audit fee. The balance of £24,640 is intended to fund a number of areas of work for the Archive Service which were approved at the meeting of the Joint Committee on 12 February 2004.

A further £2,500 was agreed to be carried forward to contribute to the purchase of the Bewick letters. The level of this reserve is now £7,500.

11. FURTHER INFORMATION

Information on service issues may be obtained from the Strategic Director, Finance & ICT, Civic Centre, Regent Street, Gateshead, Tyne & Wear NE8 1HH. In addition, interested members of the public have a statutory right to inspect the accounts before the completion of the audit. Availability of the accounts for inspection is advertised in the local press.



D V Coates, BA CPFA IRRV
Strategic Director Finance & ICT , Gateshead Council

Date 25/2/05

J McElroy
Chairman of Joint Committee

Date

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

1. The Joint Committee's Responsibilities

The Joint Committee is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Joint Committee, that officer is the Strategic Director of Finance & ICT, Gateshead Council (Lead Authority).
- to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.

2. The Treasurer to the Joint Committees Responsibilities

(i) The Strategic Director of Finance & ICT, Gateshead Council is responsible for the preparation of the Joint Committee's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Joint Committee Accounting in Great Britain ("the Code"), is required to present fairly the financial position of the Joint Committee at the accounting date and its income and expenditure for the year ended 31st.March 2004.

(ii) In preparing this statement of accounts, the Strategic Director of Finance & ICT, Gateshead Council has:

- . selected suitable accounting policies and then applied them consistently;
- . made judgements and estimates that were reasonable and prudent;
- . complied with the Code.

(iii) The Strategic Director of Finance & ICT, Gateshead Council has also:

- . maintained proper and up to date accounting records;
- . taken reasonable steps for the prevention and detection of fraud and other irregularities.

Chief Finance Officer's Certificate

I hereby certify that the Statement of Accounts for the year ended 31 March 2004, required by the Accounts and Audit Regulations are set out in the following pages.

I further certify that the Statement of Accounts presents fairly the financial position of the Tyne and Wear Archives Joint Committee at 31 March 2004 and its income and expenditure for the year ended 31 March 2004.

Signed D V Coates
D V Coates, BA CPFA IRRV
Strategic Director Finance & ICT , Gateshead Council

Date... 25/2/05

STATEMENT ON THE SYSTEM OF INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

1. The Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the Joint Committee is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Joint Committee's functions and which includes arrangements for the management of risk.
3. For this Joint Committee, the Strategic Director of Finance & ICT, Gateshead Council (Lead Authority) has the responsibility for implementing the necessary systems of internal control to achieve these requirements. As Lead Authority for the Joint Committee, Gateshead Council applies the Council's system of internal control.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

4. 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 Tyne and Wear Archive Joint Committee'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.
5. The system of internal control has been in place at the Joint Committee for the year ended 31 March 2004 and up to the date of approval of the annual report and accounts.

INTERNAL CONTROL ENVIRONMENT

6. The systems of internal control of the Lead Authority, Gateshead Council, are applied to the Joint Committee and are set out in the Council's Constitution supported by a framework of regular management information, contract procedures, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. The development and maintenance of the system is undertaken by managers within Council, and ensures the economical, efficient and effective use of resources, and for securing continuous improvement in the way in which Council and Joint Committee's functions are exercised, having regard to a combination of economy, efficiency and effectiveness as required by the Best Value duty. In particular, the system includes:-
 - A clear system of delegation;
 - Comprehensive budgeting systems;
 - A robust system of financial planning and budgetary control including formal monitoring

- of periodic and annual reports to indicate financial performance against forecasts;
 - Setting targets to measure financial and other performance;
 - A corporate performance management system to measure financial and other performance;
 - Use as appropriate of formal project management disciplines;
 - Compliance with established policies, procedures, laws and regulations;
7. In order to ensure the independent review of the adequacy, or otherwise, of the system of internal financial control, the Council maintains an adequate and effective internal audit. The Internal Audit Service works in compliance with the CIPFA Code of Practice for Internal Audit in Local Government 2003 and other professional standards.
 8. The work of the Internal Audit Service is based upon a risk based three-year Strategic Audit Plan that covers all areas of Councils operations.
 9. Under the Council's Constitution, the Internal Audit Service reports upon its planning and performance to the Corporate Vitality Overview and Scrutiny Committee on a quarterly and annual basis.
 10. The Council has a Corporate Risk Management Framework in place, which facilitates the identification and control of risks on both a Strategic and Group basis, and produces an Annual Risk Management report, which will be reported to the Cabinet.
 11. There will be a process whereby managers assigned with the ownership of key systems will provide assurances of the effectiveness of the related key controls to be reported to the Cabinet on an annual basis.

