

COMPANIES HOUSE COPY
COMPANY NUMBER 03292500

**THE MAKING IT INDUSTRIAL HERITAGE
TRUST LIMITED**
(A company limited by guarantee
and a registered charity)

Report and Financial Statements

For the year ended 30th September 2006



THE MAKING IT INDUSTRIAL HERITAGE TRUST LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 30th September 2006

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THE MAKING IT INDUSTRIAL HERITAGE TRUST LIMITED
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name:	The Making It Industrial Heritage Trust Limited
Charity Number	1064919
Company Registration Number:	3292500
Principal Office and Registered Office	Chadburn House, Weighbridge Road, Littleworth, Mansfield, Nottinghamshire NG18 1AH

Directors and Trustees:

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees

Chairman:	J Fearon
Elected Trustees:	Mr K Daly Mr W McCosh CBE Cllr J D McCrossan Mr G K Naylor Cllr C Winterton

Secretary.	Mrs S Walters
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Chief Executive Officer:	Mrs S Walters
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Registered Auditors:	Horwath Barnett & Turner, Chartered Accountants and Registered Auditors, Cromwell House, 68 West Gate, Mansfield, Notts NG18 1RR
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Bankers:	HSBC Bank PLC, 1 Leeming Street, Mansfield, Notts NG18 1LU
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Solicitors.	Shacklocks, Solicitors, St Peter's House, Bridge Street, Mansfield, Notts NG18 1AL
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DIRECTORS' AND TRUSTEES' REPORT

The directors and trustees present their report and financial statements for the year ended 30th September 2006

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Making it Industrial Heritage Trust Limited is a company limited by guarantee and governed by its Memorandum and Articles of Association drawn up in December 1996. The company was incorporated on 10 December 1996 and is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a member of the company by agreeing to pay £1 in the event of the charity winding up.

Directors and Trustees

All directors of the company are also trustees of the charity and there are no other trustees. Details of the trustees who served in the accounting period are shown on page 1.

The following directors retire by rotation and being eligible offer themselves for re-election at the annual general meeting:

G K Naylor
K Daly

Liability Insurance

During the year the Trust purchased trustees' liability insurance at a cost of £2084 (2005: £2084).

Appointment of Trustees

As set out in the Articles of Association the chair of the trustees is nominated by The Making it Industrial Heritage Trust Limited. The minimum number of trustees is set at 3 with the maximum set at 30. Two trustees retire in rotation at each annual general meeting and can be re-elected. Trustees retiring by rotation at the annual general meeting in May 2007 are Mr K Daly and Mr G K Naylor. There is no limit to the length of service of any trustee.

When considering the appointment of new trustees the board will take into account the specialist skills required by the Trust. The current Trustees have skills in commercialism, finance, public sector, education, fund raising and marketing. One trustee is appointed by Mansfield District Council and one appointed by Nottinghamshire County Council to assist the Trust and represent the interests of the respective council.

Trustee Induction and Training

New Trustees are briefed by the Chief Executive on their legal obligations under charity and company law and the content of the Memorandum and Articles of Association. New Trustees are briefed on the history of the Trust and its current business plan and priorities. Trustees will be encouraged to attend external training where appropriate to undertake their role as trustee. Current Trustees are brought up to date with new legislation, company law and charity law when appropriate.

Organisational Structure of the Charity

The board of trustees' main responsibility is to administer the charity. The board meets quarterly to discuss performance of the trading company and other charity related matters. Ad hoc sub-committees are set up to deal with urgent matters as and when they arise. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity and trading company. To facilitate effective operations, the Chief Executive has delegated powers, set up by the trustees, for operational matters including finance, personnel, health and safety, marketing and other commercial matters.

DIRECTORS' AND TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Relationship between the Charity and its subsidiary company

Two Trustees are also directors of Making it! Enterprises Limited, a subsidiary of the Trust whose principal activity is the letting of serviced office accommodation, managing The Stovin Bradford Conference Suite and the Making it! Discovery Centre which is a tourist attraction, family and educational resource based around the process of how things are made

Identification of Risks and Risk Management

The Trust operates a risk management strategy which is reviewed annually with the assistance of a consultant. There is a system in place for training all staff on risk assessment, management and procedures. This ensures that risks are kept to an absolute minimum. Emergency procedures are in place and are tested to meet legal requirements. Business Interruption insurance is in place to safeguard income streams. The Trust is mindful that the systems in place can only provide reasonable but not absolute assurance that major risks have been adequately identified and managed.

