

**Sheffield Galleries & Museums Trust**  
**(Limited by guarantee)**

**Annual report and financial statements**

**For the year ended 31 March 2020**

**Charity registered number 1068850**

**Company registered number 3527746**

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## **Officers and Professional Advisers**

### **Directors at the date of approval of the financial statements, *who act as Trustees***

CAJ Biggin  
L Bradley  
D Chouings  
JS Cowling (*Chair*)  
M Greaves  
D Hurst  
N MacDonald  
P Meleady  
I Proctor  
Cllr P Rippon  
J Robinson  
A Singh

### **Company secretary**

CAJ Biggin

### **Registered office**

Riverside East  
2 Millsands  
Sheffield  
S3 8DT

### **Independent Auditors**

BHP LLP  
Chartered Accountants  
2 Ritland Park  
Sheffield  
S10 2PD

### **Bankers**

The NatWest Bank  
42 High Street  
Sheffield  
S1 2GE

## Chair's message

We should be really be celebrating another strong year characterised by some very successful exhibitions but sadly, we ended the year with all the museums and galleries closed as a result of the pandemic lockdown which has put a dampener on such celebrations.

It is worth reflecting that we started last year with the final few weeks of the hugely popular Leonardo exhibition which significantly increased footfall in the Millennium Gallery. The gallery continued to be busy into the summer months with the Ruskin bicentenary celebrations and the opening of the dazzling *John Ruskin: Art and Wonder* exhibition. It is a privilege to be the custodians of the Ruskin collection and we are pleased that we have a strong relationship with its owners the Guild of St George, facilitated by their recently retired Master, Clive Wilmer. I must take this opportunity to wish him well in his retirement and welcome Rachel Dickinson as his successor. The year finished with another popular exhibition in the Millennium Gallery namely *Lines of Beauty: Master Drawings from Chatsworth*. Unfortunately, this exhibition was cut short because of lockdown and the drawings had to be removed from display; however, at the time of writing we are delighted that it has been reopened and hopefully this will encourage visitors to return to the gallery.

The public's appreciation of the quality of these exhibitions throughout the year was matched by very positive visitor feedback, improved donations and extra activity in the charity's commercial operations which importantly provide funding for our activities.

Weston Park was also busy hosting Joe Scarborough's retrospective *Life in the Big Village*. Joe kindly spent time with us during the exhibition and was regularly seen chatting to visitors about his life's work with great passion and enthusiasm. Prior to lockdown we had planned the closure of some Weston Park galleries for refitting so the reopening in August had a real boost with the new Ancient Egypt and Sheffield Stories galleries proving to be very popular.

Throughout last year we continued to work closely with our colleagues in the Sheffield Industrial Museum Trust particularly on education and volunteering initiatives. Trustee representatives from the two boards and senior management also met regularly to discuss the practicalities of coming together into a new entity and to engage in the due diligence process. This culminated in the announcement from both boards in July 2020 that we had agreed to create a new unified charitable Trust to run the City's six museums, galleries and historic sites from 1 April 2021.

Reuniting the City's collections is an exciting prospect, enabling the new trust to provide coherent stories about Sheffield and giving visitors the opportunity for a joined-up experience across all the sites. A single trust will help the museums recovery in the aftermath of COVID-19 as well as making a compelling case to funders and supporters.

On that note we are very grateful for the continued support of our major funders, Sheffield City Council and Arts Council England for their continued support during these difficult times and also the generosity of the public with charitable donations.

I would like to thank the leadership team and all staff for coping with the challenges of the pandemic and embracing new ways of working as we have come out of lockdown. This has enabled us to partially reopen the Millennium Gallery and Weston Park Museum with safe distancing and timed ticket entry during August. We are ready to respond to whatever further measures might be announced in an ever-changing situation. Whatever we do, the health and safety of our staff and visitors is of paramount importance.

John Cowling  
Chair of Trustees



## Chief Executive Officer's report

While 2019-20 ended on a low, it's fair to say that this has been an outstanding year for Museums Sheffield. The quality and breadth of our relationships in the cultural sector and with businesses and communities, continue to underpin every aspect of our work and this has enabled us to deliver extraordinary museum experiences that connect with people of all ages.