REVIEW OF EFFECTIVENESS

12. The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the Internal Audit Service and Strategic Managers in the Authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.
13. The Chief Internal Auditor reports to Council's Chief Finance Officer, but in order to ensure independence has direct access to the Chief Executive, Monitoring Officer and the Corporate Vitality Overview and Scrutiny Committee.
14. The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control, which is incorporated in the Annual Internal Audit Report to the Corporate Vitality Overview and Scrutiny Committee.
15. The Annual Internal Audit Report for 2003/2004, which was presented to Committee on 19 July 2004, concluded that, based on the work undertaken the Council's system of internal control is both sound and fit for purpose.

16. By way of the Annual Risk Management Report to the cabinet the Strategic Director Finance and ICT, provides an opinion on the soundness of risk management arrangements to manage principal risk.
17. By way of the statement from managers presented to the Cabinet, assurances will be provided of the effectiveness of key controls.
18. The review of the effectiveness of the system of internal control is informed by:-
- The work of managers within the Council;
 - The work of the Internal Audit Service as described above;
 - The work of Corporate Risk Management as described above; and
 - The external auditors in their annual audit letter and other reports.
19. Whilst the results of the review of Council's system of internal control has concluded that it is sound and fit for purpose, the dynamic nature of controls and the environment in which they operate requires that they are always improved upon. In conjunction with Council's Senior Management, we will endeavour to ensure that any recommendations for improvement to the system of internal control arising from the review process are implemented to support continuous improvement of the system.

Signed

Signed



Strategic Director
Finance & ICT
Gateshead Council

Chair of the Joint Committee

Date 25/2/05

Date

INDEPENDENT AUDITORS REPORT TO TYNE AND WEAR
ARCHIVES JOINT COMMITTEE

I have audited the statement of accounts on pages 18 to 25 which have been prepared in accordance with the accounting policies applicable to local authorities as set out on pages 15 to 17.

This report is made solely to the Tyne and Wear Archives Joint Committee in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 54 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission.

Respective Responsibilities of the Chief Financial Officer and Auditor

As described on page 8 the Treasurer is responsible for the preparation of the statement of accounts in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2003. My responsibilities, as independent auditor, are established by statute, the Code of Audit Practice issued by the Audit Commission and my profession's ethical guidance.

I report to you my opinion as to whether the statement of accounts present fairly:

- the financial position of the Joint Committee and its income and expenditure for the year,
- the financial transactions of its Pension Fund during the year and the amount and disposition of the Fund's assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year.

I review whether the statement on internal control on pages 10 to 12 reflects compliance with CIPFA's guidance 'The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003' published on 2 April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the joint committee's corporate governance procedures or its risk and control procedures. My review was not performed for any purpose connected with any specific transaction and should not be relied upon for any such purpose.

I read the other information published with the statement of accounts and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the statement of accounts. I am not required to consider, nor have I considered, information regarding future projections included within the statement of accounts.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant auditing standards 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 judgments made by the joint committee in the preparation of the financial statements, and of whether the

accounting policies are appropriate to the joint committee's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me/us with sufficient evidence to give reasonable assurance that the statement of accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion, I evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In my opinion the statement of accounts present fairly the financial position of the Tyne and Wear Archives Joint Committee as at 31 March 2004 and its income and expenditure for the year then ended.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Signature:

Date:

Name:

Address:

STATEMENT OF ACCOUNTING POLICIES

1. GENERAL PRINCIPLES

The accounts of the Joint Committee have been prepared in accordance with the provisions of the Code of Practice on Local Authority Accounting in Great Britain issued by CIPFA. The code specifies and defines the principles and proper accounting practices required for the preparation of a Statement of Accounts which present fairly the financial position and transactions of a Joint Committee.

The Code is supported by a number of detailed accounting recommendations including the application of Statements of Standard Accounting Practice (SSAPs) and Financial Reporting Standards (FRSs) approved by the Accounting Standards Board and relevant to local authorities.

The following sections outline the accounting policies applied in compiling the Statement of Accounts of the Joint Committee and aim to explain the basis of the figures in the accounting statements.

