

**YORK MUSEUMS AND GALLERY
TRUST**

(A company limited by guarantee)

Report and Financial Statements

Year ending 31 March 2015

REPORT AND FINANCIAL STATEMENTS 2015

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OFFICERS AND PROFESSIONAL ADVISERS

THE TRUSTEES OF THE YORK MUSEUMS AND GALLERY TRUST WERE AS FOLLOWS:

The trustees who served during the year and subsequently were:

TRUSTEES

Prof Sir J H Lawton (Chair of the Trustees)

D Andrews (appointed 14/01/2015)
J C Atchison
N Barnes (retired 11/11/2015)
J Bell (appointed 14/01/2015)
N Carmody
I M Cuthbertson
S Drummond (appointed 14/01/2015)
A Falconer (retired 14/09/2014)
J Grierson (appointed 11/11/2015)
H J Hanstock (retired 11/11/2015)
P M Harkness (retired 15/09/2014)
L Harrison
D R Jagger (appointed 11/11/2015)
J N Johnson (retired 14/09/2014)
K Myers (appointed 11/11/2015)
S E Lusty
P R D Scott (retired 11/11/2015)
R E Scrase (retired 14/09/2014)
E F V Waterson (retired 11/11/2015)

COMPANY SECRETARY

A Wadsworth

CHIEF EXECUTIVE

J Barnes (retired 02/11/2015)
R King (commenced 03/11/2015)

REGISTERED OFFICE

St Mary's Lodge
Marygate
York
YO30 7DR

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square
Leeds
United Kingdom

BANKERS

HSBC Bank plc
PO Box 26
13 Parliament Street
York
YO1 8XS

TRUSTEES' REPORT

Foreword by the Chairman

It is with great pleasure that I present this report on the work of York Museums Trust over 2014-15. I have been Chairman of York Museums Trust for three years although I have served as a trustee since 2007 so I have seen how the trust has developed over the last few years.

This year the Chief Executive announced that she was retiring in November 2015 once the York Art Gallery was reopened to the public after a two year period of closure and a redevelopment project worth £8 million. Janet was awarded CBE in the New Year Honours 2014 for her work in Museums in Yorkshire. Trustees would like to thank Janet for her vision, skill and determination that have nurtured and developed the Trust over a wonderful 13 year period.

We are pleased to announce that after a successful recruitment programme the new Chief Executive is Reyahn King who took over as Chief Executive in November 2015.

York Museums Trust has been going for 13 years and during that time it has transformed the visitor offer across all its venues and sites. The trust is a far more complex organisation now then it was at the beginning and is working with a greater variety of people and institutions. The renewed Major Partner Museum status is testimony to the achievements of the staff and we look forward to seeing the work of the trust expand and develop further in coming years under new leadership.



Professor Sir John Lawton
Chairman, York Museums Trust

18th Dec 2015

TRUSTEES' REPORT

STRATEGIC REPORT

MISSION AND STRATEGIC OBJECTIVES

York Museums Trust's *mission* is to cherish the collections, buildings and gardens entrusted to us, presenting and interpreting them as a stimulus for learning, a provocation to curiosity and a source of inspiration and enjoyment for all.

Our *vision* is for York Museums Trust to play a major part in positioning York as a world class cultural centre.

Our *strategic objectives* are:

- To protect and conserve the collections, gardens and buildings
- To promote access to the collections, gardens and buildings appropriate to the 21st century
- To attract more visitors to our sites, thus contributing to the local and regional economy
- To create learning opportunities for all and develop innovative programmes springing from the collections, gardens and buildings
- To network and collaborate with partners and contribute to the development of the economic and cultural life of the city and the region
- To raise substantial funds to realise these aims

This annual report details what we have achieved during 2014-15, but it also includes some highlights that happened between the end of the financial year in March 2015, and the time of writing the report in December 2015.

CHIEF EXECUTIVE'S REPORT – ACHIEVEMENTS AND PERFORMANCE

This year has been a very demanding one for York Museums Trust ("YMT"). With three capital projects taking place simultaneously the project teams have been very busy. During this year we have opened the exhibition *1914 When the World Changed Forever* at York Castle Museum, which was largely funded by the Heritage Lottery Fund. The exhibition has involved many people and volunteers who have enriched the content of the exhibition and helped with the activities and events organised around the exhibition, making the whole visitor experience much more memorable and meaningful. The exhibition was part of a much bigger capital project that involved the refurbishment of offices and activity rooms and included a new lift. This has made the Debtors Prison side of the York Castle Museum easily accessible for the first time in its history.

We also continued the £8 million redevelopment of York Art Gallery. The project was going really well until we discovered an unstable gable wall. This delayed the project by some 10 weeks and resulted in an over-spend of £200,000. The gallery re-opened to the public on Yorkshire Day, 1 August 2015 after a period of closure of over two years.

Running in parallel to the gallery project is the creation of new public Gardens which extend the historic Museum Gardens to the land behind the gallery. We are creating an Edible Woodland Garden and an Artists' Garden, and have opened a new Snickleway by the side of the gallery to Exhibition Square and new pathways connecting the Museum Gardens to the new gardens and Snickleway.

In April 2012 York Museums Trust became one of only 16 museum services in England to receive Arts Council England Major Partner Museum funding. We are delighted to announce that this year we successfully applied for a second tranche of Major Partner Museum funding of £1.23 million each year from 2015 to 2018.

York Museums Trust has also taken on the responsibility for Museum Development for Yorkshire, again supported by funding from the Arts Council England amounting to £315,000 a year for 2015 - 2018. This means we can work with smaller and medium sized accredited museums across Yorkshire and Humberside to help them improve their sustainability and resilience. We see this work as a vital tool to increase the Trust's visibility and recognition in the region and beyond.

With the cuts in local authority revenue funding we have been preparing for a further reduction in our funding from the City of York Council. Since 2002, when the Trust was created, York City Council has been very supportive of York Museums Trust with stable, inflation-linked funding and we have flourished with this financial stability. We have also worked hard to bring in substantial additional funding through our own commercial activities and through government funding and charitable grants and donations. However since 2012 we have faced funding cuts of £900,000 a year from the City of York Council and consequently we have been planning a major change in our

TRUSTEES' REPORT

business model in order that we can continue to grow and thrive. In the period 2016-2019 City of York Council officers have indicated that there are likely to be further cuts in the region of £100,000 per year. This will leave us just £300,000 per year core funding from the Council amounting to 4.5% of our current turnover.

The City of York Council has, however, been generous with capital support for both the York Art Gallery project and the Museums Gardens expansion for which we are grateful.

Key to our future financial stability is the need to secure more support from our visitors. As part of these plans we have introduced the new YMT Card which gives a year's access to Yorkshire Museum, York Castle Museum and York Art Gallery.

YMT has strived since we began in 2002 to create new and greater income streams and the success of our trading subsidiary is testament to this and it continues to show a strong performance in 2014/15 with retail, catering and venue hire delivering a profit of £224,000. This income feeds back in to support the Charity under a tax-free Gift Aid arrangement.

Our custodial role in looking after the collections takes a considerable amount of time and resources given that the collections are designated and extensive. Yorkshire Museum and Castle Museum both submitted applications for Accreditation to the Arts Council England in December 2014. Accreditation looks at all aspects of museums including collection care, learning and accessibility. The trust has purchased a new storage facility adjacent to the museum's existing facility and we are now considering how to make the most of this space in relation to existing storage areas, with the possibility of closing down other rented storage areas and consequently saving money in the future, whilst improving environmental conditions and accessibility of the collections.

The Trust's digital presence has been extended considerably as we have invested in a Digital team who have made real progress in expanding the number of museum objects accessible online. New websites have been launched giving visitors access to some 150,000 records and more than 50,000 images.

We have been delighted to work with the Wikimedia Foundation who has funded a Wikipedian-in-residence for two years. This has helped us to become a Wikipedia-friendly organisation and boost the profile of the trust and its collections on Wikipedia and Wikimedia Commons. The successful Wikipedia project showed the huge benefits of releasing museum content onto the web under open licenses.

The Digital team work closely with the curatorial and learning teams so that all our projects now have a digital aspect to them. The new displays in York Art Gallery have digital interpretation to engage the visitors.

With regard to our management structures in 2014 we created a larger Senior Management team of seven staff which replaced the Directorate of four staff and which has proved to be really effective especially with communication across the organisation.

