

**York Museums and Gallery Trust**

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**(A Company Limited by Guarantee)**

**Trustees' Report and Financial Statements**

**Year ended 31 March 2017**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

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## OFFICERS AND PROFESSIONAL ADVISORS

The Trustees who served during the year and subsequently were:

### TRUSTEES

Prof Sir John Lawton (Chair of the Trustees)

J. Atchison  
N. Carmody  
L. Masheder  
D. Andrews  
J. Bell  
M. Haworth (appointed 09/11/16)  
S. Drummond  
S. Lusty  
I. Cuthbertson  
J. Grierson  
K. Myers  
R. Jagger  
S. Fisher (appointed 09/11/16)

### COMPANY SECRETARY

A. Wadsworth (Resigned 19/04/17)  
M. Woodward (Appointed 19/04/17; Resigned 18/07/17)  
R. Saward (Appointed 18/07/17)

### PRINCIPAL OFFICERS – KEY MANAGEMENT PERSONNEL

R. King – Chief Executive  
M. Woodward – Chief Operating Officer (Resigned 31/07/17)  
G. Perry – Chief Operating Officer

### REGISTERED OFFICE

St Marys Lodge  
Marygate,  
York,  
YO30 7DR

### INDEPENDENT AUDITORS

BDO LLP  
Central Square,  
29 Wellington Street,  
Leeds,  
LS1 4DL

### BANKERS

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

## TRUSTEES' REPORT

For the year ended 31 March 2017

### Foreword by Chairman

It gives me great pleasure to present this report on the work of York Museums and Gallery Trust ("YMT"/"York Museums Trust") for the financial year 2016-17.

Reyahn King took the reins as our new Chief Executive in November 2015, so this report covers her first full financial year at the head of the organisation. In that time we have made significant progress against the priorities we set in our 2016-21 Forward Plan. Here I can only highlight a few of the ones that strike me as being particularly significant.

We delivered an excellent, high-profile public programme including *Truth and Memory* and *Flesh* at York Art Gallery; *Shaping the Body* drew visitors to York Castle Museum; and YMT launched the first *Eboracum Roman Festival* attended by 25,000 people. Our high profile public programme and a full year of opening at York Art Gallery saw annual visitor numbers grow from 400,000 to 501,000.

We continued to prioritise a quality visitor experience, appointing a Head of Visitor Experience to ensure continuous improvement and to bring new vigour to our already successful income-generating activities. We expanded charitable and trading income by opening two new outlets in York Museum Gardens.

Planning for a Castle Museum capital project progressed and the ambitious plans won the strong backing of City of York Council in 2016-17. The Council recognised the strategic importance of the museum to the future development of the 'Castle Gateway' area of the city and committed £600,000 to fund the development of an Heritage Lottery Fund ("HLF") major bid.

In terms of local and national profile, we won a truly remarkable number of awards for the capital redevelopment at York Art Gallery. These included three Royal Institute of British Architects ("RIBA") awards, *UK Family Friendly Museum of the Year* and *'Visit York Large Attraction' Visitor Attraction of the Year*. I have (only semi-jokingly) suggested that we may soon need a bigger wall on which to mount the plaques that accompany each award. Not to be outdone, York Castle Museum reached Tripadvisor's list of Top 10 Museums in the UK, the only non-national museum in England on the list.

These are exciting, and rewarding times to be involved with the Trust, and I feel privileged to Chair the Board. None of these successes, and the many others outlined in the report that follows, would have been possible without the dedication and hard work of our wonderful staff, our volunteers, and of course my fellow Board Members. To all of them – thank you!

**Professor Sir John Lawton CBE FRS**

Chairman, York Museums and Gallery Trust

## TRUSTEES REPORT (Continued)

### Strategic Report

The Trustees, who act as directors for the purpose of company law, present the audited consolidated financial statements for the year ended 31 March 2017.

### Our purpose and activities

York Museums Trust's *Mission* is to cherish the collections, building 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 collection, buildings and gardens.
- To promote access to the collections, buildings and gardens appropriate to the 21<sup>st</sup> 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 collections, buildings and gardens.
- 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.

YMT carries out its mission through a broad range of activities, centred around but not limited to our main sites – York Art Gallery, York Castle Museum, York St Mary's, Yorkshire Museum and Museum Gardens.

In January 2016 the Trustees agreed the following headline priorities for the coming years:

- York Castle Museum major capital project and developing the Castle area as a cultural quarter.
- Excellent, high profile programming, including strategic YMT-led events to attract visitors to York and high quality exhibitions at York Art Gallery.
- Expanding Enterprises, building on success, becoming a more business-like charity and increasing our income streams and resilience.
- Ensuring a Quality and 21<sup>st</sup> century Visitor Experience, pro-actively engaging visitors and sharing narratives.
- Improving York's and York Museums Trust's profile through local, regional and international leadership, partnership and delivering on all expectations of key stakeholders.

### True and fair overview of the significant events throughout the year

YMT's strategic plan 2016-2021 outlines a strategy of building on our strengths and past successes, particularly in investing in an excellent, high-profile public programme, improving the visitor experience, expanding charitable and trading income and generating funds to make major capital improvements.

2016-17 was the first year of this new strategic planning period and some major steps were taken along the path outlined in the plan.

**TRUSTEES REPORT (Continued)****Public Programme**

The following is an outline of the newly developed exhibitions and events offered to the public across YMT's sites through the year:

**The Star Carr Pendant: A Mesolithic Mystery (Yorkshire Museum)**

February 27– May 8 2016

A display featuring the newly discovered pendant, the oldest known mesolithic art in Britain. The age of the pendant and its use as jewellery attracted national and international press interest.

**Shaping the Body (York Castle Museum)**

March 25 2016 (Ongoing)

This major new exhibition investigates the impact on our bodies of 400 years of changing fashions, diets and ways of life. It showcases YMT's important costume collection from the 17th century to the current day and includes opportunities to try on replica costumes together with their undergarments such as panniers.

**Truth and Memory, in partnership with the Imperial War Museum (York Art Gallery)**

March 25- September 4 2016

This was the largest exhibition of First World War art for nearly 100 years and proved very popular with visitors. The project was a partnership exhibition with Imperial War Museum.

**The Aesthetica Art Prize 2016 (York St Mary's)**

April 14 - May 29 2016

Showcasing international cutting-edge practice from today's ground-breaking contemporary artists, this exhibition showed work from all of the prize finalists.

**Day of Clay (York Art Gallery)**

May 14 2016

A celebration of ceramics with professional ceramicists Emily Stubbs and Rebecca Appleby, artist Chris Beale and winner of "The Great Pottery Throw Down" television competition, Matthew Wilcock.

**Crystals from Beneath (Yorkshire Museum)**

May 14 – July 10 2016

This exhibition featured a selection of the collection of Lindsay and Patricia Greenbank. These lifelong collectors have a passion for the minerals of Northern England, one of the best places in the world to find brilliant mineral specimens.

**Eboracum Roman Festival (Multi-site)**

June 1-5 2016

Thanks to the support of a local benefactor, YMT was able to organise and promote this major new event in the York calendar. An encampment of more than 50 'Roman Soldiers' for two nights in Museum gardens was the centrepiece of a festival that included lectures, tours, competitions and the chance for kids to march and fight in their own legion. 30,000 people attended.

**TRUSTEES REPORT (Continued)****Residents Festival (YMT sites)**

June 25-26 2016

YMT invited local residents to visit all our sites free of charge all weekend.

**Jorvik: Home & Abroad (York St Mary's)**

June 25 2016 – March 25 2017

Whilst the main Jorvik site was closed due to flood damage, YMT worked with York Archaeological Trust to put on this popular partnership exhibition which displayed objects from the Yorkshire Museum collections.

**Constantius: York's Forgotten Emperor (Yorkshire Museum)**

16 July 2016 – 9 October 2016

This spotlight exhibition revealed the story of Constantius Chlorus, who made his name in Britain defeating rebellious generals, featured coins from the British Museum's Beaurains Hoard.

**Charles Holland - Foundation Myths (The Artists Garden)**

Opened Aug 19<sup>th</sup>

This new commission was the first work to be shown in the Artists Garden which is part of a new two acres of space opened to the public for the first time in 2015.

**Flesh (York Art Gallery)**

September 23 – March 19 2017

This major exhibition explored how artists represent flesh in their work and raised questions about the body and ageing, race and gender, touch and texture and surface and skin. Jointly curated with Dr Jo Applin from the University of York, the exhibition was accompanied by a publication based on new research and a varied events programme including performance art. The exhibition featured loans from across the UK of major works including artists Degas, Francis Bacon, Ron Mueck as well as YAG's own collections. The exhibition was well received.

**A Victorian Christmas (York Castle Museum)**

November 26- December 24 2016

Christmas at the Castle is an increasingly popular annual event. In 2016 in addition to the usual festive decorations it featured a full theatrical production, period carol singers and a mystery trail leading to Father Christmas.

**Ritual or Disguise? The Star Carr Headdress (Yorkshire Museum)**

December 3 2016 – February 12 2017

A Spotlight display featuring four 11,000 year-old headdresses, never seen in public before, together with new research by the University of York.

