

**YORK MUSEUMS & GALLERY  
TRUST**

**Report and Financial Statements**

**31 March 2007**

**REPORT AND FINANCIAL STATEMENTS 2007**

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**REPORT AND FINANCIAL STATEMENTS 2007**

**OFFICERS AND PROFESSIONAL ADVISERS**

**THE TRUSTEES OF THE YORK MUSEUMS & GALLERY TRUST WERE AS FOLLOWS:**

**TRUSTEES**

Dr P V Addyman CBE  
M J Allen  
Sir N Brooksbank  
J Cherry  
Sir R U Cooke  
R I L Guthrie  
C M Hogg  
D N Jagger  
Cllr A Jones  
A Owen  
D J Pocknell  
D E Rayner  
T Suthers  
Prof D M Willcocks

**COMPANY SECRETARY**

A Wadsworth

**BANKERS**

Cater Allen Private Bank  
Sovereign House  
16-22 Western Road  
Romford  
RM1 3SP

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

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Leeds

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## TRUSTEES' REPORT

The Trustees, who are directors of the company, present their annual report on the affairs of the company and the group, together with the financial statements and auditors' report for the year ended 31 March 2007.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### **Name and registered office of the charity**

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

#### **Constitution**

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

The company registration number is 4381647.

Registered with the Charity Commission - Registration number 1092466.

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

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

#### **Method of election of trustees**

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

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

The Local Authority Trustees shall be nominated by the Local Authority.

The Yorkshire Philosophical Society Trustee shall be nominated by the Yorkshire Philosophical Society.

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 served during the year and subsequently are listed on page 1. None of the Trustees have any financial interest in the company.

#### **Trustee induction and training**

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

#### **Organisation**

The board of trustees administers the charity. The board meets quarterly and there are the following sub committees which meet more regularly:

##### *Committee of the Board*

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

##### *Audit Committee*

Meets three times per year to consider reports from internal and external auditors.

##### *Remuneration Committee*

Sets pay of Directors and approves pay increases for all staff.

A Director of Finance and Business Development is appointed by the trustees to manage the day to day operations of the charity.

## **TRUSTEES' REPORT**

### **Risk management**

The trustees have reviewed the major risks to which the charity is exposed, particularly those related to the operations and finances of the trust. The trustees have given consideration to the appropriate policies, procedures and systems to mitigate the charity's exposure to the major risks.

### **Foreword by Chair**

I am delighted to introduce this year's Annual Report, following another busy and successful year for York Museums Trust.

This year marks the fifth anniversary of the Trust and so much has been achieved in that time, in investment, education, exhibitions and curatorial work behind the scenes.

The Trust's many achievements during 2006/7 are detailed later on in this report. The two highlights for me were the re-launch of Kirkgate, the Victorian Street, at York Castle Museum, and the exhibition Constantine the Great – York's Roman Emperor, about York's most renowned Roman emperor, at the Yorkshire Museum.

Both these developments were key to our continuing increase in visitor numbers and both benefited from the Trust's success in bringing in additional funding.

I have continued to be very impressed by the hard work and commitment of our staff over the last year – and indeed the last five - and my warmest thanks go to the Trustees for their skills, knowledge and commitment.

I look forward with confidence to the next five exciting years at York Museums Trust.

**Robin Guthrie (Chair)**

**July 2007**

### **York Museums Trust**

York Museums Trust is an independent charitable trust established in August 2002 to manage York Castle Museum, Yorkshire Museum and Gardens, York Art Gallery and York St Mary's, all of which were formerly managed by the City of York Council. The Trust cares for the collections and manages the buildings that they occupy, working in partnership with the City of York Council to improve the museums and gallery for local residents and visitors to the city.

### **Vision**

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

### **Mission**

To cherish the collections, buildings and gardens entrusted to us, presenting and interpreting them as a stimulus for learning, a provocation to curiosity and a source of inspiration and enjoyment for all.

### **Strategic Objectives**

- ❖ To protect and conserve the collections, gardens and building
- ❖ To promote access to the collections, gardens and buildings appropriate to the 21st Century
- ❖ To create learning opportunities for all and develop innovative programmes springing from the collections, gardens and buildings
- ❖ To network and collaborate with partners and contribute to the development of the economic and cultural life of the city and the region
- ❖ To raise substantial funds to realise these aims

## TRUSTEES' REPORT

### Chief Executive's Report

#### Introduction

The year 2006/7 was another exciting one for York Museums Trust in which we consolidated our position as one of the region's leading museum services. The Trust is very aware of the responsibility in caring for the collections and the institutions and has made ambitious plans for the future.

Perhaps the most significant development in terms of long-term visitor numbers during the year was an investment of almost £300,000 in refreshing and re-interpreting Kirkgate, the Victorian Street at York Castle Museum.

The street is consistently the most popular and memorable part of the museum for many and our improvements resulted in an increase of 41,000 visitors during the year.

