

York Museums and Gallery Trust

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

Year ended 31 March 2022

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 (Resigned 01.11.21)
P. Ashton
A. Dean
S. Daubeney
S. Drummond (Resigned 01.11.21)
S. Furlong
M. Haworth (Resigned 14.11.22)
R. Jagger (Resigned 01.11.21)
A. Kirkby (Appointed 14.11.22)
M. Lowe
A. Malik (Appointed 01.11.21)
D. Myers
K. Nesbitt (Appointed 01.11.21)
S. Orr (Appointed 14.11.22)
A. Scott
D. Willcocks

COMPANY SECRETARY

P. Lambert

PRINCIPAL OFFICERS – KEY MANAGEMENT PERSONNEL

R. King – Chief Executive (Resigned 08.08.22)
P. Lambert – Head of Strategy, Finance and Corporate Services

REGISTERED OFFICE

St Marys' Lodge,
Marygate,
York, YO30 7DR

INDEPENDENT AUDITORS

Beever and Struthers
One Express,
1 George Leigh Street,
Manchester, M4 5DL

BANKERS

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

SOLICITORS

Browne Jacobson LLP
Mowbray House,
Castle Meadow Road,
Nottingham, NG2 1BJ

TRUSTEES' REPORT

For the year ended 31 March 2022

Chair's Foreword

Introduction

I am pleased to present York Museums Trust's (YMT) 2021/22 annual report and accounts.

As the museum and gallery sector began to reopen to audiences and communities, we anticipated a challenging year and so we were delighted that our performance exceeded expectations. This recovery is due in no small part to a huge team effort across the organisation to ensure we reopened successfully. However, the charity still faces challenges. Like others in the museums and galleries sector we continue to respond to a volatile and uncertain environment.

With thanks to much-needed support from the DCMS through the Covid Recovery Fund, HM Treasury through the Corona Virus Job Retention scheme and the recovery of admissions and traded income, YMT made a surplus of £0.15m. Robust cost control within the charity contributed significantly to the outturn and placed the organisation in a healthier position to respond to future economic volatility.

Key achievements

Under the leadership of Reyahn King YMT has made strong progress towards realising the charity's headline priority to 'survive the Covid-19 crisis and work together with audiences and communities to recover and rebuild.' This success has enabled YMT to focus on activities that are designed to deliver on its vision to work together with audiences and communities to inspire, to share and to care for cultural heritage.

A remarkable collection of four rare Roman objects, which had lain buried for 1,800 years, was uncovered by metal-detectorists in Ryedale in 2020. The group included a 13cm high bust depicting a 2nd-century emperor, likely Marcus Aurelius. The other items were a horse and rider figurine, a horse head key handle, and a plumb bob in pristine condition. The purchase of the Ryedale Hoard by YMT was made possible largely thanks to the generosity of American donor Richard Beleson, with additional funding through the Art Fund and a number of other donors. The hoard became the focus of a new exhibition that opened in Spring 2022. Trustees are most grateful to all YMT's supporters in helping this significant collection to be saved and shared with the nation.

At York Art Gallery, we continued to test a free entry model to the Centre of Ceramic Art (CoCA) and the permanent galleries. Our approach to free admission at York Art Gallery has enabled us to be more accessible to our local audiences. YMT is committed to reflecting policies both locally and nationally through Arts Council's Let's Create Strategy that help to deepen our role in the local community and encourage both creativity and participation.

The restrictions associated with the global pandemic meant that we had to change how we delivered our audience engagement activities. Even so, more than 220,000 visitors enjoyed a rich and varied programme of successful exhibitions and activities. This figure was a ten-fold increase from 21,000 participants in 2020/21 but 50% down on pre-pandemic levels. High points included 'Grayson Perry: The Pre-Therapy Years' at York Art Gallery and 'Richard III: Coming Home' at the Yorkshire Museum. These shows were designed to welcome visitors back into our venues and also, to engage with marginalised groups including Door 84 Youth Group and York Disability Forum. I am delighted that we have committed to this approach of working with our audiences and communities through projects such as 'Isolation Art' with Refugee Action

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York; 'York's Jewish Story 1170-Present' with the York Liberal Jewish Community at York Castle and 'Queering the Burton' with York's LGBT Forum at York Art Gallery.

Another important initiative for this year was the launch of YMT's Patrons scheme during 2021-22. Within the first six months (1st November 2021 to 30 April 2022) the scheme registered 25 Patrons and raised £11,848 with a predicted initial annual value of £14,902. The Patrons scheme has enabled us to connect more closely to those with a passion for YMT. A new Supporters offer went live in the summer of 2022 and we look forward to seeing the Patrons and Supporters schemes develop next year as a reliable source of contributed philanthropic income.

I look forward to 2022/23 with the added confidence that we will continue to recover from the impact of Covid-19 and to build resilience. Redeveloping our capacity will be an ongoing challenge for the next few years as we ensure YMT's financial stability, whilst also expanding the delivery of exciting and innovative public programmes. We submitted a compelling major funding NPO bid to Arts Council England for the period 2023/26, and knowing now that this bid has been successful, we are looking forward to the opportunity to deliver this.

Finally, I would like to thank Reyahn King our Chief Executive who left us in August after 7 years for her dedication and hard work in delivering many achievements throughout that period of which I and the Trustees are immensely proud. I would also like to thank the Board of Trustees for their support throughout the year and in particular those Trustees who retired.



James Grierson, Chair
Date: 29 November 2022

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 2022.

Our purpose and activities

York Museums Trust's ('YMT') was set up in 2002 to cherish the collections, building and gardens entrusted to us, presenting and interpreting them as a stimulus for learning, a provocation to curiosity and a source of inspiration and enjoyment for all.

Our vision is:

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 crisis and work together with audiences and communities to recover and rebuild
- Deliver innovative public programming which supports an audience-focused, inclusive, visitor-first approach;
- Progress the Castle Transformation Project;
- Progress collections development and management including Collections Centre;
- Increase our resilience by expanding enterprises and fundraising activities, investing in our people, and caring for our environment.

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 York Museum Gardens (YMG).

Overview of our operating activities

In 2021/22 our overriding priority was to reopen after the pandemic and start to welcome visitors again in large numbers and the associated income streams. Support from CYC in the form of a letter of guarantee and a grant from DCMS Cultural Recovery Fund for the period April to June 2021 helped us remain viable as a charity in this early part of the period.

We were delighted to be able to reopen York Art Gallery and York Castle Museum in late May 2021 but with Covid restrictions visitor numbers remained low. As restrictions were lifted we were able to increase visitor throughput in the summer. At York Art Gallery we have seen a significant rise in visitor numbers with the offer remaining of free entry to our permanent collections. We continue to run temporary exhibitions throughout the year which we make charges for entry. In 2021/22 we put on three such exhibitions: *Grayson Perry: the pre-therapy years*; *Young Gainsborough: rediscovered landscape drawings*; and *Beyond Bloomsbury: life, love and legacy*.

At York Castle Museum we increased visitor numbers significantly as the year developed. Our Christmas offer on our famous Victorian street Kirkgate proved very popular.

We reopened the Yorkshire Museum in July 2021; it had been closed since the covid pandemic started in March 2020. It opened with a new Richard III exhibition which was extended until the end of October. We closed the museum again to save costs from November 2021 and it reopened in April 2022.

Our reported visitor numbers for the last three years in the context of reduced numbers because of Covid-19 in 2020/21 and 2021/22 are:

	2021/22	2020/21	2019/20
York Castle Museum	108,807	8,238	240,913
Yorkshire Museum	26,859	Nil	105,503
York St Mary's (contracted external hire)	Not Available	Not Available	42,737
York Art Gallery	85,947	12,478	73,031
Total	221,613	20,716	462,184

Fundraising

We had a successful year of fundraising with some significant grant funding being provided from the DCMS Cultural Recovery Fund round 2 of £423,226 for the period April 2021 to June 2021.