2. INCOME AND EXPENDITURE

Revenue Account

The revenue account is maintained on a Receipts and Payments basis during the year and converted at the year end to an Income and Expenditure basis by the creation of debtors and creditors.

Capital Account

Any capital expenditure would be recorded on an accruals basis during the year.

3. CAPITAL

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis. Expenditure on fixed assets is capitalised provided that the fixed asset yields benefits to the Joint Committee and the services it provides for a period of more than one year.

3. RESERVES AND PROVISIONS

The Joint Committee has a General Reserve for the carry forward of funding to enhance the Archives Service for future years. Specific reserves are held for match funding of future capital schemes and the purchase of Bewick Letters and the funding of NRFTA service.

5. DEFERRED CHARGES

Deferred charges result primarily from expenditure of a capital nature for which no tangible asset is created. Any such charges would be written off to the Revenue Account of the Joint Committee over an appropriate period.

No deferred charges were created as a result of expenditure incurred by the Joint Committee in 2003/2004, nor does the Joint Committee hold any deferred charges from an earlier period.

6. GRANTS

Any revenue grants received during the year are accrued by the Joint Committee and credited to income in the same period in which the related expenditure is charged. Deferred grants have been disclosed in the Balance Sheet.

7. INTEREST CHARGES

Interest payable on external borrowings, and interest earned on the temporary investment of surplus funds, is accrued and accounted for in the accounts of the period to which it relates. The Joint Committee does not have any borrowing or interest earned.

8. THE REDEMPTION OF DEBT

The Joint Committee did not have any external loans.

9. LEASES

(i) Finance Leases

No finance leases were held by the Joint Committee at any point during the year.

(ii) Operating Leases

Rentals payable under operating leases are charged to revenue on an accruals basis. The Joint Committee has a lease for the ICT system. A rental of £2,040 per year is charged to the revenue account for a 5 year period.

10. DEBTORS AND CREDITORS

The revenue transactions of the Joint Committee are recorded in the accounts on an accruals basis (see note 2 on page 14 above) and the appropriate debtor and creditor entries have accordingly been made on the balance sheet.

11. STOCKS

The Joint Committee holds stocks of publications at the year end. The stock is valued at cost price for the purposes of the accounts.

12. PENSIONS

The Joint Committee's staff are employed by the Lead Authority, Gateshead Council, and are part of the Local Government Superannuation Scheme. The Joint Committee makes contributions, at the rate of 190% of employee contributions, to South Tyneside Metropolitan Borough Council, which administers the Local Government Pension Scheme (Tyne and Wear Pension Fund).

The Local Government Pension Scheme (Tyne and Wear Pension Fund) is classified as a defined benefit scheme and is accrued in accordance with Financial Reporting Standard 17 (FRS17). FRS17 accounts for retirement when they are committed to be given, even if the actual giving is many years into the future. FRS17 also includes the attributable share of the fund assets and liabilities.

These accounting policies represent a change to those applied in prior years.

As the Joint Committee is not a participating employer in the Local Government Pension Scheme (Tyne and Wear Pension Fund), it is not necessary to make FRS17 disclosures within the Joint Committee accounts. The relevant disclosures relating to the employees of the Tyne and Wear Archive Service are within the Statement of Accounts of Gateshead Council as employer.

13. INVESTMENTS

The Joint Committee has no investments.

CONSOLIDATED REVENUE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

	2002/03	2003/04
	£	£
EXPENDITURE		
Employees costs	430,068	501,181
Premises	124,747	127,026
Transport	7,886	7,910
Supplies and services		
Technical equipment	13,495	11,199
Computer charges	14,189	10,088
Other expenditure	27,622	16,427
Establishment expenses		
Printing & stationery	11,334	8,114
Postage	1,023	702
Other expenditure	1,961	8,275
Administration charges	31,040	27,769
Total Expenditure	663,335	718,691
INCOME		
Sales	2,203	3,746
Fees and charges	58,883	42,576
Donations/sponsorship	5,657	5,973
Grant income	20,065	50,266
Income from Constituent Authorities	569,834	616,948
Total Income	684,517	719,509
(Surplus)/Deficit for the year	6,693	(818)
Balance brought forward	(49,649)	(42,956)
Balance carried forward	(42,956)	(43,774)

NOTES TO THE REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

1. EXCEPTIONAL AND EXTRAORDINARY ITEMS AND PRIOR YEAR ADJUSTMENTS

There were no exceptional or extraordinary items or prior year adjustments to report in the year.