The main event at the Yorkshire Museum was the exhibition Constantine The Great – York's Roman Emperor, which combined artefacts from York's collection and from museums across Britain and Europe. This was an important event for the whole city and attracted more than 53,000 visitors to the museum.

York Art Gallery continued to host a series of high profile exhibitions, including the summer show Icons and Idols, from the National Portrait Gallery.

At York St Mary's we secured funding from Arts Council Yorkshire to create a site-specific installation called Echo, by Susie MacMurray.

Over all the sites, our visitor numbers were up by 12 per cent to well over 500,000.

Our learning service for schools, which operates across all the three main sites, was recognised with the Sandford Award for Heritage Education and our work in the community continued through York Art Gallery's Territories project and a new Community Archaeology project at the Yorkshire Museum.

We secured an additional £809,039 during the year from trusts and foundations and from Renaissance in the Regions. This is a key source of investment that has enabled us to improve our service to our visitors over the last three years, especially our ability to deliver first class learning opportunities to schools.

We also re-designed and expanded our existing websites, and launched a new website to publicise our corporate hospitality business, at [www.yorkvenues.org.uk](http://www.yorkvenues.org.uk)

Behind the scenes we continued to re-organise our storage spaces and improve our records and documentation of the important designated collections in our care.

Looking to the future, we submitted a £6.3 billion bid to the Heritage Lottery Fund called A Thousand Stories, for the refurbishment of the Yorkshire Museum, and put in place plans to start refurbishment of the Hospitium, our wedding and conference venue, in November 2007.

One of the newest projects was the development of the Volunteers Programme. The Trust is very keen to involve as many people as possible and although the programme has only just started, we expect it to grow over the next few years. We appointed a Volunteers Manager and two pilot schemes were put in motion, one to open up the York Observatory, in the Museum Gardens, and one to help with work on the geology collection at the Yorkshire Museum. We plan to expand this programme further in the future to all sites.

The Trust also started the process of planning a new website about the history of York, inviting experts from across the city to help to collect information about the city. The website will be a city-wide initiative and is being developed in partnership with the City of York Council.

Over the last five years York Museums Trust has established its reputation within the profession as an innovative and effective museum service.

We have established some strategically important partnerships within the city of York, with other museums in the region through Renaissance Yorkshire and with the British Museum Partnership UK.

I would like to thank all organisations and sponsors which have supported us over the years, particularly our continuing support from City of York Council, which is vital to our success. We also value highly our continuing close and productive relationships with the Friends of York Art Gallery and the Yorkshire Philosophical Society.

**TRUSTEES' REPORT**

Finally I would like to thank Robin Guthrie, our Chair, and the Trustees, for their support and all my colleagues at the Trust for their hard work and commitment.

**Janet Barnes**

**Chief Executive**

## TRUSTEES' REPORT

### York Art Gallery

York Art Gallery has gone from strength to strength since its refurbishment funded by the Heritage Lottery Fund. We are now able to present a programme of exhibitions to visitors, who continue to visit in increasing numbers. The Studio has been a great success as it offers dedicated space for educational activities for schools and the local community.

The exhibition Tom Bendhem: Collector began the year at York Art Gallery and included works by well-known contemporary artists. The exhibition was organised by the Contemporary Art Society. A special event in the gallery brought together collectors from both London and Yorkshire and launched Contemporary Art North, which is now active in the region encouraging collectors to acquire new work and build relationships with artists and public galleries.

This was followed by the very popular summer exhibition Icons and Idols, from the National Portrait Gallery. This was the only showing of the exhibition outside London and featured portraits of famous faces including Dame Judi Dench, Sir Richard Branson and the late Queen Mother.

The Art of Conversation coincided with a conference on 18th century art at the University of York. It showcased paintings by major artists from the period, complemented by pieces from our costume and decorative arts collections. The paintings were a combination of our own and loaned works from other regional and national galleries.

Relationships: Contemporary Sculpture focussed on 20th century works from our collection alongside loans from the collection of the Arts Council England by contemporary artists such as Damien Hirst and Rebecca Warren.

The Little Gallery offers us an intimate space that is perfect to show small displays, usually drawn from the collection, that reflect areas of research by the curatorial team.

The year began with William Etty: Drawing from Life which combined drawings by the York artist with some of his most famous oil paintings. Some of the sketches had never been exhibited before.

It was followed by Art in Life, a display which showed beautifully-coloured 19th century Japanese "ukiyo-e" prints, alongside Japanese 20th Century studio ceramics.

Richard Fozard: Printmaker displayed for the first time a selection of prints showing rural scenes by this remarkable Yorkshire printmaker, alongside metal plates and tools of his trade.

### York Castle Museum

The refurbishment and re-opening of Kirkgate, our famous recreated Victorian street, dominated and invigorated the year at York Castle Museum, increasing visitor numbers by 19 %.