Individual donors increased their support for YMT's core work, with gifts secured onsite and online, marking a shift from a marketing-centered membership approach towards more philanthropic regular giving including a Patron giving programme which was launched in late 2021. A successful appeal to secure the Ryedale Roman Hoard for the Yorkshire Museum involved a significant international major gift, alongside a range of donations and grants totalling over £250,000. We had National Portfolio Organisation (NPO) Funding from Arts Council England for the four year period April 2018 to March 2022, providing an annual income of £1.23m each year during this period. We have secured a one Year funding extension of £1.23m to March 2023.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. We seek charitable gifts from our visitors and stakeholders to make our ambitious vision for the future possible, in line with the legislative definition of fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." This does not involve widespread solicitation of the general public to acquire new donors. The generous contributions that we receive are presented in our accounts as "Donations and Legacies" and include gifts from individuals, legacies and grants.

All our fundraising activity is managed internally, by a small department of employed fundraising specialists, without involvement of commercial participators, external fundraisers, 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.

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.

Financial Review

We had expected to make further losses in 2021/22 in addition to those made in 2020/21 as a result of the pandemic. Our financial performance proved better than we had predicted and we made a surplus. The reasons for a better than forecast financial position were:

- The increase in visitor numbers compared with last year was greater and in higher volumes than expected;
- A freeze on recruitment, and a pay freeze;

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- An expenditure Control Group which approves every item of spend in the Trust before a commitment is made; and
- A continuation in opening 5 days per week and in our opening hours that we had adopted in 2020/21.

The net surplus for the year on general unrestricted funds (before transfers between funds) was £153,749 (2021: net expenditure of £300,506). The Trustees decided to allocate £5,232 (2021: release £226,228) from the general unrestricted fund to designated funds. The net movement in funds for the general unrestricted fund for the year was thus £148,517 (2021: £(74,278)).

Net movement in funds on designated funds was an increase of £1,084,500 (2021: a decrease of £2,361,587) and net movement in funds on restricted funds was a decrease of £392,431 (2021: a decrease of £8,333).

The actuarial gain on the pension fund for the year was £2,441,000 (2021: loss £610,000).

During the year the charity received restricted donations, grants and income from charitable activities for specific activity and expenditure which resulted in restricted funds of £246,575 held at the end of the year (2021: £639,006).

The unrestricted general funds of the group, excluding fixed assets not represented by matching designated funds, at 31 March 2022 were a surplus of £903,430 (2021: £1,051,098).

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

We have produced a business plan for the 2022/23 period and defined the key outcomes and measures and activities we want to achieve in this period. We have also prepared and submitted an NPO bid which includes our business plan for the period 2023/26. All of these plans align to our priorities which remain:

- Survive the Covid crisis and work together with audiences and communities to recover and rebuild
- Deliver innovative public programming which supports an audience-focused, inclusive, visitor-first approach;
- Progress the Castle Transformation Project;
- Progress collections development and management including Collections Centre;
- Increase our resilience by expanding enterprises and fundraising activities, investing in our people, and caring for our environment.

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 received as a National Portfolio Organisation £1.25m per year for the four year period 2018 to 2022 from Arts Council England. This was extended for a further year to cover the 2022 to 2023 financial year. We heard in November 2022 that we have secured funding for the 2023 to 2026 period. We also receive £0.3m per annum from City of York Council. The balance of our funding we have to generate ourselves through our admissions and Enterprises activities. 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 obligations and liabilities as well as the vision, mission and priorities of the group. The Trust has in its plans for 2022/23 its strategy of investing in public programmes, engagement, visitor experience, income generation and capital developments in order to mitigate the financial risk.

Covid 19's continued impact on YMT

In preparing our financial strategy for 2022-23 York Museums Trust has had to be realistic about the likely levels of income generated through admissions and trading. Our sites are fully open but with overseas visitors in particular are not predicted to return in their previous volumes until 2023-24. With reduced visitor numbers forecast income from these sources is down by 10% from pre pandemic levels. Our finances are not sustainable at these levels of trading and we are projecting a loss of £0.25m for the financial year 2022/23, even though we are maintaining tight financial controls.

In order to prevent YMT from going into a negative cash or reserves position we have in place a Letter of Credit from City of York Council dated 27 August 2020 which expires on 31 March 2024 and allows the trust to draw on demand funding, which is not repayable, up to £1.95m.

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 statements about the future. With the guarantee from CYC, 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.

Cost of Living crisis

Since the start of 2022 a number of global events have occurred which contribute to an economic situation with high inflation, increases in interest rates and large increases in energy costs. We have been able to fix some of our energy costs but at rates significantly higher than pre 2022. These inflationary pressures may have an unforeseen impact in consumer confidence and visitor numbers and spend. The pressures will also impact significantly on our employment and supplier costs and our ability to raise admission prices will be limited by what prices visitors are prepared to pay.

Going Concern

In determining that the Trust and its subsidiary 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 receives management accounts and 12 month forward cash flow forecasts on a regular basis. 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 Board reviews and scrutinises the budget and budget forecasts in a separate meeting each year. In setting the 2022/23 budget the Board looked at a range of options and scenarios which stress test the robustness of the budget. Management examine the monthly management accounts each month to ensure YMT is trading to plan and are aware of the measures we would need to take to reduce outgoings if we did not remain on track. Whilst the budget set for 2022/23 is a small loss this loss is affordable at current reserve levels and the ambition remains that we return to a break-even position in 2023/24.

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.

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. In 2021 under the chair of the Audit and Risk Committee the board set up a "Good Governance Group". The group consists of members of the board and there is a work plan and regular reports back to the board on areas for improvement which the board then adopts. Several task and finish groups have been working on the planned activity. The purpose of the group is to ensure that YMT adopts the Governance Code and actively uses its principles.

Organisational Purpose: Trustees reviewed and revised the vision and mission of the organisation in 2019/20. The Board considers and revises the priorities for the organisation in this context as part of the strategic planning conversation each year. The Board met in November 2021 to consider the outcomes to be achieved and these are identified in the 2022/23 Business Plan.

Leadership: 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. Communication between board members and the committees, as well as communication across the wider organisation and with key stakeholders has been and remains a priority for the Trustees. As an example Trustees have examined the staff survey results with management.

Integrity: All trustees complete annual declarations of interest and are required to advise of any changes during the course of the year. The Board receives an annual safeguarding report, and the Audit and Risk Committee reviews risks at each meeting. It also reviews the annual health, safety and wellbeing report.

Decision Making, Risk and Control: The terms of reference for the board and the board sub groups are reviewed and updated each year and the work of each is reported to the quarterly board meetings. The board receives a CEO report each quarter which includes the financial position and monitors performance against KPI's. One of the Board Members has been appointed as the Senior Independent Board Member and the Audit committee reviews key policies such as Whistleblowing and their effectiveness.

Board Effectiveness: In considering nominations and appointments the nominations committee ensures that the board has the right skill sets and experience. Training is highlighted and offered to Board members where appropriate. Trustees are appointed for an initial three year term which is renewable for a further period of three years. In May 2019 the Chair completed a comprehensive review of Board effectiveness which was shared and discussed with the Board. The recommendations from this were accepted and have been implemented to improve Board performance. This exercise has been repeated in September 2022 led by the Good Governance Group of the board and the findings will inform the improvement plans for the next period.

Equality, Diversity and Inclusion: The board has this area as a standing item on each board. It receives regular reports on its own diversity and that of the wider organisation. The opportunity to create a more diverse and inclusive board is included in the brief for all board recruitment activity. The Good Governance Group has ensured that the YMT EDI roadmap includes trustees and as well as attending EDI training offered to all staff Trustees are developing their own EDI Charter. One of the trustees has joined the YMT EDI change group which consists of a cross section of all staff to show visible leadership on this important agenda from the top.

Openness and Accountability: Key stakeholders are part of the board constitution. The City of York Council have two councillors who sit on the Board and the Yorkshire Philosophical Society have one member. The board invites representatives from Arts Council England to attend each meeting and the papers are shared with ACE as part of the funding agreement. The Board receives regular reports on how the organisation is engaging with its audiences and the wider community and how the programme of activity is developed.

