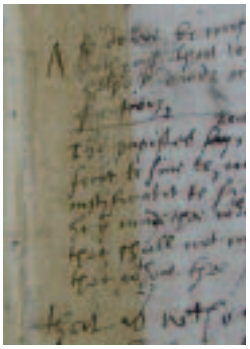
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The National Manuscripts Conservation Trust

Annual Report & Accounts 2006







Reference and Administrative Information

Patron
Sir Keith Thomas FBA

Trustees
The Lord Egremont DL FRSL
Bernard Naylor MA MCLIP
Charles Sebag-Montefiore FCA FSA

Secretary to the Trustees
Dr Anna Bülow

Administrator to the Trustees
Loretta Pamment

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the conservation of
The records of the Commissionary's Court

Emmanuel College, Cambridge –
the conservation of John Foxe's 'letters of the Martyrs'

The National Trust, Wimpole Hall –
the conservation of Wimpole Architectural Drawings.

Registered Charity: 802796

the national archives

The National Manuscripts Conservation Trust

Annual Report & Accounts 2006

Registered Charity: 802796

Contents

	Page
Reference and Administrative Information	cover 2
Trustees' Report	3 – 6
Awards by The National Manuscripts Conservation Trust, 2006	7 – 13
Cumulative list of donations from charitable trusts, institutions and corporations, 1990–2006	14 – 15
Auditors' Report	16 – 17
Statement of Financial Activities	18
Balance Sheet	19
Notes to the Accounts	20 – 23
Trust Funds	24
Unrestricted Income Fund Income and Expenditure	25

Report of the trustees

The trustees present their report and Financial Statements for the year ended 31st December 2006.

Structure, Governance and Management of the Trust

The National Manuscripts Conservation Trust was established on 9th January 1990 by a declaration of trust executed by three trustees representing, respectively, the Royal Commission on Historical Manuscripts, the British Library Board and various benefactors. Since 1st April 2003, the Royal Commission on Historical Manuscripts has formed part of The National Archives, whose Chief Executive is the sole Historical Manuscripts Commissioner.

There are three trustees: both the Royal Commission on Historical Manuscripts and the British Library Board are empowered to appoint one, and the two trustees so appointed are empowered to appoint a third trustee who shall not be a member or an officer of, or employed by, either the Royal Commission on Historical Manuscripts or the British Library Board. Throughout the year, the trustees were, respectively, the chairman Lord Egremont, Mr Bernard Naylor, and Mr Charles Sebag-Montefiore.

No formal procedures have been put in place for the induction or training of trustees, as they have not been considered necessary having regard to the criteria exercised in the selection of trustees. Ad hoc measures will be taken whenever necessary.

Since April 2004 the National Manuscripts Conservation Trust has been administered by The National Archives. The Secretary and Administrator are named on the previous page.

Risk Management

The Trustees actively reviewed the major risks that the charity faces on a regular basis, and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. Trustees have also examined other operational business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Objectives and Activities of the Trust

The objects of the trust are to advance the education of the public by the provision of financial assistance towards the cost of conserving manuscripts, which, in the opinion of the trustees, are of historic or educational value.

The trustees are grateful for the immense contributions to the furtherance of the objectives of the trust received from both The National Archives and the British Library.

Grants are awarded bi-annually, each June and December, for 50% of the cost of

conservation of manuscripts held by any record office, library or by an owner of manuscript material that is exempt from capital taxation or owned by a charitable trust. In deciding whether an application should be awarded a grant, the Trustees take into account the significance of the manuscript or archive, the suitability of the storage conditions, the applicant's commitment to continuing good preservation practice, and the requirement for the public to have reasonable access to it. Written reports on each application are given to the Trustees by volunteers from The National Archives or by the British Library, but there is no other contribution by volunteers.

The website (www.nationalarchives.gov.uk/preservation/trust/) provides full information for applicants on how to apply for a conservation grant.

