

York Museums and Gallery Trust

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

Year ended 31 March 2020

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

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OFFICERS AND PROFESSIONAL ADVISORS

The Trustees who served during the year and subsequently were:

TRUSTEES

J. Grierson (Chair)
D. Andrews
M. Haworth
S. Drummond
S. Lusty
R. Jagger
P. Ashton
S. Brand
A. Dean
Z. Hussain (Resigned 09.03.20)
M. Jones (Resigned 31.01.20)
J Bell (Resigned 07.05.19)
K Myers (Resigned 07.05.19)
A. Mason (Resigned 16.05.19)
D. Willcocks
S. Furlong (Appointed 22.06.20)
M. Lowe (Appointed 22.06.20)
S. Daubeney (Appointed 22.07.19)
D. Myers (Appointed 22.07.19)

COMPANY SECRETARY

P. Lambert

PRINCIPAL OFFICERS – KEY MANAGEMENT PERSONNEL

R. King – Chief Executive
P. Lambert – Head of Strategy, Finance and Corporate Services

REGISTERED OFFICE

St Mary's 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 2020

Chair's Foreword

I am pleased to present a report on the charity's activities for the financial year 2019/20, a year marked by many wonderful activities but overshadowed in its last few weeks by the implications of Covid 19. The Trust's various exhibitions, events and initiatives are outlined in more detail in the following Strategic Review. Here, though, are some of the projects which have been my personal highlights.

The year started with one of York Art Gallery's most successful shows, *Ruskin, Turner & The Storm Cloud: Watercolours and Drawings*. The exhibition, which celebrated the 200th birthday of artist and critic John Ruskin, explored his relationship with J M W Turner, bringing together works of art by both artists as well as new research and a contemporary response by artist Emma Stibbon RA who was inspired by Ruskin's concerns about humanity's impact on the climate and produced beautiful and thought-provoking pieces in response. More than 31,000 people visited the exhibition during its run in York, which saw an average of more than 360 people per day, the highest since the reopening of the Gallery in 2015.

Other big names followed - Making a Masterpiece: Bouts and Beyond focused on Dieric Bouts' *Saint Luke Drawing the Virgin and Child* while Nicolas Poussin's *The Triumph of Pan*, one of the National Gallery's most significant works, came to York as part of The National Gallery Masterpiece Tour 2019.

The gallery continued its commitment to bringing exciting and thought provoking contemporary art to the city, with the Aesthetica Art Prize and the wonderful exhibition *Sounds Like Her*. The latter, curated by Christine Eyene, showcased art by women from culturally diverse backgrounds exploring sound as a subject and a medium.

Harland Miller: York, So Good They Named It Once saw the internationally-recognised artist present some of his best-known works alongside new paintings in his largest solo show to date. We were delighted that he chose York as the only venue for the exhibition, which attracted thousands of people and national press coverage when it was launched in February 2020.

In the Artists Garden, another internationally acclaimed artist with roots in York held his first major exhibition in the city in May 2019. Michael Lyons, *Ancient and Modern* placed nine sculptures inspired by nature, myth and ancient cultures, within the beautiful gardens surrounded by the walls of St Mary's Abbey. Sadly Michael, who worked from Cawood, North Yorkshire, died suddenly in April 2019, but the exhibition, which runs until spring 2021, remains a fitting tribute to his brilliant work.

At the Yorkshire Museum, the incredible discovery, urgent fundraising appeal and eventual purchase saw a true treasure return to York. The 800 year old Figure of Christ which originally belonged to the monks of York's St Mary's Abbey returned to the city for the first time in two centuries after it went for auction in Germany. Its purchase was the result of a brilliant team effort and created significant media coverage which once again raised the Trust's reputation around the world.

Reyahn King, CEO, and her senior leadership team continue to drive forward the charity's headline priorities and in particular, its most ambitious priority, the redevelopment of York Castle Museum. Working with City of York Council, significant progress has been made on the Castle Gateway regeneration and the museum's redevelopment plans. Using external funding from the City of York Council and the Local Enterprise Partnership, a design team were appointed to work with the project team on the initial design phase to create one of the UK's great museums and anchor the revitalisation of York's most historic quarter.

YORK MUSEUMS AND GALLERY TRUST

It has been a privilege to work more closely with such a talented and committed team and, as part of the board of trustees, help support them through governance and our collective skills, experience and expertise. Taking over as the new Chair at a time when we have been thinking deeply about the York Castle Museum, the site, the buildings, the collections and the stories they tell, was a good opportunity for us all to review our governance arrangements to ensure that the board works as effectively as possible. I would like to thank the trustees who have left us recently for the generosity of their time and expertise and take the opportunity to welcome the trustees joining the board who bring a wealth of new skills and experiences.

Compared with just a few years ago, YMT now receives a very much smaller proportion of its income from public sector funding. The Trust has become increasingly effective at generating revenue from admissions, charitable donations and from retail, catering and venue hire and I would like to pay tribute to the essential work done in this area by our dedicated staff and our Enterprises Board. Indeed, without the hard work and dedication of all the staff, volunteers and my fellow board members the Trust's many successes would not have been achieved.

This work ethic and commitment to the Trust's mission will be instrumental as we moved forward. Towards the end of the year (March), due to the Covid-19 pandemic, YMT sadly had to close its doors to its museums, gallery and gardens. At the time of writing this report, I expect that the next two years will be very challenging for the Trust as an organisation. The board and senior leadership team are committed to sustaining this vital charity and using our wonderful collections to continue to inspire our residents and visitors and we are all enormously grateful to the generosity of people who are providing such valuable financial support during the current crisis.

James Grierson

Chair

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 2020.

Our purpose and activities

Our vision is:

To work together with audiences and communities to inspire, to share and to care for cultural heritage.

Our mission is:

York Museums Trust shares collections, gardens, buildings, art and stories for learning, enjoyment and wellbeing. Rooted in York and Yorkshire, we look outwards nationally and globally. As a charity, our income enables the Trust to care for heritage and to benefit all.

Our priorities are:

- Survive the Covid-19 crisis and reopen sites to audiences and communities
- Adopt a visitor first approach, with all decisions taken with the visitors' needs in mind
- Progress two capital projects: the Castle Transformation Project and the Collections Development and Storage Project
- Deliver excellent, high quality, audience-focussed programming that drives visitors, raises our profile, meets our Creative Case and showcases YMT's collections, sites and stories
- Increase our resilience by expanding enterprises and fundraising activities, investing in our people, and caring for our environment
- Improve York and York Museums Trust's profiles through local, regional, national and international leadership and partnership to maximise YMT's impact

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

Overview of our operating activities

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.

Our Operational Plan for 2019-20 sought to deliver:

- Progress on York Castle Museum transformation project to RIBA 1 stage of design and development and submission of expression of interest to the National Lottery Heritage Fund
- High profile programmes including future programme planning for York Art Gallery (Ruskin Turner and Harland Miller) and Centre of Ceramic Art (Lucie Rie) and Yorkshire Museum (*Jurassic* exhibition) and York Castle Museum (*Museum of Broken Relationships*)
- York Museum Gardens Events including Roman Festival and York Proms
- Improving YMT's fundraising ability, income and revenue strategy
- Outstanding visitor experience delivered by staff and volunteers including improvements to YCM infrastructure
- Staff development and training
- Museum Development Yorkshire's support for Yorkshire Museums being both recognised and effective
- Regional and nationwide leadership in digital, marketing, volunteering and family-friendly good practice
- Conservation and maintenance management planning to conserve YMT built heritage
- Work with partners in the city on city-wide projects including Castle Gateway Masterplanning

We measure the progress of our Operational Plan through detailed quarterly review of progress by trustees and management of key performance indicators including:

- Visitor satisfaction
- Number and quality of audience engagement
- Number of visitors and admissions income
- The diversity of visitors and our staff and trustees
- Our income generation and fundraising performance
- Our digital activity and reach

We undertake a range of surveys from audiences and partners to inform the planning and targeting of our work. We also report regularly to the Arts Council England and City of York Council on our work.

Our performance

1. York Castle Museum Transformation project

Working with City of York Council (CYC), significant progress has been made on the plans for Castle Gateway regeneration and the redevelopment of the Castle Museum. We completed the designs and costings to the RIBA1 stage of development by the autumn of 2019. On the basis of this we submitted an Expression of Interest to National Lottery Heritage Fund (NLHF) for Phase 1 of the development activity in 2019 but were unsuccessful in our funding request. We have continued to engage with stakeholders hosting a Castle Museum advisory group of external stakeholders and participating in public consultations with the "MyCastleGateway" initiative sponsored by CYC.

2. Excellent programming

York Art Gallery

Ruskin, Turner and the Storm Cloud: Watercolours and Drawings opened to the public on 29 March 2019 and closed 23 June 2019 in partnership with Lakeland Arts. It received plenty of publicity around the opening including in The Guardian, the New York Times, a double page spread in the Big Issue, and specialist art journals Apollo and Frieze. It was also given a rave review on Radio 4's Saturday Review. The exhibition also toured to Abbott Hall Art Gallery.

Lucie Rie: Ceramics and Buttons ran from June 2018 and closed 3 November 2019. As one of the most respected potters of the 20th century, Dame Lucie Rie (1902-1995) was known for her finely thrown and beautifully decorated functional domestic ceramics. She emigrated to the UK during the Second World War and began producing ceramic buttons for the fashion industry, after spotting a gap in the market as many British button factories had been requisitioned for the War effort. This exhibition at the Centre of Ceramic Art (CoCA), York Art Gallery highlighted this less well-known area of her practice, displaying hundreds of her beautiful buttons alongside many examples of domestic wares she became celebrated for. We are grateful for the contribution of Anthony Shaw collector and lender of many of the Lucie Rie works.