**Residents Festival (City Wide)**

January 28 and 29 2017

Another chance for York locals to visit all YMT sites free of charge.



**TRUSTEES REPORT (Continued)****Holiday Events (All Sites)**

In addition to the all of the above, all of the school holidays saw a changing programme of fun learning events at all of YMT's sites.

**Awards**

During 2016-17 YMT won the following awards and accolades:

**York Art Gallery**

Visitor Attraction of the Year - Visit York Tourism Awards

UK Family Friendly Museum Award – Kids in Museums

Art Fund Museum of the Year (Finalist)

RIBA Yorkshire Award 2016

RIBA Yorkshire Conservation Award 2016

RIBA Yorkshire Project Architect of the Year 2016 for Tom Van Hoffelen of Simpson & Brow.

**York Castle Museum**

Top Ten UK Museums: 2016 Trip Advisor Travellers' Award

Best Attraction – Little Viking Awards

Special Commendation York Culture Awards

**Yorkshire Museum Gardens**

Yorkshire in Bloom

**Visitor Experience and Access**

YMT aims to make sure that as broad a range of people as possible can enjoy a great visitor experience on our sites. Successful initiatives in 2016-17 include:

- Shaping the Body exhibition was developed in consultation with representatives from Lesbian, Gay, Bisexual, Trans and Queer ("LGBTQ") communities and YMT's work on the same exhibition with homeless young people in Howe Hill hostel was recognised with a special commendation in York Culture Awards.
- The Flesh exhibition reflected diversity through both the contributing artists and the works on display, addressing issues of race, age, disability, gender, sex and health 'Queer Sundays' events in the Flesh programme invited people to explore artworks and develop creative responses from a queer perspective.
- Cultural Wellbeing in York – YMT are lead partner in delivering a new programme of work designed to improve the wellbeing of York's residents through engagement with cultural organisations, in conjunction with York City Council's Public Health team.
- Cities of Sanctuaries – we worked with this movement to provide free admission to groups of refugees newly arrived in the UK.
- 'Relaxed openings' for people with sensory impairments were introduced across all sites. Sensory tours are delivered regularly at York Art Gallery.
- Staff were trained to support and welcome people with sensory impairments, dementia, and autism.
- StageText training was undertaken for subtitling of all on-gallery and online videos.



**TRUSTEES REPORT (Continued)****Expanding Charitable and Trading Income**

A summary of the financial performance is given below. Steps that were taken towards the strategic priority of expanding income in 2016-17 included:

- Investment in the public programme saw visitor numbers grow from 400,000 to 501,000.
- Building our membership scheme is a key part of our financial strategy. As well as directly contributing admissions income, Gift Aid, retail and catering sales, the members are people who are highly likely to attend events and support fundraising campaigns. The scheme has grown quickly with 30,000 'YMT Cards' issued in the first 18 months of the scheme and 24,000 active card holders.
- A joint venture with Jorvik in York St Mary's yielded significant additional admissions income in the year.
- Two new catering outlets were opened in Museum Gardens.

**Major Capital Improvements**

There have been some snagging issues to resolve at York Art Gallery, inevitably, most notably to do with environmental control.

Our capital plans for the redevelopment of the York Castle Museum will increase the overall resilience of YMT by providing a new, reinvigorated and personalised visitor offer exploring the hidden history of the site, delivering cutting-edge digital engagement methods enabling people to explore and participate with their heritage. The ambitious plans won the strong backing of City of York Council in 2016-17. City of York Council recognised the strategic importance of the museum to the future development of the 'Castle Gateway' area of the city and committed £600k to fund the development of a HLF major batch bid.

Collections Acquisitions**Acquisitions**

During the year 3,085 items were acquired from 61 different sources.

Purchases include:

- Ceramic installation 'A Ton of Clay' by Ian McIntyre
- Early Medieval gold & silver Ingot found at Beadlam

Donations include:

- Works of paper depicting various views of York
- Ephemera relating to the EU referendum & Brexit
- Yorkshire fossil specimens
- Ceramics by Ann Stokes, Jane Hamlyn and Margaret Hine
- Items for inclusion in the 'Chocolate: York Sweet Past' exhibition
- Objects pertaining to George Russell of York

**Archaeological sites**

Accession numbers were issued to archaeological excavation units working on 11 sites in the York area.

**Loans in**

A total of 516 items were borrowed from 39 lenders.

Items borrowed were displayed in the Art Gallery for the following exhibitions including:

- 'Truth and Memory'
- 'Flesh'

Items borrowed were displayed in the Castle Museum for the following exhibitions:

- 'Shaping the Body'
- 'Chocolate: York's Sweet Past'

**TRUSTEES REPORT (Continued)****Loans out - UK**

49 items were loaned to 13 borrowers including the following exhibitions:

- 'Shakespeare in Art: Tempests, Tyrants and Tragedy', Compton Verney
- 'A Century of Shoes: The Rise and Fall of the Georgian Heel', Fairfax House (York)
- 'The English Rose: Feminine Beauty from Van Dyck to Sargent', The Bowes Museum
- 'Stanley Spencer: Of Angels and Dirt', Hepworth Gallery (Wakefield)
- 'In Pursuit of Pleasure: The Polite & Impolite World of Georgian Entertainment', Fairfax House (York)
- 'Beyond Caravaggio', National Gallery
- 'Paul Nash', Tate Britain
- 'Shaping Ceramics: From Lucie Rie to Edmund de Waal', Jewish Museum (London)
- 'Gillian Lowndes', The Sunday Painter (London)
- 'Yorkshire: Pots and People', Lotherton Hall (Leeds)
- 'That Continuous Thing: Artists and the Ceramic Studio, 1920 – Today', Tate St Ives

**Loans out – International**

35 items were loaned to 8 borrowers including the following exhibitions:

- 'Correggio e Parmigianino. Arte a Parma nel Cinquecento', Scuderie del Quirinale (Rome)
- 'Sickert à Dieppe: Portraits d'une ville', Musée de Dieppe
- 'El Siglo de Oro. The Age of Velázquez.', Gemäldegalerie (Berlin)
- 'Watteau's Soldiers', The Frick Collection (New York)
- 'Artist and Empire: (En)countering Colonial Legacies', National Gallery of Singapore
- 'Spain's Golden Age. The Era of Velázquez in Painting and Sculpture.', Kunsthalle der Hypo-Kulturstiftung (Munich)
- 'Albert Moore: Of Beauty and Aesthetics', Museum De Buitenplaats (Eelde)
- 'Beyond Caravaggio', National Gallery of Ireland

**Conservation**

263 items were conserved, mainly for inclusion in forthcoming exhibitions.

**Fundraising**

Progress was made in YMT's fundraising capacity, with the appointment of a dedicated Fundraising Manager, as well as two new Trustees who together have exceptional fundraising experience. Our plans for fundraising are closely tied to our plans to make YMT an even more valued institution amongst our members, broader audiences and our various communities. Examples in 2016-17 included:

- An 'Art Happens' crowdfunding project for Leisureland Golf art installation in the Artists Garden
- Two major donors supported our reintroduction of the 'Evelyn Commission' in which artists are commissioned to respond the rich history of the City of York. The commissioned work goes on display in 2017
- The bequest of the Dickinson Collection of over 100,000 Rowntree artefacts and memorabilia collected by Joe Dickinson who worked at Rowntree for over 40 years
- The acquisition of the 3rd century AD Wold Newton Hoard of nearly 2,000 Roman coins after £44, 200 was raised by public appeal.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "Donations and Legacies" and includes legacies and grants.

**TRUSTEES REPORT (Continued)**

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the Trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not have to particularise this for fundraising activities nor have we consider it necessary to design specific procedures to monitor such activities previously, however, this will remain under review with the recent appointment of our Fundraising Manager.

Visitor numbers

2016-17 was very positive in terms of visitor numbers:

	<b>This year</b>	<b>Last year</b>	<b>% Change</b>
York Castle Museum	275,156	244,765	+13%
Yorkshire Museum	87,391	87,946	-1%
York St Mary's	51,546	6,810	+657%
York Art Gallery	87,036	60,788	+43%
Total	<u>501,129</u>	<u>400,309</u>	<u>+25%</u>

The 'YMT Card' scheme, introduced in summer 2015 continues to be very popular and there are now 24,000 active card holders, approximately half of whom are York residents.

The numbers of children visiting in school groups increased:

From 2015/16: 15,571 for workshops and 11,203 self-led

To 2016/17: 16,362 for workshops and 15,992 self-led

Financial Review

The group had net income for the year on the general unrestricted fund (before transfers between funds) of £349,159 (2016: net expenditure of £159,737). The Trustees decided to transfer £341,376 from the general unrestricted fund to designated funds in order to offset depreciation of capital assets in future periods.

Net expenditure on designated funds was £1,105,694 (2016: £279,559) and net income on restricted funds was £404,980 (2016: £553,927).

The actuarial loss on the pension fund for the year was £1,331,000 (2016: gain £666,000). At the end of the year, the group had total funds of £7,886,812 (2016: £9,569,367).

During the year the group received restricted donations, grants and income from charitable activities totalling £2,321,613 (2016: £2,975,220), giving restricted funds of £579,626 held at the end of the year (2016: £282,822).