Achievements and Performance of the Trust

At their two meetings in 2006 the trustees considered a total of 8 new applications, and they made 7 grants totalling £26,702. For ease of reference, full details of the grants awarded during 2006 are set out in a self contained section between pages 7 and 13. No fund-raising initiatives were undertaken during 2006. The number of applications received fell in the year and the monetary value of grants awarded in 2006 was likewise reduced.

In response, and in February 2007, the Trustees undertook the first of a planned series of visits to qualifying libraries and archive repositories in order to publicise the work of the charity and seek out worthy applications for future grants. They have also put a number of questions to some potential recipients of grants to see if there are any changes, which might be made to existing procedures to encourage more applications.

The investment portfolio rose in value from £1,733,298 (31 December 2005) to £1,868,045 as at 31 December 2006. Together with investment income, this represented a total return of 10.9% and was in line with expectations.

Financial Review of the Trust

In 2006, total income was £87,859, compared with £79,125 in the previous year. Investment income rose by some £3,200, reaching £81,859 (2005: £78,625). Donations received rose to £6,000, compared with £500 received in 2005. The trustees are particularly indebted to all benefactors who contribute to the trust.

Seven grants for conservation were approved in the year amounting to £26,702 (2005: £48,912). The smallest grant was £673 (requested by Valence House for the volume of Herald's Visitations to Essex of c. 1760) and the largest £8,846 (requested by the Fitzwilliam Museum for the repair of Egyptian Papyri).

The balance sheet at 31st December 2006 recorded net assets of £1,993,112, essentially

comprising the investment portfolio (at market value) of £1,868,045 and net current assets of £125,068. The December 2005 balance sheet recorded net assets of £1,815,293. The charity's assets have therefore grown by £177,819 in the year, after providing for the full cost of all grants made in the year. This increase mostly reflects the continued recovery of world stock markets, and also the unusually high surplus of income over expenditure in 2006. Further details of the investment portfolio are given in note 4 to the accounts.

Policies on investments and reserves

The Trustees have a balanced investment policy, designed to achieve a fair balance between the Trust's immediate needs for income and maintaining the value of the portfolio in real terms and hence future income. To this end, the Trust's investment portfolio mainly comprises holdings in two common investment funds; one a growth fund and the other an income fund.

Save for a working balance on the operating fund, all the Trust's reserves are regarded as endowment funds which are normally represented by investments in order to produce a reasonably predictable and regular level of income, which the Trustees regard as necessary to maintain and support the Trust's operation.

Any deficit on the operating fund is made good by a transfer from the general endowment fund.

Plans for future periods of the Trust

The Trust's objectives for 2007 are to make grants from the operating fund totalling around £75,000 unless incoming resources are significantly greater than in 2006.

Statement of trustees' responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparation of those financial statements, the trustees are required to:

(a) select suitable accounting policies and apply them consistently;
(b) make judgements and estimates that are reasonable and prudent;
(c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
(d) prepare the financial statements on a going concern basis unless it is inappropriate

to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Stoner Cottingham were reappointed as the Trusts auditors' during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the declaration of trust.

Approved by the Trustees and signed on their behalf by:

Lord Egremont
29 May 2007

Awards by The National Manuscripts Conservation Trust, 2005

Bodleian Library

£2,643 towards the Conservation of Jane Austen's 'Volume the First'

The Bodleian Library was founded in 1602 by Sir Thomas Bodley, for the use not only of Oxford University but also of the 'republic of scholars'. The founder's aim in making the Library's resources available to visitors from beyond the confines of the University gives it a claim to be Britain's first public library, and continues to be honoured today: the Bodleian's collections are used by researchers from around the world, in the last decade increasingly by digital users as its catalogues and holdings are made available online. Its collections of manuscripts are the second greatest in the country after the British Library's: universal in scope, but with special strengths in medieval manuscripts, British history and literature, and modern political papers.