OBJECTIVES AND ACTIVITIES

Objectives of the Charity

The objectives for which the Trust has been established are the advancement of education and running of an interactive discovery centre through the provision of a tourist attraction. In furtherance of this, Making it! Enterprises Limited was incorporated on 1 October 1997 as a wholly owned subsidiary of the Trust. In the accounting period, the principal activities of the subsidiary have been the letting of office space, managing conference facilities and the Making It! Discovery Centre for family and educational visitors.

The charity, through its educational galleries, is able to enhance curriculum activities within local and regional schools in the areas of design and technology, maths and English as well as encouraging local community groups to engage in family related activities.

Charity Restrictions

- i The income of the Trust shall be applied solely towards the promotion of all or any of the objects of the Trust in accordance with clause 4 of the memorandum of association
- ii The Trust shall not engage in any substantial permanent trading activity in raising funds for the objects
- iii No member shall have any personal claim on any property of the Trust and no portion thereof shall be paid directly or indirectly to the members
- iv No trustee shall be appointed to any office paid by salary or fees, or receive any remuneration or other benefit from the Trust

Main Objective for the Year

The main objective for the coming year is to focus on marketing the facilities to the education sector and the advancement of education through the use of the interactive galleries. Trustees will also focus on securing charitable grants to subsidise school visits to the Making It! Discovery Centre, renew and refresh exhibits to ensure that the storyline remains relevant and up to date.

The strategies employed to achieve the Trust's objectives are to maintain an accurate database of schools within the catchment area, actively market and promote the facilities and follow up positive leads.

DIRECTORS' AND TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES (continued)

Main Objective for the Year (continued)

Trustees will promote the benefits of charitable grants to outside charitable organisations. Grants are important to the long-term future of the Trust to meet its overall objectives of providing an up to date educational resource on a subsidised basis to local and regional school children to enhance their curriculum activities. The Trust will subsidise or fully fund school visits where the school can demonstrate that the children would not otherwise afford to visit the centre for educational purposes.

Volunteers play an important part in the success of the charity and at the same time, training and confidence building is gained by the volunteer. The charity has a volunteer policy and is proud of its achievements in this area over the past five years.

ACHIEVEMENT AND PERFORMANCE

The Making It! Discovery Centre celebrates five years in April 2007. During this time 32400 children have visited the galleries to enhance their curriculum lessons in design and technology. A total of 67300 visitors have been to Making It! Over the five year period. Income from the conference facilities has grown from £13500 in 1999 to £55841 in 2005/2006. The conference facilities were moved from Chadburn House to the Making It! Discovery Centre in 2006 and renamed The Stovin Bradford Conference Suite.

Visitor numbers for the current financial year were 2900 below budgeted expectations mainly due to lower than expected educational visitors. This sector of the business is challenging due to restraints imposed on schools when taking children on "out of school" activities.

Rental of serviced office units during the year remains buoyant with 100% occupancy being achieved during the year. Licence fees remain competitive with other facilities in the town.

Fundraising activities were very successful during the year, realising £15000 against a nil budget. Funds were utilised to subsidise school visits to the centre.

The trading company is a member of Experience Nottinghamshire to assist in advertising/marketing our tourism facilities to the wider audience. We are also members of Nottinghamshire Attractions Group who collaborate on joint ticketing and marketing.

Additional activities undertaken have included themed events in school holidays held at the centre, art and craft stalls at the local Farmers' market, birthday parties, school fetes and other tourism events.

FINANCIAL REVIEW

A business plan is prepared each year and this is agreed and signed by Trustees as the working document for the year's performance. Progress is monitored at quarterly Trustee meetings.

Overheads were contained within budget for both Chadburn House and the Discovery Centre. Whilst income for both cost centres were below budget. Chadburn House income was below budget by £17304 for conference room income due to the facilities being moved to the Discovery Centre.

