

RYE MUSEUM ASSOCIATION

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED
31 DECEMBER 2000

COMPANY NUMBER: 3226143

PHIPPS & CO.
CHARTERED ACCOUNTANTS



RYE MUSEUM ASSOCIATION

DIRECTORS' REPORT FOR THE YEAR ENDING 31 DECEMBER 2000

The directors present their report together with the accounts for the year ended 31 December 2000.

Rye Museum Association (RMA) is a company limited by guarantee. It was registered as a charity (number 1057421) on 8 August 1996.

Directors

The directors who served during the year were:

Paul Blomfield	- Chairman
Mrs Jo Kirkham	- Vice Chairman
David Short	- Hon Treasurer
Ian Johnson	- Hon Company Secretary
Frank Palmer	
Mrs Shirley Brinkhurst	
Mrs Rae Festing	
Mrs Daphne Message	
Mrs Pauline Kingswood	
Mrs Rosalind Collier	- Co-opted September 2000

Objects and Policies

The company was formed in succession to the unincorporated association of the same name. Its objectives are the provision of museum facilities in the Rye area and the advancement of education and exhibition of objects and collections with an educational nature.

The Curator / Administrator was Allan Downend.

The museum staff employed to September 2000 were J Davidson, L Pierpoint, C Rutland-Staples, C Wheeler, P Manson, E Williams and C Kimber.

Bankers - National Westminster Bank Plc, Rye Branch.

Solicitors - Heringtons, Bank Chambers, Rye.

Independent Examiner - Mr N Martin, Phipps & Co., Landgate Chambers, Rye.

Registered office - Bank Chambers, High Street, Rye, East Sussex.

Activities and Finance

The results for the year are shown on page 4.

The accounting policy in relation to the treatment of the Heritage Lottery funding has been changed. This is explained in notes 1 and 13 to the accounts. As a consequence, the results and balance sheet for the previous year have been adjusted in line with the new policy. The Statement of Financial Activities on page 4 clearly illustrates the effect of the necessary change in policy. The depreciation charge on assets purchased with the Heritage Lottery Fund grant now effects the reported surplus or deficit for the year. However, it should be noted that this charge is set against the Lottery Fund (see note 14) which, under the new accounting policy, represents the total of amounts received from the Lottery, less amounts already written off.

RMA owns 3 East Street, Rye which has been developed as a second museum site in addition to the Ypres Tower. RMA has been successful in obtaining Heritage Lottery funding of £459,000 to:

- Display certain artefacts in the Ypres Tower in suitable conditions and to provide educational facilities.
- Develop a local history museum of national standard, displayed on the East Street site.
- Give the collection on the East Street site the care and environmental conditions impossible to achieve in the Ypres Tower.

During the year, £20,000 became due from the Lottery Fund, with £439,000 paid in previous years, and works to that value have been executed.

The directors are satisfied that the company can meet its obligations.

RYE MUSEUM ASSOCIATION

DIRECTORS' REPORT
FOR THE YEAR ENDING 31 DECEMBER 2000

Summary of Activities During the Year

The Museum at Ypres Tower has been open throughout the year, and at East Street throughout the summer months. Visitors figures for the year were 14,770.

The visitor figures projected in the Heritage Lottery bid proved over optimistic, and were not met. This led to the necessity of moving from a paid staff, to one which is of largely voluntary stewarding from September 2000.

The museums' volunteers have proved to be an essential part of the running of the museum, and it is thanks to their enthusiasm and commitment that the museum has been as successful as it has.

The Education Committee has organised school and student museum visits, and an increasing number of outreach visits to schools throughout the area. The committee has also been involved in continuing to develop educational resources to enhance these activities.

A number of very interesting lectures have been given, and in the latter part of the year the venue has been moved successfully to the museum itself. These lectures have proved very popular.

Work has continued on the collection, cataloguing and entering the results on a museum computer data programme. We have completed building and conservation works covered by grants, including remedial work to the women's tower.

Total membership rose from 159 members at 31 December 1999 to 200 members at 31 December 2000.

Permanent Collection

The artefacts, documents and other exhibits are held by the company on loan from the Rye Museum Trust. The Trustees of this collection at 31 December 2000 were:-

Paul Blomfield	Brion Purdey
David Short	Victoria Williams
Charles R. Davey (retired October 2000)	Brian Hargreaves
Elizabeth Hughes (appointed October 2000)	David Martin
Frank S. Palmer	

Some additions to the collection have taken place, for which we are most grateful.

Directors' Responsibilities


Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the surplus or deficit for that year. In preparing these accounts the directors 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.