The current and future financial situation of the trust is the main concern of the Senior Management Team. In order to sustain the trust we are looking at ways to increase income through charging entry to all three museums and gallery, investing in alternative, revenue raising activities at York St Mary's, rationalise our collection storage costs as well as looking hard at our ongoing expenditure especially staff costs. We need to build up our reserves once again which have been depleted due to the unforeseen additional costs with the York Art Gallery and new Gardens projects. However we are confident that the trust is in a good position to find new ways of increasing income and reducing costs whilst maintaining an excellent service.

York Castle Museum

The main focus over the year at York Castle Museum, our most visited museum, has been the major *Changing Spaces* development of the Debtors Prison building. This £1.1m project was generously funded by the Heritage Lottery Fund. The project has enabled the creation of new exhibition spaces, improved learning spaces and for the first time a visitor lift. The first exhibition *1914: When the World Changed Forever*, opened on 28 June 2014 and is a major exhibition on the social impact of the First World War. It is timed to coincide with the national commemorations to mark its centenary anniversary. New acquisitions for the exhibition include a Trench map for Gommecourt and material relating to local family of John Richard Ford and Thomas Wright Burnett, including information on the cycling battalions and prisoners of war.

TRUSTEES' REPORT

York Museums Trust also led on a regional marketing initiative *1914 in Yorkshire* to publicise the various events, exhibitions and displays focusing on First World War across libraries, museums and galleries in Yorkshire and the Humber. This was done in association with the Imperial War Museum in London.

We managed to keep the rest of the Castle Museum open to visitors whilst the project was underway but staff had to relocate to offices in our collection stores and portakabins. Visitor numbers remained good throughout the year despite the disruption.

A new exhibition *Road to Waterloo* opened at the Castle Museum in May 2015. It is based around panoramic Wallpaper which was purchased by Dr Kirk in the 1930's. Made in 1829 it depicts the French army in Italy. Over the winter it has been carefully conserved and much information ascertained about the history of the wall paper. Also in the exhibition is the jacket owned by Private Grimes of Thornton Grimes who guarded Napoleon whilst he was in exile at St Helena. There are also armour and swords retrieved from the battlefield.

Yorkshire Museum

The famous William Smith geological map of the UK has also been restored in time for the anniversary of its creation in 2015 and is now on view in the Museum. The trust has been helping the Yorkshire Philosophical Society commission a new art work for the Museum Gardens which depicts the area of Yorkshire from the William Smith map recreated in pebbles and stones and has been designed by Janette Ireland. It has been installed in front of the Pavilion and will become an important feature in the gardens.

The very successful 2013 exhibition on Richard III has been re worked and opened in March 2015 and has been well received.

Much work has been done on the rationalisation of the architectural stonework collection and extensive brick and tile collection which is now complete. Material with little significance has been laid out for burial at one of our stores. Overall this liberates a considerable amount of storage space, in turn providing much needed room for further improvements in collections storage.

York Art Gallery

The York Art Gallery reopened on 1 August 2015. The project was only made possible because Peter Madsen and his sister Karen Madsen, between them, bequeathed £2.2million which was the seed funding that levered in the additional funding required for the £8 million project.

We are most grateful to all the following funders for their support: Arts Council England; Karen Madsen; Peter Emil Madsen; City of York Council; Anthony Shaw Collection Trust; DCMS/Wolfson; Garfield Weston Foundation; The Foyle Foundation; Sir Siegmund Warburg's Voluntary Settlement; Holbeck Charitable Trust; John Ellerman Foundation; Friends of York Art Gallery; J.Paul Getty Jnr Charitable Trust; Shepherd Group; The Patricia and Donald Shepherd Charitable Trust; Feoffees of St Michael's Spurriergate; The Headley Trust; The Pilgrim Trust.

We would especially like to thank the Friends of York Art Gallery who have not only supported the new Picture Store and Research Room but also the new acquisitions, commissions, conservation, learning projects such as the Project Gallery Lowry Challenge, new equipment such as the wireless headphones which will be used for talks.

Whilst York Art Gallery has been closed some of our best paintings have been on display in the regional touring exhibition *Masterstrokes: Great Paintings from York Art Gallery*. This year the exhibition was shown at Barnsley and Harrogate. We also continue to have a few works on display at Fairfax House in York, and also the National Gallery and at Tate Britain.

The Fine Art collections have been in secure storage during the building work and have been returned to the gallery. On its return, each work has been photographed and the catalogue checked and then placed in the new picture store. The aim is to have all of the collection searchable online.

Over the last two years we have also worked in partnership with the National Gallery's Curatorial Trainee scheme, which is supported by the Art Fund with the assistance of the Vivmar Foundation. This research project resulted in the *Sacred Spaces* display of the Lycett Green collection of paintings.

We are also grateful to the Art Fund for their support of new acquisitions and staff development. Our most recent acquisitions include Grayson Perry's *Melanie* purchased with the help of the Art Fund and the V&A Purchase Grant Fund and the Friends of York Art Gallery, and Berlinde de Bruyckere's drawing and the Sarah Lucas sculpture *Nus*.

TRUSTEES' REPORT

York St Mary's

Due to the closure of York Art Gallery, York St Mary's has become York Art Gallery's contemporary art space. The exhibitions included the second *Aesthetica Art Prize*. This exhibition showcases excellence in contemporary art and features shortlisted artists in the categories of Photographic & Digital Art, 3D Design & Sculpture, Painting & Drawing and Video, Installation & Performance. Aesthetica is a York based organisation that publishes an international magazine and organises the short film festival in York. The Trust is pleased to be working with Aesthetica and bringing contemporary art to the historic city of York.

This exhibition was followed by *Finding the Value* an exhibition that displayed new work by five commissioned artists who responded to objects that were part of the bequest of Peter Madsen creating new works for the exhibition. It was a thought provoking project as it asked questions about what objects we value from the past both financially and emotionally.

We are now reconsidering the options for future developments at York St Mary's.

York Museum Gardens

York Museum Gardens were awarded a gold medal by Yorkshire in Bloom for the third year running in 2015.

The expansion of the gardens to the land behind the gallery has made some significant progress with the gardens linked through to Exhibition Square. The result will be beautiful new green spaces that will extend the existing gardens by another 4 acres.

The planning for the expansion has taken up the time of the Garden Manager and her team; however they have continued to keep the historic Museum Gardens looking beautiful with increasing horticultural interest and our visitors appreciate this green oasis in a busy city.

York Enterprises

York Museum Trust's Trading Subsidiary Company continues to show a strong performance and this year retail, catering and venue hire delivered a profit of £224,000 largely because of our very successful wedding venue, the Hospitium. This income feeds back in to support the Charity under a tax-free Gift Aid arrangement.

The Hospitium's wedding business is the busiest it has been with 98 weddings over the year. Corporate and private business continues to increase and we are receiving repeat business as well as new enquiries mainly due to internet searches which means we have been able to reduce the amount we spend on marketing.

Hospitality events at York Museums Trust continue to increase steadily. We have also been granted a wedding licence at York Castle Museum in October 2014 which means people can now hold their ceremonies on Kirkgate, the Victorian Street, in the evening. The bookings for Wedding ceremonies will hopefully build up over the next couple of years. We continue to hold our own events such as the Wedding Table Top sales. The idea is that brides and grooms sell left over items to new brides and grooms and it has proven to be very popular. We are also continuing to host our own Wedding fairs which suppliers inform us are the most popular fairs they attend in York.

The Yorkshire Museums events have started to increase now and becoming more of a popular location for drinks receptions and film premieres. We held three more Film nights at the Yorkshire Museum, *Gladiator*, *Ghostbusters* and *Home Alone*, the last two reaching almost maximum capacity. We are planning to host the Christmas film nights showing retro films.

With the reopening of the York Art Gallery we are now promoting it as a venue for corporate drinks parties with canapés and light buffets. We are also planning new hospitality opportunities ranging from children's birthday parties at both the Yorkshire Museum and York Castle Museum and Funeral teas at the Hospitium.

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Learning

Our very varied learning programme includes formal educational workshops for schools, activities and events for family learning, adult learning and community projects across all our museums and sites.

Uptake of workshops by Primary schools has significantly increased since the introduction of a new school programme linked to the revised National Curriculum. This has been most significant at the Yorkshire Museum, with a 32% increase in participation for the academic year 2013/14. Popular new sessions include *Prehistoric Progress*, *Anglo Saxon Life* and *Total War*. We also ran a STEM *Pharaoh's Challenge* with 100 local primary school pupils, supported by the Yorkshire Philosophical Society and the Institution of Engineering and Technology.