The principal funding sources were admission fees, rental of serviced office accommodation and conference facilities as well as charitable grants of £15,000.

DIRECTORS' AND TRUSTEES' REPORT

Reserves

The Trust needs reserves to enable it to meet both its ongoing commitments in respect of its general charitable activities and to meet its future operating requirements. The level of unrestricted funds in the Trust at 30 September 2006 amounted to £127550 (2005 £156366). The level of restricted funds in the Trust at 30 September 2006 amounted to £1801988 (2005 £1876646). The level of total reserves is judged appropriate for the present situation and needs of the Trust. The trustees will review this position and policy on an annual basis.

Investment Powers

The Trustees have investment powers under the Memorandum and Articles of Association to distribute educational grants to schools as they see fit. The Chief Executive has delegated powers to distribute these funds on behalf of the Trust up to a maximum of £500 for any one cause.

PLANS FOR FUTURE PERIODS

The charity aims to seek a reduction in the legal charge held on the buildings by the Millennium Commission to enable commercial lending for the renewal and refurbishment of the exhibits.

During the next two years it is important that fund raising takes place to secure grants for the renewal of the exhibition area. It is proposed to utilise the services of a professional fundraiser for this objective.

It is also hoped that the redundant brewery buildings adjacent to the Making It! Discovery Centre can be acquired to extend the current tourism space and serviced office accommodation together with much needed car parking for the conference facilities.

We will continue to subsidise school visits to Making It! funded from our charitable grants from other organisations.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, 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 financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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 or other irregularities.

THE MAKING IT INDUSTRIAL HERITAGE TRUST LIMITED
(A company limited by guarantee)

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DIRECTORS' AND TRUSTEES' REPORT

COMPLIANCE WITH STATUTORY REQUIREMENTS

The trustees confirm that the financial statements comply with current statutory requirements and with those of the governing document

AUDIT, INVESTIGATIONS AND COMMUNITY ENTERPRISE ACT 2004

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

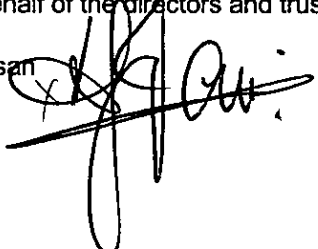
A resolution for the reappointment of the auditors Horwath Barnett & Turner will be proposed at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the trustees

on DATE 14 May 2007
Signed on behalf of the directors and trustees

D J McCrossan
Director

A large, stylized handwritten signature in black ink, likely belonging to D J McCrossan, is written over the printed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

X

X

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MAKING IT INDUSTRIAL HERITAGE TRUST LIMITED (A company limited by guarantee)

We have audited the group and charity financial statements of The Making It Industrial Heritage Trust Limited for the year ended 30th September 2006 on pages 8 to 21. These financial statements have been prepared under the accounting policies set out on page 11 to 13.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

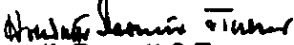
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

Unqualified opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 30th September 2006 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended,
- the information given in the Directors' and Trustees' Annual Report is consistent with the financial statements, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.


Horwath Barnett & Turner
Chartered Accountants
and Registered Auditors
Mansfield
21st May 2007

THE MAKING IT INDUSTRIAL HERITAGE TRUST LIMITED
(A company limited by guarantee)

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
For the year ended 30th September 2006

	Note	Unrestricted funds 2006 £	Restricted funds 2006 £	Total 2006 £	Total 2005 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income					
Grants and donations	1	11409	5000	16409	14575
Activities for generating funds					
Commercial trading operations	2	317314	-	317314	304710
Investment income		1490	-	1490	1724
Incoming resources from charitable activities					
Admission fees and educational party bookings		45819	-	45819	83977
Total incoming resources		376032	5000	381032	404986
RESOURCES EXPENDED					
Cost of generating funds					
Commercial trading operations	2	269349	-	269349	293268
Charitable activities	3	128288	82869	211157	241550
Governance costs	4	4000	-	4000	4000
Total resources expended		401637	82869	484506	538818
Net outgoing resources		(25605)	(77869)	(103474)	(133832)
Transfers		(3211)	3211	-	-
Net outgoing resources after transfers		(28816)	(74658)	(103474)	(133832)
Total funds brought forward		156366	1876646	2033012	2166844
Total funds carried forward		127550	1801988	1929538	2033012

The consolidated statement of financial activities contains all the gains and losses recognised in the current and preceding year. All the results are derived from continuing activities.