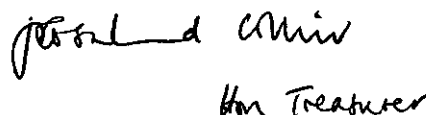
The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under Charity Law, the directors of RMA are considered to have the status and responsibilities of trustees.

Approved by the board of directors on 3 May 2001 and signed on its behalf:



Ian Johnson
Hon. Company Secretary



Hon. Treasurer

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS
OF RYE MUSEUM ASSOCIATION

I report on the accounts of the Association for the year ended 31 December 2000, which are set out on pages 4 to 9.

Respective responsibilities of the Directors and Examiner

As the Charity's Directors, you are responsible for the preparation of the accounts: you consider that the audit requirement of section 43 (2) of the Charities Act 1993 ("the Act") does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43 (7) of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1 Which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met: or
- 2 To which, in my opinion, attention should be drawn to enable a proper understanding of the accounts to be reached.



N Martin FCA
Phipps & Co
Chartered Accountants and Registered Auditors
Landgate Chambers
Rye
East Sussex
TN31 7 LJ
Date: 3 May 2001

RYE MUSEUM ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> <u>2000</u>	<u>Restricted</u> <u>Funds</u> <u>2000</u>	<u>Total</u> <u>Funds</u> <u>2000</u>	<u>Total</u> <u>Funds</u> <u>1999</u> <u>(as restated)</u>	<u>Total</u> <u>Funds</u> <u>1999</u> <u>(as previously</u> <u>reported)</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Income						
Subscriptions		678	-	678	1,375	1,375
Donations	2	752	142	894	1,559	1,559
Grants	3	5,974	30,693	36,667	109,107	109,107
Deferred income	13	-	-	-	-	(105,811)
Entry fees		26,711	-	26,711	33,427	33,427
Trading activities (net)	4	41	-	41	877	877
Investment income	5	247	-	247	448	448
Fund-raising activities & other income	6	6,598	-	6,598	525	525
Total income		<u>41,001</u>	<u>30,835</u>	<u>71,836</u>	<u>147,318</u>	<u>41,507</u>
Expenditure						
Direct charitable expenditure	7	32,987	15,338	48,325	50,301	50,301
Fund-raising & publicity expenditure	8	890	-	890	2,258	2,258
Administration expenditure	9	7,192	-	7,192	5,269	5,269
Depreciation	9a	2,585	46,674	49,259	49,035	49,035
Release of deferred income	13	-	-	-	-	(46,254)
Total expenditure		<u>43,654</u>	<u>62,012</u>	<u>105,666</u>	<u>106,863</u>	<u>60,609</u>
Net (deficit) / surplus for the year		<u>(2,653)</u>	<u>(31,177)</u>	<u>(33,830)</u>	<u>40,455</u>	<u>(19,102)</u>
Funds brought forward		<u>102,320</u>	<u>387,991</u>	<u>490,311</u>	<u>449,856</u>	<u>121,999</u>
Funds carried forward		<u>99,667</u>	<u>356,814</u>	<u>456,481</u>	<u>490,311</u>	<u>102,897</u>

The 1999 results have been restated in line with a change of accounting policy. The details are set out in accounting policies (note 1) and note 13. The original 1999 reported results have also been shown to illustrate to members the effects of these changes only.

There were no recognised gains or losses other than those shown above.

The notes on pages 6 to 9 form part of these accounts.

RYE MUSEUM ASSOCIATION

BALANCE SHEET
AT 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	(as restated) £
Fixed assets	10	428,891	473,756
Current assets			
Stock		2,716	1,542
Debtors and prepayments	11	401	15,603
Bank - Business Reserve		12,210	15,085
Bank - Current Account		24,379	1,511
Cash in hand		58	96
		<u>39,764</u>	<u>33,837</u>
Less: current liabilities			
Creditors and accruals	12	<u>12,174</u>	<u>17,282</u>
Net current assets		<u>27,590</u>	<u>16,555</u>
NET ASSETS		<u>456,481</u>	<u>490,311</u>
Represented by:			
Unrestricted income funds:			
General Purposes Fund		99,667	102,320
Restricted income funds:			
General Fund	14	500	500
Conservation Fund	14	-	-
Fabric Fund	14	69	-
Garden Fund	14	82	34
Lottery Fund	14	<u>356,163</u>	<u>387,457</u>
		<u>356,814</u>	<u>387,991</u>
TOTAL FUNDS		<u>456,481</u>	<u>490,311</u>


The directors are of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st December 2000.

The directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The directors confirm that they are responsible for:

ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These accounts were approved by the board on 3 May 2001 and signed on its behalf by:


Rosalind Collier
Director

The notes on pages 6 to 9 form part of these accounts.