**TRUSTEES REPORT (Continued)**

The unrestricted general funds of the group at 31 March 2017 were a surplus of £1,472,546 (2016: £1,464,763), excluding fixed assets not represented by matching designated funds. As such, the target of having two months of operating costs in unrestricted reserves (totalling £970,000) has been met. Trustees have agreed that reserves over and above the operating costs target are eligible for transfer into designated funds for initiatives such as developing the capital project at the Castle Museum and the storage facility at Birch Park.

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

Plans for future periods

YMT intends to continue to pursue our stated priorities of pursuing excellence in our public programme and our visitor experience, growing charitable and trading income and working towards the next round of major capital improvements.

The public programme for the coming years is largely mapped out and includes some exciting developments:

**York Castle Museum**

- 2017 Chocolate: York's Sweet Past: An interactive experience which leads visitors on a trail around the museum to discover displays on York's confectionery heritage
- 2018 Vivienne Westwood Shoes: A stunning collection of Vivian Westwood shoes paired with historic examples from York Museums Trust Collection
- 2019 Castle Lives exhibition examining the lives of the people who have lived, worked and died at York Castle.
- 2020 People's Choice exhibition: an exhibition co-produced by York residents

**Yorkshire Museum**

- 2017 Viking: Rediscover the Legend: A major partnership exhibition with the British Museum displaying internationally recognised collections of Viking artefacts
- 2018 Yorkshire's Jurassic World: An examination of Jurassic Yorkshire, looking at the world through a dinosaurs eyes.
- 2019 Romans: Culmination of the grant funded research into York Museums Trust Roman collections.

**York Art Gallery major exhibition proposals include:**

- 2017 Albert Moore: The first monographic exhibition of York born artist Albert Moore since the 1894 memorial exhibition
- 2017 Picasso Ceramics: A collection of ceramics from the Lord and Lady Attenborough collection designed by Pablo Picasso
- 2018 Pop Culture: A soundscape exhibition using new technology to match music to art.
- Strata – Rock – Dust – Stars: An exhibition as part of York Mediale in partnership with FACT featuring Isaac Julien and other international artists
- 2019 Ruskin Turner: Exhibition about Turner through the eyes of John Ruskin with a focus on environmental and nature
- 2019 Harland Miller: Contemporary art exhibition by artist with York roots
- 2019 Bouts Exhibition: An exhibition on Bouts and Netherlandish art in partnership with the National Gallery, London

## TRUSTEES REPORT (Continued)

Plans to further enhance the visitor experience include:

- Improving the York Castle Museum (YCM) concourse area to give a clarity of purpose, and improved admissions / first contact experience for the visitor.
- To improve wayfinding around the YCM and YM

Income will be grown by:

- Expanding Enterprises operations with new catering and event opportunities
- A new Fundraising Strategy
- Continuing to grow the Membership Scheme

The Capital developments will be taken forward by:

- 2017 Appointment and agreed briefs for key staff and consultants for Castle Project; agreeing scope of storage project
- 2018/19 Submit Round One application to HLF for Castle Project; agree design, funding and detailed programme for storage project
- 2019 Work on Development phase of Castle Project; implement storage project

#### Principal Risks and Uncertainties

The Trustees have reviewed the major risks to which the group 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.

Three significant financial risks facing the Trust have recently been largely eliminated:

- An important step forward in the year was the agreement of a new 3 year funding deal with City of York Council. Average funding (capital and revenue) over the 3 years is equivalent to the £605k received in 2016-17.
- In June 2017 the Trust heard that it had also been successful in its application to Arts Council England for National Portfolio Organisation status and has been awarded £1.23m per year for the next four years (from April 2018).
- The Trust was successful in its business rates case against the Valuation Office regarding the method of valuing and the occupancy of its main buildings. We have received a repayment of £99,000 which is reflected in these accounts however the future impact of this success has yet to be calculated as we are still waiting for revised figures from the Valuations Office.

The Trust's ongoing key financial risk is the ability to generate sufficient income from visitor numbers, and other external funders, to cover expenditure incurred in fulfilling the objectives of the group. The Trust is pursuing its strategy of investing in public programme, visitor experience, income generation and capital developments in order to mitigate this risk.



**TRUSTEES REPORT (Continued)**

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 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.

**Public Benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charities Commission's general guidance on public benefit 'Charities and Public Benefit'. This Trustee's report clearly sets out our charitable objectives and how they benefit the public.

**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 04381647.

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 04466798.

**Method of election of Trustees**

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 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.

**TRUSTEES REPORT (Continued)****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 six times per annum and there are the following sub committees which meet as follows:

*Committee of the Board*

A Finance and General Management committee which meets approximately six times per year, or as required, with the Chief Executive and Chief Operating Officer to monitor and guide progress against the business plan.

*Audit Committee*

Meets as 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 annual 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.

**Pay policy for senior staff, including key management personnel**

The Trustees consider that the Board of Trustees, the Chief Executive Officer and the Chief Operating Officer comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 8 to the financial statements.

The pay of the senior staff is reviewed annually by the remuneration committee and percentage changes are normally the same as for other members of staff, taking into account general inflation and the Trust's financial position.

**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 through fit.

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

**Reserves policy**

The Trustees aspire to retain two months operating costs in reserves, being £970,000. At 31 March 2017, the charity's free reserves, as defined as unrestricted funds not represented by fixed assets has reached this amount.

Trustees have agreed that reserves over and above the operating costs target are eligible for transfer into designated funds for initiatives such as developing the capital project at the Castle Museum and the storage facility at Birch Park.

The charity is budgeting to make unrestricted surpluses of c. £200,000 per year in order to increase reserves to the desired level.



**TRUSTEES REPORT (Continued)****Going Concern**

In determining that the charity and its subsidiaries are going concerns the Board gives consideration to the risks and uncertainties facing each entity, with particular reference to liquidity and solvency issues that might impact viability. The Board reviews forecasts for a period not less than the 12 months following the date the financial statements are to be issued. If solvency and liquidity issues present significant and material risks and uncertainties to the entities then the forecast period under review will be extended.

**Auditor**

The auditor, BDO LLP, was appointed during the year will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**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 Trustee's 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 group for that period. In preparing these financial statements, the Trustees are required:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; and
- Preparing 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 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.

**TRUSTEES REPORT (Continued)**

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

Signature:



Name:

SIR JOHN LAWTON, CHAIRMAN

Date:

17<sup>th</sup> Nov 2017



**INDEPENDENT AUDITOR'S REPORT**

We have audited the financial statements of York Museums and Gallery Trust for the year ended 31 March 2017 which comprise the consolidated and charity statements of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and the related notes. 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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditors**

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. We have been appointed auditor under the Companies Act 2006 and report in accordance with that Act. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

*Opinion on financial statements*

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2017 and of the group's and parent charity's incoming resources and application of resources, including the 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements and the strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the charity and its environment obtained during the course of the audit we have identified no material misstatements in the strategic report and Trustees' report.

INDEPENDENT AUDITOR'S REPORT (Continued)

**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 not 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.

BDO LLP

Linda Cooper (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Leeds, UK

23 NOVEMBER 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

(Incorporating income and expenditure account)

For the year ended 31 March 2017

	Note	General Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
<b>Charitable Activities</b>						
Income from charitable activities	2	2,838,082	-	30,681	2,868,763	2,415,161
Funding provided by City of York Council	6	605,366	-	-	605,366	1,455,366
Funding provided by Arts Council England	7	-	-	1,953,324	1,953,324	1,902,361
<b>Donations, Legacies and General Grants</b>						
Donations and legacies	3	298,072	-	83,320	381,392	343,168
Other grants receivable	5	13,866	-	254,288	268,154	390,422
<b>Other Trading Activities</b>						
Income generated by subsidiary		1,306,658	-	-	1,306,658	864,822
<b>Investments</b>						
Interest receivable	4	2,567	-	-	2,567	2,836
<b>TOTAL INCOME</b>		<u>5,064,611</u>	<u>-</u>	<u>2,321,613</u>	<u>7,386,224</u>	<u>7,374,136</u>
<b>EXPENDITURE ON:</b>						
<b>Raising Funds</b>						
Costs incurred by subsidiary		<u>1,013,948</u>	<u>-</u>	<u>-</u>	<u>1,013,948</u>	<u>584,118</u>
<b>Charitable expenditure</b>						
Charitable expenditure	10	<u>3,701,504</u>	<u>1,105,694</u>	<u>1,916,633</u>	<u>6,723,831</u>	<u>6,674,368</u>
<b>Total charitable expenditure</b>		<u>3,701,504</u>	<u>1,105,694</u>	<u>1,916,633</u>	<u>6,723,831</u>	<u>6,674,368</u>
<b>TOTAL EXPENDITURE</b>		<u>4,715,452</u>	<u>1,105,694</u>	<u>1,916,633</u>	<u>7,737,779</u>	<u>7,258,486</u>
<b>Net income/(expenditure) before taxation</b>		349,159	(1,105,694)	404,980	(351,555)	115,650
Taxation charge	12					(1,019)
<b>Net income/(expenditure) after taxation</b>		349,159	(1,105,694)	404,980	(351,555)	114,631
<b>Other recognised gains/(losses):</b>						
Actuarial (loss)/gain on defined benefit scheme	25	-	(1,331,000)	-	(1,331,000)	666,000
Transfer between funds		<u>(341,378)</u>	<u>449,552</u>	<u>(108,174)</u>	<u>-</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>7,781</u>	<u>(1,987,142)</u>	<u>296,806</u>	<u>(1,682,555)</u>	<u>780,631</u>
<b>RECONCILIATION OF FUNDS:</b>						
Fund balance brought forward		1,464,763	7,821,782	282,822	9,569,367	8,788,736
Net movement in the year		7,781	(1,987,142)	296,806	(1,682,555)	780,631
<b>Fund balance carried forward</b>		<u>1,472,544</u>	<u>5,834,640</u>	<u>579,628</u>	<u>7,886,812</u>	<u>9,569,367</u>