Nearly 1,500 local primary school pupils took part in the Lowry Challenge, creating their own artworks inspired by the painting by Lowry of *Clifford's Tower*. The work of the winning children is one of the opening displays in York Art Gallery.

A special *Museums at Night* event was held on 15th May 2014, after the Museum won a Connect 10 competition for artist Grayson Perry to take part. Grayson's gallery loaned 'LVAM1' to the Yorkshire Museum for the month of May to coincide with the event and ceramic bears from the Anthony Shaw Trust Collection were on display too. *Meet the Museum Bears* attracted over 700 visitors, with an additional 300 people attending a special *In Conversation* event in the TA Hall. York college students also made 90 bears from a variety of different materials as part of the project and the bears were on display in the Yorkshire Museum throughout May.

In September, in partnership with the University of York, a *Researchers Night* public event was held at the Yorkshire Museum funded through the EU Horizon 2020 programme. Visitors had opportunity to discover some of the latest research carried out on YMT collections, particularly linked to the theme of 'Underground York'. The event was attended by approximately 1,800 people.

Holiday event highlights have included First World War soldier's drill, Suffragettes demonstrating on Kirkgate and Dinosaur Detectives. The *Christmas at the Castle* event programme was well received, with visitor numbers for the period being 5% up on the previous year. Father Christmas on the Toy Stories gallery met nearly 1,000 children and brand new special evening family interactive Christmas tours of Kirkgate, were attended by 370 people and received excellent reviews in the local media.

Adult Learning has been delivered by York Museums Trust staff and tutors, in addition to events delivered in partnership with CYC York Learning and the University of York. We have linked adult learning events to city festivals including the Festival of Ideas and Adult Learners Week.

Territories is our long standing community arts programme. Due to the refurbishment at York Art Gallery, Territories projects continued at the Castle Museum linked to the 1914 exhibition. Artist led *Remember Me* art sessions themed around remembrance ran with a group with mental health focus. The group used the museum's First World War objects as a stimulus to create their own medical boxes through art. A second working with Children's Centres in targeted wards of York, including Acomb, Clifton and St Lawrence's, explored other themes including the role of animals in the war.

Genesis is our 14 to 24 years old engagement programme which comprises projects and competitions to inspire and involve young people, directly relating to their studies and career interests. Over 1,500 York secondary school pupils took part in Enterprise challenges which were linked to the 1914 Heritage Lottery Fund activity programme. Students from Joseph Rowntree School and Archbishop Holgate's School worked with professional animators and designers to transform their ideas to reality. Both projects are now on display at the Castle Museum. We have continued to work with York College, York St John University and local secondary schools on a variety of creative projects.

Volunteers

We have had 377 active volunteers throughout 2014-15, totalling 14,734 contributed hours across all of the sites over the year.

Our largest and most successful volunteer project is *Hands on Here!* which is a visitor facing project running at each site. Volunteers demonstrate and interpret objects from our collections to visitors. This is a great opportunity for our volunteers as well as visitors to get up close to a wide range of amazing objects, which they would never normally get the opportunity to handle. Volunteers delivered over 1,700 individual visitor facing activities over the year across all sites.

1914 – When the World Changed Forever has been a fantastic exhibition for volunteer engagement. In addition to behind the scenes research and *Hands on Here!* activities, our volunteers also now run a regular series of lunchtime talks which complement the exhibition.

TRUSTEES' REPORT

We have run 24 individual volunteer projects over the year, and in addition to these, our volunteers have also supported events such as the Great Yorkshire Show, YMT Fossils Roadshow, Scarborough Fossils Festival, Researchers at Night and our own Observatory Stargazing evenings.

The Volunteers Team also administers placements across the Trust. This year we have had 33 placement students ranging from YR10 through to post-grad, and from a wide range of schools, colleges and universities both regionally and nationally.

Collection Management

The Art Team and Registrar managed the return of the fine art collection from deep storage and loan – 1,100 paintings, 14,200 works on paper, 100 sculptures and 300 miscellaneous items (letters and printing plates, etc.) – to York Art Gallery and saw it safely located in the new store and hung in galleries ready for re-opening. 1,800 ceramics were packed and safely moved from Birch Park into the new displays at York Art Gallery. An extensive conservation programme was also undertaken in preparation for new exhibitions.

5,000 objects that had been placed in temporary storage to facilitate the Heritage Lottery Fund project at York Castle Museum were moved into longer term stores. The costume collection is being audited and entered on Adlib, the collections management database, in preparation for the forthcoming 'Shaping the Body' exhibition. Objects stored at Fulford are being assessed in a rationalisation programme prior to being moved.

In the numismatic collection, significant progress has been made with documentation, particularly digital photography, with intern and volunteer projects responsible for bringing 4,000 mainly Medieval and Roman objects up to a minimum standard. A project to audit the modern money collections has been undertaken with 7,000 objects assessed to date.

Rationalisation of material stored in freezers is ongoing. 250 slides from the Tempest Anderson Collection were cleaned for online digitisation and inclusion in a Wikipedia project.

The Registrar has continued to oversee the Adlib system cleaning data, recording loans, setting up exhibitions and activities.

164,501 records have now been exported from Adlib and made available online, 38,617 of which have images; the total number of images online is 58,487. Since January 2015 approximately 1,000 images have been downloaded. The total number of views of York Museums Trusts' collection images on Wikipedia since April 2015 is 1.5 million.

A new store has been purchased at Birch Park adjacent to the existing one. Studies are taking place to explore connecting the two and adding extensions. The aspiration is that in the long term, six rented offsite stores can be closed with objects transferred to Birch Park which will become a centralised store for York Museums Trust, thus saving considerable renting expenses. Work has continued on rationalisation of the archaeology collection at Birch Park.

Acquisitions over the year have included:

Archaeology Collection:

- The Bedale Viking Hoard
- 15th century mount engraved with an image of the Madonna and Christ
- 9-10th century and Roman intaglio finger rings
- disc brooch dating from 900-975

Art Collection:

- archival material from potter Eric Mellon
- two Bernard Leach teapots
- 16th century portrait of Mrs Jane Brooke circa 1535-1604 (nee Maltby), wife of York merchant Robert Brooke (1527-99) now conserved thanks to a grant from The Friends of York Art Gallery.
- Sculpture 'NUD 4' by Sarah Lucas acquired through Art Fund's RENEW scheme.

History Collection:

TRUSTEES' REPORT

- Items relating to World War One material relating to Ronald Priestman, a Quaker who served in the Royal Army Medical Corps
- Items relating to Marjorie Harrison during World War Two, who was in the Women's Land Army.
- A number of photographs and clothing dating from the 1920s to 1940s.
- A hoard of 40 Roman coins and a small hoard of two coins dating from the Civil War period.

Science Collection:

- 400 spirit preserved spiders from Clifford Smith, the first National Recorder of spiders.
- 11 igneous rocks from the area around Vesuvius visited by Tempest Anderson, the York ophthalmic surgeon and volcanologist.

Regional Museum Development

Our important regional role continues with the Museums Development Yorkshire programme providing information, advice, guidance and consultancy to small and medium sized accredited museums across Yorkshire and Humberside. Financial year 2014-15 was the final year of the current programme which delivered the following outputs:

- 93% of Museums received support from Museum Development Yorkshire
- 1,185 CPD opportunities were taken up by staff and volunteers and 44 trustees received governance training
- 76% supported museums reported an improvement in collections care
- Conserved 500 objects
- Improved 3,700 object records
- 92% of supported museums improved their approaches to audience data and audience development, benefitting 438,000 visitors
- Created interpretation seen by 520,000 visitors
- Created 51 new learning products in museums benefitting 14,000 young people
- Saved £50,000 and 200 tons carbon through resource efficiency
- Raised £3.1m for regional museums and developed 12 forward plans

Arts Council England has awarded York Museums Trust a second three year grant for the provision of museum development support in Yorkshire and the Humber for 2015-18 and has increased the scope and scale of the programme to include the provision of Museum Accreditation support. We see this work as a vital tool to increase York Museums Trust's visibility and relevance in the region and beyond.

