

York Museums and Enterprises Limited

Report and Financial Statements

Year ended 31 March 2018

Company Registration No. 04466798



YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

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NOTES TO FINANCIAL STATEMENTS (Continued)

REPORT AND FINANCIAL STATEMENTS 2018

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

R. King
N. Nugent
S. Wiggins
J. Moore
R. Jagger (Appointed 13/01/18)
P. Lambert (Appointed 13/01/18)
R. Saward (Appointed 13/01/18)

SECRETARY

R. Saward (Resigned 01/04/18)
P. Lambert (Appointed 01/04/18)

REGISTERED OFFICE

St Mary's Lodge
Marygate,
York ,
YO30 7DR

BANKERS

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

INDEPENDENT AUDITORS

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

NOTES TO FINANCIAL STATEMENTS (Continued)

DIRECTORS REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 March 2018.

This director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by section 415A of the Companies Act 2006.

Activities

The company's principal activity is that of running gift shops and cafes contained within the Yorkshire Museum and gardens, Castle Museum and Art Gallery in York, along with hiring out conference facilities using the Hospitium venue. The profits of the company are distributed to the York Museums and Gallery Trust via a deed of covenant Gift Aiding this payment.

Review of developments and future prospects

2017/18 saw a modest growth in turnover and gross profit compared to 2016/17 and the charitable distribution payable to York Museums and Gallery Trust therefore also increased, to £309,455 (2017: £292,801)

The profit growth is attributable to the increase in income from our Retail offers and an increase in income from our concessions contracts. We have strengthened the Board further and with the Board we are seeking opportunities to grow the venue hire, utilising the York Museum Gardens and Tempest Anderson Hall more corporate business and further improvements in turnover and profit in 2018/19 financial year.

The results for the year are set out in detail on page 8. The directors who served during the year and subsequently are set out on page 3.

Auditor

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

Each person of the persons who is a director at the date of approval of this report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have 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 company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

NOTES TO FINANCIAL STATEMENTS (Continued)

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors 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 company and of the profit or loss of the company for that period.

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

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

The directors 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 preservation and detection of fraud and other irregularities.

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

Approved by the Board of Directors and signed on behalf of the Board



PAUL LAMBERT

24 July 2018

NOTES TO FINANCIAL STATEMENTS (Continued)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
YORK MUSEUMS AND ENTERPRISES LIMITED**

Opinion

We have audited the financial statements of York Museums and Enterprises Limited for the year ended 31 March 2018 which comprise the profit and loss account, the balance sheet and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report,³³ other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Linda Cooper (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Central Square,
29 Wellington Street,
Leeds,
LS1 4DL

7 August 2018

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

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2018

| | Note | 2018 £ | 2017 £ |
|---|------|----------------|----------------|
| Turnover | | 1,384,535 | 1,306,658 |
| Cost of Sales | | (559,028) | (530,816) |
| Gross Profit | | <u>825,507</u> | <u>775,842</u> |
| Administrative Expenses | | (516,122) | (483,132) |
| Operating Profit: Continuing Operations | | <u>309,385</u> | <u>292,710</u> |
| Interest Receivable | | 70 | 91 |
| Profit Before Taxation | 3 | <u>309,455</u> | <u>292,801</u> |
| Taxation | | - | - |
| Profit for the Financial Year After Taxation | | <u>309,455</u> | <u>292,801</u> |
| Charitable Distribution | 4 | (309,455) | (292,801) |
| Loss For the Financial Year Attributable to the Equity Shareholders of the Company | | <u>-</u> | <u>-</u> |

There are no recognised gains and losses for the current or prior financial year other than as stated above. Accordingly, a separate statement of other comprehensive income has therefore not been presented. There are no changes in equity other than those stated above and accordingly no separate state of changes in equity has been presented.

The notes on pages 10 to 15 form part of these financial statements

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

BALANCE SHEET

At 31 March 2018

BALANCE SHEET - SUBSIDIARY

| | Note | 2018 £ | 2017 £ |
|--|------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 5 | 16 | 1,057 |
| | | 16 | 1,057 |
| CURRENT ASSETS | | | |
| Stock | 6 | 66,392 | 63,794 |
| Debtors | 7 | 133,140 | 117,630 |
| Cash at bank and in hand | | 93,200 | 90,390 |
| | | 292,732 | 271,814 |
| CREDITORS: amounts falling due <1 year | 8 | (259,216) | (222,925) |
| NET CURRENT ASSETS | | 33,516 | 48,889 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 33,532 | 49,946 |
| CREDITORS: amounts falling due >1 year | 9 | (33,500) | (49,913) |
| NET ASSETS | | 32 | 32 |
| CAPITAL AND RESERVES | | | |
| Called Up Share Capital | | 1 | 1 |
| Profit & Loss Accounts | | 31 | 31 |
| | | 32 | 32 |

The notes on pages 8 to 15 form part of these financial statements

The financial statements have been prepared in accordance with the provisions of Section 1A of FRS 102.

These financial statements of York Museums and Enterprises Limited registered number 04466798 were approved and authorised for issue by the Board of Directors on 24 July 2018

Signed on behalf of the Board of Directors

Signed: P. Lambent

Name: Paul Lambent

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

NOTE 1

ACCOUNTING POLICIES

York Museums and Enterprises Limited is a private company, limited by shares, domicile in England and Wales, registration number 04466798. The registered address is St Mary's Lodge, Marygate, York, YO30 7DR.