# CHARITY STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating income and expenditure account)

For the year ended 31 March 2017

	Note	General Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
<b>Charitable Activities</b>						
Income from charitable activities	2	3,130,883	-	30,681	3,161,564	2,415,161
Funding provided by City of York Council	6	605,366	-	-	605,366	1,455,366
Funding provided by Arts Council England	7	-	-	1,953,324	1,953,324	1,902,361
<b>Donations, Legacies and General Grants</b>						
Donations and legacies	3	298,072	-	83,320	381,392	343,168
Other grants receivable	5	13,866	-	254,288	268,154	390,422
<b>Investments</b>						
Interest receivable	4	2,476	-	-	2,476	2,432
<b>TOTAL INCOME</b>		<u>4,050,663</u>	<u>-</u>	<u>2,321,613</u>	<u>6,372,276</u>	<u>6,508,910</u>
<b>EXPENDITURE ON:</b>						
<b>Charitable expenditure</b>						
Charitable expenditure	10	<u>3,701,504</u>	<u>1,105,694</u>	<u>1,916,633</u>	<u>6,723,831</u>	<u>6,674,368</u>
<b>Total charitable expenditure</b>		<u>3,701,504</u>	<u>1,105,694</u>	<u>1,916,633</u>	<u>6,723,831</u>	<u>6,674,368</u>
<b>TOTAL EXPENDITURE</b>		<u>3,701,504</u>	<u>1,105,694</u>	<u>1,916,633</u>	<u>6,723,831</u>	<u>6,674,368</u>
<b>Net income/(expenditure) before taxation</b>		349,159	(1,105,694)	404,980	(351,555)	(165,458)
Taxation charge	12	-	-	-	-	-
<b>Net income/(expenditure) after taxation</b>		349,159	(1,105,694)	404,980	(351,555)	(165,458)
<b>Other recognised gains/(losses):</b>						
Actuarial (loss)/gain on defined benefit scheme	25	-	(1,331,000)	-	(1,331,000)	666,000
Transfer between funds		(341,378)	449,552	(108,174)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>7,781</u>	<u>(1,987,142)</u>	<u>296,806</u>	<u>(1,682,555)</u>	<u>500,542</u>
<b>RECONCILIATION OF FUNDS:</b>						
Fund balance brought forward		1,464,732	7,821,782	282,822	9,569,336	8,788,705
Net movement in the year		7,781	(1,987,142)	296,806	(1,682,555)	780,631
<b>Fund balance carried forward</b>		<u>1,472,513</u>	<u>5,834,640</u>	<u>579,628</u>	<u>7,886,781</u>	<u>9,569,336</u>

A fully detailed Statement of Financial Activities for the year ended 31 March 2016 is shown in note 28

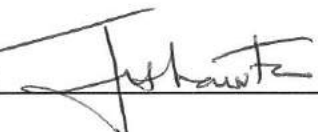


**CONSOLIDATED BALANCE SHEET**

As at 31 March 2017

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	13	8,813,343	9,681,117
		<u>8,813,343</u>	<u>9,681,117</u>
<b>CURRENT ASSETS</b>			
Stock	15	64,276	91,765
Debtors	16	1,064,524	960,213
Cash at bank and in hand	17	2,267,442	1,146,109
		<u>3,396,241</u>	<u>2,198,086</u>
CREDITORS: falling due <1 year	18	(1,580,642)	(1,021,265)
<b>NET CURRENT ASSETS</b>		<u>1,815,599</u>	<u>1,176,821</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,628,942	10,857,938
CREDITORS: falling due >1 year	19	(58,130)	(105,572)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>10,570,812</u>	<u>10,752,366</u>
Defined benefit pension scheme liability	25	(2,684,000)	(1,183,000)
<b>NET ASSETS</b>		<u>7,886,812</u>	<u>9,569,366</u>
<b>FUNDS</b>			
Unrestricted Funds			
General unrestricted funds	21	1,472,544	1,464,763
Designated Funds			
Pension fund	21	(2,684,000)	(1,183,000)
Property fund	21	8,518,640	9,004,782
Total Designated Funds		<u>5,834,640</u>	<u>7,821,782</u>
Restricted Funds	22	<u>579,628</u>	<u>282,822</u>
		<u>7,886,812</u>	<u>9,569,367</u>

These financial statements of York Museums and Gallery Trust, company registered number 04381647, were approved and authorised for issue by the Board of Trustees on 8<sup>th</sup> November 2017 and were signed on its behalf by:

Signed: 

Name: SIR JOHN LAWTON, CHAIRMAN

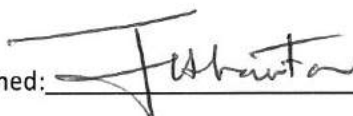


## CHARITY BALANCE SHEET

As at 31 March 2017

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	13	8,812,287	9,678,820
Investments	14	<u>1</u>	<u>1</u>
		<u>8,812,288</u>	<u>9,678,821</u>
<b>CURRENT ASSETS</b>			
Stock	15	482	1,250
Debtors	16	957,144	897,486
Cash at bank and in hand	17	<u>2,177,052</u>	<u>1,092,186</u>
		<u>3,134,678</u>	<u>1,990,923</u>
<b>CREDITORS: falling due &lt;1 year</b>	18	<u>(1,367,967)</u>	<u>(877,418)</u>
<b>NET CURRENT ASSETS</b>		<u>1,766,711</u>	<u>1,113,505</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,578,999	10,792,326
<b>CREDITORS: falling due &gt;1 year</b>	19	<u>(8,218)</u>	<u>(39,989)</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>10,570,781</u>	<u>10,752,337</u>
Defined benefit pension scheme liability	25	<u>(2,684,000)</u>	<u>(1,183,000)</u>
<b>NET ASSETS</b>		<u>7,886,781</u>	<u>9,569,337</u>
<b>FUNDS</b>			
Unrestricted Funds			
General unrestricted funds	21	1,472,513	1,464,732
Designated Funds			
Pension fund	21	(2,684,000)	(1,183,000)
Property fund	21	<u>8,518,640</u>	<u>9,004,782</u>
Total Designated Funds		5,834,640	7,821,782
Restricted Funds			
	22	<u>579,628</u>	<u>282,822</u>
		<u>7,886,781</u>	<u>9,569,336</u>

These financial statements of York Museums and Gallery Trust, company registered number 04381647, were approved and authorised for issue by the Board of Trustees on 8<sup>th</sup> November 2017 and were signed on its behalf by:

Signed: 

Name: SIR JOHN LAWTON, CHAIRMAN

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 March 2017

	2017 £	2016 £
Net (expenditure)/Income after taxation	(351,555)	115,650
Interest Receivable	(2,567)	(2,836)
Depreciation	988,708	761,393
Pension service costs	170,000	286,000
(Increase)/Decrease in stocks	27,488	(5,717)
(Increase)/Decrease in Debtors	(104,310)	614,365
Increase/(Decrease) in Creditors	543,035	(44,696)
Tax Paid	(1,019)	(2,887)
Net Cash Inflow from Operating Activities	<u>1,269,780</u>	<u>1,721,272</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

	2017 £	2016 £
Interest Receivable	2,567	2,836
Purchase of tangible fixed assets	<u>(120,932)</u>	<u>(1,592,066)</u>
	<u>(118,365)</u>	<u>(1,589,230)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

	2017 £	2016 £
Repayment of bank loans	<u>(30,082)</u>	<u>(28,483)</u>
	<u>(30,082)</u>	<u>(28,483)</u>

Increase/(decrease) in cash and cash equivalents	1,121,333	103,559
Cash and cash equivalents at the start of the year	<u>1,146,109</u>	<u>1,042,550</u>
Cash and cash equivalents at the end of the year	<u>2,267,442</u>	<u>1,146,109</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

## NOTE 1 ACCOUNTING POLICIES

York Museums and Gallery Trust, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having share capital. There are currently 14 Trustees who are also members of the company. Each member has undertaken a contribution to the assets in the event of winding up a sum not exceeding £1. York Museums and Gallery Trust is a registered charity. The registered office is shown on page 1.

### Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS102)), the Financial Reporting Standard application in the UK and Ireland (FRS102) and the Companies Act 2006. The particular accounting policies adopted are described below.