York Museums Trust secured a major grant of £187,000 from the Wolfson Foundation to breathe new life into the Kirkgate display in a project which cost nearly £300,000 in total.

New shops opened including a grocer's shop serving the poor and a toy shop. Visitors could walk into these shops for the first time, plus the existing sweet shop, to meet new costumed "shopkeepers" and look at original goods. Several other shops were redecorated and redisplayed.

A Victorian school room was created, the police station was opened up to visitors and a parlour was opened behind the clockmaker's shop to give an idea of what living accommodation was like.

A new "policeman" character patrolled the street and visitors could pick up a newspaper, the Kirkgate Examiner, to read about Victorian issues. These issues were brought up to date with a new area focussing on modern-day York people.

The work also included new lighting and sound systems, which were used to create the changing atmosphere of a busy street, re-laying the cobbles on the street, to make the surface more accessible, and mending the roof. We are now able to host formal dinners in the street which have proved increasingly popular for corporate hospitality events.

At the end of the year we opened Unfair Trade, an exhibition which showed how many everyday objects within the existing displays had their origins in the slave trade.

It opened to coincide with the 200th anniversary of the abolition of the slave trade on 25 March 2007.

## TRUSTEES' REPORT

To highlight the issues involved, we organised a special event on that day on the Eye of York, a green area outside the entrance to the museum, and invited volunteers to lie down within the outline of the shape of a slave ship to mark the anniversary.

### Yorkshire Museum

Constantine the Great – York's Roman Emperor was the main exhibition at the Yorkshire Museum and was formally opened by the Princess Royal in March, 2006.

The exhibition was organised to celebrate the 1700th anniversary of Constantine being proclaimed Emperor in York. The exhibition brought together artefacts from across the UK and Europe.

A special commemorative service was held at York Minster to mark the anniversary on July 25, with a procession, organised by York St John University, through the streets of York, led by the Archbishop of York. The exhibition became one of the highlights of the year for the city and it attracted more than 53,000 visitors.

The Trust also published a book to accompany the exhibition, which was shortlisted for the prestigious AXA Art Newspaper and Exhibition Catalogue prize.

We worked closely with the British Museum on the exhibition and later in the year we were able to loan from them the Warren Cup – a Roman silver cup which had not been displayed outside London before.

In February our main exhibition for 2007, Fingerprints of Time, opened. This science-based interactive exhibition examines different methods of dating objects, using examples drawn from across our geology, archaeology and social history collections.

The science collections were given a higher profile elsewhere in the museum during the year.

The upper gallery was transformed into Ceramic Safari, a joint Decorative Arts/Natural History exhibition. Animal-themed pottery items were displayed in the same style as a natural history exhibition, with colourful painted backdrops.

On the lower floor a display was mounted to celebrate the 200th anniversary of the birth of the 18th century York scientific instrument maker Thomas Cooke.

This was followed by the installation of The Natural History of the Abbey, two displays devoted to the wildlife living around St Mary's Abbey in medieval times and today.

### York St Mary's

We commissioned our second site-specific installation for York St Mary's which was again inspired by the interior and history of this beautiful 15th century church.

Echo was created by Susie MacMurray, who filled the nave with 10,000 hanging hairnets that held within them rosin-covered horsehair from violin bows. The installation was beautiful and its fragility evoked poignant feelings about life and death.

The installation opened in June and ran until October and was made possible with a grant from the Arts Council Yorkshire.

## LIFELONG LEARNING

### Schools Programme

One of the highlights of the year was our learning team being given the Sandford Award for Heritage Education. The judges said "this inspiring new education service shows maturity beyond its years." This was a great achievement for a team that had only been operating fully for two years.

Our second annual Schools Programme was published, which included details of more than 30 book-able workshops at the three main sites, which all make links between our collections and National Curriculum topics.

York Art Gallery's Studio continued to attract many bookings to workshops and the new Victorian school room in Kirkgate at York Castle Museum was used to host special Victorian Classroom workshops.

At the Yorkshire Museum, a new Roman-themed learning and activity room called The Curia was opened to coincide with the exhibition, Constantine the Great – York's Roman Emperor. This followed the opening of The Lab the previous year, a science-based learning space with an interactive white board, computers, digital cameras, sound

## TRUSTEES' REPORT

recorders and microscopes. Both rooms proved valuable in hosting school workshops and other activities and were developed with funding from Renaissance Yorkshire, a partnership of museums, libraries and archives.

The learning team also contributed "learning journeys" to a new website for teachers and school children in Yorkshire, [www.mylearning.org](http://www.mylearning.org). Each journey describes a topic linked to museum or gallery exhibits and includes words, pictures, video, quizzes and interactive games.

### Community Programme

During the school holidays we continued to organise activities at all our sites for children and families. At York Art Gallery these included a focus on portraits during the summer's Icons and Idols exhibition, with activities ranging from faces in clay to DNA test tubes, and the annual Big Draw in October, which took its theme from The Art of Conversation, and invited guests to the Big Draw Tea Party. The Studio also hosted monthly Studio Saturday drop-in workshops for families throughout the year.