The principle accounting policies are summarised below.

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with Section 1A of Financial Reporting Standard 102 (FRS102) 'Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council, and the Companies Act 2006.

Going concern – current economic uncertainties

The principal risk of the company is a variation in the number of visitors to the museums operated by York Museums and Gallery Trust, the company's parent charity.

The directors have reviewed the cash position of the company and the charity and cash forecasts at the date of signing the financial statements for a year from the date of signing. The company and the parent charity are expected to continue to be cash generative. As a consequence, the directors believe the company is well placed to manage its business risk successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statement.

Revenue recognition

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.

Where income is received in advance of performance of a service to be provided, the income is deferred into the period in which the service is performed.

Tangible Fixed Assets

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

| | |
|------------------------|---------------|
| Fixtures and Fittings: | 20% per annum |
| Equipment: | 24% per annum |

Stocks

Stocks are stated 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.

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

Taxation

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

Employee benefits

The company contributes to the North Yorkshire Pension Fund, a multi-employer defined benefit scheme. The company is not able to identify its share of the scheme's assets and liabilities, separately from its parent company York Museums and Gallery Trust and therefore the multi-employer exemption is taken to treat the scheme as a defined contribution scheme. Payments are made in accordance with instructions given by the government actuary and charged to the profit and loss account.

Critical Accounting Estimates and Judgements

In the application of the company's accounting policies, the directors 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 directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosures beyond the accounting policies listed above.

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a part to the contractual provisions of the instruments.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financial transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate interest for a similar debt instrument.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. 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 of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions are recognised where the company 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.

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

Reserves

The company's capital and reserves are as follows:

- Share capital
- Called up share capital represents the nominal value of the shares issued.
- Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

NOTE 2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

| | 2018 | 2017 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and Salaries | 258,837 | 236,596 |
| Social Security Costs | 14,821 | 14,483 |
| Pension Costs | 35,056 | 28,475 |
| | <u>308,714</u> | <u>279,554</u> |

The average number of employees during the year (excluding directors) was 27 (2017: 27).

The key management personnel of the parent charity and the group comprise the Chief Executive and Head of Strategy, Finance and Corporate Services. The directors, including key management personnel, did not receive any remuneration during the current or prior year.

NOTE 3 PROFIT BEFORE TAXATION

| | 2018 | 2017 |
|--|--------------|--------------|
| | £ | £ |
| Profit before taxation is stating after charging: | | |
| Auditor's remuneration | 3,500 | 3,500 |
| | <u>3,500</u> | <u>3,500</u> |

NOTE 4 CHARITABLE DISTRIBUTION

Profits earned are passed to the York Museums and Gallery Trust by means of a payment under charitable donations relief.

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 TANGIBLE FIXED ASSETS

| | Fixtures and Fittings £ | Equipment £ | Total £ |
|---------------------------------|-------------------------------|----------------|------------|
| Cost | | | |
| At start of year | 84,313 | 37,279 | 121,592 |
| At end of year | 84,313 | 37,279 | 121,592 |
| Accumulated depreciation | | | |
| At start of year | 84,313 | 36,223 | 120,536 |
| Charge for year | - | 1,040 | 1,040 |
| At end of year | 84,313 | 37,263 | 121,576 |
| Net book value | | | |
| At end of year | - | 16 | 16 |
| At start of year | - | 1,057 | 1,057 |

NOTE 6 STOCK

| | 2018 £ | 2017 £ |
|------------------|---------------|---------------|
| Goods for resale | 66,392 | 63,794 |
| | <u>66,392</u> | <u>63,794</u> |

NOTE 7 DEBTORS

| | 2018 £ | 2017 £ |
|-------------------------------------|----------------|----------------|
| Trade debtors | 55,678 | 37,185 |
| Amounts due from parent undertaking | - | 10,251 |
| Accrued income and other debtors | 13,032 | 9,723 |
| Prepayments | 64,401 | 59,334 |
| Other Debtors | 29 | 1,137 |
| | <u>133,140</u> | <u>117,630</u> |

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8

CREDITORS: AMOUNTS DUE <1 YR

| | 2018 £ | 2017 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 36,914 | 40,361 |
| Other creditors | 194 | 194 |
| Amounts owed to parent undertaking | 46,144 | - |
| Other taxes and social security | 4,628 | 2,427 |
| Accruals and deferred income | 171,336 | 179,943 |
| Corporation tax | - | - |
| | <u>259,216</u> | <u>222,925</u> |

NOTE 9

CREDITORS: AMOUNTS DUE >1 YR

| | 2018 £ | 2017 £ |
|-----------------|---------------|---------------|
| Deferred Income | 33,500 | 49,913 |
| | <u>33,500</u> | <u>49,913</u> |

NOTE 10

ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling part is the York Museums and Gallery Trust, a charitable company registered in England and Wales and limited by guarantee. The registered address of the York Museums and Gallery Trust is the same as that for the company and is shown on page 1. The York Museums and Gallery Trust is the smallest and largest group for which group financial statements are available and which include the company. Copies of the group financial statements of the York Museums and Gallery Trust are available from Companies House, Crown way, Maindy, Cardiff, CF4 3UZ.