The notebook containing 'Volume the First' by Jane Austen (1775-1817) takes its name from the inscription on its upper cover. It is a fair copy, written out in Jane Austen's own hand as a compilation of her early short works, such as *Henry & Eliza, The Adventures of Mr Harley,* and *The beautifull Cassandra*. She used a blank-book, which had been bought ready-made from a stationer: it is bound in quarter tanned sheep over marbled boards. She completed the transcript on 3 June 1793. The manuscript was first published in an edition by R. W. Chapman (Oxford 1933) and was bought for the Bodleian Library in the same year. As the unique source for the bulk of Jane Austen's *juvenilia*, it is of crucial interest for the development of one of the greatest novelists in the English language.

The damaged, yet untouched nature of this major literary manuscript required sensitive conservation treatment. The impermanent nature of the original stationer's binding had caused it to break down through subsequent heavy use. Unfortunately this damage was at a stage where it threatened any future safe handling, to a point where the complete breakdown of the manuscript's structure was imminent. The planned treatment concentrated on six activities:

The text-block was repaired *in situ,* working around the damaged original sewing. The original sewing was reinforced, and the boards were attached by a supplementary long-stitch structure through a linen and paper laminate. The volume was rebacked with toned paper. The original tanned sheep spine-covering was so thin that it was entirely broken down, with much loss. The strength of the new structure relied on a laminate linen/paper spine-piece, which was covered with toned paper. All that survives of the original spine-covering was replaced over this and thus preserved in place. The repaired volume is now housed in a measured drop-spine cloth box, made with double walls and with access at both fore-edge and spine, to allow easy removal without damage. Its additional protection will allow the damaged boards with their famous title ('Volume the First') to be reused with minimal intervention.

Guildhall Library

£4,625 towards the Conservation of Parish Clerk's 'Bede Roll'

Guildhall Library has been a public reference library since the 1870s. It is administered by the local authority, the City of London Corporation. It has accepted manuscripts as deposits or gifts since the 1870s. It currently holds almost 6 miles of records from the 11th century to the present day, which are housed in purpose-built strongrooms within Guildhall. Noteworthy collections include the City churches, the Diocese of London, St Paul's Cathedral, most of the City livery companies, major charities such as Christ's Hospital, and many records of City businesses, in particular merchant banks, insurance companies, trading companies, and business organisations such as the London Stock Exchange, the London Chamber of Commerce, the Baltic Exchange, and Lloyd's of London. Its collections are of national and international significance, and almost all of them are freely available to the public.

The Parish Clerks' Bede Roll (Guildhall Library Ms 04889) is a magnificent medieval illuminated book (not a roll), containing the names of the members of the Fraternity of St Nicholas, the predecessor of the Parish Clerks Company. It has 60 parchment folios, variously illuminated or decorated initials and borders, and extensive rubrication. The present binding (which is too tight, and a cause of the current problems) may be late nineteenth century but incorporating boards of the 18th century. The book was written for the Fraternity of St Nicholas, and has always been owned by it or by the Parish Clerks.

The manuscript was dismantled, lightly dry surface cleaned and fully documented. Previous repairs including guards and any oversewing were removed. Cracked and flaking pigments were consolidated with gelatine or isinglass. Spine folds were cleaned of adhesive residues and repaired as necessary using sympathetic and appropriate materials. The manuscript was humidified and flattened as necessary before making up into quires for re-sewing.

Following repair of the text-block a binding of quarter sawn oak boards with tawed leather spine, and semi-limp board vellum binding was chosen. The re-bound volume is now housed in a custom-made drop back book box designed to exert light pressure on the manuscript.

Festiniog Railway Company

£1,855 towards the Conservation of the Festiniog Railway Company

The Festiniog Railway Company was created in 1832 to build and operate a narrow-gauge line between various slate quarries at Blaenau Ffestiniog and the slate harbour of Porthmadog 13 miles to the southwest. The line opened in 1836, originally worked by gravity and horse-traction. In 1863, with an increase in traffic, steam traction was introduced. It was the first public railway in the world to utilise small-gauge steam engines. Passenger trains were introduced in 1865, and in 1872 the first bogie coaches in Great Britain, in any gauge, were built for the line. Later developments included the first use of Fairlie's patent locomotive design, exported extensively to railways abroad.