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 financial impact of Covid 19 and cost of living crisis on the Trust is discussed on page 9. The general reserve at 31 March 2022 of £1,199,615 does represent three months of YMT's operating costs. The trustees accept that at the current time it is still not appropriate to set a reserves target and that the Letter of Guarantee from CYC gives additional assurance to draw the confidence that YMT can continue to trade for the foreseeable future. A Pension reserve liability of £1,843,000 is managed separately to our unrestricted reserves as a long term liability under FRS102.

Restricted funds of £246,575 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.

Auditor

The previous auditors, BDO LLP, who were first appointed in 2016/2017 were unable to staff YMT's 2021/22 audit. We were therefore required to find an alternative auditor and having undertaken due diligence the Audit and Risk Committee appointed Beever and Struthers to conduct the audit with the approval of the board. The current intention will be to propose the same auditors for reappointment for the 2022/23 audit 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 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

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- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any
- material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that 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, was approved by the Board and signed on its behalf by:

Signature:



Name: James Grierson

Date: 29 November 2022

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

Opinion on the financial statements

Opinion

We have audited the financial statements of York Museums and Gallery Trust ("the charitable company") for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and the Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "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 2022 and of the Group's incoming resources and application of resources and the 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 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 related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK MUSEUMS AND GALLERY TRUST
(continued)**

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustees (who are also the directors for the purposes of company law) 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.

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 Strategic report or the Trustee's 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK MUSEUMS AND GALLERY TRUST
(continued)**

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Group and Charitable Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation and employment legislation.
- We enquired of management and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidence of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed the financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of controls we tested the appropriateness of journal entries and assessed whether the judgments made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORK MUSEUMS AND GALLERY TRUST
(continued)**

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.



Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of

Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 13.12.22

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating income and expenditure account)

For the year ended 31 March 2022

	Note	General Funds 2022 £	Designated Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total funds 2021 £
INCOME FROM:						
Charitable Activities						
Income from charitable activities	2	1,688,185	38,913	20,751	1,747,849	346,252
Funding provided by City of York Council	6	306,710	-	2,200	308,910	306,710
Funding provided by Arts Council England	7	423,226	-	1,597,851	2,021,077	2,859,851
Donations, Legacies and General Grants						
Donations and legacies	3	204,751	-	75,419	280,170	96,761
Other grants receivable	5	112,660	-	572,457	685,117	968,227
Other Trading Activities						
Income generated by subsidiary		599,945	-	-	599,945	178,072
Investments						
Interest receivable	4	93	-	-	93	1,476
TOTAL INCOME		<u>3,335,570</u>	<u>38,913</u>	<u>2,268,678</u>	<u>5,643,161</u>	<u>4,757,349</u>
EXPENDITURE ON:						
Raising Funds						
Costs incurred by subsidiary		<u>430,182</u>	<u>-</u>	<u>-</u>	<u>430,182</u>	<u>289,132</u>
Charitable expenditure						
Charitable expenditure	10	<u>2,751,639</u>	<u>1,785,326</u>	<u>2,276,428</u>	<u>6,813,393</u>	<u>6,302,414</u>
Total charitable expenditure		<u>2,751,639</u>	<u>1,785,326</u>	<u>2,276,428</u>	<u>6,813,393</u>	<u>6,302,414</u>
TOTAL EXPENDITURE		<u>3,181,821</u>	<u>1,785,326</u>	<u>2,276,428</u>	<u>7,243,575</u>	<u>6,591,546</u>
Net gains on Investments		-	-	-	-	-
Net (expenditure)/income before taxation		153,749	(1,746,413)	(7,750)	(1,600,414)	(1,834,197)
Taxation charge	12	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income after taxation		153,749	(1,746,413)	(7,750)	(1,600,414)	(1,834,197)
Other recognised gains/(losses):						
Actuarial gain/(loss) on defined benefit scheme	25	-	2,441,000	-	2,441,000	(610,000)
Transfer between funds		<u>(5,232)</u>	<u>389,913</u>	<u>(384,681)</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u><u>148,517</u></u>	<u><u>1,084,500</u></u>	<u><u>(392,431)</u></u>	<u><u>840,586</u></u>	<u><u>(2,444,197)</u></u>
RECONCILIATION OF FUNDS:						
Fund balance brought forward		1,051,098	1,792,422	639,006	3,482,526	5,926,724
Net movement in the year		148,517	1,084,500	(392,431)	840,586	(2,444,198)
Fund balance carried forward		<u><u>1,199,615</u></u>	<u><u>2,876,922</u></u>	<u><u>246,575</u></u>	<u><u>4,323,112</u></u>	<u><u>3,482,526</u></u>

A fully detailed Statement of Financial Activities for the year ended 31 March 2021 is shown in note 29.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating income and expenditure account)

For the year ended 31 March 2022

	Note	General Funds 2022 £	Designated Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total funds 2021 £
INCOME FROM:						
Charitable Activities						
Income from charitable activities	2	1,746,929	38,913	20,751	1,806,593	346,252
Funding provided by City of York Council	6	306,710	-	2,200	308,910	306,710
Funding provided by Arts Council England	7	423,226	-	1,597,851	2,021,077	2,859,851
Donations, Legacies and General Grants						
Donations and legacies	3	204,751	-	75,419	280,170	96,761
Other grants receivable	5	112,660	-	572,457	685,117	968,227
Investments						
Interest receivable	4	89	-	-	89	1,440
TOTAL INCOME		<u>2,794,365</u>	<u>38,913</u>	<u>2,268,678</u>	<u>5,101,956</u>	<u>4,579,241</u>
EXPENDITURE ON:						
Charitable expenditure						
Charitable expenditure	10	<u>2,751,639</u>	<u>1,785,326</u>	<u>2,276,428</u>	<u>6,813,393</u>	<u>6,302,414</u>
Total charitable expenditure		<u>2,751,639</u>	<u>1,785,326</u>	<u>2,276,428</u>	<u>6,813,393</u>	<u>6,302,414</u>
TOTAL EXPENDITURE		<u>2,751,639</u>	<u>1,785,326</u>	<u>2,276,428</u>	<u>6,813,393</u>	<u>6,302,414</u>
Net gains on Investments		-	-	-	-	-
Net income/(expenditure) before taxation		42,726	(1,746,413)	(7,750)	(1,711,437)	(1,723,173)
Taxation charge	12	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) after taxation		42,726	(1,746,413)	(7,750)	(1,711,437)	(1,723,173)
Other recognised gains/(losses):						
Actuarial gain/(loss) on defined benefit scheme	25	-	2,441,000	-	2,441,000	(610,000)
Transfer between funds		<u>(5,232)</u>	<u>389,913</u>	<u>(384,681)</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>37,494</u>	<u>1,084,500</u>	<u>(392,431)</u>	<u>729,563</u>	<u>(2,333,173)</u>
RECONCILIATION OF FUNDS:						
Fund balance brought forward		1,162,093	1,792,422	639,006	3,593,521	5,926,694
Net movement in the year		37,494	1,084,500	(392,431)	729,563	(2,333,173)
Fund balance carried forward		<u>1,199,587</u>	<u>2,876,922</u>	<u>246,575</u>	<u>4,323,084</u>	<u>3,593,521</u>

A fully detailed Statement of Financial Activities for the year ended 31 March 2021 is shown in note 29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	13	4,530,398	5,379,544
		<u>4,530,398</u>	<u>5,379,544</u>
CURRENT ASSETS			
Stock	15	76,912	70,268
Debtors	16	729,663	629,514
Cash at bank and in hand	17	2,119,012	2,010,842
		<u>2,925,587</u>	<u>2,710,624</u>
CREDITORS: falling due <1 year	18	(1,263,337)	(1,200,313)
		<u>1,662,250</u>	<u>1,510,311</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		6,192,648	6,889,855
CREDITORS: falling due >1 year	19	(26,536)	(16,329)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>6,166,112</u>	<u>6,873,526</u>
Defined benefit pension scheme liability	25	(1,843,000)	(3,391,000)
NET ASSETS		<u>4,323,112</u>	<u>3,482,526</u>
FUNDS			
Unrestricted Funds			
General unrestricted funds	21	1,199,615	1,051,098
Designated Funds	21		
Pension Fund		(1,843,000)	(3,391,000)
Programme Funds		2,189	2,189
Strategic Fund		26,065	501
Infrastructure Fund		385,095	46,734
Property Fund		4,306,573	5,133,998
Total Designated Funds		2,876,922	1,792,422
Restricted Funds	22	246,575	639,006
		<u>4,323,112</u>	<u>3,482,526</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 29 November 2022 and were signed on its behalf by:

Signed:



Name: James Grierson

Date: 29 November 2022

CHARITY STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	13	4,530,398	5,379,544
Investments	14	<u>1</u>	<u>1</u>
		<u>4,530,399</u>	<u>5,379,545</u>
CURRENT ASSETS			
Stock	15	-	-
Debtors	16	1,684,116	1,196,947
Cash at bank and in hand	17	<u>1,355,418</u>	<u>1,846,986</u>
		<u>3,039,534</u>	<u>3,043,933</u>
CREDITORS: falling due <1 year	18	(1,403,849)	(1,438,957)
NET CURRENT ASSETS		<u>1,635,685</u>	<u>1,604,976</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,166,084	6,984,521
CREDITORS: falling due >1 year	19	-	-
NET ASSETS EXCLUDING PENSION LIABILITY		<u>6,166,084</u>	<u>6,984,521</u>
Defined benefit pension scheme liability	25	(1,843,000)	(3,391,000)
NET ASSETS		<u><u>4,323,084</u></u>	<u><u>3,593,521</u></u>
FUNDS			
Unrestricted Funds			
General unrestricted funds	21	1,199,587	1,162,093
Designated Funds	21		
Pension Fund		(1,843,000)	(3,391,000)
Programme Funds		2,189	2,189
Strategic Reserve		26,065	501
Infrastructure Fund		385,095	46,734
Property Fund		<u>4,306,573</u>	<u>5,133,998</u>
Total Designated Funds		2,876,922	1,792,422
Restricted Funds	22	<u>246,575</u>	<u>639,006</u>
		<u><u>4,323,084</u></u>	<u><u>3,593,521</u></u>

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2022

	2022 £	2021 £
Net (expenditure)/Income after taxation	(1,600,414)	(1,834,197)
Interest Receivable	(93)	(1,476)
Depreciation	885,062	909,902
Pension service costs	893,000	641,000
(Increase)/Decrease in stocks	(6,644)	5,094
(Increase)/Decrease in Debtors	(100,149)	294,430
Increase in Creditors	73,231	308,589
Net Cash Outflow from Operating Activities	<u>143,993</u>	<u>323,341</u>

CASH FLOWS FROM INVESTING ACTIVITIES

	2022 £	2021 £
Interest Receivable	93	1,476
Purchase of tangible fixed assets	<u>(35,915)</u>	<u>(5,950)</u>
	<u>(35,822)</u>	<u>(4,474)</u>
Increase in cash and cash equivalents	108,170	318,867
Cash and cash equivalents at the start of the year	<u>2,010,842</u>	<u>1,691,975</u>
Cash and cash equivalents at the end of the year	<u>2,119,012</u>	<u>2,010,842</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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

In setting a budget for 2022/23 management and trustees have run through different options and visitor scenarios. This has resulted in a prudent assessment of the likely income and therefore of the financial needs for the year which predict a small but affordable loss in 2022/23.

We continue to operate tight financial controls over each item of expenditure in the Trust as well as a pay and recruitment freeze. We have put together cash flows and budgets to cover the subsequent financial years 2023/24 and 2024/25. The financial guarantee given by CYC that extends to April 2024 provides the trust with a large amount of financial headroom and security. This has enabled management and Trustees to conclude that the going concern basis is appropriate.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

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. Fundraising 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 Trust's 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 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 £5,000 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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	:	4% per annum
Leasehold Property Improvements	:	8% - 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 available for use in the business and has been transferred to the appropriate asset category.

Stock

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

Financial Instruments

The Charity and group only have financial assets and financial liabilities of a kind that qualify as 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 measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Staff Costs Accounting Policy

Employee benefits – staff costs

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

Employee benefits – pension costs

The charity contributes to the North Yorkshire Pension Fund, a multi-employer defined benefit scheme. For defined benefit schemes the amounts charged to operating surplus 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 statement of financial activities 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 within other 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 statement of financial position 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 statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.
- Designated other funds – these are funds designated by the Trustees for specific purposes from unrestricted reserves.

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 statement of financial position date.

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.

**NOTE 2
INCOME FROM CHARITABLE ACTIVITIES**

	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2022 £	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2021 £
Admission Income	1,493,138	-	-	1,493,138	99,905	-	-	99,905
YMT Card Income	-	-	-	-	121,879	-	-	121,879
Miscellaneous	195,047	38,913	20,751	254,711	95,123	5,702	23,643	124,468
Consolidated	<u>1,688,185</u>	<u>38,913</u>	<u>20,751</u>	<u>1,747,849</u>	<u>316,907</u>	<u>5,702</u>	<u>23,643</u>	<u>346,252</u>
Gift Aided Donation from Subsidiary	58,743	-	-	58,743	-	-	-	-
Charity	<u>1,746,928</u>	<u>38,913</u>	<u>20,751</u>	<u>1,806,592</u>	<u>316,907</u>	<u>5,702</u>	<u>23,643</u>	<u>346,252</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**NOTE 3
DONATIONS AND
LEGACIES
GROUP AND CHARITY**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2022 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 £
Gift Aid Donations	137,184	-	3,969	141,153	15,544	-	-	15,544
Donations and Legacies	67,567	-	71,450	139,017	81,039	-	178	81,217
	<u>204,751</u>	<u>-</u>	<u>75,419</u>	<u>280,170</u>	<u>96,583</u>	<u>-</u>	<u>178</u>	<u>96,761</u>

**NOTE 4
GROUP
INTEREST
RECEIVABLE**

	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2022 £	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2021 £
Bank interest	93	-	-	93	1,476	-	-	1,476
	<u>93</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>1,476</u>	<u>-</u>	<u>-</u>	<u>1,476</u>

**CHARITY
INTEREST
RECEIVABLE**

	Charity Unrestricted Funds £	Charity Designated Funds £	Charity Restricted Funds £	2022 £	Charity Unrestricted Funds £	Charity Designated Funds £	Charity Restricted Funds £	2021 £
Bank interest	89	-	-	89	1,440	-	-	1,440
	<u>89</u>	<u>-</u>	<u>-</u>	<u>89</u>	<u>1,440</u>	<u>-</u>	<u>-</u>	<u>1,440</u>

**NOTE 5
GRANTS RECEIVABLE
GROUP AND CHARITY**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2022 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 £
Historic England	-	-	-	-	-	-	42,500	42,500
Ruffer Art Fund	-	-	(495)	(495)	-	-	-	-
Art Fund	-	-	219,826	219,826	-	-	280,000	280,000
Arts Council England	660	-	-	660	-	-	-	-
City of York Council	-	-	-	-	45,000	-	-	45,000
British Museum	-	-	22,617	22,617	-	-	26,300	26,300
The American Art Fund	-	-	252,052	252,052	-	-	-	-
HMRC CJRS	-	-	25,257	25,257	-	-	574,427	574,427
YPS	-	-	10,000	10,000	-	-	-	-
Headley Trust	-	-	27,500	27,500	-	-	-	-
FOYAG	-	-	6,200	6,200	-	-	-	-
Decorative Arts Society	-	-	4,000	4,000	-	-	-	-
Omicron Hospital & Leisure	12,000	-	-	12,000	-	-	-	-
Covid Emergency Grant	100,000	-	-	100,000	-	-	-	-
School for Social Entrepreneurs	-	-	5,500	5,500	-	-	-	-
	<u>112,660</u>	<u>-</u>	<u>572,457</u>	<u>685,117</u>	<u>45,000</u>	<u>-</u>	<u>923,227</u>	<u>968,227</u>

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

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2022 £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 £
Core funding	306,710	-	-	306,710	306,710	-	-	306,710
Capital funding	-	-	-	-	-	-	-	-
Cultural Wellbeing	-	-	2,200	2,200	-	-	-	-
	<u>306,710</u>	<u>-</u>	<u>2,200</u>	<u>308,910</u>	<u>306,710</u>	<u>-</u>	<u>-</u>	<u>306,710</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 7
FUNDING PROVIDED BY ARTS COUNCIL
GROUP AND
CHARITY