RYE MUSEUM ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

- a) These accounts have been prepared under the historic cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities.
- b) Donated income is accounted for when received.
- c) Grants in respect of capital and revenue expenditure are credited to the Statement of Financial Activities in the year that they are received. This is in line with the Statement of Recommended Practice on Accounting by Charities (Revised 2000). This represents a change from previous years. In previous years, significant capital grants were capitalised and released over the life of the associated asset. The comparative figures have been restated in line with the new policy. This is further explained in note 13.
- d) The company is not registered for VAT. All items in these accounts include attributable VAT.
- e) Depreciation is provided on equipment at the following rates based on the estimated useful life of these fixed assets and their anticipated residual value:

Freehold improvements	10% - on cost
Display equipment:	
- furniture, fixtures and fittings	10% - on cost
- computer equipment	20% - on cost
Office equipment	15% - reducing balance basis

Assets purchased by the RMA in its own right and those purchased with Heritage Lottery Fund grants are depreciated in line with the above rates.

No depreciation is provided on the original acquisition cost of the freehold land and buildings.

- f) Stock of publications for resale is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving items.
- g) In accordance with the recommendations of the Statement of Recommended Practice on Accounting by Charities the Permanent Collection of Museum Exhibits has been excluded from the balance sheet. See note 15.

2 Donations

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds 2000</u>	<u>Funds 1999</u>
	£	£	£	£
General	752	-	752	701
Fabric Fund	-	69	69	208
Garden Fund	-	73	73	650
	<u>752</u>	<u>142</u>	<u>894</u>	<u>1,559</u>

3 Grants

Heritage Fund Lottery grant	-	19,868	19,868	106,627
Other grants	5,974	-	5,974	2,480
Conservation Fund	-	10,825	10,825	-
	<u>5,974</u>	<u>30,693</u>	<u>36,667</u>	<u>109,107</u>

RYE MUSEUM ASSOCIATION

NOTES TO THE ACCOUNTS **FOR THE YEAR ENDING 31 DECEMBER 2000**

4	Trading activities	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>Total</u> <u>Funds 2000</u> <u>£</u>	<u>Total</u> <u>Funds 1999</u> <u>£</u>
	Gross sales of publications	790	-	790	3,147
	Less: purchases (adjusted for stock)	749	-	749	2,270
	Gross profit on sales	<u>41</u>	<u>-</u>	<u>41</u>	<u>877</u>
5	Investment income				
	Bank interest received	<u>247</u>	<u>-</u>	<u>247</u>	<u>448</u>
6	Fund-raising activities and other income				
	Jo Kirkham - report for Maritime Heritage Centre	5,000	-	5,000	-
	Events proceeds	1,598	-	1,598	341
	Yard sale - proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>184</u>
		<u>6,598</u>	<u>-</u>	<u>6,598</u>	<u>525</u>
7	Direct charitable expenditure				
	Salaries	22,638	-	22,638	38,586
	Rent, rates & water	240	-	240	239
	Light & heat	2,717	-	2,717	1,209
	Property maintenance	2,912	4,488	7,400	3,477
	Conservation	-	10,825	10,825	579
	Documentation	-	-	-	773
	Garden	-	25	25	616
	Acquisitions	-	-	-	223
	Education	650	-	650	-
	Support costs:				
	Insurance	3,122	-	3,122	3,104
	Storage costs	-	-	-	570
	Subscriptions & affiliation fees	403	-	403	686
	Training & travel expenses	<u>305</u>	<u>-</u>	<u>305</u>	<u>239</u>
		<u>32,987</u>	<u>15,338</u>	<u>48,325</u>	<u>50,301</u>
The directors do not receive any remuneration for their services. The directors are reimbursed for out-of-pocket expenses incurred on behalf of the museum.					
8	Fund-raising and publicity costs				
	Advertising & promotion costs	624	-	624	1,793
	Fund-raising event costs	266	-	266	-
	Deficit on lectures	<u>-</u>	<u>-</u>	<u>-</u>	<u>465</u>
		<u>890</u>	<u>-</u>	<u>890</u>	<u>2,258</u>

RYE MUSEUM ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 DECEMBER 2000

9 Administration	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds 2000</u>	<u>Funds 1999</u>
	£	£	£	£
Telephone	734	-	734	1,374
Postage & stationery	2,173	-	2,173	963
Secretarial expenses	27	-	27	150
Professional fees	1,851	-	1,851	-
Bank charges	1	-	1	4
Audit & accountancy	2,406	-	2,406	2,534
Sundry	-	-	-	244
	<u>7,192</u>	<u>-</u>	<u>7,192</u>	<u>5,269</u>
9a Depreciation				
Depreciation - on assets purchased with Heritage Lottery Fund grant	-	46,674	46,674	46,254
Depreciation - on all other assets	<u>2,585</u>	<u>-</u>	<u>2,585</u>	<u>2,781</u>
	<u>2,585</u>	<u>46,674</u>	<u>49,259</u>	<u>49,035</u>

The above illustrates the effect of the depreciation charge on assets purchased with the Heritage Lottery Fund grant. That charge is included within expenses shown in note 14 and is charged against the Lottery Fund.