Visitor Numbers and Satisfaction

Admission numbers held up well against a difficult economic background for museums that charge admission and the number of people visiting in the year increased slightly at York Castle Museum. The Yorkshire Museum numbers dropped back significantly compared with the high point of the Richard III exhibition in 2013. Numbers at York St Mary's fell slightly year-on-year.

	Actual	Last year	% Change
York Castle Museum	290,841	283,858	+2.5%
Yorkshire Museum	98,911	122,780	-19.4%
York St Mary's	28,105	29,772	-5.6%
Total	417,857	436,410	-4.0%

TRUSTEES' REPORT

We continue to achieve high visitor satisfaction results:

At Yorkshire Museum:

- 97% of visitors were either satisfied or very satisfied with their visit
- 95% would recommend the museum to others
- 91% would visit again
- 94% said it was value for money

The Roman gallery was the most popular part of the museum, with 25 % saying it was their favourite. The Natural Sciences areas were second with "all of it" the third best bit.

At York Castle Museum:

- 99% of visitors were either satisfied or very satisfied with their visit
- 98% would recommend the museum to others
- 90% would visit again
- 93% said it was value for money

Kirkgate remained the most popular part of the museum, with 44% it was their favourite. The new exhibition *1914: When the World Changed Forever* was the second, with the prison cells third.

Fundraising

We have been successful in securing funds between April 2014 and March 2015 for the following:

Funding Body	Reason for Application/funds	Amount
Noel G Terry Charitable Trust	Mrs Brooke Portrait	£2,000
Friends of York Art Gallery	Mrs Brooke Portrait	£6,036
York Civic Trust	Mrs Brooke Portrait	£1,500
Wikimedia UK	Wikipedian in residence	£8,335
Friends of York Art Gallery	NUD 4 Sarah Lucas	£4,156
York Common Good Trust	Mark Hearld Ex	£500
Shepherd Charitable Trust	Mark Hearld Ex	£1,000
Arts Council England	Dialogues with Contemporary Art	£75,860
Yorkshire Philosophical Society	Geological Map	£30,000
DCMS / Wolfson Foundation	Shaping the Body	£200,000
Arts Council England	Museum Development Fund 2015-2018	£995,364
Arts Council England	Major partner funding 2015-2018	£3,690,000
	Total Funding	£5,014,751

Staff Numbers at the end of March 2015 were: 69 full time, 49 part time, 53 casual totalling 171.

PLANS FOR FUTURE PERIODS

The newly extended York Museum Gardens will officially open to the public during 2015-16. It connects up with the historic Museum Gardens and creates new routes to and from the gardens from Marygate and from Exhibition Square. The result will be beautiful new green spaces that extend the existing gardens by another 4 acres.

There is an exciting exhibition programme for York Art Gallery in 2016 including the largest exhibition of First World War art in 100 years – Truth and Memory, a loan exhibition from the Imperial War Museum, and 'Flesh', a loan exhibition curated in-house.

At York Castle Museum preparations are underway for the launch of a major new display titled 'Shaping the Body' in Spring 2016.

The Richard III exhibition at the Yorkshire Museum has been extended into 2016 and preparations are underway for a Viking exhibition in partnership with the British Museum, to be launched at the Yorkshire Museum in 2017 then tour selected venues around Britain.

We are also actively considering options for the future use of York St Mary's and, in the longer term, York Castle Museum's setting within the rest of the historic castle area.

TRUSTEES' REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have reviewed the major risks to which the charity is exposed, particularly those related to the operations and finances of the trust. The trustees have given consideration to the appropriate policies, procedures and systems to mitigate the charity's exposure to the major risks. The principal financial risk facing the charity and its trading subsidiary is the ability to generate sufficient income from visitor numbers and external funding to cover expenditure incurred in fulfilling the objectives of the group. We now have confirmation of Major Partner Museum funding from Arts Council England until March 2018 and have reached in principle agreement on revenue funding from City of York Council for the same period so are able to plan our commitments accordingly.

FINANCIAL REVIEW

The group had net incoming resources for the year on the general unrestricted fund (excluding the pension fund) of £266,851 (note 18) (2014: £55,180), net outgoing resources on the designated property fund of £93,879 (2014: £94,309) and net incoming resources on the restricted funds of £5,122,529 (2014: £1,760,867). Total net incoming resources for the year before other recognised gains and losses were £5,386,504 (2014: £1,687,738).

The group adopted Financial Reporting Standard FRS 17 – Retirement Benefits in 2013/14. The actuarial loss on the pension fund for the year was £925,000 (2014: profit £1,121,000). At the year end, the group had total funds of £8,643,220 (2014: £4,181,716).

During the year the group received restricted donations and grants totalling £4,411,499 (2014: £1,527,678), giving restricted funds of £7,252,626 held at the year end (2014: £3,321,987). Restricted funds are represented largely by assets under construction this year for the Art Gallery project and these will be transferred to the designated property fund on completion in 2015/16.

The unrestricted free reserves of the group at 31 March 2015 were a surplus of £351,310 (2014: £876,210), calculated from note 20, excluding the fixed assets and pension liability since it is not a direct cash liability. As such, the trustees will continue to seek funds to achieve their target of the equivalent of two months operating costs in free reserves and to continue to deliver the charity's objectives.

The decrease in unrestricted free reserves was due to additional spend on the York Art Gallery capital project, that was not matched in the year by additional restricted income.

The trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations for the foreseeable future.

The principal financial risk facing the charity and its trading subsidiary (together "the group") is the ability to generate sufficient income from visitor numbers and external funding to cover expenditure incurred in fulfilling the objectives of the group. The trustees have reviewed the cash position of the group and cash forecasts at the date of signing the financial statements and are satisfied that the group will be able to meet all of its financial commitments.

As a consequence, the trustees believe that the group is well placed to manage its financial risks successfully despite the current uncertain economic outlook. After making enquiries, the trustees have a reasonable expectation that the group has adequate reserves to continue in operational existence for the foreseeable future

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Name and registered office of the charity

The full name of the charity is the York Museums and Gallery Trust, its registered office and principal operating address is St Mary's Lodge, Marygate, York, YO30 7DR.

Constitution

The charity was formed as a company limited by guarantee on 26 February 2002.

The company registration number is 4381647.

The charity registered with the Charity Commission on 14 June 2002 - registration number 1092466.

It is governed by the Memorandum and Articles of Association dated 26 February 2002.

The charity has a trading subsidiary, York Museums and Enterprises Limited, a company limited by shares, registered company number 4466798.

Method of election of trustees

The original company trustees were, R I L Guthrie, M J Allen, D E Rayner and R E Rushforth.

The Board of Trustees shall consist of two individuals nominated by the Local Authority, one individual nominated by the Yorkshire Philosophical Society and such other persons elected by the trustees of the charity.

The trustees have the power to appoint any person to be a trustee, but so that the total number of trustees does not exceed the permitted maximum of fifteen at any time.

The trustees, who are also the directors under Company law, who served during the year and subsequently are listed on page 1. None of the trustees have any financial interest in the company.

Trustee induction and training

New trustees undergo a briefing on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the charity. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. The Board meets quarterly and there are the following sub committees which meet as follows:

Committee of the Board

A Finance and General Management committee which meets monthly with the Chief Executive and the Director of Finance & Business Development to monitor and guide progress against the business plan.

Audit Committee

Meets at least two times per year to consider reports from internal and external auditors.

Remuneration Committee

Meets at least annually and sets pay of senior executives and approves pay increases for all staff.

Nominations Committee

Meets annually and as required. The nominations committee reviews the structure, size and composition of the Board and is responsible for identifying and nominating for approval to the Board, candidates to fill Board vacancies.

Investment powers and policy

The Memorandum and Articles of Association of the charity permit the Trustees to invest the monies of the charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

The Trust's investments are presently limited to group companies and UK Banks with a credit rating of A or better.