THE MAKING IT INDUSTRIAL HERITAGE TRUST LIMITED
(A company limited by guarantee)

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CONSOLIDATED BALANCE SHEET
As at 30th September 2006

	Note	£	2006 £	£	2005 £
Fixed assets:					
Tangible fixed assets	6		2466445		2561234
Current assets:					
Stocks		2532		3392	
Debtors	8	33933		33455	
Cash at bank and in hand		88651		43482	
		125116		80329	
Creditors: amounts falling due within one year	9	89730		54069	
Net current assets			35386		26260
Total assets less current liabilities			2501831		2587494
Creditors: amounts falling due after more than one year	9		572293		554482
			1929538		2033012
Funds:	11				
Unrestricted funds			127550		156366
Restricted funds			1801988		1876646
			1929538		2033012

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

These financial statements were approved by the directors and trustees on *DATE 14 May 2007*

X

Signed on behalf of the directors and trustees

J Fearon
Chairman

[Signature]

Y

THE MAKING IT INDUSTRIAL HERITAGE TRUST LIMITED
(A company limited by guarantee)

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BALANCE SHEET

As at 30th September 2006

	Note	£	2006 £	£	2005 £
Fixed assets:					
Tangible fixed assets	6		2457035		2552144
Investment in group undertaking	7		1		1
			<hr/>		<hr/>
			2457036		2552145
Current assets.					
Debtors	8	20881		31881	
Cash at bank and in hand		13288		15082	
		<hr/>		<hr/>	
		34169		46963	
Creditors' amounts falling due within one year	9	51198		71934	
		<hr/>		<hr/>	
Net current liabilities			(17029)		(24971)
			<hr/>		<hr/>
Total assets less current liabilities			2440007		2527174
Creditors' amounts falling due after more than one year	9		522293		504482
			<hr/>		<hr/>
			1917714		2022692
			<hr/>		<hr/>
Funds:	11				
Unrestricted funds			115726		146046
Restricted funds			1801988		1876646
			<hr/>		<hr/>
			1917714		2022692
			<hr/>		<hr/>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

These financial statements were approved by the directors and trustees on ~~DATE~~ 14 May 2007

Signed on behalf of the directors and trustees

J Fearon
Chairman x 

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ACCOUNTING POLICIES

For the year ended 30th September 2006

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities published March 2005. The adoption of the revised SORP has resulted in reclassification of some items and the comparatives have been amended accordingly without any effect on net incoming resources.

Basis of Consolidation

These financial statements consolidate the results of the Trust and its wholly owned subsidiary, Making It! Enterprises Limited. A separate Statement of Financial Activities and Income and Expenditure Account for the Trust itself is not presented because the Trust has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Grants from Donations Receivable

Income from grants and donations including capital grants is recognised in the Statement of Financial Activities in the period in which it is receivable. Income is deferred only when the Trust has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Commercial Trading Activities

Licence fees and overhead contributions are included in incoming resources in the accounting period to which they relate. Café bar and shop takings are included in incoming resources when receivable. All are stated excluding value added tax.

Investment Income

Investment income is included when receivable.

Admission Fees and Educational Party Bookings

Income from admissions and party bookings is included in incoming resources in the period in which a visit takes place.

Gifts in Kind

Gifts in kind are recognised as incoming resources when receivable providing a reasonable estimate of their value to the Trust can be determined. The Trust benefits from voluntary time and out-of-pocket expenses contributed by both individuals and organisations which would be impossible to value but for which the Trust is extremely grateful.

ACCOUNTING POLICIES

For the year ended 30th September 2006

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with activities for generating funds
- Charitable expenditure comprises those incurred by the charity in the delivery of its activities and its services for its beneficiaries. It includes both costs that can be allocated to such activities and those costs of an indirect nature necessary to support them.

All costs associated with the leasehold property are classified as charitable expenditure. Costs that can be attributed to the educational activities of the Trust which are centred around the Heritage Centre are also treated as charitable expenditure. Costs associated with the acquisition of exhibits are charged to the Statement of Financial Activities when incurred.

