Charity Registration No. 504481

Company Registration No. 1226321 (England and Wales)

THE BLACK COUNTRY MUSEUM TRUST LIMITED

EXECUTIVE BOARD'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2004



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THE BLACK COUNTRY MUSEUM TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

President	The Hon P A Ward
Vice Presidents	D Pitchford J L Edwards
Hon Chairman	A F George
Executive Board	A G Dean S Morley A D Owen C Fraser Macnamara K Finch D Lowndes C L Woodall M Crump J Collins A Millward J H Hughes
Treasurer	M S Williams
Secretary	J Polychronakis
Charity number	504481
Company number	1226321
Registered office	Tipton Road Dudley West Midlands DY1 4SQ
Auditors	CK Audit Dartmouth House Sandwell Road West Bromwich B70 8TH West Midlands
Bankers	HSBC Bank Plc 226 High Street Dudley West Midlands DY1 1PQ

THE BLACK COUNTRY MUSEUM TRUST LIMITED

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THE BLACK COUNTRY MUSEUM TRUST LIMITED

EXECUTIVE BOARD'S REPORT
FOR THE YEAR ENDED 31 MARCH 2004

The report of the Executive Board and accounts for the year ended 31 March 2004.

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 documents, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The Trust is a company limited by guarantee. The Trust's objects are the preservation, restoration and maintenance of features and objects of historical and industrial interest in the Black Country area for the benefit of the public, including the provision of an industrial museum.

The activities of the Trust are guided by the agreed Mission Statement, together with the Aims and Objectives. These are reviewed regularly and form the basis of the Museum's Forward Plan.

The Executive Board met six times during the year to consider the progress of the Museum, to authorise and control expenditure and consider policy. The Museum Director, who is the company's Chief Executive, manages and develops the operation of the Museum with his senior staff and reports to Board and its chairman. He is also a Director of the trading company, Black Country Museum Enterprises Ltd, that is wholly owned by the Trust.

Review of activities

This report covers the twenty eighth year of the Museum's operation during which the total number of visitors fell slightly to 215,000. Turnover from admissions and trading company activities rose by £176,838, including Gift Aid.

There were no changes in permanent staff during the year. The Senior Management Team of Museum Director, Administration Manager, Operations Manager and Museum Curator organised a wide range of activities undertaken by the Museum and were ably supported by other members of staff. The enthusiasm and friendliness of those who work for the Museum is widely recognised and appreciated by visitors and is one of the Museum's greatest strengths.

The Museum received a grant from Dudley MBC of £61,800 towards its general activities and specific support from Walsall MBC towards the restoration and operation of the Lock Museum, and from Security Products Limited towards the costs of cataloguing the Lock Museum Collections.

The Museum also received significant support throughout the year from the Friends of the Museum, The Black Country Museum Transport Group, (both associated charities), volunteers in the Mining Group and Steam Team, Friends of President, Black Country Society and many individuals.

Admission income continued to be the major source of funds for the running of the Museum, although the trading activities of Black Country Museum Enterprises increased both turnover and the contribution to the Museum. The maintenance and development of good visitor services, and an effective marketing programme are therefore essential for the Museum to survive.

In November the Chancellor of the Exchequer announced that he intended to remove the benefit of Gift Aid currently available on admissions which will cost the Museum about £80,000 p.a. Representations were made directly to the Inland Revenue and through the Association of Independent Museums to minimise the effect of the proposed changes. As a result decisions were postponed until late 2004 with implementation not expected until mid 2005.

EXECUTIVE BOARD'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

The Chancellor also anounced that cultural organisations managed by voluntary boards, such as the Museum, would be exempt from charging VAT as from June 2004 at the latest. Although this would have the effect of increasing income, or allowing prices to fall, the net effect on the Museum during its forthcoming development phase could be detrimental, requiring more money to be raised.

Throughout the year the Board considered development plans for the Museum and ways of funding proposals which led to the approval of an agreed Development Programme and fund raisng methodology in mid 2004.

The programme was affected by the proposals put forward by St Modwen for the development of the Castle Hill site. These were approved in principle by Dudley MBC in July 2003 and led to a new planning application in December 2003 which has yet to be decided. St Modwen's plans do not directly involve activities on the Museum site but will have indirect effects which cannot yet be quantified. The Museum does however own a piece of land within the Castle Hill development site and the decision in principle was taken during the year to dispose of this land provided that an acceptable price could be obtained for it. Negotiations are continuing within the guidelines of the Charities Commission for the disposal of land owned by a charity.