The financial statements are prepared under the historical cost convention.

On the grounds that the Charitable Company's reserves are consolidated into the Charitable Company's group accounts the Charitable Company has taken advantage of certain exemptions covered by Section 1.11 of FRS 102 as follows:

- Exemptions from presenting a statement of cash flows as a primary statement to the financial statements
- Exemption from disclosing the carrying amounts of each category of Financial Assets and Financial Liabilities at the reporting date as required by Section 14.41 of FRS 102

### Preparation of accounts – going concern basis

The principle 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 for at least one year 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 and consolidated on a line by line basis. The results of the subsidiary undertaking are disclosed in note 14.

### Income

Income is recognised in the statement of financial activities when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

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 income 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 income 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 income of restricted funds when received.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered.

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

### 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 the fixed assets.

### Tangible fixed assets

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

Donated, functional fixed assets are included at a valuation made by the Trustees. When 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 the City of York Council.

Long term exhibition equipment is capitalised as a fixed asset. Temporary exhibition costs are written off as expenditure in the year it is 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 and has been transferred to the appropriate asset category.

### 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.

### Financial Instruments

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settle value.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### Staff Costs Accounting Policy

#### Employee benefits – staff costs

The costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

#### Employee benefits – 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 high quality corporate bond of 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 asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

### Funds accounting

Funds held by the charity are either:

- Unrestricted general funds – these are funds that 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.
- Designated pension fund – this represents the actuarial deficit or YMT's section of the North Yorkshire Pension Fund.

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 when substantially all 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 tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****Critical Accounting Estimates and Judgments**

In the application of the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 2  
INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2017 £	Unrestricted Funds £	Restricted Funds £	2016 £
Admission Income	2,457,276	-	2,457,276	2,038,124	-	2,038,124
YMT Card Income	168,410	-	168,410	196,602	-	196,602
Miscellaneous	212,396	30,681	243,077	80,219	100,216	180,435
Consolidated	<u>2,838,082</u>	<u>30,681</u>	<u>2,868,763</u>	<u>2,314,945</u>	<u>100,216</u>	<u>2,415,161</u>
Gift Aided Donation from Subsidiary	292,801	-	292,801	269,600	-	269,600
	<u>3,130,883</u>	<u>30,681</u>	<u>3,161,564</u>	<u>2,584,545</u>	<u>100,216</u>	<u>2,684,761</u>

NOTE 3  
DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2017 £	Unrestricted Funds £	Restricted Funds £	2016 £
Gift Aid Donations	288,740	4,691	293,431	243,568	-	243,568
Donations and Legacies	9,332	78,629	87,961	4,055	95,545	99,600
	<u>298,072</u>	<u>83,320</u>	<u>381,392</u>	<u>247,623</u>	<u>95,545</u>	<u>343,168</u>

NOTE 4  
INTEREST RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	2017 £	Unrestricted Funds £	Restricted Funds £	2016 £
Bank interest	2,567	-	2,567	2,836	-	2,836
	<u>2,567</u>	<u>-</u>	<u>2,567</u>	<u>2,836</u>	<u>-</u>	<u>2,836</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 5  
GRANTS RECEIVABLE

	Unrestricted Funds	Restricted Funds	2017	Unrestricted Funds	Restricted Funds	2016
	£	£	£	£	£	£
GEM Yorkshire & Humberside	-	300	300	-	-	-
Art Fund	-	11,300	11,300	-	24,126	24,126
Henry Moore Foundation	-	6,000	6,000	-	-	-
University of York	13,866	9,000	22,866	-	-	-
John Ellerman Foundation	-	26,800	26,800	-	26,800	26,800
British Museum	-	25,835	25,835	-	32,298	32,298
HLF	-	98,304	98,304	-	-	-
V&A	-	12,600	12,600	-	24,500	24,500
Engage	-	5,000	5,000	-	-	-
C2D2	-	1,675	1,675	-	-	-
Headley Trust	-	7,474	7,474	-	-	-
DCMS Wolfson	-	50,000	50,000	-	200,000	200,000
Friends of York Art Gallery	-	-	-	-	43,928	43,928
Gordon Baldwin	-	-	-	11,390	-	11,390
Wikimedia	-	-	-	-	8,335	8,335
Other Grants	-	-	-	20,086	(1,041)	19,045
	<u>13,866</u>	<u>254,288</u>	<u>268,154</u>	<u>31,476</u>	<u>358,946</u>	<u>390,422</u>

NOTE 6  
FUNDING PROVIDED BY CITY OF YORK COUNCIL

	Unrestricted Funds	Restricted Funds	2017	Unrestricted Funds	Restricted Funds	2016
	£	£	£	£	£	£
Core funding	605,366	-	605,366	605,366	-	605,366
Capital funding	-	-	-	-	850,000	850,000
	<u>605,366</u>	<u>-</u>	<u>605,366</u>	<u>605,366</u>	<u>850,000</u>	<u>1,455,366</u>

NOTE 7  
FUNDING PROVIDED BY ARTS COUNCIL

	Unrestricted Funds	Restricted Funds	2017	Unrestricted Funds	Restricted Funds	2016
	£	£	£	£	£	£
MPM Funding	-	1,230,000	1,230,000	-	1,230,000	1,230,000
Museum Development	-	331,848	331,848	331,848	-	331,848
Small Capital Grants Scheme	-	259,200	259,200	-	129,600	129,600
Ceramics SSN	-	60,689	60,689	-	-	-
DDF Roman Collection	-	71,587	71,587	-	-	-
PRISM	-	-	-	-	5,004	5,004
William Smith Grant	-	-	-	-	555	555
Dialogues With Contemporary Art	-	-	-	-	30,344	30,344
Art Gallery 2015 Project	-	-	-	-	175,010	175,010
	<u>-</u>	<u>1,953,324</u>	<u>1,953,324</u>	<u>331,848</u>	<u>1,570,513</u>	<u>1,902,361</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 8  
INFORMATION REGARDING TRUSTEES AND EMPLOYEES

Average number of persons employed	2017 No.	2016 No.
Curatorial	22	22
Education	17	16
Gardens	11	10
Marketing	6	6
Facilities	4	3
Visitor Services	88	78
Directors and Administrative Staff	20	20
Trading Subsidiary	27	27
	<u>195</u>	<u>182</u>

Staff Costs During the Year	2017 £	2016 £
Wages and Salaries	2,675,443	2,726,564
Social Security Costs	207,689	158,335
Pensions Costs	518,358	584,955
Staff Costs before pension items	<u>3,401,490</u>	<u>3,469,854</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 (2016: £60,000) in the year was as follows:

	2017 No.	2016 No.
£70,001 - £80,000	1	1
£80,001 - £90,001	1	1
	<u>2</u>	<u>2</u>

The key management personnel of the parent charity and the group comprise of the Chief Executive and the Chief Operating Officer. The total employee benefits (including pension contributions but excluding social security costs) of the key management personnel of the charity and the group were £177,867 (2016: £186,395). The total social security costs of the key management personnel of the charity and group totalled £19,258 (2016: £17,134).

No Trustee received remuneration or benefits during either year. Trustees received a total of £275 (2016: £275) relating to travel expenses which were reimbursed to one Trustee (2016: one).

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## NOTE 9

## NET INCOME FOR THE YEAR

Net income for the year stated after charging

	2017	2016
	£	£
Depreciation of Owned Assets	988,708	761,394
Rentals Under Operating Leases - Land & Buildings	88,314	88,371
Costs of Stock recognised as Expenses	251,262	181,469
Auditors Remuneration:		
Fees payable for the audit of the Charity's Annual Accounts	11,500	18,000
Fees payable for the audit of the Charity's Subsidiary	4,350	3,500
Fees payable to the Charity's auditor for other services	2,750	425
	<u>1,346,884</u>	<u>1,053,159</u>

## NOTE 10

ANALYSIS OF TOTAL  
EXPENDITURE

Activity	Activities Undertaken Directly 2017	Support Costs 2017	Total 2017	Activities Undertaken Directly 2016	Support Costs 2016	Total 2016
	£	£	£	£		
Curatorial	691,735	251,815	943,550	857,717	272,101	1,129,818
Education	383,256	80,924	464,180	416,216	86,322	502,538
Exhibitions and Events	528,539	1,512	530,051	592,062	1,704	593,766
Gardens	279,976	98,831	378,807	305,778	98,543	404,321
Marketing	511,287	219,450	730,737	580,641	204,863	785,504
Premises	1,317,741	169,512	1,487,253	1,162,922	118,047	1,280,969
Visitor Services	1,083,008	507,066	1,590,074	991,365	492,069	1,483,434
Admissions	106,904	53,842	160,746	102,427	50,852	153,279
Museum Development	438,433	-	438,433	340,739	-	340,739
	<u>5,340,879</u>	<u>1,382,952</u>	<u>6,723,831</u>	<u>5,349,867</u>	<u>1,324,501</u>	<u>6,674,368</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## NOTE 11