	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2022 £	Group Unrestricted Funds £	Group Designated Funds £	Group Restricted Funds £	2021 £
NPO Funding	-	-	1,252,632	1,252,632	-	-	1,252,632	1,252,632
Museum Development	-	-	345,219	345,219	-	-	345,219	345,219
Emergency Grant	-	-	-	-	412,000	-	-	412,000
Cultural Recovery Fund	423,226	-	-	423,226	850,000	-	-	850,000
	<u>423,226</u>	<u>-</u>	<u>1,597,851</u>	<u>2,021,077</u>	<u>1,262,000</u>	<u>-</u>	<u>1,597,851</u>	<u>2,859,851</u>

NOTE 8
INFORMATION REGARDING TRUSTEES AND EMPLOYEES

Average number of persons employed

	2022 No.	2021 No.
Curatorial	23	26
Education	3	12
Gardens	6	7
Marketing	5	5
Facilities	3	3
Visitor Services	37	55
Directors and Administrative Staff	24	26
Trading Subsidiary	9	15
	<u>110</u>	<u>149</u>

Staff Costs During the Year

	2022 £	2021 £
Wages and Salaries	2,276,549	2,852,271
Social Security Costs	186,560	199,528
Pensions Costs	<u>1,187,407</u>	<u>966,566</u>
Staff Costs before pension items	<u>3,650,516</u>	<u>4,018,365</u>

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

2022 £	2021 £
3,942	6,958

The Ex Gratia payments made in 2021-22 were in relation to 2 employees (2020-21:2).

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 (2021: £60,000) in the year was as follows:

	2022 No.	2021 No.
£60,000 - £70,000		1
£70,001 - £80,000	1	
£80,001 - £90,000		1
£90,001 - £100,000	<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 £167,941 (2021: £159,482). The total social security costs of the key management personnel of the charity and group totalled £18,150 (2021: £16,963).

No Trustee received remuneration or benefits during either year. 2 Trustees claimed expenses of £207 (2021:NIL) in year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 9
NET INCOME FOR THE YEAR

Net income for the year is stated after charging:

	2022 £	2021 £
Depreciation of Owned Assets	885,062	909,903
Rentals Under Operating Leases - Land & Buildings	93,597	71,238
Costs of Stock recognised as Expenses	81,643	24,131
Auditors Remuneration:		
Fees payable for the audit of the Charity's Annual Accounts	13,750	13,500
Fees payable for the audit of the Charity's Subsidiary	4,650	4,500
Fees payable to the Charity's auditor for other services	2,800	4,350

NOTE 10
ANALYSIS OF TOTAL
EXPENDITURE
GROUP AND CHARITY

Activity	Activities Undertaken Directly 2022 £	Support Costs 2022 £	Total 2022 £	Activities Undertaken Directly 2021 £	Support Costs 2021 £	Total 2021 £
Curatorial	1,021,714	548,942	1,570,656	792,372	539,699	1,332,071
Education	90,867	56,482	147,349	169,611	129,914	299,525
Exhibitions and Events	380,741	-	380,741	331,576	(496)	331,080
Gardens	243,765	191,668	435,433	266,636	210,583	477,219
Marketing	394,287	310,843	705,130	277,582	249,244	526,826
Premises	1,287,637	312,111	1,599,748	1,093,884	169,692	1,263,576
Visitor Services	727,409	890,116	1,617,525	803,697	932,809	1,736,506
Admissions	1,060	1,298	2,358	1,522	1,766	3,288
Museum Development	354,453	-	354,453	332,323	-	332,323
	<u>4,501,933</u>	<u>2,311,460</u>	<u>6,813,393</u>	<u>4,069,203</u>	<u>2,233,211</u>	<u>6,302,414</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 11
ANALYSIS OF SUPPORT COSTS
GROUP AND CHARITY

For the year ended 31 March 2022

	Curatorial	Education	Exhibitions and Events	Gardens	Marketing	Facilities	Visitor Services	Admissions	Total
Finance and Professional Fees	97,911	10,074	-	34,187	55,443	55,669	158,764	231	412,279
IT Costs	79,578	8,188	-	27,785	45,062	45,245	129,037	188	335,083
Staffing and HR	247,612	25,478	-	86,456	140,212	140,784	401,506	585	1,042,633
Senior Management	81,608	8,397	-	28,494	46,211	46,400	132,328	193	343,631
Admin Costs	25,053	2,578	-	8,748	14,187	14,245	40,624	59	105,494
Cleaning and Hygiene	1,762	181	-	615	998	1,002	2,857	4	7,419
Other Costs	8,680	893	-	3,031	4,915	4,935	14,075	22	36,551
Governance Costs	6,738	693	-	2,352	3,815	3,831	10,925	16	28,370
	548,942	56,482	-	191,668	310,843	312,111	890,116	1,298	2,311,460

For the year ended 31 March 2021

	Curatorial	Education	Exhibitions and Events	Gardens	Marketing	Facilities	Visitor Services	Admissions	Total
Finance and Professional Fees	95,567	23,004	(88)	37,289	44,134	30,048	165,176	313	395,442
IT Costs	61,508	14,806	(57)	24,000	28,406	19,339	106,310	201	254,513
Staffing and HR	260,299	62,658	(239)	101,565	120,211	81,843	449,898	852	1,077,086
Senior Management	75,026	18,060	(69)	29,274	34,649	23,590	129,674	246	310,449
Admin Costs	28,663	6,900	(26)	1,184	13,237	9,012	49,541	94	108,605
Cleaning and Hygiene	747	180	(1)	291	345	235	1,290	2	3,089
Other Costs	13,514	3,253	(12)	5,273	6,241	4,249	23,358	44	55,921
Governance Costs	4,375	1,053	(4)	1,707	2,021	1,376	7,562	14	18,105
	539,699	129,914	(496)	200,583	249,244	169,692	932,809	1,766	2,223,211

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:

	2022 £	2021 £
United Kingdom corporation tax at 19% (2021: 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% (2021: 20%).

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

	2022 £	2021 £
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.

The profit from the taxable trading activities of the subsidiary are gifted to the parent under a deed of covenant.

NOTE 13

TANGIBLE FIXED ASSETS

Group & Charity	Displays £	Property £	Vehicles and Other Equipment £	Total £
Cost				
At 1st April 2021	1,159,291	10,672,268	857,207	12,688,766
Additions	-	-	35,916	35,916
At 31st March 2022	1,159,291	10,672,268	893,123	12,724,682
Accumulated depreciation				
At 1st April 2021	1,017,149	5,497,327	794,746	7,309,222
Charge for year	73,450	779,818	31,794	885,062
At 31st March 2022	1,090,599	6,277,145	826,540	8,194,284
Net book value				
As at 31st March 2022	68,692	4,395,123	66,583	4,530,398
As at 1st April 2021	142,142	5,174,941	62,461	5,379,544

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 2022 is:

Freehold property £402,845 (2021: £425,015); leasehold property improvements £4,060,971 (2021: £4,892,068). 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 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 investment in the subsidiary is £1 (2021: £1)

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 2022 is summarised below:

	2022	2021
	£	£
Turnover	451,945	95,224
Cost of Sales	<u>(253,278)</u>	<u>(233,684)</u>
Gross Profit/(Loss)	198,667	(138,460)
Other Operating Income	148,000	82,848
Administrative Expenses	<u>(176,904)</u>	<u>(55,448)</u>
Operating Profit/(Loss)	169,763	(111,060)
Interest Receivable and Similar Income	<u>4</u>	<u>36</u>
Profit/(Loss) on ordinary activities before tax	<u>169,767</u>	<u>(111,024)</u>
Taxation	-	-
Profit/(Loss) after tax	169,767	(111,024)
Gift aid distribution	(58,743)	-
Profit Retained for the Financial Year	<u>111,024</u>	<u>(111,024)</u>

The aggregate of the assets, liabilities and funds was:

	2022	2021
Assets	1,312,163	628,021
Liabilities	<u>1,312,129</u>	<u>739,012</u>
	<u>2,624,292</u>	<u>1,367,033</u>