TRUSTEES' REPORT

Reserves policy

The trustees aspire to retain two months operating costs in reserves, being £889,165. At 31 March 2015, the charity's free reserves, as defined as unrestricted funds not represented by fixed assets had not yet reached this amount.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

STATEMENT OF DISCLOSURE TO THE AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report, including the Strategic Report, was approved by the Board and signed on its behalf by:


Professor Sir John Lawton

Chair

18th Dec 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK MUSEUMS AND GALLERY TRUST

We have audited the financial statements of York Museums and Gallery Trust for the year ended 31 March 2015 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement, the notes to the consolidated cash flow statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2015, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

21 December 2015

YORK MUSEUMS AND GALLERY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account) Year ended 31 March 2015

		Unrestricted Funds				
	Note	General funds	Designated property fund	Restricted funds	Total Funds 2015	Total Funds 2014
		£	£	£	£	£
INCOMING RESOURCES						
Activities in furtherance of the charity's objects						
Income from charitable activities	3	1,993,546	-	267,887	2,261,433	2,525,645
Funding provided by City of York Council	7	1,105,366	-	1,250,000	2,355,366	1,455,366
Funding provided by the Arts Council England		1,274,496	-	-	1,274,496	1,134,859
Activities for generating funds						
Donations	4	231,129	-	83,929	315,058	438,784
Interest receivable	5	7,328	-	-	7,328	9,387
Income generated by subsidiary	13	755,345	-	-	755,345	749,679
Other grants receivable	6	328,520	-	4,077,570	4,406,090	1,371,915
TOTAL INCOMING RESOURCES		5,695,730	-	5,679,386	11,375,116	7,685,635
RESOURCES EXPENDED						
Costs of generating funds						
Costs incurred by subsidiary	10	520,680	-	-	520,680	510,356
Charitable expenditure						
Curatorial		830,639	-	166,181	996,820	1,235,744
Education		469,437	-	2,500	471,937	504,683
Exhibitions and events		15,396	53,060	186,148	254,604	94,722
Gardens		285,126	-	54,862	339,988	316,330
Marketing		816,942	-	-	816,942	779,806
Premises		813,895	40,819	147,166	1,001,880	942,175
Visitor services		1,119,177	-	-	1,119,177	1,134,969
Admissions		146,295	-	-	146,295	146,365
Museum development		281,953	-	-	281,953	309,920
Governance costs		35,449	-	-	35,449	16,354
Total charitable expenditure		4,814,309	93,879	556,857	5,465,045	5,481,068
TOTAL RESOURCES EXPENDED	10	5,334,989	93,879	556,857	5,985,725	5,991,424
Net incoming/(outgoing) resources before taxation		360,741	(93,879)	5,122,529	5,389,391	1,694,211
Taxation charge	11	(2,887)	-	-	(2,887)	(6,473)
Net incoming resources before other recognised gains/(losses)		357,854	(93,879)	5,122,529	5,386,504	1,687,738
OTHER RECOGNISED GAINS/(LOSSES)						
Actuarial (loss)/gain on defined benefit pension	23	(925,000)	-	-	(925,000)	1,121,000
NET MOVEMENT IN FUNDS		(567,146)	(93,879)	5,122,529	4,461,504	2,808,738
Transfer between funds		(68,185)	1,260,075	(1,191,890)	-	-
Fund balance brought forward at 1 April		410,831	448,898	3,321,987	4,181,716	1,372,978
Fund balances carried forward at 31 March		(224,500)	1,615,094	7,252,626	8,643,220	4,181,716

All incoming resources and resources expended derive from continuing activities. All gains and losses recognised in the current and prior year are included above.

YORK MUSEUMS AND GALLERY TRUST

CONSOLIDATED BALANCE SHEET 31 March 2015

	Note	2015	2014
		£	£
FIXED ASSETS			
Tangible assets	12	8,850,449	2,326,945
CURRENT ASSETS			
Stocks	14	86,048	72,954
Debtors	15	1,429,055	619,335
Cash at bank and in hand		1,042,550	3,194,439
		<u>2,557,653</u>	<u>3,886,728</u>
CREDITORS: amounts falling due within one year	16	<u>(1,131,811)</u>	<u>(1,204,404)</u>
NET CURRENT ASSETS		1,425,842	2,682,324
TOTAL ASSETS LESS CURRENT LIABILITIES		10,276,291	5,009,269
CREDITORS: amounts due in more than one year	17	<u>(70,071)</u>	<u>(98,553)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		10,206,220	4,910,716
Defined Benefit Pension Scheme liability	23	<u>(1,563,000)</u>	<u>(729,000)</u>
NET ASSETS		<u>8,643,220</u>	<u>4,181,716</u>
FUNDS			
Unrestricted funds:			
General funds	18	1,338,500	1,139,831
Designated property fund	18	1,615,094	448,898
Pension fund	18	(1,563,000)	(729,000)
Restricted funds	19	<u>7,252,626</u>	<u>3,321,987</u>
		<u>8,643,220</u>	<u>4,181,716</u>

The notes on pages 20-37 form part of these financial statements.

These financial statements of York Museums and Gallery Trust, company registered no 4381647, were approved by the Board of Trustees on 18 December 2015 and were signed on its behalf by:


Professor Sir John Lawton
Chair

18th Dec 2015

CHARITY BALANCE SHEET
31 March 2015

	Note	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		8,842,583		2,305,607
Investments	13		<u>1</u>		<u>1</u>
			8,842,584		2,305,608
CURRENT ASSETS					
Stocks	14	1,662		1,892	
Debtors	15	1,452,211		662,244	
Cash at bank and in hand		<u>948,531</u>		<u>3,065,790</u>	
		2,402,404		3,729,926	
CREDITORS: amounts falling due within one year	16	<u>(968,739)</u>		<u>(1,026,484)</u>	
NET CURRENT ASSETS			1,433,665		2,703,442
TOTAL ASSETS LESS CURRENT LIABILITIES			10,276,249		5,009,050
CREDITORS: amounts falling due in more than one year	17		<u>(70,071)</u>		<u>(98,553)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			10,206,178		4,910,497
Defined Benefit Pension Scheme liability	23		<u>(1,563,000)</u>		<u>(729,000)</u>
NET ASSETS			<u>8,643,178</u>		<u>4,181,497</u>
FUNDS					
Unrestricted funds:					
General funds	18		1,338,458		1,139,612
Designated property fund	18		1,615,094		448,898
Pension fund	18		<u>(1,563,000)</u>		<u>(729,000)</u>
Restricted funds	19		<u>7,252,626</u>		<u>3,321,987</u>
			<u>8,643,178</u>		<u>4,181,497</u>

The notes on pages 20-38 form part of these financial statements.

These financial statements of York Museums and Gallery Trust, company registered number 4381647, were approved by the Board of Trustees on 18 December 2015 and were signed on its behalf by:


Professor Sir John Lawton
Chair

18th Dec 2015

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities	1	4,679,866	1,916,454
Returns on investments	2	7,328	9,387
Tax paid		(6,473)	-
Capital expenditure	3	(6,832,610)	(1,363,034)
(Decrease)/increase in cash in the year	4,5	(2,151,889)	562,807

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2015

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	5,389,391	1,694,211
Interest receivable	(7,328)	(9,387)
Depreciation	309,105	159,414
Pensions movements	(91,000)	34,000
(Increase)/decrease in stocks	(13,094)	9,559
(Increase)/decrease in debtors	(809,719)	(314,119)
(Decrease)/increase in creditors	(97,489)	368,311
Net cash inflow from operating activities	<u>4,679,866</u>	<u>1,941,989</u>

2. RETURNS ON INVESTMENTS

	2015 £	2014 £
Interest received	<u>7,328</u>	<u>9,387</u>

3. CAPITAL EXPENDITURE

	2015 £	2014 £
Purchase of tangible fixed assets	<u>6,832,610</u>	<u>1,363,034</u>

4. RECONCILIATION OF NET CASH FLOWS TO MOVEMENT IN NET FUNDS

	2015 £	2014 £
Net funds at 1 April	3,194,439	2,631,632
(Decrease)/increase in cash for the year	<u>(2,151,889)</u>	<u>562,807</u>
Net funds at 31 March	<u>1,042,550</u>	<u>3,194,439</u>

5. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2014 £	Cash flows £	At 31 March 2015 £
Cash at bank and in hand	<u>3,194,439</u>	<u>(2,151,889)</u>	<u>1,042,550</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2005)" issued in March 2005, applicable United Kingdom accounting standards and the Companies Act 2006. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Preparation of accounts – going concern basis

The principal financial risk facing the charity and its trading subsidiary (together "the group") is the ability to generate sufficient income from visitor numbers and external funding to cover expenditure incurred in fulfilling the objectives of the group. The trustees have reviewed the cash position of the group and cash forecasts at the date of signing the financial statements and are satisfied that the group will be able to meet all of its financial commitments.