## ANALYSIS OF SUPPORT COSTS

For the year ended 31 March 3017

	Curatorial	Education	Exhibitions and Events	Gardens	Marketing	Facilities	Visitor Services	Admissions	Total
Finance and Professional Fees	90,200	28,987	542	35,401	78,607	60,719	181,632	19,286	495,374
IT Costs	34,913	11,220	210	13,703	30,426	23,502	70,303	7,465	191,742
Staffing and HR	53,991	17,351	324	21,190	47,052	36,345	108,719	11,544	296,516
Senior Management	43,995	14,138	264	17,267	38,340	29,616	88,590	9,407	241,617
Admin Costs	18,335	5,892	110	7,196	15,978	12,342	36,919	3,920	100,692
Cleaning and Hygiene	3,178	1,021	19	1,247	2,770	2,139	6,399	680	17,453
Other Costs	2,716	873	16	1,066	2,367	1,829	5,470	581	14,918
Governance Costs	4,487	1,442	27	1,761	3,910	3,020	9,034	959	24,640
	251,815	80,924	1,512	98,831	219,450	169,512	507,066	53,842	1,382,952

2

For the year ended 31 March 2016

	Curatorial	Education	Exhibitions and Events	Gardens	Marketing	Facilities	Visitor Services	Admissions	Total
Finance and Professional Fees	56,229	17,839	352	20,364	42,335	24,395	101,687	10,509	273,710
IT Costs	48,399	15,354	303	17,528	36,439	20,997	87,525	9,045	235,590
Staffing and HR	83,588	26,518	523	30,272	62,933	36,264	151,162	15,622	406,882
Senior Management	50,113	15,898	314	18,149	37,730	21,741	90,625	9,366	243,936
Admin Costs	21,785	6,911	136	7,889	16,401	9,451	39,395	4,071	106,039
Cleaning and Hygiene	2,357	747	15	854	1,774	1,022	4,262	440	11,471
Other Costs	940	298	7	340	709	407	1,699	176	4,576
Governance Costs	8,690	2,757	54	3,147	6,542	3,770	15,714	1,623	42,297
	272,101	86,322	1,704	98,543	204,863	118,047	492,069	50,852	1,324,501

The basis of allocation for all expenditure is as a percentage of salary expenditure

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## NOTE 12

## TAXATION

In respect of York Museums and Enterprises only:

	2017	2016
	£	£
United Kingdom corporation tax at 20% (2016: 20%) on the profits of the trading subsidiary	-	1,019

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2016: 20%).

The actual tax charge for the current year differs from the standard rate for the following reasons.

	2017	2016
	£	£
Profit on ordinary activities after charitable donation	-	1,009
Tax on profit on ordinary activities at the standard rate	-	202
Expenses not deductible for tax purposes	-	-
capital allowances in excess of depreciation	-	817
Movement in short-term timing differences	-	-
Total current tax charge for the year	-	1,019

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## NOTE 13

## TANGIBLE FIXED ASSETS

Group	Displays £	Property £	Vehicles and Other Equipment £	Total £
<b>Cost</b>				
At 1st April 2016	792,043	10,561,422	695,917	12,049,382
Additions	-	114,846	6,086	120,932
At 31st March 2017	<u>792,043</u>	<u>10,676,268</u>	<u>702,003</u>	<u>12,170,314</u>
<b>Accumulated depreciation</b>				
At 1st April 2016	376,650	1,407,531	584,081	2,368,262
Charge for year	<u>128,973</u>	<u>810,472</u>	<u>49,264</u>	<u>988,709</u>
At 31st March 2017	<u>505,623</u>	<u>2,218,003</u>	<u>633,345</u>	<u>3,356,971</u>
<b>Net book value</b>				
At 31st March 2017	<u>286,420</u>	<u>8,458,265</u>	<u>68,658</u>	<u>8,813,343</u>
At 1st April 2016	<u>415,393</u>	<u>9,153,890</u>	<u>111,836</u>	<u>9,681,119</u>

Charity	Displays £	Property £	Vehicles and Other Equipment £	Total £
<b>Cost</b>				
At 1st April 2016	792,043	10,561,422	574,325	11,927,790
Additions	-	114,846	6,086	120,932
At 31st March 2017	<u>792,043</u>	<u>10,676,268</u>	<u>580,411</u>	<u>12,048,722</u>
<b>Accumulated depreciation</b>				
At 1st April 2016	376,650	1,407,531	464,786	2,248,967
Charge for year	<u>128,973</u>	<u>810,472</u>	<u>48,023</u>	<u>987,468</u>
At 31st March 2017	<u>505,623</u>	<u>2,218,003</u>	<u>512,809</u>	<u>3,236,435</u>
<b>Net book value</b>				
At 31st March 2017	<u>286,420</u>	<u>8,458,265</u>	<u>67,602</u>	<u>8,812,287</u>
At 1st April 2016	<u>415,393</u>	<u>9,153,890</u>	<u>109,539</u>	<u>9,678,822</u>

All tangible assets owned by the Charity were used for charitable purposes.

The split of freehold property and leasehold property improvements net book value as a 31 March 2017 is:

Freehold property £513,695 (2016: £515,050); leasehold property improvements £7,944,570 (2016: £8,539,294). The City of York Council has granted the charity a 25 year lease, at a peppercorn rental, over the land and buildings comprising the York Museums and Art Gallery activities.

Leasehold property improvements to the Art Gallery have been funded by grants from Arts Council England and the agreement carries various covenants, the key one being that the Art Gallery property may only be used for the purposes of an Art Gallery. The charity has granted Arts Council England first legal charge in respect of the leasehold property known as the City Art Gallery and Archive, in the events that the covenants are not complied with.

Leasehold property improvements to the Castle Museum have been funded by grants from National Heritage Memorial Fund and the agreement carries various covenants, the key one being that the Castle Museum property may only be used for the purpose of a museum. The charity has granted National Heritage Memorial Fund a first legal charge in respect of the leasehold property known as the Castle Museum, in the event that the covenants are not complied with.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## NOTE 14

## INVESTMENTS HELD AS FIXED ASSETS

The charity owns 100% of the ordinary share capital of York Museums and Enterprises Limited (Company registration no. 04466798), a company registered in England and Wales.

The registered address of York Museums and Enterprises Limited is: St Mary's Lodge, Marygate, York, YO30 7DR

The income and expenditure of York Museums and Enterprises Limited for the year ended 31 March 2017 is summarised below:

	2017 £	2016 £
Investment in Subsidiary	<u>1</u>	<u>1</u>
Turnover	1,306,658	864,822
Cost of Sales	<u>(530,816)</u>	<u>(440,142)</u>
Gross Profit	775,842	424,680
Administrative Expenses	<u>(483,132)</u>	<u>(154,476)</u>
Operating Profit	292,710	270,204
Interest Receivable and Similar Income	<u>91</u>	<u>405</u>
Profit on ordinary activities before tax	<u>292,801</u>	<u>270,609</u>
Taxation	-	(1,019)
Profit after tax	292,801	269,590
Gift aid distribution	<u>(292,801)</u>	<u>(269,600)</u>
Loss Retained for the Financial Year	<u>-</u>	<u>(10)</u>

The aggregate of the assets, liabilities and funds was:

	2017 £	2016 £
Assets	272,870	252,744
Liabilities	<u>173,012</u>	<u>121,545</u>
	<u>445,882</u>	<u>374,289</u>

Represented by:

Called Up Share Capital	1	1
Profit & Loss account	<u>31</u>	<u>32</u>
	<u>32</u>	<u>33</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 15  
STOCK

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Goods for resale	64,276	482	91,764	1,250
	<u>64,276</u>	<u>482</u>	<u>91,764</u>	<u>1,250</u>

NOTE 16  
DEBTORS

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Trade debtors	78,582	41,397	93,314	73,223
Accrued income and other debtors	747,634	737,910	718,229	712,794
Prepayments	198,455	139,121	100,625	63,423
VAT recoverable	34,695	34,695	41,667	41,668
Other Debtors	5,158	4,021	6,378	6,378
	<u>1,064,524</u>	<u>957,144</u>	<u>960,213</u>	<u>897,486</u>

NOTE 17  
CASH AND CASH  
EQUIVALENTS

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Cash at bank and in hand	<u>2,267,442</u>	<u>2,177,052</u>	<u>1,146,108</u>	<u>1,092,186</u>

NOTE 18  
CREDITORS: DUE <1 YR

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Trade creditors	862,869	822,507	363,590	318,307
Other creditors	4,443	1,822	75,378	48,091
Amounts owed to subsidiary	-	10,250	-	43,281
Accruals and deferred income	681,559	501,617	551,197	437,657
Corporation tax	-	-	1,019	-
Loan	31,771	31,771	30,082	30,082
	<u>1,580,642</u>	<u>1,367,967</u>	<u>1,021,266</u>	<u>877,418</u>

NOTE 19  
CREDITORS: DUE >1 YR

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Deferred Income	49,912	-	65,583	-
Loan	8,218	8,218	39,989	39,989
	<u>58,130</u>	<u>8,218</u>	<u>105,572</u>	<u>39,989</u>

Other loans comprise a nine year loan which is repaid in equal instalments with interest charged at 5.5%