EXECUTIVE BOARD'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

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

Hon Chairman	A F George
Treasurer	M S Williams
Appointed members	A G Dean H J Folkes (resigned 31 July 2003) M J Kenrick (resigned 25 Sepetember 2003) S Morley A D Owen M Crump
Nominated members	
Dudley MBC	C Fraser Macnamara K Finch C L Woodall P Hall (resigned 31 July 2003) A B Hankon (resigned 31 July 2003) D Lowndes J Collins (appointed 31 July 2003) A Millward (appointed 31 July 2003)
Co-opted member	J H Hughes (appointed 29 January 2004)
Observers	
Black Country Society	R Julian
Friends of the Black Country Museum	M Wilkes

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

Review of financial position
The financial activities for the year and financial position at the balance sheet date are set out in the accounts on pages 7 to 20.

The Group Statement of Financial Activities on page 7 shows net incoming resources on unrestricted funds of £20,463. This compares to net outgoing resources last year of £42,350. .

Dudley MBC made a grant of £61,800 (2003 £60,590) towards the running costs of the Museum

The Executive Board consider the financial position at the balance sheet date to be satisfactory.

EXECUTIVE BOARD'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

Reserves policy
It is the policy of the charity that 10% of the average of the last three years turnover should be maintained as reserves in unrestricted funds The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

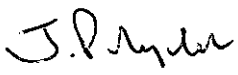
Risk factors
The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. A risk management committee has been established and will report to the main board at regular intervals.

Asset cover for funds
Note 14 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Related parties
Fund raising activities in support of the Museum are undertaken by a related charity, The Black Country Museum Development Trust. In addition, the Review of Activities above details support received from The Black Country Society and The Friends of the Black Country Museum.

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that CK Audit (formerly Clement Keys) be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of Executive Board



J Polychronakis
Secretary
Dated: 29 July 2004

THE BLACK COUNTRY MUSEUM TRUST LIMITED

STATEMENT OF EXECUTIVE BOARD'S RESPONSIBILITIES

Company law requires the Executive Board 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 Executive Board is 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 Executive Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable it to ensure that the accounts comply with the Companies Act 1985. it is 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.

THE BLACK COUNTRY MUSEUM TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLACK COUNTRY MUSEUM TRUST LIMITED

We have audited the accounts of The Black Country Museum Trust Limited for the year ended 31 March 2004 set out on pages 7 to 20. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Executive Board and auditors

As described on page 5, the members of the Executive Board, who are also the directors of The Black Country Museum Trust Limited for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Executive Board's Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Executive Board's 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 United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Executive Board in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance 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.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's and the group's state of affairs as at 31 March 2004 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CK Audit
Chartered Accountants
Registered Auditor
Dated: 29 July 2004

Dartmouth House
Sandwell Road
West Bromwich
B70 8TH

THE BLACK COUNTRY MUSEUM TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
Incoming resources					
Turnover	2	831,902	-	831,902	883,387
Gift Aid admissions		384,575	-	384,575	196,678
Grants receivable	3	61,800	61,688	123,488	60,590
Donations and sundry fees	3	35,783	200,000	235,783	36,578
Interest received		10,211	-	10,211	5,975
Income from trading activities	4	864,303	-	864,303	823,877
Total incoming resources		2,188,574	261,688	2,450,262	2,007,085
Resources expended					
Trading costs	4	639,624	-	639,624	628,734
Fundraising and publicity costs		86,851	-	86,851	89,206
Total cost of generating funds		726,475	-	726,475	717,940
Net incoming resources available		1,462,099	261,688	1,723,787	1,289,145
Charitable expenditure					
Charitable objectives		164,188	147,385	311,573	277,486
Support costs		571,669	-	571,669	547,100
Management and administration		705,779	-	705,779	564,257
Total charitable expenditure		1,441,636	147,385	1,589,021	1,388,843
Total resources expended	5	2,168,111	147,385	2,315,496	2,106,783
Net incoming/(outgoing) resources before transfers		20,463	114,303	134,766	(99,698)
Transfers between funds		11,312	(11,312)	-	-
Net income/(expenditure) for the year/ Net movement in funds		31,775	102,991	134,766	(99,698)
Fund balances at 1 April 2003		355,295	3,649,725	4,005,020	4,104,718
Fund balances at 31 March 2004		387,070	3,752,716	4,139,786	4,005,020