The National Gallery Masterpiece tour 2019 opened 13 July and closed 22 September 2019. Nicolas Poussin's *The Triumph of Pan*, one of the National Gallery's most significant works, was the centrepiece of a new exhibition. The Poussin was flanked by two outstanding centaur sculptures by Cavaceppi and we are grateful to York Conservation Trust and City of York Council for their recent acquisition. Other works from York Art Gallery's collections complemented the painting, exploring the themes within the work and Poussin's significant influence on generations of other artists.

YORK MUSEUMS AND GALLERY TRUST

Sounds Like Her – Gender, sound art and sonic cultures opened 13 July 2019 and closed 15 September 2019. Woman artists from culturally diverse backgrounds explored sound as a subject and a medium in a ground-breaking exhibition. Curated by Christine Eyene, known for her enquiry into feminist art and her research on sound art from an African perspective, *Sounds Like Her* sets out to broaden existing approaches to sound art and challenge the Eurocentric and patriarchal frameworks that have informed the discourse on sound art practice and continue to dominate the mainstream today. This was an Arts Council England funded National Touring Exhibition developed by New Art Exchange.

Making a Masterpiece: Bouts and Beyond opened 11 October 2019 and closed 26 January 2020. The imagination, science and sublime skill behind the creation of an iconic artwork was the focus of a major exhibition at York Art Gallery. The exhibition took its inspiration from an important late fifteenth-century painting by the Dieric Bouts workshop, *Saint Luke Drawing the Virgin and Child*, on loan from The Bowes Museum and saved for the nation in 2016 following an export ban and funds raised by the Art Fund, Heritage Lottery Fund and other donors. The exhibition included digital engagement and volunteer interpretation: these activities and the exhibition itself was funded by National Lottery Heritage Fund thanks to the generosity of Lottery players.

Coast to Coast, an exhibition of York Art Gallery's collections, opened on 26 July 2019 and closed on 26 February 2020. It took visitors on a voyage through the history of sea paintings from the Dutch Golden Age spanning the 17th century, through 18th century Romantic paintings with stormy settings and atmospheric skies, up to the modern interpretations of the 20th century.

Gillian Lowndes – on the edge opened 23 November 2019. From the 1970s onwards, artist Gillian Lowndes was at the forefront of a new style of contemporary ceramics which explored the materiality of clay. Her abstract expressionist way of working brought together a range of materials and found objects which she recycled to create new sculptural work she called collages. This exhibition showcases over 40 artworks drawn from CoCA's collection alongside loans from the Anthony Shaw Collection – many of which have never been on public display. The show also includes a collection of delicate Christmas cards that Lowndes created for collector and friend Anthony Shaw, as well as unfired pieces left unfinished in her studio at the time of her death.

Harland Miller: York, So Good They Named It Once opened on 14 February 2020 and featured some of Miller's best-known works alongside new paintings created especially for the exhibition. We were sad that it opened for a short period only before Covid19 forced closure. We are very grateful to the White Cube gallery, extremely generous funders and helpful partners, and the artist Harland Miller himself for making the exhibition a success and a special celebration of one of York's own artists.

The Anthony Shaw Collection was curated and redisplayed in 2019 by pupils from Burton Green Primary School. The pupils also produced their own works displayed alongside the objects that inspired them.

Michael Lyons: Ancient and modern opened in the Artists Garden in June 2019 and includes nine sculptures inspired by nature, myth and ancient cultures.

Yorkshire Museum

The new exhibition for 2020 redisplayed medieval treasures at the Museum with a star centrepiece of the newly acquired Limoges enamel Figure of Christ.

Yorkshire's Jurassic World had opened on 23 March 2018 by Sir David Attenborough to great acclaim. The exhibition won the *Excellence in Media Arts* award at the York cultural Awards in 2019. This continued to be a popular exhibition for visitors in 2019/20.

York Castle Museum

On 22 March 2019 we opened *Museum of Broken Relationships*, a 12-month exhibition from Zagreb at York Castle Museum. This exhibition showcased objects from the famous *Museum of Broken Relationships* core collection, as well as incorporating an open public call for Yorkshire people to contribute their own objects and stories.

York Museum Gardens

Eboracum Roman Festival ran from 31 May to 2 June 2019 and was attended by an estimated 25,000 people in York Museum Gardens as well as the crowds who saw the procession through York City Centre.

The gardens team improved on four years in succession as gold award winners by achieving a Yorkshire in Bloom platinum award in 2019.

3. Income generating activity

Our venues business continued to be successful with increased business for weddings and conferences at the Hospitium in particular. The Venues team was shortlisted in the North of England Wedding Awards for Best Venue (city) and Best Wedding Coordinator.

Our retail business was less profitable this year largely because of increased staffing costs. The income generated at our sites are dependent on footfall and visitor numbers. After Christmas 2019 we started to see a drop in visitor numbers compared with last year which was magnified by the flooding in York in February 2020 and the coronavirus pandemic both of which discouraged visitors to our attractions. These factors impacted our ability to generate income both directly and through our concessions.

At York St Mary's we partnered with Immersive Hub to premiere *Van Gogh: the Immersive Experience* on 5 July 2019. The experience which includes projection and VR has proved popular, is a great way to introduce the work of Van Gogh to a wide audience and has brought in income.

Fundraising

We had a successful year of fundraising with £97,948 in pledges through fundraising campaigns and individual giving in 2019/20. We launched a survival campaign in March 2020 to increase giving whilst our doors are shut to visitors.

We have National Portfolio Organisation (NPO) Funding from the Arts Council England for the four year period April 2018 to March 2022. The NPO funding provides an annual income of £1.23m each year from 2018-2022. Because of the Covid 19 crisis this funding will be extended a further year to March 2023.

City of York Council grant £300,000 a year to York Museums Trust.

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.

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 regulatory scheme but the charity does comply voluntarily with the Fundraising Regulators Code of Practice.

YORK MUSEUMS AND GALLERY TRUST

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times. By complying with the Fundraising Regulators Code of Conduct and GDPR we have procedures in place to prevent complaints and address them should they arise.

4. Quality Visitor experience

Our visitor numbers were largely on track for the period up to Christmas 2019. However from January 2020 consumer confidence started to decline and trips and travel also declined given a mixture of severe flooding in Yorkshire which had national coverage and the impact of the start of the Coronavirus pandemic. As a result of government instructions on Covid 19 we closed all of our sites on 17 March 2020. Visitor numbers at York St Mary's were boosted in 2019/20 as a result of the long running popular Van Gogh experience which was hosted by a third party.

	This Year	Last Year	Change
York Castle Museum	240,913	263,732	-9%
Yorkshire Museum	105,503	163,805	-36%
York St Mary's	42,737	4,174	+924%
York Art Gallery	73,031	81,402	-10%
Total	462,184	513,113	-10%

The annual Visit England, Visitor Attraction Quality Scheme mystery visit was undertaken and we met our targets by improving or maintaining the scores at all the sites. At York Castle Museum the score was 80%, at Yorkshire Museum and Gardens it was 81% and at York Art Gallery 92%.

5. Profile and Leadership

We have been shortlisted for a number of local and regional awards in the period. YMT's exhibition 'When All Is Quiet: Kaiser Chiefs in conversation with York Art Gallery' of the previous year was shortlisted for a partnership award in the Museums & Heritage Awards 2020.

YMT shares expertise and develops networks through Museums Development Yorkshire. We provide accreditation monitoring for other organisations, Arts Marketing Association mentoring, mentoring for Touring Exhibitions Group, providing a Subject Specialist Network open to people in and beyond museums. We are part of the National Museum Directors Council and the English Civic Museums Network.

The Chief Executive was the Chair of the York Cultural Leaders Group and led York CLG in development and delivery of a Culture Strategy for York. She is also a trustee of Crafts Council and Culture Perth & Kinross. The ceramics curator is a trustee of the York Stained Glass Centre.

The Chief Accountant, in conjunction with Museum Development Yorkshire, Museum Development North West and the Association for Independent Museums has worked with the Charities Finance Group to establish a Museums and Galleries Special Interest Group to enable Finance professionals to share knowledge within the Museums Sector.

York Museums Trust co-ordinate Culture and Wellbeing York, a cultural commissioning consortium of organisations providing cultural activity for wellbeing as a pilot project funded by City of York Council.

Financial Review

Our financial performance during 2019/20 proved better than we had expected despite some significant challenges. We had budgeted at best for a break-even budget but generated a surplus of £64,467 on general funds compared with a loss of £68,731 in the previous year. The reasons for the improved performance were:

1. We implemented the first stage of our revenue and pricing strategy on 1 April 2019. This involved some price increases and simplification of discounts. From September 2019 we introduced child pricing as we were an outlier on this with competitors. York Children continue to have free access. This boosted income by over £300k in the year.
2. In 2018 we suffered because of the disruption to our visitor flow by the Rose Theatre at the Castle Museum. This was remedied in 2019 with better sight lines for visitors to get to the Museum.
3. In January 2020 we noticed very early that visitor numbers to York and to our sites were beginning to fall, a situation enhanced by the pictures nationally of the river flooding in York in February 2020. As Covid 19 became a reality then visitors dried up and we closed our sites to visitors on 17 March 2020. We had already taken management action to control costs and therefore put projects on hold and cut or deferred expenditure where we were able to better match income and expenditure.
4. In 2018/19 we had to make a significant charge to Irrecoverable VAT due to a several years of under payment of the VAT Capital Goods Scheme. This charge returned to normal levels and significantly reduced in 2019/20.
5. We have slowed down the number and volume of exhibitions and attracted significant sponsorship for the exhibitions we have run which helped reduce costs in 2019/20.