As a consequence, the trustees believe that the group is well placed to manage its financial risks successfully despite the current uncertain economic outlook. After making enquiries, the trustees have a reasonable expectation that the group has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly-owned subsidiary undertaking, York Museums and Enterprises Limited, drawn up to 31 March each year. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented as the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

Incoming resources

Income from admission fees, commercial activities and interest receivable is included in the period in which the group is entitled to receipt.

Income from donations, legacies and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Charitable expenditure and administration costs comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources. Fund raising costs are those incurred in seeking voluntary contributions for the Museum. Management and administration costs are those incurred in connection with the management of the Museum's assets, organisational administration and compliance with constitutional and statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES (CONTINUED)

Collections

York Museums and Gallery Trust are the managing trustees of the collections. However, City of York Council are the custodian trustees and so none of the collections are included in fixed assets.

Tangible fixed assets

Where purchased, tangible fixed assets are initially included at their cost of acquisition, including costs that are directly attributable to bringing the assets into working condition for their intended use. Individual fixed assets costing £1,000 or more are capitalised.

Where a fixed asset is acquired in full or in part from the proceeds of a grant it is included at its full acquisition cost without netting off the grant proceeds.

Donated, functional fixed assets are included at a valuation made by the Trustees. Where the use of these assets is unrestricted they are included in a designated fund reflecting their book value. The relevant fund is reduced over the useful economic life of the asset in line with its depreciation.

No value is shown in the accounts for assets occupied and used by the Trust under license from City of York Council.

Long term exhibition equipment is capitalised as a fixed asset. Temporary exhibition costs are written off as resources expended in the year that they are incurred.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives and is charged monthly. A full month's depreciation is charged in the month of acquisition, none in the month of disposal. Depreciation is charged at the following rates:

Freehold property	:	4% per annum
Leasehold property improvements	:	5% per annum
Displays	:	12% - 36% per annum
Vehicles and other equipment	:	24% per annum
Including:		
IT equipment	:	36% per annum
Fixtures and fittings	:	20% per annum

Depreciation is not provided on assets in the course of construction until the asset is brought into use in the business.

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price. Provision is made for obsolete, slow moving or defective items where appropriate.

Pension costs

The charity contributes to the North Yorkshire Pension Fund, a multi-employer defined benefit scheme. For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

1. ACCOUNTING POLICIES (CONTINUED)

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated property fund – this is the net book value of assets purchased using restricted funds. These assets are not subject to restrictions on use, however there may be recourse to funders upon sale or disposal.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Taxation

The company is a registered charity and has no liability to corporation tax on its charitable activities.

The trading subsidiary is liable to corporation tax on its taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the charity's ordinary activities after deduction of trade discounts and value added tax.

The turnover, which arises in the United Kingdom, is attributable to the charity's principal activity.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2015 £	2014 £
Admission fees	1,927,910	-	1,927,910	1,824,297
Miscellaneous	65,636	267,887	333,523	701,348
	<u>1,993,546</u>	<u>267,887</u>	<u>2,261,433</u>	<u>2,525,645</u>

4. DONATIONS

	Unrestricted funds £	Restricted funds £	2015 £	2014 £
Gift aid donations	227,916	-	227,916	214,461
S Shepherd and S Dickson Trust	-	1,000	1,000	-
Yorkshire Philosophical Society	-	80,000	80,000	2,000
Madsen legacy	-	-	-	170,000
Other restricted donations	-	2,929	2,929	50,888
Other unrestricted donations	3,213	-	3,213	1,435
	<u>231,129</u>	<u>83,929</u>	<u>315,058</u>	<u>438,784</u>

5. INTEREST RECEIVABLE

	Unrestricted funds £	Restricted funds £	2015 £	2014 £
Interest receivable from bank and other short-term deposits	7,328	-	7,328	9,387
	<u>7,328</u>	<u>-</u>	<u>7,328</u>	<u>9,387</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

6. GRANTS RECEIVABLE

	Unrestricted funds £	Restricted funds £	2015 £	2014 £
Arts Council England (ACE)	315,000	2,739,945	3,054,945	900,420
Department for Culture, Media and Sport	-	300,000	300,000	-
City of York Council	750	-	750	-
The British Museum	-	31,267	31,267	31,585
Friends of York Art Gallery	-	4,156	4,156	525
The Art Fund	1,000	-	1,000	11,000
NHMF Lottery Fund	-	805,596	805,596	166,041
J Paul Getty Jnr Charitable Trust	-	-	-	50,000
John Ellerman Foundation	-	26,800	26,800	-
The Headley Trust	-	-	-	40,000
National Arts Collection Fund	-	-	-	36,221
Kleinwort Benson	-	-	-	100,000
Tate Britain	-	-	-	1,000
Foyle Foundation	-	150,000	150,000	-
Shepherd Building Group Ltd	-	10,000	10,000	10,000
Victoria & Albert Museum	-	-	-	18,000
Other grants	11,770	9,806	21,576	7,123
	<u>328,520</u>	<u>4,077,570</u>	<u>4,406,090</u>	<u>1,371,915</u>

7. FUNDING PROVIDED BY CITY OF YORK COUNCIL

	Unrestricted funds £	Restricted funds £	2015 £	2014 £
Core funding	1,105,366	-	1,105,366	1,205,366
Capital funding	-	1,250,000	1,250,000	250,000
	<u>1,105,366</u>	<u>1,250,000</u>	<u>2,355,366</u>	<u>1,455,366</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

8. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2015	2014
	No.	No.
Average number of persons employed (full time equivalents):		
Curatorial	21	19
Education	7	8
Gardens	7	7
Marketing	4	4
Premises	3	3
Visitor services	25	24
Directors and administrative staff	20	19
Trading subsidiary	9	10
	<u>96</u>	<u>94</u>
	2015	2014
	£	£
Staff costs during the year		
Wages and salaries	2,579,059	2,583,688
Social security costs	152,467	164,025
Pension costs	378,053	275,097
Staff costs before FRS17 items	<u>3,109,579</u>	<u>3,022,810</u>
Defined benefit pension scheme costs	6,000	72,000
Associated pension finance (gain)/loss	(97,000)	(38,000)
	<u>3,018,579</u>	<u>3,056,810</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 (2014: £60,000) in the year was as follows:

	2015	2014
	No.	No.
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
	<u>1</u>	<u>2</u>

No trustees received remuneration during either year. Trustees received a total of £319 (2014: £424) relating to travel expenses reimbursed to 2 Trustees (2014: 1).

9. NET INCOMING RESOURCES FOR THE YEAR

	2015	2014
	£	£
Net incoming resources for the year is stated after charging:		
Depreciation and amortisation		
Owned assets	309,105	159,414
Rentals under operating leases - land and buildings	102,616	83,125
Auditor's remuneration:		
for the audit of the annual accounts	20,250	13,000
for non-audit services	425	7,075
	<u>425</u>	<u>7,075</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

10. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	2015 Total £	2014 Total £
Costs incurred by trading subsidiary	220,061	283,702	16,917	520,680	510,356
Charitable expenditure					
Curatorial	662,210	331,955	2,655	996,820	1,235,744
Education	328,925	138,179	4,833	471,937	504,683
Exhibitions and events	14,506	39,404	200,694	254,604	94,722
Gardens	196,539	139,154	4,295	339,988	316,330
Marketing	373,462	440,971	2,509	816,942	779,806
Premises	208,608	720,315	72,957	1,001,880	942,175
Visitor services	828,771	286,662	3,744	1,119,177	1,134,969
Admissions	120,056	25,738	501	146,295	146,365
Museum development	156,440	125,513	-	281,953	309,920
Management and governance	-	35,449	-	35,449	16,354
	<u>3,109,579</u>	<u>2,567,041</u>	<u>309,105</u>	<u>5,985,725</u>	<u>5,991,424</u>

11. TAXATION

In respect of York Museums and Enterprises Limited only:

	2015 £	2014 £
United Kingdom corporation tax at 20% (2014: 20%) on the profits of the trading subsidiary	<u>2,887</u>	<u>6,473</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2014: 20%).
The actual tax charge for the current year differs from the standard rate for the following reasons:

	2015 £	2014 £
Profit on ordinary activities after charitable donation	<u>2,710</u>	<u>6,692</u>
Tax on profit on ordinary activities at the standard rate	542	1,338
Expenses not deductible for tax purposes	-	436
Capital allowances in excess of depreciation	2,343	2,537
Movement in short-term timing differences	<u>2</u>	<u>2,162</u>
Total current tax charge for the year	<u>2,887</u>	<u>6,473</u>