- Governance costs include costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. per capita or estimated usage as detailed in the notes to the financial statements.

Leased Assets

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Leasehold Property

Where in the opinion of the directors the costs of alterations and improvements to leasehold property enhance its value the costs are capitalised. All other costs are charged in the Statement of Financial Activities when incurred.

Tangible Fixed Assets and Depreciation

No depreciation is provided on freehold land in accordance with Statement of Financial Reporting Standard 15. All other tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% straight line basis
Leasehold property	-	the shorter of the period of the lease or 50 years

Depreciation provided against assets held in restricted funds is charged against those funds.

Assets costing more than £50 are capitalised and valued at historic cost.

Stocks

Stocks are valued at the lower of cost and net realisable value.

ACCOUNTING POLICIES

For the year ended 30th September 2006

Fund Accounting

The Trust holds two categories of funds as follows

Unrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the trustees

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the Trust
Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Grants and donations for major development projects are always classified as restricted funds

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30th September 2006

1 Grants and Donations

	Unrestricted Funds £	Restricted funds £	2006 Total £	2005 Total £
New Opportunities Fund	-	-	-	5314
Foyle Foundation	-	-	-	5000
Co-operative Society	-	-	-	500
Ernest Cooke Trust	-	-	-	1500
H M McCosh Charity	-	-	-	350
Thomas Farr Charity	-	5000	5000	-
EMMLAC	-	-	-	1000
Garfield Weston Foundation	10000	-	10000	-
Sundry	500	-	500	-
Deferred income	909	-	909	911
	<hr/>	<hr/>	<hr/>	<hr/>
	11409	5000	16409	14575
	<hr/>	<hr/>	<hr/>	<hr/>

2 Net Income from Trading Activities of Subsidiary

The Trust has a wholly owned trading subsidiary, Making It! Enterprises Limited whose principal activities are the letting of office and conference facilities and the operation of a café bar and shop. The company pays an annual management charge to the Trust. A summary of the trading results is shown below.

	2006 £	2005 £
Turnover		
Licence fees and overhead contributions	189537	167859
Conference facilities and Discovery Centre trading income	116374	127267
	<hr/>	<hr/>
	305911	295126
Less expenses	269349	293268
	<hr/>	<hr/>
Operating profit	36562	1858
Other income	11403	9584
	<hr/>	<hr/>
Net trading income	47965	11442
Management charge	(49000)	(19000)
Grants received	1409	12225
Interest received	1130	1158
	<hr/>	<hr/>
Profit for the year	1504	5825
	<hr/>	<hr/>

At 30th September 2006 the company had total assets of £144139 and liabilities of £132312, giving a balance of capital and reserves of £11827 (2005 £10323)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30th September 2006

3. Charitable Activities

	2006	2005
	£	£
Direct costs		
Wages and salaries	20450	54720
Exhibits	3058	10782
Professional charges	2195	3056
Marketing	1590	4618
Property running expenses	26398	26768
Sundry expenses	2975	7902
Depreciation and amortisation	88251	98509
Educational visit subsidies	8211	25218
Bad debt	(4464)	1031
Loss on disposal	6857	395
Bank charges	571	958
Loan interest payable	55065	7593
	<hr/>	<hr/>
	211157	241550
	<hr/>	<hr/>

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of all detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Other support costs shown are a best estimate of the costs that have been so allocated either on a per capita basis or on an estimated usage basis.

4 Governance Costs

	Unrestricted	Restricted	2006	2005
	Funds	funds	Total	Total
	£	£	£	£
Direct Costs:				
Audit fee	4000	-	4000	4000
	<hr/>	<hr/>	<hr/>	<hr/>

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of all detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Other support costs shown are a best estimate of the costs that have been so allocated either on a per capita basis or on an estimated usage basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30th September 2006

5. Resources Expended

The following amounts are included in resources expended

	2006	2005
	£	£
Auditors' remuneration		
In their capacity as auditors	3000	3000
For their services in preparing the financial statements	1000	1000
Depreciation of tangible fixed assets		
Leasehold property	52669	52669
Fixtures, fittings and equipment	37686	52243
Loss on disposal of fixed assets	6857	395
Operating lease charges for hire of equipment	2129	2042
Staff costs		
Wages and salaries	19676	51719
Social security costs	774	3001