Represented by:

Called Up Share Capital	1	1
Profit & Loss account	<u>33</u>	<u>(110,992)</u>
	<u>34</u>	<u>(110,991)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**NOTE 15
STOCK**

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Goods for resale	76,912	-	70,268	-
	<u>76,912</u>	<u>-</u>	<u>70,268</u>	<u>-</u>

**NOTE 16
DEBTORS**

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Trade debtors	41,071	11,279	7,290	1,430
Amounts owed by subsidiary	-	1,039,137	-	612,336
Accrued income and other debtors	527,246	526,142	459,343	458,994
Prepayments	110,306	56,518	112,416	73,721
VAT recoverable	12,125	12,125	12,215	12,215
Other Debtors	38,915	38,915	38,250	38,251
	<u>729,663</u>	<u>1,684,116</u>	<u>629,514</u>	<u>1,196,947</u>

**NOTE 17
CASH AND CASH
EQUIVALENTS**

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Cash at bank and in hand	<u>2,119,012</u>	<u>1,355,418</u>	<u>2,010,842</u>	<u>1,846,986</u>

**NOTE 18
CREDITORS: DUE <1 YR**

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Trade creditors	805,531	772,949	758,172	738,961
Other creditors	20,076	455	97,838	100,899
Amounts owed to subsidiary	-	386,968	-	348,993
Accruals and deferred income	437,730	243,477	344,303	250,104
	<u>1,263,337</u>	<u>1,403,849</u>	<u>1,200,313</u>	<u>1,438,957</u>

**NOTE 19
CREDITORS: DUE >1 YR**

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Deferred Income	26,536	-	16,329	-
	<u>26,536</u>	<u>-</u>	<u>16,329</u>	<u>-</u>

**NOTE 20
Deferred Income**

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Opening Balance	94,263	-	220,493	109,053
Deferred Income Additions during the year	200,227	9,187	92,015	-
Deferred Income Release during the year	(92,015)	-	(218,245)	(109,053)
Closing Balance	<u>202,475</u>	<u>9,187</u>	<u>94,263</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 21
MOVEMENT IN UNRESTRICTED FUNDS

GROUP	1st April 2021 £	Income £	Expenditure £	Other Gains and (Losses) £	Transfers £	31st March 2022 £
General Unrestricted funds	1,051,098	3,335,570	(3,181,821)	-	(5,232)	1,199,615
Total General Funds	1,051,098	3,335,570	(3,181,821)	-	(5,232)	1,199,615
Designated Pension Fund	(3,391,000)	-	(893,000)	2,441,000	-	(1,843,000)
Designated Programme Funds	2,189	-	-	-	-	2,189
Designated Strategic Fund	501	35,564	-	-	(10,000)	26,065
Designated Infrastructure Fund	46,734	3,349	(28,985)	-	363,997	385,095
Designated Property Fund	5,133,998	-	(863,341)	-	35,916	4,306,573
Total Designated Funds	1,792,422	38,913	(1,785,326)	2,441,000	389,913	2,876,922
Total Unrestricted Funds	<u>2,843,520</u>	<u>3,374,483</u>	<u>(4,967,147)</u>	<u>2,441,000</u>	<u>384,681</u>	<u>4,076,537</u>

MOVEMENT IN UNRESTRICTED FUNDS

CHARITY	1st April 2021 £	Income £	Expenditure £	Other Gains and (Losses) £	Transfers £	31st March 2022 £
General Unrestricted funds	1,162,093	2,794,365	(2,751,639)	-	(5,232)	1,199,587
Total General Funds	1,162,093	2,794,365	(2,751,639)	-	(5,232)	1,199,587
Designated Pension Fund	(3,391,000)	-	(893,000)	2,441,000	-	(1,843,000)
Designated Programme Funds	2,189	-	-	-	-	2,189
Designated Restructure Fund	501	35,564	-	-	(10,000)	26,065
Designated Infrastructure Fund	46,734	3,349	(28,985)	-	363,997	385,095
Designated Property Fund	5,133,998	-	(863,341)	-	35,916	4,306,573
Total Designated Funds	1,792,422	38,913	(1,785,326)	2,441,000	389,913	2,876,922
Total Unrestricted Funds	<u>2,954,515</u>	<u>2,833,278</u>	<u>(4,536,965)</u>	<u>2,441,000</u>	<u>384,681</u>	<u>4,076,509</u>

In 2018-19 the Charity was given a restricted fund for the Castle Transformation project from CYC. To help match costs this was enhanced by a transfer from the general fund. On completion of the project the CYC funding had been fully spent and the remainder has been transferred back to the designated infrastructure fund in 2021-22.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Prior Year Comparison

MOVEMENT IN UNRESTRICTED FUNDS

GROUP	1st April 2020 £	Income £	Expenditure £	Other Gains and (Losses) £	Transfers £	31st March 2021 £
General Unrestricted funds	1,125,376	2,206,748	(2,507,254)	-	226,228	1,051,098
Total General Funds	1,125,376	2,206,748	(2,507,254)	-	226,228	1,051,098
Designated Pension Fund	(2,140,000)	-	(641,000)	(610,000)	-	(3,391,000)
Designated Programme Funds	102,801	-	-	-	(100,612)	2,189
Designated Restructure Fund	24,538	387	-	-	(24,424)	501
Designated Infrastructure Fund	166,411	5,315	(23,327)	-	(101,665)	46,734
Designated Property Fund	6,000,259	-	(866,261)	-	-	5,133,998
Total Designated Funds	4,154,009	5,702	(1,530,588)	(610,000)	(226,701)	1,792,422
Total Unrestricted Funds	<u>5,279,385</u>	<u>2,212,450</u>	<u>(4,037,842)</u>	<u>(610,000)</u>	<u>(473)</u>	<u>2,843,520</u>

MOVEMENT IN UNRESTRICTED FUNDS

CHARITY	1st April 2020 £	Income £	Expenditure £	Other Gains and (Losses) £	Transfers £	31st March 2021 £
General Unrestricted funds	1,125,346	2,028,641	(2,218,122)	-	226,228	1,162,093
Total General Funds	1,125,346	2,028,641	(2,218,122)	-	226,228	1,162,093
Designated Pension Fund	(2,140,000)	-	(641,000)	(610,000)	-	(3,391,000)
Designated Programme Funds	102,801	-	-	-	(100,612)	2,189
Designated Restructure Fund	24,538	387	-	-	(24,424)	501
Designated Infrastructure Fund	166,411	5,315	(23,327)	-	(101,665)	46,734
Designated Property Fund	6,000,259	-	(866,261)	-	-	5,133,998
Total Designated Funds	4,154,009	5,702	(1,530,588)	(610,000)	(226,701)	1,792,422
Total Unrestricted Funds	<u>5,279,355</u>	<u>2,034,343</u>	<u>(3,748,710)</u>	<u>(610,000)</u>	<u>(473)</u>	<u>2,954,515</u>

The transfer in 2020-21 represents funds transferred from designated funds to unrestricted funds following a decision made by the Trustees due to the coronavirus Pandemic.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 22
MOVEMENT IN RESTRICTED FUNDS

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

Group and charity	1st April 2021	Income £	Expenditure £	Transfers £	31st Mar 2022
Friends Art Gallery	8,301	9,850	(10,750)	-	7,401
Ceramics SSN	15,235	-	(13,032)	-	2,203
Bouts (Restricted)	-	(12,749)	-	12,749	-
Gainsborough	-	45,000	(46,042)	1,042	-
Archaeology Archives	20,921	27,350	(9,793)	-	38,477
Portable Antiquities	-	22,617	(22,617)	-	-
MDY Projects	46,083	347,719	(354,453)	12,000	51,349
COCA - Restricted	25,442	4,575	(16,066)	-	13,951
Richard III	8,244	1,762	(8,244)	-	1,762
Gardens Restricted	6,952	9,763	(2,076)	-	14,639
Curatorial Restrict	11,764	-	(761)	-	11,003
Cultural Wellbeing	-	2,200	(1,631)	-	569
Art Fund	-	43,064	(25,258)	3,726	21,532
Headley Art Fund	-	27,500	(6,058)	-	21,442
Capital Works Fund	412,108	-	-	(412,107)	1
MD Network Grant	26,339	175,000	(187,097)	(12,000)	2,242
TA Redevelopment	-	13,700	(9,169)	-	4,531
Castle 2022	-	-	(10,875)	10,875	-
Other Small Grants	42,500	-	(4,004)	-	38,496
Other Restricted Funds	15,118	273,439	(270,614)	(967)	16,977
	639,006	990,789	(998,539)	(384,681)	246,575

Purpose of Restricted Funds

Friends Art Gallery are funds given by the Friends of York Art Gallery for acquisitions and conservation at the Art Gallery

Ceramics SSN fund is used to host a Symposium for the Subject Specialist Network funding from ACE

Bouts (Restricted) is funds that we are receiving for displaying the Bouts exhibition

Gainsborough are funds received in 2021-22 for the Gainsborough exhibition

Archaeology Archives fund is to receive archaeological finds

Portable Antiquities is funding the salary of the British Museum's PAS representative.