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## NOTE 20

## Deferred Income

	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
Opening Balance	182,795	3,255	92,211	-
Deferred Income Additions during the year	298,961	146,720	101,001	3,255
Deferred Income Release during the year	(120,466)	(3,255)	(10,417)	-
Closing Balance	<u>361,290</u>	<u>146,720</u>	<u>182,795</u>	<u>3,255</u>

NOTE 21  
MOVEMENT IN UNRESTRICTED  
FUNDS  
GROUP

	1st April 2016	Income	Expenditure and Taxation	Other Gains and (Losses)	Transfers	31st March 2017
General Unrestricted funds	1,464,763	5,064,611	(4,715,452)	-	(341,378)	1,472,544
<b>Total General Funds</b>	<u>1,464,763</u>	<u>5,064,611</u>	<u>(4,715,452)</u>	<u>-</u>	<u>(341,378)</u>	<u>1,472,544</u>
Designated Pension Fund	(1,183,000)	-	(170,000)	(1,331,000)	-	(2,684,000)
Designated Property Fund	9,004,782	-	(935,695)	-	449,552	8,518,640
<b>Total Designated Funds</b>	<u>7,821,782</u>	<u>-</u>	<u>(1,105,695)</u>	<u>(1,331,000)</u>	<u>449,552</u>	<u>5,834,640</u>
<b>Total Unrestricted Funds</b>	<u>9,286,545</u>	<u>5,064,611</u>	<u>(5,821,147)</u>	<u>(1,331,000)</u>	<u>108,174</u>	<u>7,307,184</u>

MOVEMENT IN UNRESTRICTED  
FUNDS  
CHARITY

	1st April 2016	Income	Expenditure and Taxation	Other Gains and (Losses)	Transfers	31st March 2017
General Unrestricted funds	1,464,763	4,040,163	(3,691,004)	-	(341,378)	1,472,544
<b>Total General Funds</b>	<u>1,464,763</u>	<u>4,040,163</u>	<u>(3,691,004)</u>	<u>-</u>	<u>(341,378)</u>	<u>1,472,544</u>
Designated Pension Fund	(1,183,000)	-	(170,000)	(1,331,000)	-	(2,684,000)
Designated Property Fund	9,004,782	-	(935,695)	-	449,552	8,518,640
<b>Total Designated Funds</b>	<u>7,821,782</u>	<u>-</u>	<u>(1,105,695)</u>	<u>(1,331,000)</u>	<u>449,552</u>	<u>5,834,640</u>
<b>Total Unrestricted Funds</b>	<u>9,286,545</u>	<u>4,040,163</u>	<u>(4,796,698)</u>	<u>(1,331,000)</u>	<u>108,174</u>	<u>7,307,184</u>

The transfer represents funds transferred from general reserves to designated funds to match the total asset value in designated funds, a grant transferred from restricted to designated and the release of restricted funds into the general reserves.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 22  
MOVEMENT IN RESTRICTED  
FUNDS

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

Group and charity	1st April 2016	Income	Expenditure	Transfers	31st Mar 2017
	£	£	£	£	£
HLF Changing Spaces	-	98,304	-	(98,304)	-
Local Links Project	1,263	-	-	-	1,263
G4A	39,449	-	(36,022)	(3,427)	-
DDF Roman Collection	-	71,587	(8,793)	-	62,794
Friends of York Art Gallery	82	15,134	(9,450)	-	5,766
Ceramics SSN	1,024	60,689	(8,316)	-	53,397
Ellerman Post	18,808	26,800	(27,751)	-	17,857
Flesh	-	21,178	(26,514)	5,336	-
Evelyn Commission	66,250	-	(3,482)	-	62,768
Project Gallery	-	1,675	(1,675)	-	-
Roman Festival	-	15,868	(11,650)	-	4,218
Ruffer Art Fund	-	4,550	(4,175)	-	375
Wold Newton Hoard	-	46,577	(46,577)	-	-
Albert Moore	-	2,000	(2,000)	-	-
Dark Self	-	9,000	(4,000)	-	5,000
Object Purchase	-	20,260	(8,109)	8,546	20,696
Learning Development	-	3,750	(3,750)	-	-
Marketing	-	3,000	(3,000)	-	-
Portable Antiquities	-	25,895	(25,895)	-	-
Headley Trust intern	-	4,874	(4,874)	-	-
MDF Projects	-	331,848	(331,848)	-	-
COCA - Restricted	-	6,125	1,737	-	7,862
MDF Capital Grants	101,736	259,200	(104,171)	-	256,765
PAS Mat. Cover	-	2,084	(1,930)	-	154
MDO Euro Conference	-	2,415	(2,415)	-	-
Jurassic	-	50,000	-	-	50,000
Territories project	-	5,000	(2,278)	-	2,722
Curatorial Restrict	33,116	-	(8,149)	(500)	24,467
Learning Restricted	979	300	(257)	(1,000)	22
Gardens Signage	-	3,500	-	-	3,500
ACE MPM Funding	-	1,230,000	(1,230,000)	-	-
Other	20,115	-	(1,289)	(18,825)	-
	<u>282,822</u>	<u>2,321,613</u>	<u>(1,916,633)</u>	<u>(108,174)</u>	<u>579,628</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Purpose of Restricted Funds

The transfer of £98,304 from the HLF Changing Spaces restricted fund relates to grant income from the Heritage Lottery Fund which was recognised during the year for the "1914: When the World Changed Forever" exhibition at the Castle Museum. The funding was expended in line with the restrictions of the funder and upon completion the exhibition costs were capitalised with depreciation to be charged annually. As there are no ongoing restrictions in use the value of the capitalised project has been moved to designated funds with the transfer comprising both this transfer from restricted funding and a transfer from our unrestricted general funds.

DDF Roman Collection is to fund further research in to our existing Roman collections until April 2018.

Ceramics SSN is to promote the understanding and enjoyment of studio ceramics, these include informal learning opportunities and academic research.

Evelyn Commission is a fund to create new art works inspired by York and its environs.

Ellerman Post is for collections facilitation for the Art collections held by the Trust.

Object Purchase are funds raised to purchase future objects.

MDF Capital Grants are grants administered by the Museum Development Yorkshire team.

Jurassic is the Jurassic exhibition that is opening at the Yorkshire in March 2018.

Curatorial restricted comprises various grants and donations for collections development.

Other funds are older restricted balances, often relating to specific acquisitions, where restricted funds were received after the expenditure had been incurred from general funds. Accordingly all funds were spent on the specific projects as stipulated by the donor and a transfer between restricted and unrestricted funds has been made to correct closing balances.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 23  
ANALYSIS OF ASSETS & LIABILITIES BETWEEN FUNDS

Group	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £	
Tangible Fixed Assets	294,703	8,518,640	-	8,813,343	(0)
Current Assets	2,767,616	-	628,625	3,396,241	
Current Liabilities	(1,531,645)	-	(48,997)	(1,580,642)	
Long Term Liabilities	(58,130)	-	-	(58,130)	
Pension Liability	-	(2,684,000)	-	(2,684,000)	
As 31 March 2017	<u>1,472,544</u>	<u>5,834,640</u>	<u>579,628</u>	<u>7,886,812</u>	
At 31 March 2016	<u>1,464,763</u>	<u>7,821,782</u>	<u>282,822</u>	<u>9,569,367</u>	

Charity	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £	
Tangible Fixed Assets	293,648	8,518,640	-	8,812,288	1
Current Assets	2,506,053	-	628,625	3,134,678	
Current Liabilities	(1,318,970)	-	(48,997)	(1,367,967)	
Long Term Liabilities	(8,218)	-	-	(8,218)	
Pension Liability	-	(2,684,000)	-	(2,684,000)	
As 31 March 2017	<u>1,472,513</u>	<u>5,834,640</u>	<u>579,628</u>	<u>7,886,781</u>	
At 31 March 2016	<u>1,464,732</u>	<u>7,821,782</u>	<u>282,822</u>	<u>9,569,336</u>	

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

NOTE 24  
COMMITMENTS

The group and charity had future minimum lease payments under none cancellable operating leases as follows:

Group and charity Operating Lease Commitments	2017		2016	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire				
Within one year	65,300	1,890	60,867	1,890
Between two and five years	131,708	5,040	95,258	6,930
Between six and ten years	96,663	-	-	-
	<u>293,671</u>	<u>6,930</u>	<u>156,125</u>	<u>8,820</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 25  
PENSION SCHEME

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 fully administered by 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 2016 and updated on an approximate basis to 31 March 2017.

The contributions made by the employer over the financial year have been £388,000 (2016 - £346,000).