Our Territories project, funded by Arts Council Yorkshire, continued into its third year at York Art Gallery, working with local community groups who might not otherwise have visited the gallery. The groups are invited into the gallery for activity sessions, culminating in a special celebration day at the end of the year. During the year we worked with 13 community groups, representing more than 200 people.

At the Yorkshire Museum, our holiday activities included a series of Wild Wednesday events in the Museum Gardens during August. Each week focussed on a different natural history topic. We also published a new booklet on the same themes aimed at young visitors to the gardens called The Garden Explorer, which went on sale in the Yorkshire Museum shop.

Our astronomy programme of events continued with Observatory open days and evenings, and regular talks in the Tempest Anderson Hall.

Constantine the Great – York's Roman Emperor provided the inspiration for many of the year's other holiday activities giving children an insight into life as a Roman.

We worked with York St John University staff and students on the Constantine procession through York on July 25 and with York Minster on the commemorative service that day. We received a grant from Arts & Business Yorkshire which enabled us to give special evening access to employees of Shepherd Building Group, sponsors of the exhibition.

At York Castle Museum, our activities built on the new Kirkgate developments, adding extra activities in the street during the holiday periods. These ranged from Punch and Judy shows, policemen on stilts and jugglers, to extra characters including a Victorian schoolmistress, a washerwoman and a policeman. Our most popular activity, Life of Grime, looked at the darker side of life - visitors were invited to hunt for rats with our Victorian rat catcher.

### Care of the Collections

Our Collections work involves the display, care, study, storage and cataloguing of the designated collections we are responsible for.

At the Yorkshire Museum we launched a new Community Archaeology project aimed getting communities more involved in their local museums and collections.

The first event to take place involved York College students working with our artefacts to recreate Roman hairstyles. Funded by Renaissance Yorkshire, a partnership of museums, libraries and archives, the project is based and co-ordinated from York, but also involves North Yorkshire County Records Office, Scarborough Museums and Galleries and Wakefield Metropolitan District Council Cultural Services.

The museum is also the lead partner and host for the national Portable Antiquities Scheme (PAS) in North Yorkshire and Humberside. The scheme encourages people to bring in objects they have found to be identified. During the year we led the way for the PAS approach to recording finds at large scale metal detecting rallies, and were congratulated by the National Organiser at the British Museum. Our staff attended two rallies recording over 400 finds and dealt with nearly a thousand metal detectorists, including a site at Thornborough, a highly sensitive Neolithic landscape.

There was great progress on recording information about the geology and archaeology collections over the year. Several volunteers have assisted with this work.

## TRUSTEES' REPORT

At York Art Gallery, a highlight of the year was the launch of a colour book featuring all the paintings owned by public museums and galleries in North Yorkshire, of which York's collection was the largest. Published by the Public Catalogue Foundation, it went on sale in our shop and proceeds go towards the care of our paintings.

Over 4,000 works on paper were catalogued with support from the Paul Mellon Foundation, and the WA Ismay collection of ceramics now has over 1,800 of the 3,000+ works catalogued. The Japanese prints in our works on paper collection were documented for the Art in Life exhibition. Ceramics housed at the Yorkshire Museum were moved to one of our outside storage bases.

At York Castle Museum, the development of Kirkgate gave us the opportunity to re-catalogue and photograph all the items on display in the street, a huge undertaking which has improved our computer database.

We also closed one of our social history stores and moved the collections that had been housed there to our main depot.

Click on New Acquisitions or Documentation Plan for more information about new additions to the collections and progress on documentation during the year.

## Future Plans

One of the main issues we have faced this year has been the need to make all our museums accessible to all our visitors. This year we aim to improve access to York Art Gallery with a new lift and install a new ramp at the Castle Museum to give access to Kirkgate. We also have plans to create a 1960's Experience at the Castle which we hope will be popular with our visitors who grew up during that decade as well as being of interest to younger people. We will also be organising an exhibition on China and creating Workroom spaces for practical activities around the social history collections. We also would like to improve the Exercise yard to offer a breathing space for families and in the longer term create an 18th century prison experience.

We are keen to expand our conferencing and corporate hospitality business as a way of increasing our income and so we are refurbishing the Hospitium in Museum Gardens as the Trust's conference centre. This listed building currently lacks even the most basic services, for example running water and toilets. As a result we are severely restricted in its public usage and this project will make the building function again for hospitality, conferences, weddings and meetings.

The Hospitium project is the first stage of the St Mary's Abbey Precinct project that involves our plans to refurbish the Yorkshire Museum with new displays and better visitor facilities and the opening up of the gardens to York Art Gallery. We are planning to appoint a Head Gardener in 2008 to lead on the improvement to the Gardens both as a place of relaxation and as a botanical garden for the city. The development of St Mary's Abbey as a destination in its own right is a long term ambition for the Trust and is a central part of the ambitions of the city to create a cultural quarter. In the shorter term we will be refurbishing the South Gallery at York Art Gallery this autumn with new improved displays and lighting.