The documents conserved were drawn from 35,000 records generated between 1830 and 1946. Stored in less than ideal conditions before deposit at Gwynedd Archives, they had accumulated dust and suffered damage. The earliest records were in reasonably good condition having been written on acid-free paper, but later documents were fragile. Many were torn and needed minor repairs. Previously housed in acid-free boxes they were required to be stored in acid free paper or polyester envelopes. In addition, letter books and bound volumes needed repair or re-binding. This work was important as the records are to be available for public use.

The National Manuscripts Conservation Trust grants money helped to complete the conservation of four bound volumes, three had lost all or part of the original covers. Pages had become damp and affected with mildew, the sewing had been badly damaged. Three of the volumes contain records relating to stores – a useful source for tracking repairs to locomotives and other rolling stock and the forth is a wages book. All have considerable value to researchers. The conservator stripped the volumes, discarded the covers, cleaned the leaves and then used Japanese tissue/paper where necessary. Wheat starch adhesive was used. Endpapers were made and the sections sewn on to webbing. The volumes were bound letterpress style, quarter bound basil leather on the spine with buckram on the boards. Evacon adhesive was used on the cover. The volumes were then placed in purpose made folders constructed of manilla board with buckram strips.

The Fitzwilliam Museum

£8,846 towards the Conservation of Egyptian papyri Phase 2

The Fitzwilliam Museum houses the principal art and antiquities collections of the University of Cambridge. It was founded in 1816 by the bequest of Richard, Viscount Fitzwilliam, an eighteenth-century collector whose gift included funding for the building on Trumpington Street which opened to the public in 1848.

The Fitzwilliam Museum preserves and displays works of art and artefacts surviving from many of the great civilisations of the past, from Ancient Egypt, Greece and Rome, through eastern and western cultures of more recent millennia to European and North American art of the last century.

A grant from the National Manuscripts Conservation Trust helped complete the investigation and conservation of the Fitzwilliam papyri. The grant was used to engage a specialist papyrus conservator on a fee-paid basis, also to pay for conservation materials and for analytical support. As has proved crucial to the success of the Ramose papyrus project papyrologists were employed to work periodically alongside the conservator, sorting and ordering the fragments, so that they can be mounted in the correct configurations.

Unsuitable old frames, mounts, backings and repairs were removed. In the case of the papyri of Efaa and Impehufnakht this was a complex undertaking as it was necessary to face-up the papyri to provide adequate support and to apply organic solvents to break the adhesive bond between the backing and the papyrus. Surface cleaning was undertaken where possible and consolidation of friable pigments where necessary. Relaxation of the fibres by humidification was required for most of the documents to allow re-alignment of distorted areas. Repair to rejoin fragments and provide structural support was carried out using techniques of minimal intervention and maximum reversibility. Mounting between sheets of glass is generally considered to be the most appropriate method for both the display and the long-term storage of papyri. The storage cabinets will ensure that each mounted section can be studied without disturbance of the object itself.

Valence House Museum

£673 towards the Conservation of volume of Herald's Visitations of Essex

Valence House is a medieval (and later) moated manor house. On the formation of Dagenham Urban District Council in 1926, it was sold to the new authority. Since this time, Valence has passed from being the local town hall, to local library and then museum. It is now the nationally registered local history museum, the Local Studies Library and the Borough Archives. Valence House is a Grade II listed building.

A redevelopment project is planned which aims to enhance the current provision and to improve the conservation and operation of the House, improve the setting of the listed building within its original parkland; enable increased security and conservation of the Borough's collections held at Valence, and enhance access to these collections.

This is a manuscript volume c.1760 containing extracts from the Herald's visitations of Essex in 1614 and 1634 identified as being transcribed by Barak Longmate the elder, artist and engraver.