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

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

Richard III fund is to produce a Richard III exhibition

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

Curatorial restricted comprises various grants and donations for collections development

Cultural Wellbeing is a grant received from CYC for cultural wellbeing activities

Art Fund provided support for the Curator of Archaeology in the "Collecting Award Project"

Headley Art Fund is a grant received from the Art Fund to support the Unwrapping York's Stories project at the Castle Museum

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

MD Network Grant fund is for supporting museums and galleries via Museum Development Network

TA Redevelopment are funds received from the Yorkshire Philosophical Society for repairs and improvements to the Tempest Anderson Hall

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

Other small grants and restricted funds are from various sources and have been restricted for specific purposes as requested by the funder/donor

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Prior Year Comparison

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

Group and charity	1st April 2020	Income £	Expenditure £	Transfers £	31st Mar 2021
Friends Art Gallery	8,301	-	-	-	8,301
Ceramics SSN	45,582	-	(30,346)	-	15,235
Bouts (Restricted)	-	4,782	(4,782)	-	0
Archaeology Archives	15,703	15,250	(10,032)	-	20,921
Portable Antiquities	-	26,300	(26,300)	-	0
MDY Projects	32,004	346,402	(332,323)	-	46,083
COCA - Restricted	25,442	-	-	-	25,442
Richard III	8,219	-	25	-	8,244
Gardens Restricted	6,852	-	100	-	6,952
Curatorial Restrict	11,764	-	-	-	11,764
Art Fund	-	2,436	(4,753)	2,317	0
Capital Works Fund	452,033	-	(28,524)	(11,401)	412,108
MD Network Grant	-	280,000	(253,661)	-	26,339
Castle 2022	24,207	-	(35,609)	11,402	0
Other Small Grants	-	42,500	-	-	42,500
Other Restricted Funds	17,233	169	(441)	(1,843)	15,118
	<u>647,340</u>	<u>717,839</u>	<u>(726,646)</u>	<u>475</u>	<u>639,006</u>

NOTE 23

ANALYSIS OF ASSETS & LIABILITIES BETWEEN FUNDS

Group	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	296,185	4,234,213	-	4,530,398
Current Assets	2,309,407	478,504	137,676	2,925,587
Current Liabilities	(1,379,441)	7,205	108,899	(1,263,337)
Long Term Liabilities	(26,536)	-	-	(26,536)
Pension Liability	-	(1,843,000)	-	(1,843,000)
As 31st March 2022	<u>1,199,615</u>	<u>2,876,922</u>	<u>246,575</u>	<u>4,323,112</u>
As 31st March 2021	<u>1,051,098</u>	<u>1,792,422</u>	<u>639,006</u>	<u>3,482,526</u>

Charity	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	296,186	4,234,213	-	4,530,399
Current Assets	2,423,354	478,504	137,676	3,039,534
Current Liabilities	(1,519,953)	7,205	108,899	(1,403,849)
Long Term Liabilities	-	-	-	-
Pension Liability	-	(1,843,000)	-	(1,843,000)
As 31st March 2022	<u>1,199,587</u>	<u>2,876,922</u>	<u>246,575</u>	<u>4,323,084</u>
As 31st March 2021	<u>1,162,093</u>	<u>1,792,422</u>	<u>639,006</u>	<u>3,593,521</u>

Prior Year Comparison

ANALYSIS OF ASSETS & LIABILITIES BETWEEN FUNDS

Group	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	755,673	4,623,871	-	5,379,544
Current Assets	1,833,636	552,346	324,642	2,710,624
Current Liabilities	(1,521,882)	7,205	314,364	(1,200,313)
Long Term Liabilities	(16,329)	-	-	(16,329)
Pension Liability	-	(3,391,000)	-	(3,391,000)
As 31st March 2021	<u>1,051,098</u>	<u>1,792,422</u>	<u>639,006</u>	<u>3,482,526</u>
As 31st March 2020	<u>1,125,376</u>	<u>4,154,009</u>	<u>647,339</u>	<u>5,926,724</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Charity	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	755,673	4,623,871	-	5,379,544
Current Assets	2,166,946	552,346	324,642	3,043,934
Current Liabilities	(1,760,526)	7,205	314,364	(1,438,957)
Long Term Liabilities	-	-	-	-
Pension Liability	-	(3,391,000)	-	(3,391,000)
As 31st March 2021	<u>1,162,093</u>	<u>1,792,422</u>	<u>639,006</u>	<u>3,593,521</u>
As 31st March 2020	<u>1,125,346</u>	<u>4,154,009</u>	<u>647,339</u>	<u>5,926,694</u>

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

**NOTE 24
COMMITMENTS**

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

**Group and charity
Operating Lease Commitments**

	2022		2021	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire				
Within one year	89,750	792	74,050	792
Two and five years	288,496	198	296,200	990
Six and ten years	47,500	-	109,921	-
	<u>425,746</u>	<u>990</u>	<u>480,171</u>	<u>1,782</u>

**NOTE 25
PENSION SCHEME**

The Group contributes to the North Yorkshire Pension Fund. The scheme is a defined benefit scheme for the benefit of the employees. The assets of the scheme are fully administered by North Yorkshire County Council in a fund independent from that of the Group. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 31 March 2019 and updated on an approximate basis to 31 March 2022.

The contributions made by the employer over the financial year have been £294,000 (2021 - £326,000).

Assumptions

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

	2022	2021
Financial:		
Rate of increase in salaries	4.15%	3.95%
Pension in payment increases	2.90%	2.70%
Discount rate	2.70%	2.10%
Inflation assumption	2.90%	2.70%

	2022 Years	2021 Years
Life expectancy:		
Male future pensioner aged 65 in 20 years' time	23.5	23.6
Female future pensioner aged 65 in 20 years' time	25.7	25.8
Male current pensioner aged 65	21.8	21.9
Female current pensioner aged 65	23.8	24.0

The amounts recognised in the statement of financial position are as follows:

	2022 £'000	2021 £'000
Present value of scheme liabilities	(23,608)	(24,858)
Fair value of scheme assets	<u>21,765</u>	<u>21,467</u>
Deficit in the scheme	<u>(1,843)</u>	<u>(3,391)</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Fair value 2022 £'000	Fair value 2021 £'000
Equities	12,123	12,408
Government Bonds	3,657	3,478
Other bonds	1,676	451
Property	1,611	1,309
Cash	239	708
Other	2,459	3,113
Total fair value of assets	21,765	21,467
Actuarial value of liability	(23,608)	(24,858)
Net pension deficit	(1,843)	(3,391)

Movement in the deficit during the year were as follows:

	2022 £'000	2021 £'000
Deficit in scheme at 1 April	(3,391)	(2,140)
Movement in the year:	-	-
Current service costs	(1,121)	(770)
Past service cost	(10)	-
Settlement cost	-	(150)
Net (loss) on assets	(68)	(46)
Contributions	306	325
Actuarial gain/(loss)	2,441	(610)
Deficit in the scheme at 31 March	(1,843)	(3,391)

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

	2022 £'000	2021 £'000
Expected return on pension scheme assets	(381)	(381)
Interest on pension scheme liabilities	427	427
Net finance loss	46	46