All of these plans are dependent on raising substantial funds from a variety sources, some of which are in place already. More information about our plans until 2013 is available from the Trust's office.

## FINANCIAL REVIEW

The group had net outgoing resources for the year on the unrestricted fund of £67,002. At the year end, the group had total funds of £373,629.

The members are satisfied that the charity's assets are available and adequate to fulfil its obligations.

## Investment powers and policy

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

## Investment policy

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

## Reserves policy

The Trustees aspire to retain two months operating costs in reserves. At 31 March 2007, the charity had free reserves, as defined as unrestricted funds not represented by fixed assets, of £222,381.

**TRUSTEES' REPORT**

**AUDITORS**

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements.

Company law requires the directors of a charity (namely the trustees) to prepare such financial statements for each financial period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charity and of the incoming resources and application of resources for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

By order of the board of trustees

R I L Guthrie  
Chairman

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YORK MUSEUMS & GALLERY TRUST**

We have audited the financial statements of York Museums & Gallery Trust for the year ended 31 March 2007 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cashflow statement, notes to the consolidated cashflow statement and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As described in the statement of Trustees' responsibilities, the Trustees, who are also directors of the charity for the purposes of company law are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you on the consistency of the trustees report with the financial statements, if the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' report for the above year and consider the implications for our report if we become aware of any apparent misstatements, or material inconsistencies with the financial statements.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group's and the charitable company's affairs as at 31 March 2007 and of the group's result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- The trustees' report is consistent with the financial statements

### ***Deloitte & Touche LLP***

Chartered Accountants  
and Registered Auditors  
Leeds  
United Kingdom

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**Year ended 31 March 2007**

	Note	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
<b>INCOMING RESOURCES</b>					
<b>Activities in furtherance of the charity's objects</b>					
Income from charitable activities	3	1,506,143	-	1,506,143	1,123,348
<b>Activities for generating funds</b>					
Donations		222,466	-	222,466	139,207
Interest receivable	4	21,384	-	21,384	23,431
Income from trading subsidiary	11	580,152	-	580,152	514,026
<b>Grants receivable</b>	5	1,000	374,393	375,393	852,115
<b>Funding provided by City of York Council</b>	6	1,461,997	-	1,461,997	1,406,420
<b>TOTAL INCOMING RESOURCES</b>		<u>3,793,142</u>	<u>374,393</u>	<u>4,167,535</u>	<u>4,058,547</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Costs incurred by trading subsidiary	11	508,176	-	508,176	442,340
<b>Charitable expenditure</b>					
Curatorial		556,859	175,393	732,252	852,119
Education		184,955	101,948	286,903	315,543
Exhibitions and events		405,713	106,215	511,928	514,136
Gardens		96,608	-	96,608	92,189
Marketing		390,255	-	390,255	386,532
Premises		771,292	1,308	772,600	728,689
Visitor services		930,824	-	930,824	1,003,418
Governance		4,991	-	4,991	52,052
<b>Total charitable expenditure</b>		<u>3,341,497</u>	<u>384,864</u>	<u>3,726,361</u>	<u>3,944,678</u>
<b>TOTAL RESOURCES EXPENDED</b>	9	<u>3,849,673</u>	<u>384,864</u>	<u>4,234,537</u>	<u>4,387,018</u>
<b>Net (outgoing) incoming resources before transfers</b>		(56,531)	(10,471)	(67,002)	(328,471)
Transfers between funds	16	-	-	-	-
<b>NET (OUTGOING) INCOMING RESOURCES</b>		(56,531)	(10,471)	(67,002)	(328,471)
Fund balance brought forward at 1 April		422,349	18,282	440,631	769,102
Fund balances carried forward at 31 March		<u>365,818</u>	<u>7,811</u>	<u>373,629</u>	<u>440,631</u>

All incoming resources and resources expended derive from continuing activities.

All gains and losses recognised in the year are included above.

**CONSOLIDATED BALANCE SHEET**

**31 March 2007**

	Note	2007	2006
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	10	137,079	119,787
<b>CURRENT ASSETS</b>			
Stocks	12	88,688	125,700
Debtors	13	335,414	582,998
Cash at bank and in hand		218,144	130,214
		<u>642,246</u>	<u>838,912</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(405,696)</u>	<u>(518,068)</u>
<b>NET CURRENT ASSETS</b>		<u>236,550</u>	<u>320,844</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>373,629</u>	<u>440,631</u>
<b>FUNDS</b>			
Unrestricted funds	15	365,818	422,349
Restricted funds	16	7,811	18,282
		<u>373,629</u>	<u>440,631</u>