The net income for the year on the general unrestricted fund (before transfers between funds) was £64,467 (2019: net expenditure of £68,731). The Trustees decided to designate £275,101 (2019: £362,571) following the sale of St Olaves Road.

Net expenditure on designated funds was £1,731,156 (2019: £1,818,235) and net expenditure on restricted funds was £300,720 (2019 net income : £111,363).

The actuarial gain on the pension fund for the year was £845,000 (2019: gain £850,000). At the end of the year, the charity had total funds of £5,926,694 (2019: £7,049,103).

During the year the charity received restricted donations, grants and income from charitable activities totalling £2,091,818 (2019: £2,203,904), giving restricted funds of £647,339 held at the end of the year (2019: £874,216).

The unrestricted general funds of the charity at 31 March 2020 were a surplus of £1,125,346 (2019: £1,335,980), excluding fixed assets not represented by matching designated funds. As such, the Trust reached its target of having a minimum of two months of operating costs in unrestricted reserves (which based on the 2019/20 budget is just under £1m for two months). The Trustees have accepted that the Covid 19 emergency means that this reserves policy has to be suspended for the period of the crisis as all reserves need to be used to survive.

The Trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations for the foreseeable future as described in the Covid 19 section of the report below.

Plans for future periods

Our planning for future periods has been disrupted by the need to survive the Coronavirus crisis. YMT intends to continue to pursue its stated priorities in 2020/21 with the additional priority being surviving the crisis. We are having to adapt the Operational plan for the period to reflect what it is possible to deliver with the current constraints and adapt to new ways of delivery and fundraising.

Principal Risks and Uncertainties

Management and the Trustees formally review the risks through the use of a risk register and a risk management process.

Funding risk is always significant for the Trust. We receive as a National Portfolio Organisation £1.23m per year for the four year period 2018 to 2022 from Arts Council England. We also receive £0.30m per annum from City of York Council. The Trustees have given consideration to the appropriate policies, procedures and systems to mitigate the charity's exposure to the major risks. 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 vision and 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.

Covid 19's impact on YMT

York Museums Trust originally planned expenditure of £5.7m in our budget for 2020/21. This was balanced by planned income of £5.7m. As an independent charity our business model relies on 70% of our income coming from admissions-related and commercial trading income. Closure means a drastic loss of income and, unfortunately, Covid19 hit at the start of peak season. Our revised projection of total income 2020/21 is £3.2m. We have worked hard at reducing our costs and liabilities in this period, eliminating all discretionary spend and our forecast of total expenditure for 2020/21 has reduced to £4.3m before adding £500k of redundancy costs. This leaves a deficit of £1.6m.

In the post year end period we have had to transfer some of our designated reserves into our general reserve to get us through the crisis. After making this transfer of £226k (made after 31 March 2020) this, added to the balance sheet opening reserves, gives a starting general reserves position of £1.35m (over two months of our normal pre Covid operating costs). We project a total deficit of £1.5m for the year April 2020 to March 2021. Covid19 creates an immediate financial threat to YMT's continued existence. Our reserves policy is to carry sufficient general reserves to enable us to invest to save as well as overcome operational issues that disrupt our business without needing external financial assistance. This will not be possible in the current crisis.

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. In order to be able to make this statement the Trustees have asked for and received a Letter of Credit from City of York Council dated 27 August 2020 which expires on 31 March 2022 and allows the trust to draw on demand funding, which is not repayable, up to £1.95m.

The Trustees have logged a serious incident report reflecting the financial viability concern with the Charities Commission.

We have after the year end taken the following cost saving measures:

- Because of expected low visitor numbers, and the expected difficulty of reopening the site, we have not made plans for reopening the Yorkshire Museum
- We have not fully reopened all galleries in the Castle Museum, saving staffing and running costs
- We have reduced the opening times and have reduced the days the sites are open

We have announced, in August 2020, a redundancy programme to reduce the size of the organisation by up to 30% to enable us to balance expenditure against reduced income and to make the organisation more resilient for the future. Some of these staff savings we will reinvest in fundraising or other income generating measures.

We have undertaken the following initiatives:

- Furloughing around 80% of our staff from April to July 2020 to conserve cash and reserves
- Increasing donations through the publicising of our financial plight and asking members and the public for direct donations to help keep us afloat
- Cancelled forthcoming projects (including plans to refresh Roman gallery, to improve storage, and to carry out urgent capital repairs) in order to transfer £226k designated for these projects into free reserves
- Reduced future public programmes and marketing spend
- Negotiated rent reductions, stopped employing casual staff and paused service contracts where possible

We have been successful in applying for grants from ACE for emergency funding and have received £412k in July 2020 from this source. In July 2020 we also applied for a further £250k of funding from the NLHF Heritage Emergency Fund. We have also applied for £850k from the government's Cultural Recovery Fund in August 2020. We will seek to bid for further funding relating to the crisis.

The Trustees believe that the group is as well placed as it is possible to be as a charity to manage its financial risks successfully in the short term. There are too many economic, political and health and other societal risks which the trust does not control to make definitive statement about the future. The Trustees have a reasonable expectation that the group has adequate reserves to continue in operational existence for at least the twelve months following the date of signing these financial statements.

Public Benefit

YMT provides public benefit as a charity by making available our Collections, Buildings and Gardens to all members of the public. Our Trustees have complied with their duty in accordance with the UK Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit. We have free access to our gardens and where we charge for access at our other sites we have a range of free entry and substantial discounts for those on lower incomes and younger people, including free entry for York's children.

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.

Governance Code

The Charity Governance Code, endorsed by the Charity Commission and other industry bodies, was launched in 2017. The Trustees have ensured we are compliant with the code. The code asks charities to "apply or explain". We have no matters to report.

The Board reviews its performance and the performance of individual Trustees formally every two years. The Board meets six times each year, four times to examine quarterly performance and twice for workshops / deeper dives into strategic issues. We have an annual strategic Board away day to consider areas of change and to review performance against our objectives and priorities. External review every three years as recommended in the code will be considered in the future.

Diversity considerations are important in every aspect of the life of the Trust and is always considered in Trustee recruitment. The importance the Board attaches to this matter is reflected in the recent establishment of a diversity task and finish group to look at best practice for the board and for the charity.

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 3. None of the Trustees have any financial interest in the company.

All Trustee appointments are advertised externally and the nominations committee oversees this process and ensures the range of skills, experiences and diversity of the board is appropriate to meet the needs of the charity.

Trustee induction and training

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

Organisation

The Board of Trustees administers the charity. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. The Board meets six times per annum and there are four committees which meet as follows:

Finance and General Purposes Committee

Meets approximately six times per year, or as required, with the Chief Executive and Head of Strategy, Finance and Corporate Services to monitor and guide progress against the business plan.

Audit and Risk Committee

Meets four times per year to consider reports from external auditors, examines risk management and the internal control environment.

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 Head of Strategy, Finance and Corporate Services 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 Trust not immediately required for its purposes in such investments, securities or property as may be thought fit.

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

Reserves policy

The Trustees aspire to retain at least two months' operating costs in unrestricted reserves, being just under £1m. At 31 March 2020, the Trust's free reserves, as defined as unrestricted funds not represented by fixed assets reached this minimum amount.

Subsequent to the year end the trustees have reviewed this policy as part of the response to the Covid 19 emergency. In order to survive a review was undertaken of designated funds and £226k was transferred from designated to unrestricted funds. The trustees have in addition made all unrestricted funds available to survive the immediate crisis understanding that will leave little in reserves for future needs.

A Pension reserve liability of £2,140,000 is managed separately to our unrestricted reserves as a long term liability under FRS102.

Restricted funds of £647,339 were held at the year end and are held under trust law so can only be used for particular purposes, as specified or agreed with the donor. The majority of the restricted funds are gifted for use in either acquisitions of objects or to develop and produce our programme and offer.

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.

The impact of Covid 19 on the charity is significant and the actions that the Trust has taken to mitigate its losses are detailed in the Covid 19 section of the financial review above.

In the current Covid emergency period with public health, economic and social uncertainties the Board has met regularly to consider going concern and have been supported by the Audit and Risk committee in undertaking this. Whilst emergency funds have been raised to reduce the size of the losses being incurred by the charity in 2019/20, without longer term commitments from a funder the Board would have been unable to look forward 12 months with any certainty. The letter of Credit from City of York Council does now give the charity a period to suffer the losses bought on by the crisis and start to build a more sustainable financial future post crisis.

In conclusion the Board considers York Museums Trust to be a going concern, and as such, the financial statements have been prepared on a going concern basis

Auditor

The auditor, BDO LLP, was appointed in 2016/2017 and 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 Trustees' responsibilities

The Trustees (who are also directors of the charity for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the profit or loss of the group and charitable company for that period.


In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The 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 the financial statements may differ from legislation in other jurisdictions.

