

**YORK MUSEUMS AND ENTERPRISES
LIMITED**

Report and Financial Statements

Year ending 31 March 2015

TUESDAY



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COMPANIES HOUSE

YORK MUSEUMS AND ENTERPRISES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Bancroft (retired 08/09/2014)
Dr J Barnes (retired 01/12/2015)
J F Fenwick (retired 25/09/2014)
D R Jagger (retired 08/09/2014)
R King (appointed 01/12/2015)
N Middlemiss
N Nugent
S Wiggins
M J Woodward

SECRETARY

M J Woodward

REGISTERED OFFICE

St Mary's Lodge
Marygate
York
YO30 7DR

BANKERS

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

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds
United Kingdom

YORK MUSEUMS AND ENTERPRISES LIMITED

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 2015.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption, including exemption from preparing a strategic report.

ACTIVITIES

The company's principal activity is that of running gift shops and cafes contained within the Yorkshire Museum, 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 charitable donation under gift aid.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

2014/15 was another year of growth in turnover and gross profit compared to 2014/15, however increased administrative expenses meant that the charitable distribution payable to York Museums and Gallery Trust was almost exactly the same as the previous year at £221,800 (2014: £222,945).

York Art Gallery is re-opened to the public on 1 August 2015, with new retail, catering and venue hire opportunities for the company. This should lead once more to increased turnover and profit during 2015-16 and subsequent years. There are also potential opportunities for the company in the newly extended York Museum Gardens.

The results for the year are set out in detail on page 5. The directors who served during the year and subsequently are set out on page 1.

DIVIDENDS

The directors do not recommend the payment of a dividend (2014: £nil).

AUDITOR

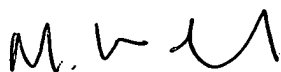
Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

- a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- b) 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 company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



M J Woodward

Director

21 December 2015

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 that 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). 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 prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of York Museums and Enterprises Limited for the year ended 31 March 2015, which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company, 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 take advantage of the small companies exemption in preparing the directors' report and from preparing a strategic report.



Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

21 December 2015

YORK MUSEUMS AND ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2015

	Note	2015 £	2014 £
TURNOVER: continuing operations	2	755,345	749,679
Cost of sales		(383,440)	(391,754)
Gross profit		371,905	357,925
Administrative expenses		(147,740)	(128,602)
OPERATING PROFIT: continuing operations	4	224,165	229,323
Interest receivable and similar income		345	314
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		224,510	229,637
Taxation	6	(2,887)	(6,473)
Charitable distribution	5	(221,800)	(222,945)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	(177)	219

There are no recognised gains and losses for the current or prior financial year other than as stated above. Accordingly, a separate statement of total recognised gains and losses has therefore not been presented.

YORK MUSEUMS AND ENTERPRISES LIMITED

BALANCE SHEET

31 March 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible fixed assets	7	<u>7,866</u>	<u>21,337</u>
CURRENT ASSETS			
Stock	8	84,386	71,062
Debtors	9	26,945	25,633
Cash at bank and in hand		<u>94,019</u>	<u>128,649</u>
		205,350	225,344
CREDITORS: amounts falling due within one year	10	<u>(213,173)</u>	<u>(246,461)</u>
NET CURRENT LIABILITIES		<u>(7,823)</u>	<u>(21,117)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>43</u>	<u>220</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account		<u>42</u>	<u>219</u>
SHAREHOLDERS' FUNDS	12	<u>43</u>	<u>220</u>

These financial statements of York Museums and Enterprises Limited registered number 4466798 were approved by the Board of Directors on 1 December 2015.

Signed on behalf of the Board of Directors



M J Woodward
Director

21 December 2015

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Basis of preparation – 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. 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 risks 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 statements.

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.

Taxation

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 company'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.

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES (CONTINUED)

Pensions

The charity 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.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement.

2. TURNOVER

Turnover, all of which arises in the United Kingdom, 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.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2015 £	2014 £
Wages and salaries	192,440	194,380
Social security costs	8,789	9,984
Pension costs	18,832	15,950
	<u>220,061</u>	<u>220,314</u>

The average number of employees during the year (excluding directors) was 10 (2014: 11) full time equivalents.

The directors did not receive any remuneration during the current or prior year.

4. OPERATING PROFIT

	2015 £	2014 £
The operating profit is stated after charging:		
Auditor's remuneration	3,500	3,200
Depreciation – owned assets	<u>16,917</u>	<u>17,030</u>

Depreciation of £nil (2014: £nil) has been recharged to York Museums and Gallery Trust due to assets jointly used by both entities.

5. CHARITABLE DONATION

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 THE FINANCIAL STATEMENTS Year ended 31 March 2015

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £	2014 £
United Kingdom corporation tax at 20% (2014: 20%)	2,887	6,473

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2014: 20%).
The actual tax charge for the current year differs from the standard rate for the following reasons:

	2015 £	2014 £
Profit on ordinary activities after charitable donation	2,710	6,692
Tax on profit on ordinary activities at the standard rate	542	1,338
Expenses not deductible for tax purposes	-	436
Capital allowances in excess of depreciation	2,343	2,537
Movement in short-term timing differences	2	2,162
Total current tax charge for the year	2,887	6,473

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2014	84,313	33,833	118,146
At 31 March 2015	84,313	37,279	121,592
Accumulated depreciation			
At 1 April 2014	62,976	33,833	96,809
Charge for the year	16,862	55	16,917
At 31 March 2015	79,838	33,888	113,726
Net book value			
At 31 March 2015	4,475	3,391	7,866
At 31 March 2014	21,337	-	21,337

8. STOCK

	2015 £	2014 £
Goods for resale	84,386	71,062

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2015

9. DEBTORS

	2015 £	2014 £
Trade debtors	15,041	13,432
Prepayments and accrued income	11,904	12,201
	<u>26,945</u>	<u>25,633</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	29,618	27,618
Other creditors	35,930	27,676
Amounts owed to parent undertaking	50,101	68,542
Other taxes and social security	2,428	7,087
Deferred income	92,211	109,065
Corporation tax	2,885	6,473
	<u>213,173</u>	<u>246,461</u>

11. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Called up, allotted and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

12. RECONCILIATION OF MOVEMENT IN RESERVES AND SHAREHOLDER'S FUNDS

	Share capital £	Profit and loss reserve £	Total 2015 £	Total 2014 £
At 1 April	1	219	220	1
Result for the year	-	(177)	(177)	219
	<u>1</u>	<u>42</u>	<u>43</u>	<u>220</u>
At 31 March	1	42	43	220

13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party is the York Museums and Gallery Trust, a company registered in England and Wales and limited by guarantee. 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.

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in FRS 8 not to publish details of related party transactions with other group companies as it is a wholly owned subsidiary of the York Museums and Gallery Trust and these transactions are eliminated on consolidation.

YORK MUSEUMS AND ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

15. PENSIONS

The company 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 company. The latest triennial valuation of the North Yorkshire Pension Fund as at 31 March 2013 showed that the Fund had a deficit of £668m.

The company's contributions are affected by a surplus or deficit in the scheme but the company is unable to identify its share of the assets and liabilities in the scheme when they choose, separately to its parent company York Museums and Gallery Trust.

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

The pension cost for the year was £18,832 (2014: £15,950). There were no pension contributions outstanding at 31 March 2015 (2014: £nil).