Inside the covers are the bookplates for Sir George Nayler (1764–1831) Garter King of Arms, and James Arnold Frere, Bluemantle Pursuivant of Arms 1948–56. A cutting from a sales catalogue pasted on the title page indicates that the volume was sold by the Naylor estate in 1836, passed through the hands of Thomas Thorpe, bookseller, and was purchased by Sir Thomas Phillipps (Phillipps MS 9772) the same year.

The volume was collated and disbound. All pages were dry cleaned with a latex sponge, and spine folds and any small tears were repaired using Japanese tissues and wheat starch paste. The sections were then resewn, using the original sewing positions. The damaged areas of the boards were consolidated and the spine was repaired using Hewit's archival calfskin toned with Sellaset dyes. The book is now housed in a protective wrapper to protect corners and edges from further wear.

Wellcome Library

£2,060 towards the conservation of the Hunterian Society Collection at the Wellcome Library

The Wellcome Library is the leading specialist library and archive repository in the UK for the history of Medicine and related subjects. It owes its existence to the collecting activities of Sir Henry Wellcome (1853–1936), philanthropist and founder of the pharmaceutical company Burroughs Wellcome and Co. The Library, based on Wellcome's collection of books, manuscripts and iconographic materials, opened to the public in 1949. Since that date many more acquisitions have been made, by purchase, gift and loan, the Hunterian Society collection, initially deposited in 1971 and added to over subsequent years.

The Hunterian Society was founded in 1819 as a professional society for physicians, surgeons and apothecaries in the City and eastern suburbs of London. It took its name from the surgeon John Hunter (1728–1793).

From 1819 the Hunterian Society met fortnightly, for the most part, in successive locations in the eastern part of the metropolis, in addition to holding several more formal annual events. The record of these meetings is systematically preserved in the minute books of the Society, stretching in unbroken sequence from 1819 to the present day.

There were fifteen ledger-style volumes and five smaller volumes that required urgent treatment. Generally their boards were detached and the leather was degraded, although the text blocks were sound. They were rebound, in leather as appropriate.

Prior to conservation treatment the run of minutes from 1819 to date were microfilmed and preservation copies made. These negatives will be used in future to provide reader copies of the minutes as facsimiles or for scanning for future enhanced access purposes.

Worcester Cathedral Library

£6,000 towards the Conservation and Preservation of Worcester Cathedral Library Medieval Manuscripts

Worcester Cathedral Library has existed since Anglo-Saxon times, with the clergy continually adding both manuscripts and printed books to the collection ever since. The collection of printed books represents a wide range of subjects such as theology, travel, history, medicine, architecture, natural science, and the classical authors. In addition, the library also includes an internationally renowned collection of 285 medieval manuscripts, as well as several monastic manuscript registers bringing the total to 298. The bulk of these formed part of the monastic library of Worcester and the manuscripts themselves date from the 10th century.

The manuscripts that were subject to this grant give an insight into the interests and knowledge of a typical English Benedictine cathedral priory. Half of the collection relates to the studies of the Worcester monks at Oxford University from the late 13th century onwards. The collection comprises one of the most important resources of information about teaching and learning in the late medieval period at the University of Oxford.

Twenty manuscripts had been identified for this project, conservation consisted of a limited level of in-situ repair to secure loose quires, fragments, and to repair losses likely to worsen over time and contribute to permanent loss. This work was done on-site in the Library, with the space and light available, thus eliminating the additional cost of transport and insurance. All work was completed using the best quality materials currently available, for example wheat starch adhesive, linen threads, and alum-tawed skins.