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

Signature: 

Name: JAMES R J SEARSON

Date: 22/9/20

YORK MUSEUMS AND GALLERY TRUST

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

Opinion

We have audited the financial statements of York Museums and Gallery Trust ('the Parent Charitable Company') and its subsidiary (together 'the Group') for the year ended 31 March 2020 which comprise the Consolidated and Charity statement of financial activities, the Consolidated and Charity balance sheet, the Consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2020 and of the Group's and Parent Charitable Company's incoming resources and application of resources 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which includes the Directors' report prepared for the purposes of Company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report, which is included in the Trustees' report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 16, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

YORK MUSEUMS AND GALLERY TRUST

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

H. Knowles.

Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds

Date: 2 - 10 - 20

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 2020

	Note	General Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total funds Restated 2019 £
INCOME FROM:						
Charitable Activities						
Income from charitable activities	2	3,294,772	11,449	100,042	3,406,263	3,099,343
Funding provided by City of York Council	6	307,000	-	200,000	507,000	706,205
Funding provided by Arts Council England	7	-	-	1,568,982	1,568,982	1,642,277
Donations, Legacies and General Grants						
Donations and legacies	3	229,076	1,340	154,042	384,458	524,112
Other grants receivable	5	4,500	-	68,752	73,252	106,625
Other Trading Activities						
Income generated by subsidiary		1,300,709	-	-	1,300,709	1,444,336
Investments						
Interest receivable	4	15,669	-	-	15,669	9,256
TOTAL INCOME		<u>5,151,726</u>	<u>12,789</u>	<u>2,091,818</u>	<u>7,256,333</u>	<u>7,532,154</u>
EXPENDITURE ON:						
Raising Funds						
Costs incurred by subsidiary		<u>1,036,302</u>	<u>-</u>	<u>-</u>	<u>1,036,302</u>	<u>1,170,806</u>
Charitable expenditure						
Charitable expenditure	10	<u>4,050,957</u>	<u>1,743,945</u>	<u>2,392,538</u>	<u>8,187,440</u>	<u>8,156,951</u>
Total charitable expenditure		<u>4,050,957</u>	<u>1,743,945</u>	<u>2,392,538</u>	<u>8,187,440</u>	<u>8,156,951</u>
TOTAL EXPENDITURE		<u>5,087,259</u>	<u>1,743,945</u>	<u>2,392,538</u>	<u>9,223,742</u>	<u>9,327,757</u>
Net gains on Investments		-	-	-	-	20,000
Net (expenditure)/income before taxation		64,467	(1,731,156)	(300,720)	(1,967,409)	(1,775,603)
Taxation charge	12	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income after taxation		64,467	(1,731,156)	(300,720)	(1,967,409)	(1,775,603)
Other recognised gains/(losses):						
Actuarial gain/(loss) on defined benefit scheme	26	-	845,000	-	845,000	850,000
Transfer between funds		<u>(275,101)</u>	<u>201,258</u>	<u>73,843</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>(210,634)</u>	<u>(684,898)</u>	<u>(226,877)</u>	<u>(1,122,409)</u>	<u>(925,603)</u>
RECONCILIATION OF FUNDS:						
Fund balance brought forward		1,336,010	4,838,907	874,216	7,049,133	7,974,736
Net movement in the year		(210,634)	(684,898)	(226,877)	(1,122,409)	(925,603)
Fund balance carried forward		<u>1,125,376</u>	<u>4,154,009</u>	<u>647,339</u>	<u>5,926,724</u>	<u>7,049,133</u>

A fully detailed Statement of Financial Activities for the year ended 31 March 2019 is shown in note 30.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating income and expenditure account)

For the year ended 31 March 2020

	Note	General Funds	Designated Funds	Restricted Funds	Total Funds	Total funds 2019 Restated
		2020 £	2020 £	2020 £	2020 £	£
INCOME FROM:						
Charitable Activities						
Income from charitable activities	2	3,560,127	11,449	100,042	3,671,618	3,373,337
Funding provided by City of York Council	6	307,000	-	200,000	507,000	706,205
Funding provided by Arts Council England	7	-	-	1,568,982	1,568,982	1,642,277
Donations, Legacies and General Grants						
Donations and legacies	3	229,076	1,340	154,042	384,458	524,112
Other grants receivable	5	4,500	-	68,752	73,252	106,625
Investments						
Interest receivable	4	14,721	-	-	14,721	8,792
TOTAL INCOME		4,115,424	12,789	2,091,818	6,220,031	6,361,348
EXPENDITURE ON:						
Charitable expenditure						
Charitable expenditure	10	4,050,957	1,743,945	2,392,538	8,187,440	8,156,951
Total charitable expenditure		4,050,957	1,743,945	2,392,538	8,187,440	8,156,951
TOTAL EXPENDITURE		4,050,957	1,743,945	2,392,538	8,187,440	8,156,951
Net gains on Investments		-	-	-	-	20,000
Net income/(expenditure) before taxation		64,467	(1,731,156)	(300,720)	(1,967,409)	(1,775,603)
Taxation charge	12	-	-	-	-	-
Net income/(expenditure) after taxation		64,467	(1,731,156)	(300,720)	(1,967,409)	(1,775,603)
Other recognised gains/(losses):						
Actuarial gain/(loss) on defined benefit scheme	26	-	845,000	-	845,000	850,000
Transfer between funds		(275,101)	201,258	73,843	-	-
NET MOVEMENT IN FUNDS		(210,634)	(684,898)	(226,877)	(1,122,409)	(925,603)
RECONCILIATION OF FUNDS:						
Fund balance brought forward		1,335,980	4,838,907	874,216	7,049,103	7,974,706
Net movement in the year		(210,634)	(684,898)	(226,877)	(1,122,409)	(925,603)
Fund balance carried forward		1,125,346	4,154,009	647,339	5,926,694	7,049,103

A fully detailed Statement of Financial Activities for the year ended 31 March 2019 is shown in note 30.

CONSOLIDATED BALANCE SHEET

As at 31 March 2020

	Note	2020 £	2019 Restated £
FIXED ASSETS			
Tangible fixed assets	13	6,283,496	7,170,624
Investment property		-	360,000
		<u>6,283,496</u>	<u>7,530,624</u>
CURRENT ASSETS			
Stock	16	75,362	66,444
Debtors	17	923,944	726,947
Cash at bank and in hand	18	1,691,975	2,430,879
		<u>2,691,281</u>	<u>3,224,270</u>
CREDITORS: falling due <1 year	19	(898,720)	(1,325,095)
NET CURRENT ASSETS		<u>1,792,561</u>	<u>1,899,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,076,057	9,429,799
CREDITORS: falling due >1 year	20	(9,333)	(17,666)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>8,066,724</u>	<u>9,412,133</u>
Defined benefit pension scheme liability	26	(2,140,000)	(2,363,000)
NET ASSETS		<u>5,926,724</u>	<u>7,049,133</u>
FUNDS			
Unrestricted Funds			
General unrestricted funds	22	1,125,376	1,336,010
Designated Funds			
Pension Fund	21	(2,140,000)	(2,363,000)
Programme Funds		102,801	163,226
Strategic Fund		24,538	60,000
Infrastructure Fund		166,411	65,000
Property Fund		6,000,259	6,913,681
Total Designated Funds		<u>4,154,009</u>	<u>4,838,907</u>
Restricted Funds	23	<u>647,339</u>	<u>874,216</u>
		<u>5,926,724</u>	<u>7,049,133</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 22 September 2020 and were signed on its behalf by:

Signed: 

Name: JAMES R J GRIERSON

CHARITY BALANCE SHEET

As at 31 March 2020

	Note	2020 £	2019 Restated £
FIXED ASSETS			
Tangible fixed assets	13	6,283,496	7,170,624
Investments	14	1	1
Investment property		-	360,000
		<u>6,283,497</u>	<u>7,530,625</u>
CURRENT ASSETS			
Stock	16	-	241
Debtors	17	1,392,768	698,880
Cash at bank and in hand	18	1,469,865	2,286,635
		<u>2,862,633</u>	<u>2,985,756</u>
CREDITORS: falling due <1 year	19	(1,079,436)	(1,104,278)
		<u>1,783,197</u>	<u>1,881,478</u>
NET CURRENT ASSETS			
		<u>8,066,694</u>	<u>9,412,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: falling due >1 year	20	-	-
		<u>8,066,694</u>	<u>9,412,103</u>
NET ASSETS EXCLUDING PENSION LIABILITY			
Defined benefit pension scheme liability	26	(2,140,000)	(2,363,000)
		<u>5,926,694</u>	<u>7,049,103</u>
NET ASSETS			
FUNDS			
Unrestricted Funds			
General unrestricted funds	22	1,125,346	1,335,980
Designated Funds			
Pension Fund	21	(2,140,000)	(2,363,000)
Programme Funds		102,801	163,226
Strategic Reserve		24,538	60,000
Infrastructure Fund		166,411	65,000
Property Fund		6,000,259	6,913,681
Total Designated Funds		4,154,009	4,838,907
Restricted Funds			
	23	647,339	874,216
		<u>5,926,694</u>	<u>7,049,103</u>

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2020

	2020 £	2019 £
Net (expenditure)/Income after taxation	(1,967,409)	(1,775,603)
Interest Receivable	(15,669)	(9,256)
Depreciation	968,095	1,056,947
Pension service costs	622,000	703,000
(Increase)/Decrease in stocks	(8,918)	79
(Increase)/Decrease in Debtors	(196,997)	102,289
Increase/(Decrease) in Creditors	(434,709)	(400,286)
Movement in Fair Value of Investment Property	-	(20,000)
Net Cash Outflow from Operating Activities	<u>(1,033,606)</u>	<u>(342,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
	2020 £	2019 £
Interest Receivable	15,669	9,256
Purchase of tangible fixed assets	(80,967)	(5,738)
Proceeds from sale of investment property 31	360,000	-
	<u>294,702</u>	<u>3,518</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
	2020 £	2019 £
Repayment of bank loans	-	(8,218)
	<u>-</u>	<u>(8,218)</u>
(Decrease)/increase in cash and cash equivalents	(738,904)	(347,530)
Cash and cash equivalents at the start of the year	2,430,879	2,778,409
Cash and cash equivalents at the end of the year 28	<u>1,691,975</u>	<u>2,430,879</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

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 to pay 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 3.