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

THE BLACK COUNTRY MUSEUM TRUST LIMITED

GROUP BALANCE SHEET
AS AT 31 MARCH 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	8		3,929,704		3,868,766
Current assets					
Stocks of goods for resale		79,579		66,625	
Debtors	10	249,890		282,496	
Cash at bank and in hand		425,662		412,822	
		755,131		761,943	
Creditors: amounts falling due within one year	11	(545,049)		(625,689)	
Net current assets			210,082		136,254
Total assets less current liabilities			4,139,786		4,005,020
Income funds					
Restricted funds	12		3,752,716		3,649,725
Unrestricted funds			387,070		355,295
			4,139,786		4,005,020

The accounts were approved by the Board on 29 July 2004

A. F. George

A F George
Hon Chairman

THE BLACK COUNTRY MUSEUM TRUST LIMITED

BALANCE SHEET
AS AT 31 MARCH 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	**8**		3,929,704		3,868,766
Investments	**9**		1,000		1,000
			3,930,704		3,869,766
Current assets					
Debtors	**10**	362,161		355,409	
Cash at bank and in hand		253,245		236,765	
		615,406		592,174	
Creditors: amounts falling due within one year	**11**	(407,026)		(457,622)	
Net current assets			208,380		134,552
Total assets less current liabilities			4,139,084		4,004,318
Income funds					
Restricted funds	**12**		3,752,716		3,649,725
Unrestricted funds			386,368		354,593
			4,139,084		4,004,318

The accounts were approved by the Board on 29 July 2004

A F George
Hon Chairman

THE BLACK COUNTRY MUSEUM TRUST LIMITED

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2004

	Notes		31 March 2004 £		31 March 2003 £
Net cash inflow/(outflow) from operating activities	**15**		154,528		(129,378)
Investment income		10,211		5,975	
Net cash inflow from returns on investments and servicing of finance			10,211		5,975
Capital expenditure					
Payments to acquire tangible fixed assets		(151,899)		(5,943)	
Net cash outflow from capital expenditure			(151,899)		(5,943)
Increase/(decrease) in cash			12,840		(129,346)
Opening cash			412,822		542,168
Closing cash	**16**		425,662		412,822

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

The Trust is a company limited by guarantee, without share capital. The company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the company's activities.

The group accounts consolidate the accounts of the company and its subsidiary undertaking made up to a date co-terminous with the financial year end of the company. As permitted by Section 230 of the Companies Act 1985 no income and expenditure account is presented in respect of the company.

1.2 Grants

All grants and voluntary income are accounted for gross when receivable if they are capable of financial measurement. This includes gifts in kind, included at estimated valuation.
Grants in respect of capital expenditure are credited to restricted funds and released to unrestricted funds over the expected useful lives of the relevant assets

1.3 Expenditure

Direct charitable expenditure includes the direct costs and depreciation related to activities undertaken by the Museum.
Support costs comprise service costs incurred centrally in support of projects undertaken
Administration costs are all costs incurred in the general administration of the charity

1.4 Tangible fixed assets and depreciation

(a) Operational

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:

Freehold land is not depreciated	
Freehold property	over 50 years
Expenditure on long leasehold property	over 40 to 60 years
Fixtures, fittings, plant and equipment	over 4 to 10 years
Motor vehicles	over 6 years

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting Policies **(continued)**

1.4 Tangible fixed assets and depreciation continued

(b) Site development

Site development activities and restoration of exhibits do not have a useful life extending beyond the period in which they are undertaken and the costs are therefore written off as incurred. Any grants relating to these activities are shown within incoming resources.

1.5 Stock and work in progress

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

1.6 Pensions

The company operates a pension scheme for employees that provides benefits based on final pensionable pay (see note 7). It is constituted as a trust fund whose assets are held separately from those of the company. Contributions are determined by a qualified actuary and are charged to the profit and loss account so as to spread the cost of the pensions provided over the average service lives of the employees.