Cumulative list of donations from charitable trusts, institutions and corporations, 1990–2006

All Souls College, Oxford
Members of the Antiquarian Book Trade
Antiquarian Booksellers Association
Balliol College, Oxford
The Baring Foundation
Bedfordshire Family History Society
The Bergendal Collection
Bloomsbury Book Auctions
The Charlotte Bonham-Carter Charitable Trust
The Bouverie Trust
The British Academy
The Buccleuch Charitable Foundation
Butterworths
CAF
Canon (UK)
The Carnegie Trust for the Universities of Scotland
Sir Andrew Carnwath's Charitable Trust
Cazenove & Co
Chadwyck-Healey
The Channon Charitable Trust
Chartered WestLB
Charterhouse Bank
Cedric Chivers
Cholesbury cum St Leonards Local History Group
Christ Church, Oxford
Christie, Manson and Woods
Clare College, Cambridge
The Worshipful Company of Clothworkers
Coats Viyella
The John S Cohen foundation
The Ernest Cook Trust
Coopers and Lybrand Deloitte
The Coutts Charitable Trust
CS First Boston
The Drayton Trust
The Dulverton Trust
Dyfed County Council
Lord Egremont
The JPW Ehrman Charitable Trust
Emmanuel College, Cambridge
The Englefield Charitable Trust
The Esmée Fairbairn Charitable Trust
Federation of Family History Societies
The Worshipful Company of Fishmongers
Fitzwilliam College, Cambridge
Robert Fleming Holdings
Friends of Hereford Record Office
The Friends of Suffolk Record Office
The Robert Gavron Charitable Settlement
The J Paul Getty Jnr Charitable Trust
Gloucestershire County Council
The Golden Bottle Trust (C Hoare & Co)
Golden Charitable Trust
The Worshipful Company of Goldsmiths (John Perryn's Charity)
Gonville and Caius College, Cambridge
The Worshipful Company of Grocers
Grocholski and Company
Hampshire County Council

Kenneth Hargreaves Charitable Trust
Hertfordshire Family and Population History Society
Elizabeth Hollingsworth
JMP Cooper
Jesus College, Oxford
Leopold Joseph and Sons
King's College, Cambridge
KPMG Peat Marwick
Longman Group UK
Maggs Brothers
Mallett and Son
Marks and Spencer
The Worshipful Company of Mercers
The Worshipful Company of Merchant Taylors
Merton College, Oxford
Samuel Montagu and Company
NADFAS Volunteers
National Westminster Bank
New Hall, Cambridge
Nottinghamshire Family History Society
Nuffield College, Oxford
Oriel College, Cambridge
Pembroke College, Cambridge
The Earl of Perth's Charitable Trust
Peterhouse, Cambridge
The Pilgrim Trust
Price Waterhouse
Bernard Quaritch
The Queen's College, Oxford
The Radcliffe Trust
The Albert Reckitt Charitable Trust
Reed International
Richards Castle Local History Group
Riley, Dunn and Wilson
Robinson College, Cambridge
Routledge
The Royal Literary Fund
The Sainsbury Family Charitable Trusts
St Edmund Hall, Oxford
St Hugh's College, Oxford
The St James' Place Capital Charitable Trust
St John's College, Oxford
Sidney Sussex College, Cambridge
Slimbridge Society
Sotheby's
Suffolk County Council
Surrey County Council
Sussex Family History Society
The Swan Trust
Trinity College, Cambridge
Trinity Hall, Cambridge
TSB Group
University College of North Wales, Bangor
University of St Andrews
Tom Valentine
The Ely Webster Trust
The Garfield Weston Foundation

Report of the Independent Auditors

to the trustees of the National Manuscripts Conservation Trust

We have audited the financial statements of the National Manuscripts Conservation Trust for the year ended 31 December 2006, which comprises of the Statement of Financial Activities, the Balance Sheet and related notes. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

This report is made solely to the Charity's Trustees, as a body, in accordance with Sections 43 and 44 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 the trustees and the auditors

The Trustee's responsibilities for preparing the Trustees' Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustee's Responsibilities.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Charities Act 1993. We also report to you if, in our opinion, the Trustee's Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Report of the Independent Auditors

to the trustees of the National Manuscripts Conservation Trust

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2006 and of its income resources and application of resources in the year ended and have been properly prepared in accordance with the Charities Act 1993.