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 2019) (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)

Gift Aid from Subsidiary

Gift aid income received from York Museums and Enterprises Limited is recorded on an accrual basis, under the agreed deed of covenant in place between the two entities.

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 Trust. Management and administration costs (support costs) are those incurred in connection with the management of the Trusts assets, organisational administration and governance costs regarding compliance with constitutional and statutory requirements.

The method used in the analysis of support costs is allocation by head count.

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 depreciation 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	:	8% per annum
Leasehold Property Improvements	:	4% - 20% 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Financial Instruments**

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

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 measure or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Staff Costs Accounting PolicyEmployee 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 of 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.

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 estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Defined benefit pension scheme

The charity is a member of a multi-employer defined benefit scheme. The Trustees use the scheme actuary to determine both the present value of the obligation under the scheme, and also the fair value of assets owned, to determine the overall deficit in the scheme attributable to the charity. The actuary uses certain critical assumptions, such as discount rate, mortality and expected rates of return when setting the deficit recovery plan for the scheme at each triennial review. Full disclosure of the assumptions used by the independent third party is provided in note 26.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 2
INCOME FROM CHARITABLE ACTIVITIES

	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2020 £	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2019 £
Admission Income	2,600,243	-	-	2,600,243	2,528,667	-	-	2,528,667
YMT Card Income	280,924	-	-	280,924	295,324	-	-	295,324
Miscellaneous	413,605	11,449	100,042	525,096	195,394	528	79,430	275,352
Consolidated	<u>3,294,772</u>	<u>11,449</u>	<u>100,042</u>	<u>3,406,263</u>	<u>3,019,385</u>	<u>528</u>	<u>79,430</u>	<u>3,099,343</u>
Gift Aided Donation from Subsidiary Charity	<u>265,355</u>	<u>-</u>	<u>-</u>	<u>265,355</u>	<u>273,994</u>	<u>-</u>	<u>-</u>	<u>273,994</u>
	<u>3,560,127</u>	<u>11,449</u>	<u>100,042</u>	<u>3,671,618</u>	<u>3,293,379</u>	<u>528</u>	<u>79,430</u>	<u>3,373,337</u>

NOTE 3
DONATIONS AND LEGACIES
GROUP AND CHARITY

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 £
Gift Aid Donations	220,618	-	1,293	221,911	246,149	-	3,880	250,029
Donations and Legacies	8,458	1,340	152,749	162,547	265,565	3,872	4,646	274,083
	<u>229,076</u>	<u>1,340</u>	<u>154,042</u>	<u>384,458</u>	<u>511,714</u>	<u>3,872</u>	<u>8,526</u>	<u>524,112</u>

NOTE 4
GROUP
INTEREST
RECEIVABLE

	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2020 £	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2019 £
Bank interest	15,669	-	-	15,669	9,256	-	-	9,256
	<u>15,669</u>	<u>-</u>	<u>-</u>	<u>15,669</u>	<u>9,256</u>	<u>-</u>	<u>-</u>	<u>9,256</u>

CHARITY
INTEREST
RECEIVABLE

	Charity Unrestricted Funds £	Charity Designated Funds £	Charity Restricted Funds £	2020 £	Charity Unrestricted Funds £	Charity Designated Funds £	Charity Restricted Funds £	2019 £
Bank interest	14,721	-	-	14,721	8,792	-	-	8,792
	<u>14,721</u>	<u>-</u>	<u>-</u>	<u>14,721</u>	<u>8,792</u>	<u>-</u>	<u>-</u>	<u>8,792</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 5
GRANTS RECEIVABLE
GROUP AND CHARITY

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 £
The Bowes Museum	-	-	1,396	1,396	-	-	-	-
Art Fund	4,500	-	15,863	20,363	750	-	5,461	6,211
British Museum	-	-	29,835	29,835	-	-	33,615	33,615
V&A	-	-	6,200	6,200	600	-	6,890	7,490
Headley Trust	-	-	8,380	8,380	-	-	10,000	10,000
Starr Carr	-	-	7,078	7,078	-	-	-	-
Paul Mellon Centre	-	-	-	-	-	-	7,000	7,000
Historic England	-	-	-	-	-	-	10,000	10,000
Yorkshire Philosophical Society	-	-	-	-	400	-	-	400
HLF	-	-	-	-	30,409	-	-	30,409
Other Grants	-	-	-	-	-	-	1,500	1,500
	<u>4,500</u>	<u>-</u>	<u>68,752</u>	<u>73,252</u>	<u>32,159</u>	<u>-</u>	<u>74,466</u>	<u>106,625</u>

NOTE 6
FUNDING PROVIDED BY CITY OF YORK COUNCIL
GROUP AND CHARITY

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 £
Core funding	307,000	-	-	307,000	307,000	-	-	307,000
Capital funding	-	-	200,000	200,000	-	-	399,205	399,205
	<u>307,000</u>	<u>-</u>	<u>200,000</u>	<u>507,000</u>	<u>307,000</u>	<u>-</u>	<u>399,205</u>	<u>706,205</u>

NOTE 7
FUNDING PROVIDED BY ARTS COUNCIL
GROUP AND CHARITY

	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2020 £	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2019 £
NPO Funding	-	-	1,230,000	1,230,000	-	-	1,230,000	1,230,000
Museum Development	-	-	338,982	338,982	-	-	338,982	338,982
Ceramics SSN	-	-	-	-	-	-	73,295	73,295
	<u>-</u>	<u>-</u>	<u>1,568,982</u>	<u>1,568,982</u>	<u>-</u>	<u>-</u>	<u>1,642,277</u>	<u>1,642,277</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 8
INFORMATION REGARDING TRUSTEES AND EMPLOYEES

Average number of persons employed	2020	2019
	No.	No.
Curatorial	31	31
Education	20	20
Gardens	8	9
Marketing	6	6
Facilities	3	3
Visitor Services	81	80
Directors and Administrative Staff	27	28
Trading Subsidiary	25	28
	<u>201</u>	<u>205</u>

Staff Costs During the Year

	2020	2019
	£	£
Wages and Salaries	3,323,509	3,196,645
Social Security Costs	250,854	246,808
Pensions Costs	<u>1,071,709</u>	<u>1,135,748</u>
Staff Costs before pension items	<u>4,646,072</u>	<u>4,579,201</u>

Included in the above wages & salary costs are the following redundancy/Ex Gratia payments:

	2020	2019
	£	£
	<u>2,429</u>	<u>1,000</u>

The Ex Gratia payments made in 2019-20 were in relation to two employees.

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 (2019: £60,000) in the year was as follows:

	2020	2019
	No.	No.
£60,000 - £70,000	1	1
£80,001 - £90,001	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

The key management personnel of the parent charity and the group comprise of the Chief Executive and the Head of Strategy, Finance and Corporate Services. The total employee benefits (including pension contributions but excluding social security costs) of the key management personnel of the charity and the group were £172,329 (2019: £168,550). The total social security costs of the key management personnel of the charity and group totalled £18,143 (2019: £17,950).

No Trustee received remuneration or benefits during either year. Trustees received a total of £390 (2019: £654) relating to travel expenses which were reimbursed to two Trustees (2019: three).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 9
NET INCOME FOR THE YEAR

Net income for the year is stated after charging:

	2020 £	2019 £
Depreciation of Owned Assets	968,095	1,057,063
Rentals Under Operating Leases - Land & Buildings	89,803	78,088
Costs of Stock recognised as Expenses	236,816	264,253
Auditors Remuneration:		
Fees payable for the audit of the Charity's Annual Accounts	11,450	10,175
Fees payable for the audit of the Charity's Subsidiary	3,800	3,575
Fees payable to the Charity's auditor for other services	3,950	4,920

NOTE 10
ANALYSIS OF TOTAL EXPENDITURE
GROUP AND CHARITY

Activity	Activities Undertaken Directly 2020 £	Support Costs 2020 £	Total 2020 £	Activities Undertaken Directly 2019 £	Support Costs 2019 £	Total 2019 £
Curatorial	925,367	545,115	1,470,482	750,903	449,689	1,200,592
Education	331,606	146,015	477,621	346,538	136,628	483,166
Exhibitions and Events	637,935	3,119	641,054	807,192	3,146	810,338
Gardens	284,537	174,330	458,867	290,304	163,279	453,583
Marketing	493,665	356,034	849,699	578,707	384,454	963,161
Premises	1,212,978	184,403	1,397,381	1,342,603	180,112	1,522,715
Visitor Services	1,328,758	1,200,203	2,528,961	1,294,338	1,036,899	2,331,237
Admissions	9,339	8,436	17,775	27,273	21,848	49,121
Museum Development	345,600	-	345,600	343,038	-	343,038
	<u>5,569,785</u>	<u>2,617,655</u>	<u>8,187,440</u>	<u>5,780,897</u>	<u>2,376,055</u>	<u>8,156,951</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 11