10 Fixed assets	<u>Freehold</u>	<u>Display</u>	<u>Office</u>	<u>TOTAL</u>
	<u>Property</u>	<u>Equipment</u>	<u>Equipment</u>	<u>£</u>
	£	£	£	£
Cost b/f	374,308	140,034	11,372	525,714
Acquisitions	<u>1,536</u>	<u>2,663</u>	<u>195</u>	<u>4,394</u>
Cost c/f	<u>375,844</u>	<u>142,697</u>	<u>11,567</u>	<u>530,108</u>
Accumulated depreciation b/f	31,700	17,399	2,859	51,958
Depreciation for period	<u>30,796</u>	<u>17,157</u>	<u>1,306</u>	<u>49,259</u>
Accumulated depreciation c/f	<u>62,496</u>	<u>34,556</u>	<u>4,165</u>	<u>101,217</u>
Balance at 31 December 2000	<u>313,348</u>	<u>108,141</u>	<u>7,402</u>	<u>428,891</u>
Balance at 31 December 1999	<u>342,608</u>	<u>122,635</u>	<u>8,513</u>	<u>473,756</u>
		<u>2000</u>	<u>1999</u>	
		£	£	
Freehold property comprises:				
3 East Street, Rye - cost		67,385	67,385	
3 East Street - capitalised improvement expenditure		297,378	295,842	
Ypres Tower, Rye - cost		501	501	
Ypres Tower - capitalised improvement expenditure		<u>10,580</u>	<u>10,580</u>	
		<u>375,844</u>	<u>374,308</u>	

During 1997, the freehold of the Ypres Tower was purchased at a cost of £1 plus legal expenses of £500. The Ypres Tower freehold is subject to pre-emption rights granted to Rother District Council and Rye Town Council granting them a right of purchase in the event of a sale.

During 2000, £1,536 of freehold improvements (1999: £8,384) and £2,663 of display equipment additions (1999: £95,181) have been made to 3 East Street which were financed by the Heritage Fund Lottery grant.

RYE MUSEUM ASSOCIATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING 31 DECEMBER 2000

11 Debtors	<u>2000</u>	<u>1999</u>
	£	£
Prepayments	401	1,985
Accrued income	-	13,618
	<u>401</u>	<u>15,603</u>

12 Creditors due within one year	<u>2000</u>	<u>1999</u>
	£	£
Accruals	<u>12,174</u>	<u>17,282</u>

13 Change of accounting policy

The accounting policy in relation to the Heritage Lottery Fund grant used to acquire fixed assets has been changed. Previously, the grant relating to the purchase and renovation of fixed assets received during the year was deferred. The total grant was to be released over the life of the assets concerned, expected to be approximately ten years.

In line with current practice, the whole grant is recognised when received in the Statement of Financial Activities, and shown as a restricted fund. The depreciation on the assets to which the grant relates is then shown as a charge against this restricted fund.

The 1999 results have been restated in line with this policy. The net effect has been to transfer the deferred income balance shown in the 1999 accounts of £387,414 to opening Lottery Fund balance.

14 Restricted income funds	<u>Opening</u>			<u>Closing</u>
	Balance	Income	Expenses	Balance
	£	£	£	£
General Fund	500	-	-	500
Conservation Fund	-	10,825	10,825	-
Fabric Fund	-	69	-	69
Garden Fund	34	73	25	82
Lottery Fund	<u>387,457</u>	<u>19,868</u>	<u>51,162</u>	<u>356,163</u>
	<u>387,991</u>	<u>30,835</u>	<u>62,012</u>	<u>356,814</u>

15 Permanent collection

The permanent collection of museum exhibits are held by the Rye Museum Trust.

16 Contingent liability

Under the terms of Heritage Lottery Funding, RMA must maintain the two sites for the purposes set out in the grant application for a period of ten years. Should the terms of the grant be breached, RMA would be required to repay the greater of the amount of the grant or a share of the net proceeds of sale of the relevant properties.

17 Commitments

The company has no contractual commitments outstanding at the year end that have not been provided for elsewhere in these accounts (1999: £nil).

18 Limited by guarantee

Rye Museum Association Limited is a registered charity. It is a company limited by guarantee and does not have share capital. The liability of each member is limited to £1.