Magnificent exhibitions such as *John Ruskin: Art and Wonder* at the Millennium Gallery and the wonderful *This Life is So Everyday: The Home in British Art 1950–1980* at the Graves Gallery, not to mention the vast range of creative sessions across all of our sites have offered multiple ways to find out more, to be creative and to develop a deeper connection with the nation's cultural heritage. Everything we do is developed and delivered in partnership; each project is an opportunity to build relationships, develop our creative practice and generate visitor experiences that are unique, inspiring and engaging. I would like to thank our partners for their generous support and willingness to collaborate and the entire team for their integrity and professionalism.

Our collaboration with colleagues at Sheffield Industrial Museums Trust exemplifies this. Over the past few years, we have been working together on collections development, volunteering programmes and programming. In May, Trustees of Sheffield Industrial Museums Trust and Museums Sheffield agreed to join forces in a new Trust that will become one of the city's biggest cultural organisations. From 2021, the new Trust will be responsible for running six of Sheffield's museums, galleries and historic sites and the city's collections of human and natural history. By working as one, we have the opportunity to connect with wider audiences and make better use of the collections and sites to tell a compelling and comprehensive story of Sheffield and its people.

Both MS and SIMT have achieved great things over the past few years and this important new development gives us every opportunity to build on our success, articulate our ambition for the future and develop a compelling case for investment. I would like to thank Sheffield City Council for backing this move, and Arts Council England for their advice and support. The success of the last year demonstrates what can be done and, Covid-19 notwithstanding, offers a flavour of things to come. None of this would be possible without the support and guidance of Trustees and the expertise and commitment of our talented team – a big thank you to everyone.



Kim Streets  
Chief Executive Officer

## **Trustees' report**

The Trustees, who act as Directors for the purposes of company law, present their annual report and audited financial statements including the Directors report and Strategic Report, of Sheffield Galleries & Museums Trust, a registered charity for the year ended 31 March 2020. The trustees have adopted provisions the Statement of Recommended Practice (SORP) (FRS102): 'Accounting and Reporting by Charities' in preparing the Annual Report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

This report and financial statements incorporate the results of Sheffield Galleries & Museums Trust (the "Trust") and its trading subsidiary, SGMT Enterprises Limited, (together branded as Museums Sheffield) and will be filed with the Registrar of Companies.

### **Governing document**

The Trust is a company limited by guarantee and a registered charity and is governed by its Memorandum & Articles of Association dated 10 March 1998.

### **Charitable objectives**

The Trust's purpose is embedded in its charitable objectives:

- The advancement of education of the public through the provision, maintenance and support of museums, art and craft galleries within Sheffield and its environs;
- To promote, maintain, improve and advance public education through the acquisition, care, management and display for the public benefit of:
  - a. the non-industrial galleries and museums collections of Sheffield City Council (SCC);
  - b. the arts collection of the Mappin Trust;
  - c. the collection of the Guild of St George; and
  - d. any other collections, groupings, displays or individual items from any other body which will promote the objects of the Company.
- The advancement of the education of the public by the aid, establishment, funding, or sponsorship of bursaries, scholarships or grants to any person or persons, institution, association or corporate body for the purpose of furthering the objects of the Company.
- Such other charitable objects as the Company shall from time to time determine.

### **Organisation**

The board of Trustees, which can have up to fourteen members, administers the charity. The board meets quarterly and Trustees also hold committees to review Development, Finance, Participation, Remuneration and Employment, Risk, Audit and Governance and Nominations.

A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and creative performance related activity. Following a reorganisation during the past year, the Chief Executive Officer is assisted by a senior management team comprising a Director of Finance and Resources and a Director of programmes.

The Trust operates from the following sites:  
Graves Gallery, Surrey Street, Sheffield  
Millennium Gallery, Arundel Gate, Sheffield  
Weston Park Museum, Weston Park, Western Bank, Sheffield

The Trust also manages an administrative office at Leader House and a Collections Centre on the outskirts of the city.

## Trustees' report (*continued*)

### Appointment of Trustees

Three Trustees are nominated by SCC and are subject to the appointment process of that body and the guidelines on appointment to public office as they apply to Local Government nominees. One Trustee is appointed by the Victoria & Albert Museum.