ANALYSIS OF SUPPORT COSTS
GROUP AND CHARITY

For the year ended 31 March 2020

	Curatorial	Education	Exhibitions and Events	Gardens	Marketing	Facilities	Visitor Services	Admissions	Total
Finance and Professional Fees	96,960	25,972	555	31,308	63,328	32,800	213,480	1,500	465,602
IT Costs	50,205	13,448	287	16,356	32,791	16,984	110,539	777	241,087
Staffing and HR	166,314	44,549	952	53,188	108,625	56,251	366,181	2,574	798,644
Senior Management	48,962	13,115	280	15,358	31,979	16,563	107,801	758	235,116
Admin Costs	28,340	7,591	162	9,063	18,510	9,587	62,398	439	136,090
Cleaning and Hygiene	1,917	513	11	313	1,252	648	4,220	30	9,204
Other Costs	149,291	39,990	854	47,744	97,507	50,503	328,701	2,310	716,901
Governance Costs	3,126	837	18	1,000	2,042	1,057	6,883	48	15,011
	545,115	146,015	3,119	174,330	356,034	184,403	1,200,203	8,436	2,617,655

For the year ended 31 March 2019

	Curatorial	Education	Exhibitions and Events	Gardens	Marketing	Facilities	Visitor Services	Admissions	Total
Finance and Professional Fees	92,400	28,073	646	33,550	78,996	37,008	213,055	4,489	488,217
IT Costs	42,142	12,804	295	15,301	36,028	16,879	97,169	2,047	222,665
Staffing and HR	169,972	51,642	1,189	61,716	145,314	68,078	391,921	8,258	898,089
Senior Management	44,864	13,631	314	16,290	38,356	17,969	103,449	2,180	237,053
Admin Costs	23,540	7,152	165	8,547	20,125	9,428	54,282	1,144	124,383
Cleaning and Hygiene	1,565	476	11	568	1,338	627	3,609	76	8,270
Other Costs	71,987	21,872	503	26,138	61,544	28,833	165,989	3,498	380,364
Governance Costs	3,219	978	23	1,169	2,753	1,290	7,425	156	17,013
	449,689	136,628	3,146	163,279	384,454	180,112	1,036,899	21,848	2,376,054

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:

	2020 £	2019 £
United Kingdom corporation tax at 19% (2019: 19%) on the profits of the trading subsidiary	-	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2019: 20%).

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

	2020 £	2019 £
Profit on ordinary activities after charitable donation	-	-
Tax on profit on ordinary activities at the standard rate	-	-
Expenses not deductible for tax purposes	-	-
capital allowances in excess of depreciation	-	-
Movement in short-term timing differences	-	-
Total current tax charge for the year	-	-

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.

NOTE 13
TANGIBLE FIXED ASSETS

Group & Charity	Displays £	Property £	Vehicles and Other Equipment £	Total £
Cost				
At 1st April 2019	1,159,291	10,672,268	770,290	12,601,849
Additions	-	-	80,967	80,967
Transfers	-	-	-	-
At 31st March 2020	1,159,291	10,672,268	851,257	12,682,816
Accumulated depreciation				
At 1st April 2019	841,776	3,867,113	722,336	5,431,225
Charge for year	101,924	824,375	41,796	968,095
At 31st March 2020	943,700	4,691,488	764,132	6,399,320
Net book value				
At 31st March 2020	215,591	5,980,780	87,125	6,283,496
At 1st April 2019	317,515	6,805,155	47,954	7,170,624

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 at 31 March 2020 is:

Freehold property £447,184 (2019: £469,355); leasehold property improvements £5,749,185 (2019: £6,335,800). 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 2020 is summarised below:

	2020 £	2019 £
Investment in Subsidiary	1	1
Turnover	1,300,709	1,444,336
Cost of Sales	(540,360)	(585,951)
Gross Profit	760,349	858,385
Administrative Expenses	(495,942)	(584,855)
Operating Profit	264,407	273,530
Interest Receivable and Similar Income	948	464
Profit on ordinary activities before tax	265,355	273,994
Taxation	-	-
Profit after tax	265,355	273,994
Gift aid distribution	(265,355)	(273,994)
Profit Retained for the Financial Year	-	-

The aggregate of the assets, liabilities and funds was:

	2020	2019
Assets	691,867	321,594
Liabilities	673,169	286,228
	<u>1,365,036</u>	<u>607,822</u>
Represented by:		
Called Up Share Capital	1	1
Profit & Loss account	31	31
	<u>32</u>	<u>32</u>

NOTE 15
INVESTMENT PROPERTY

	2020 Group £	2020 Charity £	2019 Group Restated £	2019 Charity Restated £
Fair Value at 1 April	360,000	360,000	340,000	340,000
Revaluation	-	-	20,000	20,000
Disposal	(360,000)	(360,000)	-	-
Fair Value at 31 March	<u>-</u>	<u>-</u>	<u>360,000</u>	<u>360,000</u>

The Charity's investment property, which had not previously been reflected in prior year financial statements, has now been recognised as an asset of the Charity and the Group by way of a Prior Period Adjustment. Further detail is shown in note 31.

The Charity's investment property was valued on 31 March 2018 and 31 March 2019 at fair value, determined by an Independent, professionally qualified valuer registered with RICS. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

The surplus on revaluation of investment property arising in the year is £nil (2019 - £20k) and has been credited to the Statement of Financial Activities as Net Gains on Investments. The property was disposed of during the year ended 31 March 2020 for gross sale proceeds of £360,000.

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Goods for resale	75,362	-	66,444	241
	<u>75,362</u>	<u>-</u>	<u>66,444</u>	<u>241</u>

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Trade debtors	239,055	197,943	89,841	41,258
Amounts owed by subsidiary	-	562,721	-	83,079
Accrued income and other debtors	431,097	427,961	432,303	422,092
Prepayments	139,846	90,197	140,259	87,935
VAT recoverable	67,834	67,834	45,661	45,661
Other Debtors	46,111	46,112	18,885	18,855
	<u>923,943</u>	<u>1,392,768</u>	<u>726,949</u>	<u>698,880</u>

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Cash at bank and in hand	1,691,975	1,469,865	2,430,879	2,286,635

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Trade creditors	509,953	507,123	769,665	721,754
Other creditors	(1,771)	740	(3,399)	(4,880)
Amounts owed to subsidiary	-	300,498	-	-
Accruals and deferred income	390,538	271,075	558,828	387,404
	<u>898,720</u>	<u>1,079,436</u>	<u>1,325,094</u>	<u>1,104,278</u>

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Deferred Income	9,333	-	17,667	-
	<u>9,333</u>	<u>-</u>	<u>17,667</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 22
MOVEMENT IN UNRESTRICTED FUNDS

GROUP	1st April 2019 Restated £	Income £	Expenditure £	Other Gains and (Losses) £	Transfers £	31st March 2020 £
General Unrestricted funds	1,336,010	5,151,726	(5,087,259)	-	(275,101)	1,125,376
Total General Funds	1,336,010	5,151,726	(5,087,259)	-	(275,101)	1,125,376
Designated Pension Fund	(2,363,000)	-	(622,000)	845,000	-	(2,140,000)
Designated Programme Funds	163,226	1,545	(12,070)	-	(49,900)	102,801
Designated Strategic Fund	60,000	9,355	(44,817)	-	-	24,538
Designated Infrastructure Fund	65,000	356,219	(151,636)	-	(103,172)	166,411
Designated Property Fund	6,913,681	-	(913,422)	-	-	6,000,259
Total Designated Funds	4,838,907	367,119	(1,743,945)	845,000	(153,072)	4,154,009
Total Unrestricted Funds	6,174,917	5,518,845	(6,831,204)	845,000	(428,173)	5,279,385

MOVEMENT IN UNRESTRICTED FUNDS

CHARITY	1st April 2019 Restated £	Income £	Expenditure £	Other Gains and (Losses) £	Transfers £	31st March 2020 £
General Unrestricted funds	1,335,980	4,115,424	(4,050,957)	-	(275,101)	1,125,346
Total General Funds	1,335,980	4,115,424	(4,050,957)	-	(275,101)	1,125,346
Designated Pension Fund	(2,363,000)	-	(622,000)	845,000	-	(2,140,000)
Designated Programme Funds	163,226	1,545	(12,070)	-	(49,900)	102,801
Designated Restructure Fund	60,000	9,355	(44,817)	-	-	24,538
Designated Infrastructure Fund	65,000	356,219	(151,636)	-	(103,172)	166,411
Designated Property Fund	6,913,681	-	(913,422)	-	-	6,000,259
Total Designated Funds	4,838,907	367,119	(1,743,945)	845,000	(153,072)	4,154,009
Total Unrestricted Funds	6,174,887	4,482,543	(5,794,902)	845,000	(428,173)	5,279,355

Prior Year Comparison

MOVEMENT IN UNRESTRICTED FUNDS

GROUP	1st April 2018 Restated £	Income £	Expenditure £	Other Gains and (Losses) £	Transfers £	31st March 2019 Restated £
General Unrestricted funds	1,767,312	5,323,850	(5,412,581)	20,000	(362,571)	1,336,010
Total General Funds	1,767,312	5,323,850	(5,412,581)	20,000	(362,571)	1,336,010
Designated Pension Fund	(2,510,000)	-	(703,000)	850,000	-	(2,363,000)
Designated Programme Funds	18,500	4,400	(10,286)	-	150,612	163,226
Designated Restructure Fund	12,000	-	(42,422)	-	90,422	60,000
Designated Infrastructure Fund	-	-	(51,674)	-	116,674	65,000
Designated Property Fund	7,928,934	-	(1,015,253)	-	-	6,913,681
Total Designated Funds	5,449,434	4,400	(1,822,635)	850,000	357,708	4,838,907
Total Unrestricted Funds	7,216,746	5,328,250	(7,235,216)	870,000	(4,863)	6,174,917