2. ASSET MANAGEMENT REVENUE ACCOUNT

No capital assets were held by the Joint Committee at any point during 2003/2004. No capital charges were therefore made to the revenue account in the year and the Joint Committee does not have an Asset Management Revenue Account.

3. PUBLICITY

Local Government Acts require the Joint Committee to keep a separate account of expenditure on publicity. During 2003/04 expenditure was incurred as follows:

	<u>2002/03</u>	<u>2003/04</u>
	£	£
Staff Advertising	Nil	513
Other Advertising	Nil	Nil

4. LOCAL JOINT COMMITTEE GOODS AND SERVICES ACT 1970

The Joint Committee did not provide any goods and services to any other local authorities under the Local Authorities (Goods and Services) Act 1970 during 2003/2004.

5. PENSIONS

The staff of the Joint Committee are part of the Local Government Pension Scheme (Tyne and Wear Pension Fund) which is administered by South Tyneside Metropolitan Borough Council. In 2003/2004 the Joint Committee paid an employers' contribution of £49,425 superannuation costs into the Pension Fund, representing 190% of employees contributions. The contribution rate is determined by the Fund's Actuary based on actuarial valuations, the last relevant review being at 31 March 2001. Under Pension Fund Regulations, contribution rates are set to meet 100% of the overall liabilities of the fund.

The Code of Practice on Local Authority Accounting in the United Kingdom 2000 requires the disclosure of the capital cost of any discretionary pensions payments agreed by the Joint Committee in respect of the Local Government Pension Scheme. In the case of the Joint Committee, no such discretionary payments (i.e. added years payments) were made in the year (there were no retirements during 2003/04).

6. CONTRIBUTIONS TO/(FROM) THE CAPITAL FINANCING RESERVE

(i) Capital from Revenue Reserves

No capital assets were acquired through direct revenue financing by the Joint Committee during 2003/2004. There were therefore no contributions to the Capital Financing Reserve.

(ii) **Provision for the Repayment of External Loans**

(a) **Minimum Revenue Provision**

The Joint Committee is required by statute to set aside a minimum revenue provision for the redemption of external debt. The Joint Committee did not have any external debt at 31 March 2004 and did not take on any such loans during the year. As a result no Minimum Revenue Provision was made during 2003/2004.

(b) **Finance Lease Principal**

The Joint Committee did not hold any Finance Leases at any point during 2003/2004.

7. OFFICERS' EMOLUMENTS

The Joint Committee had no officers earning in excess of £40,000 per annum during 2003/2004.

8. MEMBERS' ALLOWANCE

The Joint Committee does not pay allowances direct to Members. All allowances claimed for Joint Committee meetings are paid by the Local Authority to which the individual member is elected.

9. RELATED PARTY TRANSACTIONS

Information in respect of material transactions with related parties are as follows :-

- (i) **Government Grants**: No Government Grants were received during 2003/04.
- (ii) **Pensions**: See note 5 in the Notes to the Consolidated Revenue Account.
- (iii) During the course of 2003/2004 no Members or officers of the Joint Committee, their close relations, or members of the same household, undertook any declarable related party transactions with the Joint Committee. The disclosure note itself has been prepared in accordance with guidance on the interpretation of FRS8 (Related Party Transactions) and its applicability to the public sector.

10. DISCLOSURE OF AUDIT COSTS

Fees payable to the Audit Commission for with regard to external audit services carried out by the appointed auditor were £2,000 in 2003/04. No charge was made in 2002/03.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2004

	<u>Notes</u>	31 March 2003		31 March 2004	
		£	£	£	£
<u>Current Assets</u>					
Stock		6,472		7,125	
Debtors	3	12,757		46,420	
Cash in Hand: Bank		183,604		161,340	
			202,833		214,885
<u>Current Liabilities</u>					
Creditors	4		(159,877)		(171,111)
Total Assets less Liabilities			<u>42,956</u>		<u>43,774</u>
 <u>Financed By</u>					
Earmarked reserves			32,956		19,134
General Revenue Reserve			10,000		24,640
			<u>42,956</u>		<u>43,774</u>

NOTES TO THE BALANCE SHEET

1. FIXED ASSETS

The Joint Committee did not hold any Fixed Assets at any point during 2003/2004.