New Trustees bring an appropriate balance of experience relevant to the requirements of the operations of the Trust and in line with the requirements of its Memorandum and Articles of Association.

### Procedures and policies for the induction and training of Trustees

New Trustees are invited to meet with the senior management team and Chair to brief them about legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. The Chair conducts an annual review with Trustees to review performance, identify training requirements and discuss their view of the charity's performance.

### Public benefit

In setting the objectives of the charity and planning our activities, Trustees have considered the Charity Commission's guidance on public benefit and fee charging. The charity generates income from funding applications, commercial operations and donations, as well as charges for educational activities in order to cover operating costs. In setting education charges, the Trustees give careful consideration to the accessibility of the service for people who have a low income.

Access to displays, exhibitions and the majority of events in our galleries and museums is free to everyone. Trustees have taken the decision not to charge for entry to exhibitions and instead to encourage visitors to make a voluntary donation. This approach is reviewed regularly.

### Fund Raising Standards

Donors to our Museums can be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We do not engage any external fundraising service providers.

Our fundraising effort involves encouraging donations from supporters, gifts in wills, running events and making direct appeals for specific projects.

We are registered with the Fundraising Regulator and comply with all the relevant standards set out in the Code of Fundraising Practice. Our in-house fundraising team are members of the Institute of Fundraising.

### Legal and Administrative details

#### **Registered Office**

Riverside East  
2 Millsands  
Sheffield  
S3 8DT

#### **Secretary**

John Biggin

#### **Company registered number**

3527746

#### **Charity registered number**

1068850

## Trustees' report (continued)

### Directors

The Directors, who act as Trustees, who held office during the year and to the date of signing are as follows:

CAJ Biggin	D Hurst *
L Bradley	N MacDonald
Dr A Bostrum	P Meleady
JS Cowling	I Proctor
M Greaves	J Robinson (appointed 26 <sup>th</sup> September 2019)
M Hanson (resigned 16 <sup>th</sup> May 2019)	A Singh

\* Sheffield City Council nominated Trustee

The Trustees attendance at general meetings for the year ended 31 March 2020 is as follows:

Trustee	Meetings attended	Maximum no. of meetings
CAJ Biggin	4	4
L Bradley	4	4
D Chouings	3	4
J Cowling	4	4
M Greaves	2	4
M Hanson	1	1
Cllr D Hurst	2	4
N MacDonald	3	4
P Meleady	3	4
I Proctor	3	4
Cllr P Rippon	2	4
J Robinson	1	3
A Singh	3	4

Risk Assurance and Governance Committee. Attendance at meetings for the year ended 31 March 2020 was as follows[NM1]:

N MacDonald (Chair)	4	4
A Singh	2	3
John Cowling	4	4

Risk, Assurance and Governance committee is also attended by a Sheffield City Council representative.

### Senior management

Kim Streets	Chief Executive Officer
Kirstie Hamilton	Director of Programmes
Jennifer Cocker	Director of Finance and Resources

Senior executive's remuneration is decided by the Trustee remuneration and employment committee which has access to external data.



## Trustees' report (*continued*)

### Objectives and activities

The role of the Trustees is to ensure the fulfilment of the objects of the Memorandum and Articles of Association, summarised above. The charity has a core vision and mission that underpins all activity:

**Our vision:** Inspirational museums and galleries where people can reflect upon the past, question the present and imagine the future.

**Our mission** is to connect with our visitors, share stories about Sheffield and the wider world, and care for the city's collections.

### Employees and Volunteers

All individuals considered for employment are assessed based on their relative experience, knowledge, skills and qualifications. Our aim is that our workforce will be truly representative of all sections of society and each employee feels respected and able to give of their best. It is against Museums Sheffield's policy to discriminate either directly or indirectly against any person because of their protected characteristics.

Museums Sheffield recognises that training is a key way in which employees and potential employees may develop the knowledge, skills, qualifications and experience necessary for the effective performance of their job. Where training needs are identified through the performance management process, training opportunities will be made available, subject to financial and operational constraints, to all staff.