No remuneration was paid to trustees in the year, nor were any expenses reimbursed to them

The average number of employees employed within the group during the year on either a full or part time basis was 27 (2005 21) This number excludes trustees No employee earned more than £60000 in the current or preceding year

6. Tangible Fixed Assets
Group

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
Cost				
As at 1st October 2005	150951	2610758	304312	3066021
Additions	-	-	2422	2422
Disposals	-	-	(33294)	(33294)
As at 30th September 2006	150951	2610758	273440	3035149
Depreciation				
As at 1st October 2005	37366	221420	246001	504787
Charge for the year	-	52670	37684	90354
Eliminated on disposal	-	-	(26437)	(26437)
As at 30th September 2006	37366	274090	257248	568704
Net book value				
As at 30th September 2006	113585	2336668	16192	2466445
As at 30th September 2005	113585	2389338	58311	2561234

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30th September 2006

6. Tangible Fixed Assets

Trust				
Fixed assets for the Trust's use	Freehold property	Long leasehold property	Fixtures and fittings	Total
	£	£	£	£
Cost				
As at 1st October 2005	150951	2597278	274844	3023073
Disposals	-	-	(33144)	(33144)
As at 30th September 2006	150951	2597278	241700	2989929
Depreciation				
As at 1st October 2005	37366	213752	219811	470929
Charge for the year	-	51322	36929	88251
Eliminated on disposal	-	-	(26286)	(26286)
As at 30th September 2006	37366	265074	230454	532894
Net book value				
As at 30th September 2006	113585	2332204	11246	2457035
As at 30th September 2005	113585	2383526	55033	2552144

Assets Subject to Charge

The Millennium Commission hold a charge over all of the assets of the Trust

Wolverhampton and Dudley Breweries PLC hold a charge over the leasehold property of the Trust

Nottinghamshire Enterprises Limited hold a charge against the freehold property to the value of £20000

Nottinghamshire County Council hold a fixed and floating charge over the whole of the assets of the group

HSBC Bank PLC hold a fixed and floating charge over all the property and assets of the Trust together with a second legal mortgage limited to £200000 plus interest over the freehold and leasehold property of the Trust

The total of the potential liabilities owed to all the above parties at 30th September 2006 amounted to £536562 which represents 21.75% of the net book value of the groups tangible fixed assets at that date

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30th September 2006

7 Investment in Group Undertaking

Shares in Making It! Enterprises Limited, (company registration number 3442956) are wholly owned by the Trust and are stated at cost

8. Debtors

	Group £	2006 Trust £	Group £	2005 Trust £
Trade debtors	20624	-	19921	-
Amounts owed by group undertakings				
Loan accounts	-	20850	-	26850
Prepayments and accrued income	13309	31	13534	5031
	<hr/>	<hr/>	<hr/>	<hr/>
	33933	20881	33455	31881
	<hr/>	<hr/>	<hr/>	<hr/>

The terms attached to the three loans made by the Trust to its trading subsidiary to provide working capital are as follows

	2006 £	2005 £
Repayable within one year	5570	6000
Repayable between one and two years	5570	5570
Repayable between two to five years	9710	12710
Repayable after five years	-	2570
	<hr/>	<hr/>
	20850	26850
	<hr/>	<hr/>

The loans are unsecured and interest free

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30th September 2006

9 Creditors

a Creditors amounts falling due within one year

	Group £	2006 Trust £	Group £	2005 Trust £
Loans (secured)	24268	24268	9190	9190
Trade creditors	14617	-	7551	-
Taxation and social security	5774	-	6862	-
Other creditors	35605	-	20140	-
Accruals and deferred income	9466	4000	10326	4000
Amounts owed to group undertaking				
Current account	-	22930	-	58744
	<u>89730</u>	<u>51198</u>	<u>54069</u>	<u>71934</u>

b Creditors amounts falling due after more than one year

	Group £	2006 Trust £	Group £	2005 Trust £
Loans				
Secured	512293	512293	494482	494482
Unsecured	60000	10000	60000	10000
	<u>572293</u>	<u>522293</u>	<u>554482</u>	<u>504482</u>

c Loans included in creditors are repayable by instalments as follows

	Group £	2006 Trust £	Group £	2005 Trust £
Within one year	24268	24268	9190	9190
Between one and two years	20769	19102	66992	66992
Between two and five years	56237	46238	159652	151319
After five years	495287	456953	327838	286171
	<u>596561</u>	<u>546561</u>	<u>563672</u>	<u>513672</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30th September 2006