These financial statements were approved by the board of trustees on behalf by:

and were signed on its

R I L Guthrie  
Chairman

**CHARITY BALANCE SHEET**

**31 March 2007**

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible assets	10		129,502		109,740
Investments	11		1		1
			<u>129,503</u>		<u>109,741</u>
<b>CURRENT ASSETS</b>					
Stocks	12	-		2,760	
Debtors	13	398,762		678,619	
Cash at bank and in hand		200,649		85,878	
		<u>599,411</u>		<u>767,257</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(355,285)</u>		<u>(436,367)</u>	
<b>NET CURRENT ASSETS</b>			<u>244,126</u>		<u>330,890</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>373,629</u>		<u>440,631</u>
<b>FUNDS</b>					
Unrestricted funds	15		365,818		422,349
Restricted funds	16		7,811		18,282
			<u>373,629</u>		<u>440,631</u>

These financial statements were approved by the board of trustees on behalf by:

and were signed on its

R I L Guthrie  
Chairman

**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 31 March 2007**

	Note	2007 £	2006 £
<b>Net cash inflow/(outflow) from operating activities</b>	1	156,273	(155,883)
Returns on investments	2	21,384	23,431
Net capital expenditure	3	(89,727)	(14,521)
Increase/(decrease) in cash in the year	5	<u>87,930</u>	<u>(146,973)</u>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**

**1. RECONCILIATION OF NET (OUTGOING)/INCOMING RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Net (outgoing) resources	(67,002)	(328,471)
Interest receivable	(21,384)	(23,431)
Depreciation	72,435	110,764
Decrease/(Increase) in stocks	37,012	(30,427)
Decrease/(increase) in debtors	247,584	219,042
(Decrease) in creditors	(112,372)	(103,360)
Net cash inflow/(outflow) from operating activities	<u>156,273</u>	<u>(155,883)</u>

**2. RETURNS ON INVESTMENTS**

	2007 £	2006 £
Interest received	<u>21,384</u>	<u>23,431</u>

**3. CAPITAL EXPENDITURE (NET)**

	2007 £	2006 £
Purchase of tangible fixed assets	<u>89,727</u>	<u>14,521</u>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 31 March 2007**

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

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Net funds at 1 April (note 5)	130,214	277,187
Increase/(decrease) in cash for the year	87,930	(146,973)
	<u>218,144</u>	<u>130,214</u>
Net funds at 31 March (note 5)	<u>218,144</u>	<u>130,214</u>

**5. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1 April</b>	<b>Cash</b>	<b>At 31 March</b>
	<b>2006</b>	<b>flows</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	130,214	87,930	218,144
	<u>130,214</u>	<u>87,930</u>	<u>218,144</u>

## NOTES TO THE ACCOUNTS

Year ended 31 March 2007

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2005)" issued in March 2005, applicable United Kingdom accounting standards and the Companies Act 1985. The particular accounting policies adopted are described below.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Basis of consolidation**

These financial statements consolidate the results of the charity and its wholly-owned subsidiary, York Museums and Enterprises Limited, on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented as the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

#### **Incoming resources**

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

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

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

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

#### **Expenditure**

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

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

#### **Collection acquisitions**

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.

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Tangible fixed assets**

Where purchased, tangible fixed assets are initially included at their cost of acquisition, including costs that are directly attributable to bringing the assets into working condition for their intended use.

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

Donated, functional fixed assets are included at a valuation made by the Trustees. Where the use of these assets is unrestricted they are included in a designated fund reflecting their book value.

The relevant fund is reduced over the useful economic life of the asset in line with its depreciation.

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

Individual fixed assets costing £1,000 or more are capitalised.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

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:

Leasehold property	:	2% per month
Displays	:	1% - 3% per month
IT equipment	:	3% per month
Vehicles and other equipment	:	2% per month

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

**Stock**

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

**Pension costs**

The charity contributes to the North Yorkshire Pension Fund, a multi employer defined benefit scheme. Payments are made in accordance with instructions given by the government actuary and charged to the statement of financial activities.

**Fund accounting**

Funds held by the charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Taxation**

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

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

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

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

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

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**2. TURNOVER**

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

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

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Admission fees	1,295,876	1,046,727
Miscellaneous	210,267	76,621
	<u>1,506,143</u>	<u>1,123,348</u>

**4. INTEREST RECEIVABLE**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest receivable from bank and other short term deposits	21,384	-	21,384	23,431
	<u>21,384</u>	<u>-</u>	<u>21,384</u>	<u>23,431</u>