42 London Road
Horsham
West Sussex RH1 1AY
29 May 2007

Stoner Cottingham
Chartered Accountants
Registered Auditors

Statement of Financial Activities

For the year ended 31 December 2006

.	Notes	Endowment fund 2006 £	Unrestricted fund 2006 £	Total funds 2006 £	Total funds 2005 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	-	**6000**	**6000**	500
Investment income	3	-	**81,859**	**81,859**	78,625
Total incoming resources		-	**87,859**	**87,859**	79,125
Resources expended					
Charitable activities	4	-	**26,704**	**26,704**	49,912
Govenance costs	5	-	**3,083**	**3,083**	2,580
Total resources expended		-	**29,787**	**29,787**	51,492
Net incoming resources before transfers		-	**58,072**	**58,072**	27,634
Transfers between funds		-	-	-	-
Net incoming resources before revaluations & investment asset disposal		-	**58,072**	**58,072**	27,634
Holding gains/(losses)					
Gains & losses on investment assets	8	**119,747**	-	**119,747**	159,751
Net movement in funds		**119,747**	**58,072**	**177,819**	187,384
Reconciliantion of funds					
Total funds brought forward		**1,748,351**	**66,942**	**1,815,293**	1,627,909
Total funds carried forward		**1,868,098**	**125,014**	**1,993,112**	1,815,293

Balance Sheet

As at 31 December 2006

	Notes	*31st December 2006* £	£	*31st December 2005* £	£
Fixed assets					
Listed Investments	8		**1,868,045**		1,733,298
Current assets					
Debtors	9	**4,509**		4,177	
Cash at bank and in hand		**203,691**		198,523	
		208,199		202,700	
Creditors: amounts falling					
Due within one year	10	**(83,131)**		(120,705)	
Net current assets			**125,068**		81,995
Net assets			**1,993,113**		1,815,293
Funds					
Endowment fund			**1,868,098**		1,748,351
Unrestricted income fund			**125,014**		66,942
			1,993,112		1,815,293

Approved by the trustees on 29 May 2007 and signed on their behalf by Lord Egremont, chairman.

Notes to the Accounts

For the year ended 31 December 2006

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

a. Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

b. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

c. 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:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts of £1,000 and upwards are credited to the Endowment Fund and gifts below £1,000 credited to the unrestricted income fund unless they are restricted conditions.
- Investment income is included when receivable.

d. Resources expended

Expenditure is recognised on an accrual 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:

- Charitable expenditure comprises of those grants given during the year.
- Governance costs include those costs associated with meeting the constitutional requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

e. Fixed assets

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

2 Voluntary income

	2006	2005
	£	£
Donations (2006 – restricted; 2005 – unrestricted)	**6,000**	500

3 Investment income

	2006	2005
	£	£
Dividends received from investments	**73,765**	70,392
Bank interest received	**8,094**	8,233
	81,859	78,625

4 Direct charitable expenditure

	2006	2005
	£	£
Grants approved	**26,702**	54,567
Less overprovision not required/Adjustments	**2**	(5,655)
Net grants made	**26,704**	48,912

5 Management and administration

	2006	2005
	£	£
Printing and stationery	**2,079**	1,522
Other expenses	**5**	294
Auditors' fees	**999**	764
Total operating expenses	**3,083**	2,580

6 Transactions with trustees

The trustees received no remuneration or reimbursement of expenses.

7 Taxation

As a charity, The National Manuscripts Conservation Trust is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 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.