1.7 Restricted fund

The restricted fund includes grants from local authorities and similar bodies in connection with the cost of the Trust's original operational fixed assets, which have been credited to this reserve. The depreciation of the related assets is recovered from this reserve.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

2 Turnover

Turnover is stated net of value added tax and discount

	2004		2003	
	£	£	£	£
Admission charges		814,640		864,311
Concessions				
Glasscutter	2,776		2,776	
Fairground	1,260		2,520	
Tunnel trips	4,896		5,990	
Craft workshop	2,640		2,640	
Photographer	1,650		1,650	
Hoardings	3,500		3,500	
Carriage rides	540		-	
		17,262		19,076
		831,902		883,387
Number of visitors in each year		214,146		219,631

3 Grants receivable

	2004	2003
	£	£
Unrestricted funds:		
Dudley MBC	61,800	60,590
	61,800	60,590
Restricted funds:		
Re Willenhall Lock Museum		
Walsall MBC	27,500	-
Security Products Limited	29,949	-
Other	4,239	-
	61,688	-

Gifts and donations
Donations on Restricted fund includes £150,000 in respect of freehold property and £50,000 in respect of exhibits and collections relating to the Willenhall Lock Museum

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

4 Net income from activities of trading company

The subsidiary undertaking, Black Country Museum Enterprises Limited operates the commercial activities connected to the activities of The Black Country Living Museum. A summary of the results is set out below.

Profit and loss account	**2004** **£**	**2003** **£**
Turnover	864,303	823,877
Cost of sales	(635,269)	(624,828)
Gross profit	229,034	199,049
Administration expenses excluding recharges from parent	(4,355)	(3,906)
Operating profit	224,679	195,143
Investment income	5,423	3,407
Profit before group charge and covenant payment	230,102	198,550
Recharge from parent	(110,000)	(100,000)
Covenant payment to parent	(120,102)	(98,550)
Profit for year before and after taxation being profit for year	-	-

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2004 £	Total 2003 £
Costs of generating funds:					
Trading costs	278,251	-	361,373	639,624	628,734
Fundraising and publicity	-	-	86,851	86,851	89,206
Total costs of generating funds	278,251	-	448,224	726,475	717,940
Charitable expenditure:					
Charitable objectives	145,615	89,828	76,130	311,573	277,486
Support costs	571,669	-	-	571,669	547,100
Management and administration	255,653	1,131	448,995	705,779	564,257
Total charitable expenditure	972,937	90,959	525,125	1,589,021	1,388,843
Total resources expended	1,251,188	90,959	973,349	2,315,496	2,106,783

Management and administration costs includes payments to the auditors of £2,970 (2003- £2,970) for audit fees and £3,200 (2003- £3,200) for other services.

6 Executive Board

None of the Executive Board (or any persons connected with them) received any remuneration or reimbursement of expenses during the year.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2004 Number	2003 Number
Direct charitable activities	103	105
Management and administration of the Charity	25	24
	128	129

Employment costs	2004 £	2003 £
Wages and salaries	1,133,221	1,068,038
Social security costs	60,170	52,575
Other pension costs	57,797	51,381
	1,251,188	1,171,994

The number of employees whose annual emoluments were £50,000 or more were:

	2004 Number	2003 Number
£50,001 - £60,000	1	-

Certain of the employees of The Black Country Museum Trust Limited participate in the West Midlands Superannuation Fund, a defined benefit, statutory scheme administered by the Wolverhampton Metropolitan Borough Council in accordance with the Local Government Pension Scheme Regulations 1997. An actuarial valuation of this Fund was carried out in accordance with the Regulations as at 31 March 2001.

Based on the results of the valuation of this Fund at 31 March 2001, the actuaries advise that the cost of pensions to be charged to The Black Country Museum Trust Limited's profit and loss account should be 12.2% of pensionable pay. This pension cost has been determined after allowing for the amortisation of the difference between the assets and the accrued liabilities relating to The Black Country Museum Trust Limited over the average remaining service lives of the current members of the Fund.

In determining this cost, the actuaries have used a valuation rate of interest of 6.5% per annum, an assumed rate of salary increases of 4% per annum, and an assumed rate of growth of present and future pensions of 2½% per annum. The cost has been determined using the Projected Unit method of funding.An Actuarial Valuation as at 31 March 2004 is in progress. The Museum will vary its contributions to the scheme in accordance with the outcome of that valuation.