The charitable activities of York Museums and Gallery Trust are exempt from taxation under Chapter 3 of Part 11 of the Corporation Tax Act 2010.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

12. TANGIBLE FIXED ASSETS

Group			Freehold property and leasehold property improvements	Vehicles and other equipment	
Cost	Assets under construction	Displays	£	£	Total £
At 1 April 2014	1,614,426	62,081	1,304,380	558,795	3,539,682
Additions	4,789,164	644,866	1,322,598	75,982	6,832,610
At 31 March 2014	6,403,590	706,947	2,626,978	634,777	10,372,292
Accumulated depreciation					
At 1 April 2014	-	62,081	643,373	507,283	1,212,737
Charge for the year	-	100,638	170,643	37,824	309,105
At 31 March 2014	-	162,719	814,016	545,107	1,521,842
Net book value					
At 31 March 2015	6,403,590	544,228	1,812,962	89,670	8,850,450
At 31 March 2014	1,614,426	-	657,007	55,512	2,326,945

Charity			Freehold property and leasehold property improvements	Vehicles and other equipment	
Cost	Assets under construction	Displays	£	£	Total £
At 1 April 2014	1,614,426	62,081	1,304,380	440,649	3,421,536
Additions	4,789,164	644,866	1,322,598	72,536	6,829,164
At 31 March 2014	6,403,590	706,947	2,626,978	513,185	10,250,700
Accumulated depreciation					
At 1 April 2014	-	62,081	647,373	406,475	1,115,929
Charge for the year	-	100,638	170,643	20,907	292,188
At 31 March 2014	-	162,719	818,016	427,382	1,408,117
Net book value					
At 31 March 2015	6,403,590	544,228	1,808,962	85,803	8,842,583
At 31 March 2014	1,614,426	-	657,007	34,174	2,305,607

All tangible assets were used for charitable purposes.

The split of freehold property and leasehold property improvements net book value as at 31 March 2015 is:

Freehold property £537,200 (2014: nil); leasehold property improvements £1,271,762 (2014: £657,007).

Group and Charity - Leasehold land

The City of York Council has granted the charity a 25 year lease, at a peppercorn rental, over a the land and buildings comprising the York Museums and Art Gallery activities.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

13. INVESTMENTS HELD AS FIXED ASSETS

Charity

	2015 £	2014 £
Investment in subsidiary	1	1

The charity owns 100% of the ordinary share capital of York Museums and Enterprises Limited, a company registered in England and Wales.

The income and expenditure of York Museums and Enterprises Limited for the year ended 31 March 2015 is summarised below:

	2015 £	2014 £
Turnover		
Cost of sales	755,345 (383,440)	749,679 (391,754)
Gross profit	371,905	357,925
Administrative expenses	(147,740)	(128,602)
Profit on ordinary activities for the financial year	224,165	229,323
Interest receivable and similar income	345	314
Charitable donation	(221,800)	(222,945)
Profit on ordinary activities before taxation	2,710	6,692
Taxation	(2,887)	(6,473)
(Loss)/profit retained for the financial year	(177)	219

The aggregate of the assets, liabilities and funds was:

	2015 £	2014 £
Assets		
Liabilities	213,216 (213,173)	246,681 (246,461)
	43	220
Represented by:		
Called up share capital	1	1
Profit and loss account	42	219
	43	220

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

14. STOCKS

	2015	2015	2014	2014
	Group	Charity	Group	Charity
	£	£	£	£
Goods for resale	86,068	1,662	72,954	1,892
	<u>86,068</u>	<u>1,662</u>	<u>72,954</u>	<u>1,892</u>

15. DEBTORS

	2015	2015	2014	2014
	Group	Charity	Group	Charity
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	70,141	55,100	45,829	32,377
Amount owed by subsidiary	-	50,101	-	68,542
Accrued income and other debtors	1,042,680	1,032,942	453,548	444,039
Prepayments	72,563	70,397	59,632	56,940
VAT recoverable	243,671	243,671	60,346	60,346
	<u>1,429,055</u>	<u>1,452,211</u>	<u>619,335</u>	<u>662,244</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2015	2014	2014
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	313,866	284,248	604,907	577,289
Other creditors	64,461	26,103	65,361	30,598
Accruals and deferred income	722,116	629,905	500,693	391,627
Corporation tax	2,885	-	6,473	-
Loan	28,483	28,483	26,970	26,970
	<u>1,131,811</u>	<u>968,739</u>	<u>1,204,404</u>	<u>1,026,484</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

17. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2015 Group £	20154 Charity £	2014 Group £	2014 Charity £
Loan	70,071	70,071	98,553	95,553
Borrowings are repayable as follows:				
	2015 Group £	2015 Charity £	2014 Group £	2014 Charity £
Loan				
Between one and two years	30,082	30,082	28,483	28,483
Between two and five years	39,989	39,989	70,070	70,070
	70,071	70,071	98,553	98,553
Within one year	28,483	28,483	26,970	26,970
	98,554	98,554	125,523	125,523

The loan from City of York Council is to be repaid over a nine year period in equal annual instalments. Interest is charged at a rate of 5.5% per annum.

18. MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

Group	1 April 2014 £	Income £	Expenditure and taxation £	Other gains and (losses) £	Transfers £	31 March 2015 £
General unrestricted funds	1,139,831	5,695,730	(5,428,876)	-	(68,185)	1,338,500
Pension fund	(729,000)	-	91,000	(925,000)	-	(1,563,000)
Total general funds	410,831	5,695,730	(5,337,876)	(925,000)	(68,185)	(224,500)
Designated property fund	448,898	-	(93,879)	-	1,260,075	1,615,094
Total unrestricted funds	859,729	5,695,730	(5,431,755)	(925,000)	1,191,890	1,390,594
Charity	1 April 2014 £	Income £	Expenditure £	Other gains and (losses) £	Transfers £	31 March 2015 £
General unrestricted funds	1,139,612	5,172,340	(4,905,309)	-	(68,185)	1,338,458
Pension fund	(729,000)	-	91,000	(925,000)	-	(1,563,000)
Total general funds	410,612	5,172,340	(4,814,309)	(925,000)	(68,185)	(224,542)
Designated property fund	448,898	-	(93,879)	-	1,260,075	1,615,094
Total unrestricted funds	859,510	5,172,340	(4,908,188)	(925,000)	1,191,890	1,390,552

The transfer represents a grant transferred to restricted funds and transfers of fixed assets from restricted to designated funds.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

19. MOVEMENT IN RESTRICTED FUNDS

Restricted funds comprise grants and donations given towards expenditure on the Trust's charitable aims.

Group and charity	1 April 2014 £	Income £	Expenditure £	Transfers £	31 March 2015 £
Art Gallery Project	2,764,905	3,721,780	(164,352)	-	6,322,333
Friends Art Gallery	-	17,469	(16,496)	-	973
Changing Spaces HLF	154,714	805,596	(200,235)	(760,075)	-
Anthony Shaw Collection	373,568	-	(4,376)	-	369,192
Bedale Hoard	2,847	2,829	(5,676)	-	-
Gold Torc	1,630	-	-	-	1,630
STFC Observatory Project	1,357	-	-	-	1,357
RENEW Flesh Travel	5,569	-	(234)	-	5,335
RENEW grant (Art Fund)	-	50,000	(50,000)	-	-
Silver Boar	4,239	-	-	-	4,239
Ceramics SSN	2,883	-	(589)	-	2,294
SMC Learning project	712	-	(98)	-	614
Portable Antiquities	-	26,934	(26,934)	-	-
Headley Trust Intern	-	4,333	(4,333)	-	-
Garden's Restaurant	-	-	-	68,185	68,185
Birch Park	-	500,000	-	(500,000)	-
Rear of Art Gallery	-	500,000	(42,925)	-	457,075
John Ellerman Foundation	-	26,800	(14,539)	-	12,261
Other	9,563	23,645	(26,070)	-	7,138
	<u>3,321,987</u>	<u>5,679,386</u>	<u>(556,857)</u>	<u>(1,191,890)</u>	<u>7,252,626</u>

Restricted funds as at 31 March 2015 consist of unspent restricted grants.

The Art Gallery Project fund, which includes the Madsen legacy left to the Trust to be used in support of York Art Gallery, is held to fund the gallery's ongoing major refurbishment. The gallery re-opened to the public on 1st August 2015.