**5. GRANTS RECEIVABLE**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Arts & Business	-	4,500	4,500	-
Arts Council England	-	80,000	80,000	48,239
The British Museum	-	30,932	30,932	-
Daiwa Foundation	-	1,500	1,500	-
DCMS Wolfson	-	-	-	187,000
Earl Fitzwilliam Charitable Trust	-	-	-	905
Esmee Fairburn	-	-	-	70,492
Friends of York Art Gallery	-	18,880	18,880	2,890
Foyle Foundation	-	-	-	20,000
Henry Moore Foundation	-	-	-	20,000
The Heritage Lottery Fund	-	-	-	125,000
The Japanese Print Shop	-	500	500	-
Joseph Rowntree Foundation	1,000	-	1,000	-
The Headley Trust	-	4,500	4,500	-
Middlesex University	-	-	-	3,000
Museums, Libraries and Archives Council	-	4,500	4,500	98,973
Renaissance Yorkshire	-	229,081	229,081	245,865
Roman Research Trust	-	-	-	3,400
The Paul Mellon Centre	-	-	-	10,000
YMLAC	-	-	-	6,432
Yorkshire Philosophical Society	-	-	-	1,500
Others	-	-	-	8,419
	<u>1,000</u>	<u>374,393</u>	<u>375,393</u>	<u>852,115</u>

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**6. FUNDING PROVIDED BY CITY OF YORK COUNCIL**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
Core funding	1,461,997	-	<u>1,461,997</u>	<u>1,406,420</u>

**7. INFORMATION REGARDING TRUSTEES AND EMPLOYEES**

	<b>2007 No</b>	<b>2006 No</b>
<b>Average number of persons employed (full time equivalents):</b>		
Curatorial	20	18
Education	6	6
Gardens	3	3
Marketing	4	4
Premises	4	4
Visitor services	29	29
Directors and administrative staff	11	13
Trading subsidiary	12	15
	<u>89</u>	<u>92</u>
<b>Staff costs during the year</b>		
Wages and salaries	1,967,233	1,879,603
Social security costs	138,668	130,233
Pension costs	216,462	179,420
	<u>2,322,363</u>	<u>2,189,256</u>

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

	<b>2007 £ No</b>	<b>2006 £ No</b>
£70,001 - £80,000	<u>1</u>	<u>1</u>

No trustees received remuneration during either year. Two trustees received a total of £313 (2006: £561) relating to travel expenses reimbursed.



NOTES TO THE ACCOUNTS

Year ended 31 March 2007

10. TANGIBLE FIXED ASSETS

	Displays	Leasehold Property	Vehicles and other equipment	Total
<b>Group</b>				
<b>Cost</b>	£	£	£	£
At 1 April 2006	-	142,229	267,434	409,663
Additions	62,081	2,605	25,041	89,727
At 31 March 2007	62,081	144,834	292,475	499,390
<b>Accumulated depreciation</b>				
At 1 April 2006	-	68,270	221,606	289,876
Charge for the year	4,967	34,135	33,333	72,435
At 31 March 2007	4,967	102,405	254,939	362,311
<b>Net book value</b>				
At 31 March 2007	57,114	42,429	37,536	137,079
At 31 March 2006	-	73,959	45,828	119,787

All tangible fixed assets were used for charitable purposes, except for equipment purchased within York Museums and Enterprises Limited with a net book value of £10,047 (2006 £6,718).

	Displays	Leasehold Property	Vehicles and other equipment	Total
<b>Charity</b>				
<b>Cost</b>	£	£	£	£
At 1 April 2006	-	142,229	255,475	397,704
Additions	62,081	2,605	25,041	89,727
At 31 March 2007	62,081	144,834	280,516	487,431
<b>Accumulated depreciation</b>				
At 1 April 2006	-	68,270	219,694	287,964
Charge for the year	4,967	34,135	30,863	69,965
At 31 March 2007	4,967	102,405	250,557	357,929
<b>Net book value</b>				
At 31 March 2007	57,114	42,429	29,959	129,502
At 31 March 2006	-	73,959	35,781	109,740

All tangible assets were used for charitable purposes.

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**11. INVESTMENTS HELD AS FIXED ASSETS**

**Charity**

	<b>2007</b> £	<b>2006</b> £
Investment in subsidiary	1	1

The company owns 100% of the ordinary share capital of York Museums and Enterprises Limited, a company registered in England and Wales. York Museums and Enterprises Limited was incorporated on 21 June 2002 and commenced trading on 1 August 2002.

The income and expenditure of York Museums and Enterprises Limited for the year ended 31 March 2007 is summarised below:

	<b>2007</b> £	<b>2006</b> £
Turnover	580,152	514,026
Cost of sales	(444,939)	(356,741)
Gross profit	135,213	157,285
Administrative expenses	(71,237)	(93,599)
Profit on ordinary activities for the financial year	63,976	63,686
Interest receivable and similar income	1,195	1,630
Gift aid payment	(65,171)	(65,316)
Profit retained for the financial year	-	-

The aggregate of the assets, liabilities and funds was:

	<b>2007</b> £	<b>2006</b> £
Assets	146,092	205,089
Liabilities	(146,091)	(205,088)
	1	1
Represented by:		
Called up share capital	1	1
Profit and loss account	-	-
	1	1