## Assumptions

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

	2017	2016
<b>Financial:</b>		
Rate of increase in salaries	3.3%	3.3%
Pension in payment increases	2.0%	1.8%
Discount rate	2.6%	3.5%
Inflation assumption	2.0%	1.8%

	2017 Years	2016 Years
<b>Life expectancy:</b>		
Male future pensioner aged 65 in 20 years' time	25.0	25.6
Female future pensioner aged 65 in 20 years' time	28.6	28.1
Male current pensioner aged 65	22.8	23.3
Female current pensioner aged 65	26.3	25.8

## The amounts recognised in the balance sheet are as follows:

	2017 £'000	2016 £'000
Present value of scheme liabilities	(15,660)	(11,700)
Fair value of scheme assets	12,976	10,517
Deficit in the scheme	(2,684)	(1,183)

## The assets in the scheme and the expected rate or return were:

	Fair value 2017 £'000	Fair value 2016 £'000
Equities	8,486	6,542
Government Bonds	1,843	1,483
Other bonds	402	567
Property	1,103	768
Cash	13	84
Other	1,129	1,073
Total fair value of assets	12,976	10,517
Actuarial value of liability	(15,660)	(11,700)
Net pension deficit	(2,684)	(1,183)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Movement in the deficit during the year were as follows:

	2017 £'000	2016 £'000
Deficit in scheme at 1 April	(1,183)	(1,563)
Movement in the year:	-	-
Current service costs	(523)	(574)
Net (loss)/gain on assets	(35)	(47)
Contributions	388	335
Actuarial (loss)/gain	(1,331)	666
Deficit in the scheme at 31 March	<u>(2,684)</u>	<u>(1,183)</u>

Analysis of the amount charged to net finance charge for the year under FRS102 in relation to the scheme:

	2017 £'000	2016 £'000
Expected return on pension scheme assets	(373)	(343)
Interest on pension scheme liabilities	408	390
Net finance loss	<u>35</u>	<u>47</u>

The amount recognised in the income and expenditure account are:

	2017 £'000	2016 £'000
Current service costs	523	574
Interest cost	408	390
Expected return on scheme assets	(373)	(343)
Total charge to income and expenditure account	<u>558</u>	<u>621</u>

The amount recognised in the statement of financial activities are as follows:

	2017 £'000	2016 £'000
Amount recognised during the period	(1,331)	666
Cumulative amount recognised	(500)	831

#### Asset and liability reconciliation

Reconciliation of assets	2,017 £'000	2,016 £'000
Assets at the start of the year	10,517	10,305
Expected return on plan assets	373	343
Actuarial gain/(loss) on assets	1,799	(329)
Employer contributions	388	335
Member contributions	174	140
Benefits Paid	(275)	(277)
Assets at the end of the year	<u>12,976</u>	<u>10,517</u>
Actual return on plan assets	<u>2,172</u>	<u>14</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Reconciliation of liabilities	2017 £'000	2016 £'000
Liabilities at the start of the year	11,700	11,868
Current service costs	523	574
Interest on pension liabilities	408	390
Employee contributions	174	140
Actuarial loss/(gain) on liabilities	3,130	(995)
Benefits paid	(275)	(277)
Liabilities at the end of the year	<u>15,660</u>	<u>11,700</u>

In addition to the employers' regular contributions, the Trust expects to contribute £2,500 per month to the scheme during the year 31 March 2018

The history of experience adjustments is as follows:

	2017 £'000	2016 £'000	2015 £'000
Scheme liabilities	(15,660)	(11,700)	(11,868)
Scheme assets	<u>12,976</u>	<u>10,517</u>	<u>10,305</u>
	<u>(2,684)</u>	<u>(1,183)</u>	<u>(1,563)</u>
Experience adjustments on scheme liabilities	-	-	-
Percentage of scheme liabilities	0.0%	0.0%	0.0%
Experience adjustments on scheme assets	1,799	380	850
Percentage of scheme assets	19.9%	3.6%	8.2%

## NOTE 26

## FINANCIAL INSTRUMENTS

	2017 Group £	2016 Group £
<b>Financial Assets</b>		
Financial asset that are debt instruments measured at amortised costs	3,098,803	1,964,022
<b>Financial liabilities</b>		
Financial liabilities measured at amortised costs	1,275,056	938,883

Financial assets at amortised costs comprise cash balances, trade and other receivables and amounts owed to group undertakings

Financial liabilities at amortised cost comprise trade and other creditors, amounts owed to subsidiaries, accruals and loan balances.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****NOTE 27****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 (2016: £10,500)

The subsidiary, York Museums and Enterprises Limited, made a gift aid donation to the Trust of £292,801 in the year ending 31 March 2017 (2016: £269,600)

At 31 March 2017, York Museums and Enterprises Limited was due £10,250 from the Trust (2016: £43,281)

The amounts owed to the subsidiary comprise of Retail & Venues income that had been deposited into the York Museums Trust's bank account and had not yet been transferred into the separate York Museums and Enterprises bank account.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## NOTE 28

## 2015-16 Consolidated Statement of Financial Activities

	General Funds 2016 £	Designated Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
<b>INCOME FROM:</b>				
<b>Charitable Activities</b>				
Income from charitable activities	2,314,945	-	100,216	2,415,161
Funding provided by City of York Council	605,366	-	850,000	1,455,366
Funding provided by Arts Council England	331,848	-	1,570,513	1,902,361
<b>Donations, Legacies and General Grants</b>				
Donations and legacies	247,623	-	95,545	343,168
Other grants receivable	31,476	-	358,946	390,422
<b>Other Trading Activities</b>				
Income generated from subsidiary	864,822	-	-	864,822
<b>Investments</b>				
Interest receivable	2,836	-	-	2,836
<b>TOTAL INCOME</b>	<u>4,398,916</u>	<u>-</u>	<u>2,975,220</u>	<u>7,374,136</u>
<b>EXPENDITURE ON:</b>				
<b>Raising Funds</b>				
Costs incurred by subsidiary	584,118	-	-	584,118
<b>Charitable expenditure</b>				
Charitable expenditure	<u>3,973,516</u>	<u>279,559</u>	<u>2,421,293</u>	<u>6,674,368</u>
<b>Total charitable expenditure</b>	<u>3,973,516</u>	<u>279,559</u>	<u>2,421,293</u>	<u>6,674,368</u>
<b>TOTAL EXPENDITURE</b>	<u>4,557,634</u>	<u>279,559</u>	<u>2,421,293</u>	<u>7,258,486</u>
<b>Net income/(expenditure) before taxation</b>	(158,718)	(279,559)	553,927	115,650
Taxation charge	(1,019)	-	-	(1,019)
<b>Net income/(expenditure) after taxation</b>	(159,737)	(279,559)	553,927	114,631
<b>Other recognised gains/(losses):</b>				
Actuarial (loss)/gain on defined benefit scheme	666,000	-	-	666,000
Transfer pension fund to designate fund	1,183,000	(1,183,000)	-	-
Transfer between funds	-	7,669,247	(7,669,247)	-
<b>NET MOVEMENT IN FUNDS</b>	<u>1,689,263</u>	<u>6,206,688</u>	<u>(7,115,320)</u>	<u>780,631</u>
<b>RECONCILIATION OF FUNDS:</b>				
Fund balance brought forward	(224,500)	1,615,094	7,398,142	8,788,736
Net movement in the year	<u>1,689,263</u>	<u>6,206,688</u>	<u>(7,115,320)</u>	<u>780,631</u>
Fund balance carried forward	<u>1,464,763</u>	<u>7,821,782</u>	<u>282,822</u>	<u>9,569,367</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 2015-16 Charity Statement of Financial Activities

	General Funds 2016 £	Designated Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
<b>INCOME FROM:</b>				
<b>Charitable Activities</b>				
Income from charitable activities	2,595,034	-	100,216	2,695,250
Funding provided by City of York Council	605,366	-	850,000	1,455,366
Funding provided by Arts Council England	331,848	-	1,570,513	1,902,361
<b>Donations, Legacies and General Grants</b>				
Donations and legacies	247,623	-	95,545	343,168
Other grants receivable	31,476	-	358,946	390,422
<b>Investments</b>				
Interest receivable	2,432	-	-	2,432
<b>TOTAL INCOME</b>	<u>3,813,779</u>	<u>-</u>	<u>2,975,220</u>	<u>6,788,999</u>
<b>EXPENDITURE ON:</b>				
<b>Charitable expenditure</b>				
Charitable expenditure	3,973,516	279,559	2,421,293	6,674,368
<b>Total charitable expenditure</b>	<u>3,973,516</u>	<u>279,559</u>	<u>2,421,293</u>	<u>6,674,368</u>
<b>TOTAL EXPENDITURE</b>	<u>3,973,516</u>	<u>279,559</u>	<u>2,421,293</u>	<u>6,674,368</u>
<b>Net income/(expenditure) before taxation</b>	(159,737)	(279,559)	553,927	114,631
Taxation charge				-
<b>Net income/(expenditure) after taxation</b>	(159,737)	(279,559)	553,927	114,631
<b>Other recognised gains/(losses):</b>				
Actuarial (loss)/gain on defined benefit scheme	666,000	-	-	666,000
Transfer pension fund to designate fund	1,183,000	(1,183,000)	-	-
Transfer between funds	-	7,669,247	(7,669,247)	-
<b>NET MOVEMENT IN FUNDS</b>	<u>1,689,263</u>	<u>6,206,688</u>	<u>(7,115,320)</u>	<u>780,631</u>
<b>RECONCILIATION OF FUNDS:</b>				
Fund balance brought forward	(224,531)	1,615,094	7,398,142	8,788,705
Net movement in the year	1,689,263	6,206,688	(7,115,320)	780,631
<b>Fund balance carried forward</b>	<u>1,464,732</u>	<u>7,821,782</u>	<u>282,822</u>	<u>9,569,336</u>