The Changing Spaces HLF fund is held to fund a World War 1 exhibition that opened at the Castle Museum in summer 2014.

The Anthony Shaw Collection fund was held to fund a new display in the refurbished Art Gallery when it re-opened on 1st August 2015.

The Rear of Art Gallery fund is held to fund the upgrade to the gardens behind the Art Gallery.

Transfers represent £1,260,075 transferred to the designated property fund following defrayment of the restricted grant; and a transfer from unrestricted funds of a grant for £68,185.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

20. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds	Designated property fund	Restricted funds	Total
	£	£	£	£
Tangible fixed assets	987,190	1,615,094	6,248,165	8,850,449
Current assets	998,335	-	1,559,318	2,557,653
Current liabilities	(576,954)	-	(554,857)	(1,131,811)
Long term liabilities	(70,071)	-	-	(70,071)
Pension liability	(1,563,000)	-	-	(1,563,000)
At 31 March 2015	(224,500)	1,615,094	7,252,626	8,643,220
At 31 March 2014	410,831	448,898	3,321,987	4,181,716

Charity	Unrestricted funds	Designated property fund	Restricted funds	Total
	£	£	£	£
Tangible fixed assets	979,325	1,615,094	6,248,165	8,842,584
Current assets	843,086	-	1,559,318	2,402,404
Current liabilities	(413,882)	-	(554,857)	(968,739)
Long term liabilities	(70,071)	-	-	(70,071)
Pension liability	(1,563,000)	-	-	(1,563,000)
At 31 March 2015	(224,542)	1,615,094	7,252,626	8,643,178
At 31 March 2014	410,612	448,898	3,321,987	4,181,497

The designated property fund relates to the net book value of assets purchased using restricted funds.

21. COMMITMENTS

Group and charity

a) Operating lease commitments

	2015		2014	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases which expire:				
Within one year	15,700	-	13,750	-
Between two and five years	56,900	-	88,300	-
	72,600	-	102,050	-

b) Capital commitments

	2015	2014
	£	£
Contracted for but not provided	1,181,220	4,671,556

22. CHARITY STATUS

The charitable company is limited by guarantee for an amount not exceeding £1 per member, including any member who ceased to be a member within the previous twelve months.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

23. PENSION SCHEME

Financial Reporting Standard FRS 17 – Retirement Benefits

The Group contributes to the North Yorkshire Pension Fund. The scheme is a defined benefit scheme for the benefit of the employees. The assets of the scheme are administered by the North Yorkshire County Council in a fund independent from that of the Group. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 31 March 2013 and updated on an approximate basis to 31 March 2015.

The contributions made by the employer over the financial year have been £333,053 (2014: £275,097) equivalent to 13.1% of Pensionable Pay.

Assumptions

The assets of the Scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	2015	2014
Financial:		
Rate of increase in salaries	3.5%	3.9%
Pension in payment increases	2.0%	2.4%
Discount rate	3.3%	4.5%
Inflation assumption	2.0%	2.4%
	2015	2014
	Years	Years
Life expectancy:		
Male future pensioner aged 65 in 20 years' time	25.4	25.3
Female future pensioner aged 65 in 20 years' time	28.0	27.8
Male current pensioner aged 65	23.1	23.0
Female current pensioner aged 65	25.6	25.5

The amounts recognised in the balance sheet are as follows:

	2015 £'000	2014 £'000
Present value of scheme liabilities	(11,868)	(9,460)
Fair value of scheme assets	10,305	8,731
Deficit in the scheme	(1,563)	(729)
Related deferred tax asset	-	-
Net pension liability	(1,563)	(729)

A deferred tax asset is unrecognised in respect of the pension deficit as the directors consider that it would not be prudent to do so.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

23. PENSION SCHEME (continued)

The assets in the scheme and the expected rate of return were:

	Expected rate of return 2015	Fair value 2015 £'000	Expected rate of return 2014	Fair value 2014 £'000
Equities	6.5%	6,172	7.0%	5,849
Government Bonds	2.2%	1,742	3.4%	1,083
Other Bonds	2.9%	701	4.3%	655
Property	5.9%	670	6.2%	410
Cash	0.5%	134	0.5%	44
Other	6.5%	886	7.0%	690
Total fair value of assets		10,305		8,731
Actuarial value of liability		(11,868)		(9,460)
Net pension deficit		(1,563)		(729)

Movements in the deficit during the year are as follows:

	2015 £'000	2014 £'000
Deficit in scheme at 1 April	(729)	(1,816)
Movement in year:		
Current service costs	(342)	(347)
Net gain/(loss) on assets	97	38
Contributions	395	275
Actuarial gain/(loss)	(925)	1,121
Curtailments	(59)	-
Deficit in scheme at 31 March	(1,563)	(729)

Analysis of the amount charged to net finance charge for the year under Financial Reporting Standard 17 "Retirement Benefits" in relation to the Scheme.

	2015 £'000	2014 £'000
Expected return on pension scheme assets	(525)	(443)
Interest on pension scheme liabilities	428	405
Net finance (gain)/loss	(97)	(38)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

23. PENSION SCHEME (continued)

	2015	2014
	£'000	£'000
The amounts recognised in the income and expenditure account are:		
Current service cost	342	347
Interest cost	428	405
Expected return on scheme assets	(525)	(443)
Effect of curtailments or settlements	59	-
	<hr/>	<hr/>
Total charge to income and expenditure account	304	309
	<hr/>	<hr/>
The amounts recognised in the statement of total recognised gains and losses are as follows:	2015	2014
	£'000	£'000
Amount recognised during the period	(925)	1,121
Cumulative amount recognised	165	1,090
	<hr/>	<hr/>
Asset and Liability Reconciliation		
Reconciliation of assets	2015	2014
	£'000	£'000
Assets at start of period	8,731	7,738
Expected return on plan assets	525	443
Actuarial gains on assets	850	461
Employer contributions	395	275
Member contributions	122	123
Benefits/transfers paid	(318)	(309)
	<hr/>	<hr/>
Assets at end of period	10,305	8,731
	<hr/>	<hr/>
Actual return on plan assets	1,376	904
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

23. PENSION SCHEME (continued)

	2015	2014
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	9,460	9,554
Current service cost	342	347
Interest on pension liabilities	428	405
Employee contributions	122	123
Curtailments	59	-
Actuarial loss/(gain) on liabilities	1,775	(660)
Benefits/transfers paid	(318)	(309)
Liabilities at end of period	<u>11,868</u>	<u>9,460</u>

In addition to the employers regular contributions, the company expects to contribute £2,225 per month to the Scheme during the year ending 31 March 2016.

The history of experience adjustments is as follows:

	2015	2014	2013
	£'000	£'000	£'000
Scheme liabilities	(11,868)	(9,460)	(9,554)
Scheme assets	10,305	8,731	7,738
Deficit in the scheme	<u>(1,563)</u>	<u>(729)</u>	<u>(1,816)</u>
Experience adjustments on scheme liabilities	-	-	-
Percentage of scheme liabilities (%)	-%	-%	-%
Experience adjustments on scheme assets	850	461	705
Percentage of scheme assets (%)	8.2%	5.3%	9.1%

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

24. RELATED PARTY TRANSACTIONS

During the year, the Trust conducted the following transactions with its subsidiary, York Museums and Enterprises Limited:

The Trust levied a management charge on York Museums and Enterprises Limited amounting to £10,500 (2014: £10,000).

The subsidiary, York Museums and Enterprises Limited, made a gift aid donation to the Trust of £221,800 in the year ended 31 March 2015 (2014: £222,945).

At 31 March 2015, York Museums and Enterprises Limited owed the Trust a total of £50,101 (2014: £68,542).

25. SURPLUS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act, the statement of financial activity of the parent company is not presented as part of these accounts. The parent company's net incoming resources before actuarial gains and losses for the year ended 31 March 2015 amounted to £5,386,681 (2014: £1,687,519).

26. JOINT VENTURE

York Museums and Gallery Trust together with York Citizens Theatre Trust and Riding Lights have set up a joint venture, York Cultural Company, a not-for-profit organisation with the purpose of promoting cultural activities that originate in the City of York including organising theatrical, musical or choreographic performances. Each member has an equal share. There were no transactions in the year and the joint venture organisation retains a small surplus fund carried forward.