The amount recognised in the income and expenditure account are:

	2022 £'000	2021 £'000
Current service costs	1,121	770
Past service costs	10	-
Interest cost	68	427
Expected return on scheme assets	-	(381)
Total charge to income and expenditure account	1,199	816

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

	2022 £'000	2021 £'000
Amount recognised during the period	2,441	(610)
Cumulative amount recognised	2,441	(610)

Asset and liability reconciliation

Reconciliation of assets	2022 £'000	2021 £'000
Assets at the start of the year	21,467	16,513
Expected return on plan assets	452	381
Actuarial (loss)/gain on assets	(226)	4,511
Employer contributions	306	325
Member contributions	144	149
Benefits Paid	(378)	(442)
Settlements	-	30
Assets at the end of the year	21,765	21,467
Actual return on plan assets	226	4,892

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Reconciliation of liabilities	2022 £'000	2021 £'000
Liabilities at the start of the year	24,858	18,653
Current service costs	1,121	770
Past service costs	10	-
Interest on pension liabilities	520	427
Employee contributions	144	149
Actuarial loss/(gain) on liabilities	(2,667)	5,121
Benefits paid	(378)	(442)
Settlements	-	180
	<u>23,608</u>	<u>24,858</u>
Liabilities at the end of the year		

The history of experience adjustments is as follows:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Scheme liabilities	(23,608)	(24,858)	(18,653)	(18,516)	(17,026)	(15,660)
Scheme assets	<u>21,765</u>	<u>21,467</u>	<u>16,513</u>	<u>16,153</u>	<u>14,516</u>	<u>12,976</u>
	<u>(1,843)</u>	<u>(3,391)</u>	<u>(2,140)</u>	<u>(2,363)</u>	<u>(2,510)</u>	<u>(2,684)</u>
Experience adjustments on scheme liabilities	(2,667)	5,121	(1,298)	42	85	3,130
Percentage of scheme liabilities	11.3%	7.0%	-0.2%	-0.2%	-0.5%	-20.0%
Experience adjustments on scheme assets	(226)	4,511	(453)	892	695	1,799
Percentage of scheme assets	-1.0%	-2.7%	5.5%	4.8%	4.8%	3.6%

NOTE 26

FINANCIAL INSTRUMENTS

	2022 Group £	2021 Group £
Financial Assets		
Financial asset that are debt instruments measured at amortised costs	2,754,106	2,515,726
Financial liabilities		
Financial liabilities measured at amortised costs	1,067,776	1,125,441

NOTE 27

NET DEBT RECONCILIATION

	1st April 2021 £	Cash Flows £	31st Mar 2022 £
Cash at bank and in hand	2,010,842	108,170	2,119,012
Net Debt	<u>2,010,842</u>	<u>108,170</u>	<u>2,119,012</u>

NOTE 28

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 (2021: £10,500).

The subsidiary, York Museums and Enterprises Limited, made a gift aid donation under a deed of covenant to the Trust of £58,743 in the year ended 31 March 2022 (2021: £Nil)

At 31 March 2022, York Museums and Enterprises Limited owed £652,170 to the Trust (2021: £262,223)

The amounts owed by the subsidiary comprise of Trust income received into the subsidiary bank account, and salary and other costs that have been paid from York Museums Trust bank account and have been recharged to the subsidiary. Both were not yet transferred from the York Museums and Enterprises Ltd account as at 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 29

2020-21 Consolidated Statement of Financial Activities

	General Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
INCOME FROM:				
Charitable Activities				
Income from charitable activities	316,907	5,702	23,643	346,252
Funding provided by City of York Council	306,710	-	-	306,710
Funding provided by Arts Council England	1,262,000	-	1,597,851	2,859,851
Donations, Legacies and General Grants				
Donations and legacies	96,583	-	178	96,761
Other grants receivable	45,000	-	923,227	968,227
Other Trading Activities				
Income generated by subsidiary	178,072	-	-	178,072
Investments				
Interest receivable	1,476	-	-	1,476
TOTAL INCOME	<u>2,206,748</u>	<u>5,702</u>	<u>2,544,899</u>	<u>4,757,349</u>
EXPENDITURE ON:				
Raising Funds				
Costs incurred by subsidiary	<u>289,132</u>	<u>-</u>	<u>-</u>	<u>289,132</u>
Charitable expenditure				
Charitable expenditure	<u>2,218,122</u>	<u>1,530,587</u>	<u>2,553,705</u>	<u>6,302,414</u>
Total charitable expenditure	<u>2,218,122</u>	<u>1,530,587</u>	<u>2,553,705</u>	<u>6,302,414</u>
TOTAL EXPENDITURE	<u>2,507,254</u>	<u>1,530,587</u>	<u>2,553,705</u>	<u>6,591,546</u>
Net gains on Investments	-	-	-	-
Net (expenditure)/income before taxation	(300,506)	(1,524,885)	(8,806)	(1,834,197)
Taxation charge	-	-	-	-
Net (expenditure)/income after taxation	(300,506)	(1,524,885)	(8,806)	(1,834,197)
Other recognised gains/(losses):				
Actuarial (loss)/gain on defined benefit scheme	-	(610,000)	-	(610,000)
Transfer between funds	<u>226,228</u>	<u>(226,701)</u>	<u>473</u>	<u>-</u>
NET MOVEMENT IN FUNDS	<u>(74,278)</u>	<u>(2,361,587)</u>	<u>(8,333)</u>	<u>(2,444,197)</u>
RECONCILIATION OF FUNDS:				
Fund balance brought forward	1,125,376	4,154,009	647,339	5,926,724
Net movement in the year	(74,278)	(2,361,587)	(8,333)	(2,444,198)
Fund balance carried forward	<u>1,051,098</u>	<u>1,792,422</u>	<u>639,006</u>	<u>3,482,526</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2020-21 Charity Statement of Financial Activities

	General Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
INCOME FROM:				
Charitable Activities				
Income from charitable activities	316,907	5,702	23,643	346,252
Funding provided by City of York Council	306,710	-	-	306,710
Funding provided by Arts Council England	1,262,000	-	1,597,851	2,859,851
Donations, Legacies and General Grants				
Donations and legacies	96,583	-	178	96,761
Other grants receivable	45,000	-	923,227	968,227
Investments				
Interest receivable	1,440	-	-	1,440
TOTAL INCOME	<u>2,028,641</u>	<u>5,702</u>	<u>2,544,899</u>	<u>4,579,241</u>
EXPENDITURE ON:				
Charitable expenditure				
Charitable expenditure	<u>2,218,122</u>	<u>1,530,587</u>	<u>2,553,705</u>	<u>6,302,414</u>
Total charitable expenditure	<u>2,218,122</u>	<u>1,530,587</u>	<u>2,553,705</u>	<u>6,302,414</u>
TOTAL EXPENDITURE	<u>2,218,122</u>	<u>1,530,587</u>	<u>2,553,705</u>	<u>6,302,414</u>
Net gains on Investments	-	-	-	-
Net income/(expenditure) before taxation	(189,481)	(1,524,885)	(8,806)	(1,723,173)
Taxation charge	-	-	-	-
Net income/(expenditure) after taxation	(189,481)	(1,524,885)	(8,806)	(1,723,173)
Other recognised gains/(losses):				
Actuarial gain/(loss) on defined benefit scheme	-	(610,000)	-	(610,000)
Transfer between funds	<u>226,228</u>	<u>(226,701)</u>	<u>473</u>	<u>-</u>
NET MOVEMENT IN FUNDS	<u><u>36,747</u></u>	<u><u>(2,361,587)</u></u>	<u><u>(8,333)</u></u>	<u><u>(2,333,173)</u></u>
RECONCILIATION OF FUNDS:				
Fund balance brought forward	1,125,346	4,154,009	647,339	5,926,694
Net movement in the year	<u>36,747</u>	<u>(2,361,587)</u>	<u>(8,333)</u>	<u>(2,333,173)</u>
Fund balance carried forward	<u><u>1,162,093</u></u>	<u><u>1,792,422</u></u>	<u><u>639,006</u></u>	<u><u>3,593,521</u></u>