The Black Country Museum Trust Limited is only one of a considerable number of different bodies which participate in the West Midlands Superannuation Fund. Therefore, it is not appropriate to disclose either the current level of funding in the Fund as a whole, or the market value of the Fund's assets, since they are not of specific relevance to the Black Country Museum Trust Limited.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

8 **Tangible fixed assets**

Group and parent

(a) Operational assets

	Freehold land and buildings £	Long leasehold property £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2003	83,258	4,147,873	144,575	6,789	4,382,495
Additions	150,000	-	1,899	-	151,899
At 31 March 2004	233,258	4,147,873	146,474	6,789	4,534,394
Depreciation					
At 1 April 2003	-	434,973	75,363	3,395	513,731
Charge for the year	2,000	69,275	18,553	1,131	90,959
At 31 March 2004	2,000	504,248	93,916	4,526	604,690
Net book value					
At 31 March 2004	231,258	3,643,625	52,558	2,263	3,929,704
At 31 March 2003	83,258	3,712,902	69,212	3,394	3,868,766

Freehold land and buildings includes land with a net book value of £133,258 that is not depreciated

(b) Site development

	£	£
Cost		
At 1 April 2003	5,279,704	
Additions	52,165	
At 31 March 2004		5,331,869
Grant contributions towards cost		
At 1 April 2003	(4,517,919)	
Received in year	(50,000)	
At 31 March 2004		(4,567,919)
Balance funded from revenue		
At 1 April 2003	(761,785)	
Funded in year	(2,165)	
At 31 March 2004		(763,950)
Net book value		-

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

9 Fixed asset investments - Parent

	Subsidiary Undertaking £
At 1 April 2003 and at 31 March 2004	1,000

Market value

The investment in the subsidiary undertaking is shown at cost, the Executive Board being of the opinion that the market value is not significantly different

10 Debtors	Group 2004 £	2003 £	Parent 2004 £	2003 £
Black Country Museum Development Trust	206,276	204,726	206,276	204,726
Amounts owed by group undertakings	-	-	119,449	80,027
Other debtors	43,614	77,770	36,436	70,656
	249,890	282,496	362,161	355,409

11 Creditors: amounts falling due within one year	Group 2004 £	2003 £	Parent 2004 £	2003 £
Taxes and social security costs	10,326	8,793	672	-
Other creditors and accruals	534,723	616,896	406,354	457,622
	545,049	625,689	407,026	457,622

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			
	Balance at 1 April 2003	Incoming funds	Resources expended	Transfers	Balance at 31 March 2004
	£	£	£	£	£
Operational fixed assets	405,241	-	-	11,312	393,929
Rolfe Street complex	3,244,484	-	(57,348)	-	3,187,136
Willenhall Lock Museum	-	261,688	(90,037)	-	171,651
	3,649,725	261,688	(147,385)	(11,312)	3,752,716

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			
	Balance at 1 April 2003	New designations	Utilised/ realised	Balance at 31 March 2004
	£	£	£	£
Repairs to NB Stour	-	12,000	(12,000)	-
Additional marketing	-	8,000	(8,000)	-
Computer equipment	-	4,000	(2,978)	1,022
External works to Cafe	-	4,000	-	4,000
Preliminary work for Development Programme	-	6,000	(1,525)	4,475
Advertising for Fundraiser	-	1,000	(1,000)	-
	-	35,000	(25,503)	9,497

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

14 Analysis of net assets between funds - Group

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2004 are represented by:			
Tangible fixed assets	200,639	3,729,065	3,929,704
Current assets	731,480	23,651	755,131
Creditors: amounts falling due within one year	(545,049)	-	(545,049)
	387,070	3,752,716	4,139,786

15 Net cash inflow/(outflow) from operating activities - Group

	2004	2003
	£	£
Reconciliation to changes in resources		
Net incoming resources	134,766	(99,698)
Investment income	(10,211)	(5,975)
Depreciation of tangible fixed assets	90,959	89,143
Increase in stocks	(12,954)	(5,150)
Decrease in debtors	32,606	300,507
Decrease in creditors	(80,638)	(408,205)
	154,528	(129,378)

16 Analysis of net cash balances - Group

	At 1 April 2003	Cash flow	Non-cash changes	At 31 March 2004
	£	£	£	£
Cash at bank and in hand	412,822	12,840	-	425,662
	412,822	12,840	-	425,662

17 Related parties

The company purchased goods and services amounting to £4,215 (2003 £4,277) from Mobit Limited, a company owned by the son of I N Walden, the Museum Director.

The Black Country Museum Development Trust is a related charity engaged in fund raising activities on behalf of the Museum. Debtors includes an amount due from the Development Trust of £206,276 (2003 £204,726)

The company purchased legal services amounting to £1,780 from Blount Macnamara, Solicitors, a firm in which C V Fraser-Macnamara is a partner. This amount was then reimbursed to the company by Walsall MBC.