Volunteers get involved in every aspect of our work. Last year the number of volunteers increased from 213 to 277. Volunteers kindly and with great enthusiasm contributed 8,606 hours (2019: 7,705 hours) of their time and skills to support our service. We run the programme on a strictly practical basis, recruiting volunteers to fit roles and undertake tasks identified by museum staff. All our volunteering opportunities are advertised via the website and to registered volunteers. Arts Council England NPO funding has enabled the development of volunteering opportunities across Museums Sheffield and Sheffield Industrial Museums Trust sites and activities. This has made an important contribution to the quality, variety and sustainability of the volunteering programme at both Trusts.

### Pensions

The Financial Statements are prepared under Financial Reporting Standard 102 ("FRS102"). In accordance with paragraph 17.14 of the SORP (FRS102), we have charged against the funds of the charity, a provision equivalent to the pension deficit reported under FRS102. This has resulted in a cumulative reduction in Funds available to the Trust of £626,000 in 2020 (£1,112,000 in 2019).

The Trust currently operates one pension scheme that is affected by the provisions of FRS102. Employees transferred from SCC on 6 April 1998 are members of the South Yorkshire Pension Scheme, providing benefits based on final pensionable pay. The expected cost of providing these pensions, as calculated periodically by professionally qualified actuaries, is charged to the Statement of Financial Activities, so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payrolls. Two employees were members of the defined benefit scheme at 31 March 2020.

The most recent actuarial valuation showed that the market value of the scheme's assets was £4,044,000 at 31 March 2020 and that the actuarial value of those assets represented 87% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The Trust's employer contributions to the scheme will be at 17.2% in 2020/21.

Each year the Trust and the scheme's actuaries review the underlying assumptions of the calculation of the valuation of the scheme for the purposes of FRS102. In the FRS102 calculation for these financial statements, we have reduced liabilities by 14% (to £4.67m) to reflect recent changes in members.

The Trustees currently consider that the performance of the investment portfolio and the increase in employer deficit reduction contributions implemented in the last year and for all future years are sufficient to anticipate that the deficit will be eliminated over the longer term.

## Trustees' report (*continued*)

### Relationship with other organisations

The Trust liaises closely with SCC in pursuit of its charitable objectives. The relationship is conducted in accordance with a formal funding agreement signed on 8 April 1998 and the Council provides services to the Trust.

The Council remains the principal funding provider of the Trust, providing approximately 39% (2019:41%) of total incoming resources in the year. Two of the Trustees serving in 2019/20, Councillor Hurst and Councillor Rippon, are current Sheffield City Councillors.

In 2018 Museums Sheffield was awarded £200,000 per annum of Arts Council England NPO funding for a four-year programme of work with Sheffield Industrial Museums Trust. The two Trusts have committed to a programme of activity that includes the development of joint opportunities in volunteering, education, collection management and in exhibition programming. A Joint Working Group of Trustees and senior staff from both Trusts meet quarterly to provide governance and oversight of the relationship and activities.

During the year both Trusts agreed to undertake a thorough process of due diligence to assess the feasibility of the two Trusts formally joining together. Further to this review, at Board meetings held in May 2020 the two respective Boards resolved to form a new Trust and to transfer the operations, assets and liabilities from each existing Trust into that new Trust.

This new charitable Trust will see the city's historic and cultural collections, which span industrial and social history through to natural science and visual art, reunited after 25 years to tell a compelling and comprehensive story of Sheffield and its people.

A period of business, implementation and integration planning is now underway. The New Trust is expected to be operational from 1 April 2021.

### Payments to suppliers

It is the policy of the Trust to agree terms of payment with their suppliers when the order for goods and services is placed and to adhere to these arrangements when making payment. At the year end, trade creditor days were equivalent to 31 days (2019: 12 days).

### Related parties

The Trust has a subsidiary, SGMT Enterprises Limited, which undertakes the non-charitable activities based within the sites operated by the Trust. Any surpluses generated by the activities of the subsidiary are donated to the Trust to support its charitable activities.