2. COMMITMENTS UNDER CAPITAL CONTRACTS

The Joint Committee has not entered into any significant contracts for future capital expenditure. The Joint Committee has one 5 year operating lease for ICT equipment.

3. DEBTORS

Analysis of debtors is as follows:-

	<u>31 March 2003</u>	<u>31 March 2004</u>
	£	£
Additional contribution from constituent authorities	-	502
Trade Debtors	-	910
Grant Debtors	12,757	45,008
Total	<u>12,757</u>	<u>46,420</u>

4. CREDITORS

Analysis of creditors is as follows:-

	<u>31 March 2003</u>	<u>31 March 2004</u>
	£	£
Newcastle City Council (accomodation charges)	124,747	127,026
Refund of contributions to constituent authorities	14,993	9,085
Trade creditors	9,698	5,983
Accruals	439	3,970
Deferred grants	10,000	25,047
	<u>159,877</u>	<u>171,111</u>

5. LONG TERM BORROWING

The Joint Committee has no long-term borrowing.

6. DEFERRED LIABILITIES

The Joint Committee has no deferred liabilities.

7. PROVISION FOR CREDIT LIABILITIES (PCL)

The Joint Committee has no long-term debt and consequently no Provision for Credit Liabilities.

8. CONTINGENT LIABILITIES

The Joint Committee does not have any significant contingent liabilities as at 31 March 2004 and accordingly no provision has been made in the accounts for such items.

9. POST BALANCE SHEET EVENTS

NRFTA Ltd was incorporated on 12 December 2003 to take over running the Northern Region Film and Television Archive Service. NRFTA was originally a partnership of Tyne & Wear Archive Service, University of Teesside and Trade Films. Once trading, NRFTA Ltd will have its own Board of Directors and be independent of the Joint Committee although one or more members of the Joint Committee will be Directors.

A process is underway to set up a Development Trust to maximise income and external funding for the Joint Committee. This was a result of a recommendation of the Best Value review of Archive Service. The Trust would not be involved in managing the Archive Service. Its role would be in developing the archives service through fundraising, marketing, advocacy and other activities. The timetable for the process aims to have the Trust established by November 2004.

STATEMENT OF TOTAL MOVEMENT IN RESERVES

This statement shows the movements on the Joint Committee's reserves for the year to 31st March 2004.

	General Reserve	Earmarked Reserves			TOTAL RESERVES
	£	Match Funding	NRFTA	Bewick Letters	£
Balance at 1 st April 2003	10,000	11,634	16,322	5,000	42,956
Net Surplus/(Deficit) for year	14,640	-	(16,322)	2,500	818
Balance at 31st March 2004	24,640	11,634	-	7,500	43,774

The General Reserve is additional Records Management income set aside for enhancing the Archives service in future years. The carry forward of this sum was agreed by the Joint Committee at its meeting on 12 February 2004.

The Match Funding Reserve is additional Records Management income set aside for possible future match funding of capital schemes.

NRFTA reserve is funding for Northern Region Film and Television Archive Service. This has been used to fund expenditure incurred on NRFTA in 2003/04.

Bewick Letters Reserve is revenue resources set aside as match funding for the purchase of Bewick Letters. The total cost is expected to be £35,000.

CASH FLOW STATEMENT

	<u>2003/04</u>	<u>2002/03</u>
<u>Revenue Activities</u>		
Cash Outflows		
Cash paid to and on behalf of employees	501,181	430,038
Other operating payments	216,067	234,630
	<u>717,248</u>	<u>664,668</u>
<u>Cash Inflows</u>		
Cash received from fees and charges	51,386	66,742
Grants received	33,060	23,703
Income from constituent authorities	610,537	584,827
	<u>(694,983)</u>	<u>(675,272)</u>
(Increase)/Decrease in cash	<u>22,265</u>	<u>(10,604)</u>
 Reconciliation of Surplus/Deficit to Net Cashflow		
Surplus/(deficit) for year	818	(6,693)
<u>Items on accruals basis:</u>		
(Increase)/decrease in stock	(654)	12
(Increase)/decrease in debtors	(33,663)	12,992
Increase/(decrease) in creditors	<u>11,234</u>	<u>4,293</u>
Increase/(Decrease) in cash	<u>(23,083)</u>	<u>17,297</u>
Increase/(Decrease) in cash	<u>(22,265)</u>	<u>10,604</u>