8 Investment

As at 31 December 2006, the investment portfolio comprised holdings in three Common Investment Funds run by Cazenove Capital Management Limited. The portfolio is summarised in the following table:

	Cost	Market value	Annual income (prospective)	Yield on market value
	£	£	£	%
The Income Trust for Charities	748,700	664,410	39,762	5.98
The Growth Trust for Charities	506,393	600,590	14,808	2.47
The Equity Income Trust for Charities	397,849	568,420	19,200	3.38
Other listed ordinary shares	35,451	34,625	–	0.00
Total portfolio	1,688,393	1,868,045	77,770	3.95

An additional analysis is given below:

	2006	2005
	£	£
Market value at 1 January	**1,733,298**	1,533,096
Subsequent proceeds of sale	**–**	–
Cost of purchases	**15,000**	20,451
Realised gains/(losses)	**–**	–
Unrealised gains/(losses)	**119,747**	159,751
Movement in year	**134,747**	180,202
Market value at 31 December	**1,868,045**	1,733,298
Cost at 31 December	**1,688,393**	1,673,393

9 Debtors

	2006	2005
	£	£
Trade debtors	**1,949**	1,949
Other debtors and prepayments	**2,560**	2,228
	4,509	4,177

10 Creditors: Amounts falling due within one year

	2006	2005
	£	£
Grants payable	82,250	133,247
Sundry creditors	881	764
	83,131	134,011

11 Funds

Both the endowment fund and the operating fund may be applied in the payment of grants at the discretion of the trustees, although it is not their policy to apply any part of the endowment fund for this purpose. Instead they look to continued growth in the fund for increasing the investment income available for the making of grants.

Trust Funds

Five year financial summaries

	Years ended 31 December				
	2002	2003	2004	2005	**2006**
ENDOWMENT FUND					
Book value as at 1 January	1,810,754	1,811,754	1,811,754	1,813,687	**1,813,687**
Donations received	1,000	-	-	-	**-**
Realised gains/(losses) on investments					
accrued during year	-	-	1,933	-	**-**
accrued previously	-	-	-	-	**-**
Transfer from operating fund	-	-	-	-	**-**
Book value as at 31 December	1,811,754	1,811,754	1,813,687	1,813,687	**1,813,687**
OPERATING FUND					
Book value as at 1 January	26,542	25,239	32,512	39,309	**66,942**
Surplus on income and expenditure account	(1,303)	7,273	6,797	27,633	**58,072**
Transfer to endowment account	-	-	-	-	-
Book value as at 31 December	25,239	32,512	39,309	66,942	**125,014**
TOTAL TRUST FUNDS AT MARKET VALUE					
Excluding unrealised losses on investments	1,836,993	1,844,266	1,852,996	1,880,629	**1,938,701**
Unrealised (losses) on investments brought forward	(178,657)	(368,808)	(293,153)	(225,087)	**(65,336)**
Unrealised (losses)/gains: movement in year	(191,151)	75,655	68,066	159,751	**119,747**
Trust funds at market value per balance sheet	1,468,185	1,551,113	1,627,909	1,815,293	**1,993,112**

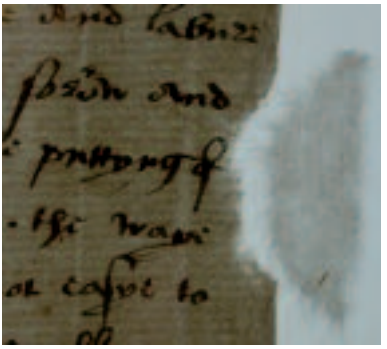
Unrestricted Income Fund Income & Expenditure

Five year financial summaries

	Years ended 31 December				
	2002	2003	2004	2005	**2006**
INCOME					
Donations received	21,949	11,068	4,457	500	**6,000**
Investment income	75,246	74,889	75,113	78,625	**81,859**
Administration costs	(3,376)	(456)	(1,364)	(1,816)	**(2,084)**
Auditors' remuneration	(588)	(763)	(958)	(764)	**(999)**
Net income	93,231	84,738	77,248	76,545	**84,776**
GRANTS MADE					
Net grants made	94,534	77,465	70,451	48,912	**26,704**
SURPLUS / (DEFICIT)	(1,303)	7,273	6,797	27,633	**58,072**







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