**12. STOCKS**

	<b>2007</b> <b>Group</b> £	<b>2007</b> <b>Charity</b> £	<b>2006</b> <b>Group</b> £	<b>2006</b> <b>Charity</b> £
Goods for resale	88,688	-	125,700	2,760

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**13. DEBTORS**

	<b>2007 Group £</b>	<b>2007 Charity £</b>	<b>2006 Group £</b>	<b>2006 Charity £</b>
Amounts falling due within one year:				
Trade debtors	107,794	97,446	127,726	111,823
Amount owed by subsidiary	-	95,681	-	123,387
Accrued income and other debtors	121,152	99,167	400,463	388,600
Prepayments	53,430	53,430	44,880	44,880
VAT recoverable	53,038	53,038	9,929	9,929
	<u>335,414</u>	<u>398,762</u>	<u>582,998</u>	<u>678,619</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2007 Group £</b>	<b>2007 Charity £</b>	<b>2006 Group £</b>	<b>2006 Charity £</b>
Trade creditors	308,135	276,131	404,886	340,499
Amounts owed to subsidiary	-	-	-	-
Other creditors	46,319	35,892	35,731	25,318
Other taxes and social security	1,665	-	2,345	-
Accruals and deferred income	49,577	43,262	75,106	70,550
	<u>405,696</u>	<u>355,285</u>	<u>518,068</u>	<u>436,367</u>

**15. MOVEMENT IN UNRESTRICTED FUNDS**

Unrestricted funds comprise the following:

<b>Group</b>	<b>1 April 2006 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>31 March 2007 £</b>
General unrestricted funds	<u>422,349</u>	<u>3,793,142</u>	<u>(3,849,673)</u>	<u>-</u>	<u>365,818</u>
<b>Charity</b>	<b>1 April 2006 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>31 March 2007 £</b>
General unrestricted funds	<u>422,349</u>	<u>3,659,359</u>	<u>(3,715,890)</u>	<u>-</u>	<u>365,818</u>

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**16. MOVEMENT IN RESTRICTED FUNDS**

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

<b>Group and charity</b>	<b>1 April 2006</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>31 March 2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted funds	18,282	374,393	(384,864)	-	7,811

Restricted funds as at 31 March 2007 consist of an unspent grant from The Paul Mellon Centre and the net book value of assets purchased using restricted funds.

The Paul Mellon Centre grant was received during the prior year to support the employment of a part-time Research Curator.

**17. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

<b>Group</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	134,274	2,805	137,079
Current assets	637,240	5,006	642,246
Current liabilities	(405,696)	-	(405,696)
At 31 March 2007	365,818	7,811	373,629
At 31 March 2006	422,349	18,282	440,631
<b>Charity</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	126,697	2,805	129,502
Investments	1	-	1
Current assets	594,405	5,006	599,411
Current liabilities	(355,285)	-	(355,285)
At 31 March 2007	365,818	7,811	373,629
At 31 March 2006	422,349	18,282	440,631

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**18. OPERATING LEASE COMMITMENTS**

<b>Group</b>	<b>2007</b>		<b>2006</b>	
Leases which expire	<b>Land and buildings £</b>	<b>Other £</b>	<b>Land and buildings £</b>	<b>Other £</b>
Within one year	-	-	-	828
Between two and five years	36,250	1,745	29,250	1,602
	<u>36,250</u>	<u>1,745</u>	<u>29,250</u>	<u>2,430</u>
	<u><u>36,250</u></u>	<u><u>1,745</u></u>	<u><u>29,250</u></u>	<u><u>2,430</u></u>
<b>Charity</b>	<b>2007</b>		<b>2006</b>	
Leases which expire	<b>Land and buildings £</b>	<b>Other £</b>	<b>Land and buildings £</b>	<b>Other £</b>
Within one year	-	-	-	828
Between two and five years	36,250	1,457	29,250	1,314
	<u>36,250</u>	<u>1,457</u>	<u>29,250</u>	<u>1,314</u>
	<u><u>36,250</u></u>	<u><u>1,457</u></u>	<u><u>29,250</u></u>	<u><u>2,142</u></u>

**19. COMPANY STATUS**

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

**20. TAXATION**

The charitable activities are exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.

**21. PENSION SCHEME**

The Charity contributes to the North Yorkshire Pension Fund. The scheme is a defined benefit scheme for the benefit of the employees. The assets of the scheme are administered by the North Yorkshire County Council in a fund independent from that of the Charity.

The Charity's contributions are affected by a surplus or deficit in the scheme but the Charity is unable to identify its share of the assets and liabilities in the scheme when they choose.

The Charity has applied the multi-employer exemption to account for the scheme as a defined contribution scheme.

The pension cost for the year was £216,462 (2006: £179,420).

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2007**

**22. 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 £8,000 (2006: £8,000).

At 31 March 2007, York Museums and Enterprises Limited owed the Trust a total of £95,681 (2006: £123,387).