NOTES TO THE FINANCIAL STATEMENTS (Continued)

MOVEMENT IN UNRESTRICTED FUNDS

CHARITY	1st April 2018 Restated £	Income £	Expenditure £	Other Gains and (Losses) £	Transfers £	31st March 2019 Restated £
General Unrestricted funds	1,767,282	4,142,544	(4,231,275)	20,000	(362,571)	1,335,980
Total General Funds	1,767,282	4,142,544	(4,231,275)	20,000	(362,571)	1,335,980
Designated Pension Fund	(2,510,000)	-	(703,000)	850,000	-	(2,363,000)
Designated Programme Funds	18,500	4,400	(10,286)	-	150,612	163,226
Designated Restructure Fund	12,000	-	(42,422)	-	90,422	60,000
Designated Infrastructure Fund	-	-	(51,674)	-	116,674	65,000
Designated Property Fund	7,928,934	-	(165,253)	-	-	7,763,681
Total Designated Funds	5,449,434	4,400	(972,635)	850,000	357,708	5,688,907
Total Unrestricted Funds	7,216,716	4,146,944	(5,203,910)	870,000	(4,863)	7,024,887

The transfer represents funds transferred from designated funds to restricted funds for capital works and from unrestricted funds to designated funds for the infrastructure and programme investment and the sale of St Olaves Road.

NOTE 23 MOVEMENT IN RESTRICTED FUNDS

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

Group and charity	1st April 2019	Income £	Expenditure £	Transfers £	31st Mar 2020
Friends Art Gallery	4,062	172,970	(168,731)	-	8,301
Ceramics SSN	78,025	-	(32,443)	-	45,582
Evelyn Commission	3,699	-	-	-	3,699
Ruffer Art Fund	1,345	-	-	-	1,345
Ruskin/Turner	-	6,024	(6,024)	-	-
Poussin	-	7,500	(7,500)	-	-
Object Purchase	4,463	13,693	(14,850)	-	3,306
Archaeology Archives	10,000	9,878	(4,175)	-	15,703
Portable Antiquities	-	25,891	(25,891)	-	-
Headley Trust intern	-	8,380	(8,329)	-	51
MDY Projects	37,136	341,790	(345,600)	(1,322)	32,003
COCA - Restricted	25,442	-	-	-	25,442
Richard III	-	15,863	(7,644)	-	8,219
Gardens Restricted	11,373	1,089	(5,611)	-	6,852
Curatorial Restrict	11,949	-	(185)	-	11,764
Cultural Wellbeing	9,677	-	(12,452)	2,775	-
Gardens Signage	3,600	2,500	(865)	-	5,235
Capital Works Fund	359,272	-	20,887	71,874	452,033
Castle 2022	311,720	200,500	(488,013)	-	24,207
Trustee Award	1,660	-	(738)	-	922
Other Restricted Funds	793	55,741	(54,375)	516	2,675
	874,216	861,819	(1,162,539)	73,843	647,339

Purpose of Restricted Funds

The Capital Works fund is for repair, maintenance and improvement works.

Castle 2022 fund is to be used to develop a HLF bid for the redevelopment of the Castle Museum.

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

Object Purchase are funds raised to purchase future objects.

Curatorial restricted comprises various grants and donations for collections development.

COCA – Restricted fund comprises of donations towards the interpretation and delivery of the Centre of Ceramic Arts projects

Gardens restricted comprises various grants and donations for the development of the Yorkshire Museum Gardens.

MDF Projects fund is for the Museum Development Yorkshire funding from Art Council England which is administered by York Museums Trust.

Gardens Restricted comprises of recharges specifically for the repairs and maintenance of the Museum Gardens.

Ceramics SSN fund is used to host a Symposium for the Subject Specialist Network funding from Arts Council England.

Archaeology Archives fund is to receive to receive archaeological finds.

Richard III fund is to produce a Richard II exhibition.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Prior Year Comparison

Group and charity	1st April 2018	Income £	Expenditure £	Transfers £	31st Mar 2019
Friends Art Gallery	5,735	9,782	(11,455)	-	4,062
Ceramics SSN	-	73,295	-	4,730	78,025
Evelyn Commission	7,540	-	(3,841)	-	3,699
Ruffer Art Fund	-	5,461	(4,116)	-	1,345
Bouts (Restricted)	-	674	(1,190)	-	(517)
Ruskin/Turner	12,241	20,230	(32,471)	-	-
Strata	-	16,881	(16,881)	-	-
Object Purchase	12,342	23,059	(30,938)	-	4,463
Archaeology Archives	-	10,000	-	-	10,000
Portable Antiquities	-	25,895	(25,895)	-	-
Headley Trust intern	-	6,581	(6,581)	-	-
MDY Projects	36,196	343,979	(343,038)	-	37,136
COCA - Restricted	11,220	14,222	-	-	25,442
Gardens Restricted	12,799	-	(1,426)	-	11,373
Curatorial Restrict	24,367	-	(12,418)	-	11,949
Cultural Wellbeing	-	20,833	(11,156)	-	9,677
Gardens Signage	3,500	100	-	-	3,600
Capital Works Fund	467,227	-	(107,955)	-	359,272
Castle 2022	163,447	400,657	(252,384)	-	311,720
Trustee Award	-	1,660	-	-	1,660
Other Restricted Funds	1,376	595	(795)	133	1,310
	<u>757,990</u>	<u>973,904</u>	<u>(862,540)</u>	<u>4,863</u>	<u>874,216</u>

NOTE 24

ANALYSIS OF ASSETS & LIABILITIES BETWEEN FUNDS

Group	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	489,680	5,793,816	-	6,283,496
Current Assets	1,600,222	470,264	620,796	2,691,281
Current Liabilities	(955,193)	29,930	26,543	(898,720)
Long Term Liabilities	(9,333)	-	-	(9,333)
Pension Liability	-	(2,140,000)	-	(2,140,000)
As 31st March 2020	<u>1,125,376</u>	<u>4,154,009</u>	<u>647,339</u>	<u>5,926,724</u>
As 31st March 2019 Restated	<u>1,336,010</u>	<u>4,838,907</u>	<u>874,216</u>	<u>7,049,133</u>

Charity	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	489,680	5,793,816	-	6,283,496
Current Assets	2,400,751	30,500	431,382	2,862,633
Current Liabilities	(1,406,044)	-	326,608	(1,079,436)
Long Term Liabilities	-	-	-	-
Pension Liability	-	(2,140,000)	-	(2,140,000)
As 31st March 2020	<u>1,484,387</u>	<u>3,684,316</u>	<u>757,990</u>	<u>5,926,694</u>
As 31st March 2019 Restated	<u>1,335,980</u>	<u>4,838,907</u>	<u>874,216</u>	<u>7,049,103</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Prior Year Comparison

ANALYSIS OF ASSETS & LIABILITIES BETWEEN FUNDS

Group	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	896,985	6,633,639	-	7,530,624
Current Assets	1,838,259	538,338	847,673	3,224,270
Current Liabilities	(1,381,568)	29,930	26,543	(1,325,095)
Long Term Liabilities	(17,666)	-	-	(17,666)
Pension Liability	-	(2,363,000)	-	(2,363,000)
As 31st March 2019 Restated	<u>1,336,010</u>	<u>4,838,907</u>	<u>874,216</u>	<u>7,049,133</u>
As 31st March 2018	<u>1,427,312</u>	<u>5,449,434</u>	<u>757,990</u>	<u>7,634,736</u>

Charity	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	896,986	6,633,639	-	7,530,625
Current Assets	2,523,874	30,500	431,382	2,985,756
Current Liabilities	(1,430,886)	-	326,608	(1,104,278)
Long Term Liabilities	-	-	-	-
Pension Liability	-	(2,363,000)	-	(2,363,000)
As 31st March 2019 Restated	<u>1,989,974</u>	<u>4,301,139</u>	<u>757,990</u>	<u>7,049,103</u>
As 31st March 2018	<u>1,427,282</u>	<u>5,449,434</u>	<u>757,990</u>	<u>7,634,706</u>

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

NOTE 25
COMMITMENTS

The group and charity had future minimum lease payments under non-cancellable operating leases as follows:

Group and charity

Operating Lease Commitments

	2020		2019	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire				
Within one year	67,508	2,052	74,050	2,682
Between two and five years	233,400	1,782	242,558	3,834
Between six and ten years	<u>159,113</u>	<u>-</u>	<u>217,463</u>	<u>-</u>
	<u>460,021</u>	<u>3,834</u>	<u>534,071</u>	<u>6,516</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 26
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 2019 and updated on an approximate basis to 31 March 2020.

The contributions made by the employer over the financial year have been £450,000 (2019 - £433,000).