10 Operating Leases

At 30th September 2006 the group and Trust had annual commitments under non-cancellable operating leases for equipment as set out below

	Group	Trust
	£	£
Expire within one year	577	-
Expire between one to two years	-	-
Expire between two to five years	386	-
	<hr/>	<hr/>

11. Funds

a Restricted Funds for the Group and the Trust

The restricted fund was initially represented by specific grants from the European Regional Development Fund and Mansfield District Council to purchase leasehold property and fixtures and fittings, in connection with Phase I of the Trust's objectives

The restricted fund has been further enhanced by grants from various sources to fund Phase II of the Trust's objectives. Freehold property has been purchased together with the services of professional firms in connection with surveying, architectural, project management, research and marketing skills. Construction work on the development of the leasehold property for Phase II of the project commenced in March 2001 and was completed during March 2003

b Analysis of Fund Balances between the Net Assets
Group

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	664457	1801988	2466445
Current assets	125116	-	125116
Current liabilities	(89730)	-	(89730)
Long term liabilities	(572293)	-	(572293)
	<hr/>	<hr/>	<hr/>
	127550	1801988	1929538
	<hr/>	<hr/>	<hr/>
Trust	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	655047	1801988	2457035
Investment in group undertaking	1	-	1
Current assets	34169	-	34169
Current liabilities	(51198)	-	(51198)
Long term liabilities	(522293)	-	(522293)
	<hr/>	<hr/>	<hr/>
	115726	1801988	1917714
	<hr/>	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30th September 2006

11. Funds (continued)

Restricted funds comprise the following
Group and Trust

	Balance 1st October 2005 £	Movement in Incoming £	Resources Outgoing £	Transfers £	Balance 30th September 2006 £
Phase I	117693	-	(2559)	-	115134
Phase II	1758953	-	(72099)	-	1686854
Educational visits fund	-	5000	(8211)	3211	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1876646	5000	(82869)	3211	1801988
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The educational visits fund consists of current assets All other restricted funds represent fixed assets

12. The Trust is a company limited by guarantee having no authorised or issued capital

The amounts guaranteed in the nature of reserve capital are £5 (2005 £5)

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or sections 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects No tax charges have arisen in the charity

THE MAKING IT INDUSTRIAL HERITAGE TRUST LIMITED
(A company limited by guarantee)

For the information of the trustees only
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DETAILED INCOME AND EXPENDITURE ACCOUNT
For the year ended 30th September 2006

	2006	2005
£	£	£
Income.		
Grants receivable	21000	8350
Management charge	49000	19000
Admission fees and educational party bookings	45819	83977
Bank interest receivable	360	566
	<hr/>	<hr/>
	116179	111893
Expenditure:		
Educational visit costs	8211	25218
Repairs and renewals	4166	2854
Rates	2251	2558
Insurance	14136	13874
Light and heat	4986	7482
Wages and salaries	20450	54720
Marketing and advertising	1590	4618
Telephone and postage	859	2506
Audit and accountancy	5215	5000
Professional charges	980	2056
Sundry expenses	2975	5396
Depreciation leasehold property	51321	51321
Depreciation, fixtures and fittings	36930	47188
Bank charges	571	958
Exhibition materials	3058	10782
Donation	6000	6000
Loss on disposal of fixed assets	6857	395
Bad debt	(4464)	1031
	<hr/>	<hr/>
	(49913)	(132064)
Loan interest payable	55065	7593
	<hr/>	<hr/>
Deficit for the year	(104978)	(139657)
	<hr/>	<hr/>

This income and expenditure account was approved
by the directors and trustees on *DATE 14 May 2007*

Signed on behalf of the directors and trustees

J Fearon *x 28*
Chairman

x

x