Assumptions

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

	2020	2019
Financial:		
Rate of increase in salaries	3.2%	3.4%
Pension in payment increases	1.9%	2.1%
Discount rate	2.3%	2.5%
Inflation assumption	1.9%	2.1%

	2020 Years	2019 Years
Life expectancy:		
Male future pensioner aged 65 in 20 years' time	23.5	23.9
Female future pensioner aged 65 in 20 years' time	25.7	27.2
Male current pensioner aged 65	21.8	22.2
Female current pensioner aged 65	23.9	25.3

The amounts recognised in the balance sheet are as follows:

	2020 £'000	2019 £'000
Present value of scheme liabilities	(18,653)	(18,516)
Fair value of scheme assets	16,513	16,153
Deficit in the scheme	(2,140)	(2,363)

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

	Fair value 2020 £'000	Fair value 2019 £'000
Equities	9,660	9,110
Government Bonds	3,154	3,069
Other bonds	-	-
Property	1,205	1,357
Cash	677	791
Other	1,816	1,826
Total fair value of assets	16,513	16,153
Actuarial value of liability	(18,653)	(18,516)
Net pension deficit	(2,140)	(2,363)

Movement in the deficit during the year were as follows:

	2020 £'000	2019 £'000
Deficit in scheme at 1 April	(2,363)	(2,510)
Movement in the year:	-	-
Current service costs	(1,022)	(845)
Past service cost	-	(231)
Net (loss)/gain on assets	(53)	(60)
Contributions	453	433
Actuarial (loss)/gain	845	850
Deficit in the scheme at 31 March	(2,140)	(2,363)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	2020 £'000	2019 £'000
Expected return on pension scheme assets	(409)	(382)
Interest on pension scheme liabilities	462	442
Net finance loss	53	60

The amount recognised in the income and expenditure account are:

	2020 £'000	2019 £'000
Current service costs	1,022	845
Past service costs	-	231
Interest cost	462	442
Expected return on scheme assets	(409)	(382)
Total charge to income and expenditure account	1,075	1,136

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

	2020 £'000	2019 £'000
Amount recognised during the period	845	850
Cumulative amount recognised	1,805	850

Asset and liability reconciliation

Reconciliation of assets	2020 £'000	2019 £'000
Assets at the start of the year	16,153	14,516
Expected return on plan assets	409	382
Actuarial gain/(loss) on assets	(453)	892
Employer contributions	453	433
Member contributions	190	181
Benefits Paid	(239)	(251)
Assets at the end of the year	16,513	16,153
Actual return on plan assets	(44)	1,274

Reconciliation of liabilities	2020 £'000	2019 £'000
Liabilities at the start of the year	18,516	17,026
Current service costs	1,022	845
Past service costs	-	231
Interest on pension liabilities	462	442
Employee contributions	190	181
Actuarial loss/(gain) on liabilities	(1,298)	42
Benefits paid	(239)	(251)
Liabilities at the end of the year	18,653	18,516

The history of experience adjustments is as follows:

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Scheme liabilities	(18,653)	(18,516)	(17,026)	(15,660)	(11,700)	(11,868)
Scheme assets	16,513	16,153	14,516	12,976	10,517	10,305
	(2,140)	(2,363)	(2,510)	(2,684)	(1,183)	(1,563)
Experience adjustments on scheme liabilities	(1,298)	42	85	3,130	-	-
Percentage of scheme liabilities	7.0%	-0.2%	-0.5%	-20.0%		
Experience adjustments on scheme assets	(453)	892	695	1,799	380	850
Percentage of scheme assets	-2.7%	5.5%	4.8%	13.9%	3.6%	8.2%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 27
FINANCIAL INSTRUMENTS

	2020 Group £	2019 Group £
Financial Assets		
Financial asset that are debt instruments measured at amortised costs	2,408,238	2,971,879
Financial liabilities		
Financial liabilities measured at amortised costs	690,266	1,030,645

NOTE 28
NET DEBT RECONCILIATION

	1st April 2019 £	Cash Flows £	31st Mar 2020 £
Cash at bank and in hand	2,430,879	(738,904)	1,691,975
Net Debt	<u>2,430,879</u>	<u>(738,904)</u>	<u>1,691,975</u>

NOTE 29
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 (2019: £10,500).

The subsidiary, York Museums and Enterprises Limited, made a gift aid donation under a deed of covenant to the Trust of £265,355 in the year ending 31 March 2020 (2019: £273,994).

At 31 March 2020, York Museums and Enterprises Limited owed £262,223 to the Trust (2019: £83,079).

The amounts owed by the subsidiary comprise of salary and other costs that have been paid from York Museums Trust bank account and have been recharged to the subsidiary but not yet transferred from York Museums and Enterprises account.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 30

2018-19 Consolidated Statement of Financial Activities

	General Funds Restated 2019 £	Designated Funds Restated 2019 £	Restricted Funds Restated 2019 £	Total Funds Restated 2019 £
INCOME FROM:				
Charitable Activities				
Income from charitable activities	3,019,385	528	79,430	3,099,343
Funding provided by City of York Council	307,000	-	399,205	706,205
Funding provided by Arts Council England	-	-	1,642,277	1,642,277
Donations, Legacies and General Grants				
Donations and legacies	511,714	3,872	8,526	524,112
Other grants receivable	32,159	-	74,466	106,625
Other Trading Activities				
Income generated from subsidiary	1,444,336	-	-	1,444,336
Investments				
Interest receivable	9,256	-	-	9,256
TOTAL INCOME	<u>5,323,850</u>	<u>4,400</u>	<u>2,203,904</u>	<u>7,532,154</u>
EXPENDITURE ON:				
Raising Funds				
Costs incurred by subsidiary	1,170,806	-	-	1,170,806
Charitable expenditure				
Charitable expenditure	4,241,775	1,822,635	2,092,541	8,156,951
Total charitable expenditure	<u>4,241,775</u>	<u>1,822,635</u>	<u>2,092,541</u>	<u>8,156,951</u>
TOTAL EXPENDITURE	<u>5,412,581</u>	<u>1,822,635</u>	<u>2,092,541</u>	<u>9,327,757</u>
Net gains on Investments	20,000			20,000
Net income/(expenditure) before taxation	(68,731)	(1,818,235)	111,363	(1,775,603)
Taxation charge	-	-	-	-
Net income/(expenditure) after taxation	(68,731)	(1,818,235)	111,363	(1,775,603)
Other recognised gains/(losses):				
Actuarial (loss)/gain on defined benefit scheme	-	850,000	-	850,000
Transfer between funds	(362,571)	357,708	4,863	-
NET MOVEMENT IN FUNDS	<u>(431,302)</u>	<u>(610,527)</u>	<u>116,226</u>	<u>(925,603)</u>
RECONCILIATION OF FUNDS:				
Fund balance brought forward	1,767,312	5,449,434	757,990	7,974,736
Net movement in the year	(431,302)	(610,527)	116,226	(925,603)
Fund balance carried forward	<u>1,336,010</u>	<u>4,838,907</u>	<u>874,216</u>	<u>7,049,133</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2018-19 Charity Statement of Financial Activities

	General Funds Restated 2019 £	Designated Funds Restated 2019 £	Restricted Funds Restated 2019 £	Total Funds Restated 2019 £
INCOME FROM:				
Charitable Activities				
Income from charitable activities	3,293,379	528	79,430	3,373,337
Funding provided by City of York Council	307,000	-	399,205	706,205
Funding provided by Arts Council England	-	-	1,642,277	1,642,277
Donations, Legacies and General Grants				
Donations and legacies	511,714	3,872	8,526	524,112
Other grants receivable	32,159	-	74,466	106,625
Investments				
Interest receivable	8,792	-	-	8,792
TOTAL INCOME	<u>4,153,044</u>	<u>4,400</u>	<u>2,203,904</u>	<u>6,361,348</u>
EXPENDITURE ON:				
Charitable expenditure				
Charitable expenditure	<u>4,241,775</u>	<u>1,822,635</u>	<u>2,092,541</u>	<u>8,156,951</u>
Total charitable expenditure	<u>4,241,775</u>	<u>1,822,635</u>	<u>2,092,541</u>	<u>8,156,951</u>
TOTAL EXPENDITURE	<u>4,241,775</u>	<u>1,822,635</u>	<u>2,092,541</u>	<u>8,156,951</u>
Net gains on Investments	20,000	-	-	20,000
Net income/(expenditure) before taxation	(68,731)	(1,818,235)	111,363	(1,775,603)
Taxation charge	-	-	-	-
Net income/(expenditure) after taxation	(68,731)	(1,818,235)	111,363	(1,775,603)
Other recognised gains/(losses):				
Actuarial (loss)/gain on defined benefit scheme	-	850,000	-	850,000
Transfer between funds	(362,571)	357,708	4,863	-
NET MOVEMENT IN FUNDS	<u>(431,302)</u>	<u>(610,527)</u>	<u>116,226</u>	<u>(925,603)</u>
RECONCILIATION OF FUNDS:				
Fund balance brought forward	1,767,282	5,449,434	757,990	7,974,706
Net movement in the year	(431,302)	(610,527)	116,226	(925,603)
Fund balance carried forward	<u>1,335,980</u>	<u>4,838,907</u>	<u>874,216</u>	<u>7,049,103</u>

NOTE 31
PRIOR PERIOD ADJUSTMENT

The Charity historically held an investment property that was not reflected in the financial statements. The property has thus been professionally valued as at 31 March 2018 and 31 March 2019, and a Prior Period Adjustment processed to reflect this investment property in the balance sheet as at the prior period year end date, 31 March 2019. The property was then sold during the year ended 31 March 2020.

The effect of the Prior Period Adjustment is to:

- Increase the prior year opening reserves of the Charity and the Group by £340,000 as at 31 March 2018 (being the valuation of the property as at that date);
- Increase the prior period closing reserves of the Charity and the Group by £20,000 as at 31 March 2019 (being the change in fair value of the property during the year ended 31 March 2019 to its fair value of £360,000, that being the valuation of the property as at that date);
- The Statement of Financial Activities for the year ended 31 March 2019 reflects the £20,000 increase in fair value of the property during that year.

There is no impact on net assets as at 31 March 2020.