### Disclosure of information to auditors

The Directors who held office at the date of approval of this Trustee's report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Trustees' report (*continued*)

In order to achieve the charity's objectives, the Trust is working to the following strategic aims:

- To be an organisation that is resilient, well-managed and generating independent income to deliver our charitable objectives
- To enhance the attainment, aspirations and well-being of Sheffield's people
- To promote a sense of place, city-pride and cultural identity
- To care for and develop the City's art, human and natural history collections

### Covid-19

On 17<sup>th</sup> March 2020, in response to Public Health guidance on Covid-19 and in the best interests of our employees and visitors, Museums Sheffield sadly closed all sites and limited our activities to digital engagement.

As the pandemic continued, the majority of staff were furloughed under the government's Coronavirus Job Retention Scheme ("CJRS")

Museums Sheffield has been fortunate that our principal funders – Sheffield City Council and Arts Council England – have been supportive and have continued to provide agreed funding during the closure. Together with payments received under CJRS, this has helped our financial position in the face of a collapse in commercial income. We are also grateful for donations made by members of the public.

Government and sector advice has been followed throughout the crisis and the safety of our employees and visitors has been at the forefront of all our planning. A partial reopening of the sites began in August.

The impact of closure, the limitations of social distancing on our activities and understandable visitor caution will have a substantial impact on our financial results for the year ahead.

Cashflow projections and recovery plans are being regularly reviewed by Trustees.

### Financial and operational review

The result for the year is set out in detail on page 27.

Total income for the year was £3,877k. This was a £231k increase on the previous year.

Following a successful grant application process in 2017, Museums Sheffield was awarded an Arts Council England National Portfolio Organisation grant of £800k. The four-year funding agreement began on 1 April 2018.

Museums Sheffield received £600k funding for a programme of activity that delivers an ambitious and diverse creative programme and supports our learning, participation and volunteering programme.

Museums Sheffield was also awarded £200k through the NPO grant programme to work with Sheffield Industrial Museums Trust to develop a joint programme of activity that explores how the two trusts can work together to develop joint opportunities and to provide the best museum experience for our audiences.

Additional grant income was received in the year from national and local funders to support specific projects. Significantly this year, grant funding has enabled a £230k continuation of the gallery refurbishment programme at Weston Park Museum.

## Trustees' report (continued)

This year's varied and prestigious exhibition programme has encouraged strong site donations. Site donations averaged 10p per visitor (2019: 8p per visitor). Total donations have however fallen from £187k to £146k. This reduction reflects the conclusion of a three-year donation agreement.

Expenditure totalled £4,134k in the year. Of this £732k related to restricted funds, and of this a significant £545k relates to depreciation on assets that were originally funded by restricted grants.

Expenditure was well controlled and reflects a lean staffing structure and careful attitude to spending. Establishment and dilapidation costs continue to be a concern for the organisation. Millennium Gallery and Weston Park Museum are both substantial buildings that are leased from SCC on a full repairing basis. Both buildings are requiring increasing levels of maintenance and repair with some substantial items of plant nearing the end of their lives. The need to sustain stable environmental conditions means that our energy usage is high and not easily reduced. Electricity contracts are regularly reviewed to ensure value for money, but costs are increasing at an above inflation rate.

The Trust made a net operating deficit of £257k. Of this, the Trust made a surplus of £37k on unrestricted activities. This compares to a budgeted expectation for the year before tax relief of a deficit of £48k on unrestricted activities. This is a strong result that will contribute positively to the financial sustainability of the organisation in these difficult times.

After accounting for an actuarial pension gain of £482k and benefitting from tax relief of £137k from the Museums and Galleries Exhibitions Tax relief, the net increase in funds for the year was £360k. This is split between a gain to unrestricted funds of £657k and a reduction in restricted funds of £297k.

The Trust continues to operate in a landscape where public funding for arts and culture is falling. The Trust is grateful for SCC's continued financial support and the recognition that it gives to culture as an opportunity to increase well-being, vibrancy and the City's economy.

SCC has provided a letter of support to the Trust. The letter of support is dependent upon the Trust performing in line with the business plan for 2019/20 and beyond.

We have considered the appropriateness of our Business Plan, the impact of Covid-19 and the intentions and commitments of our key funders and have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The Trust's funds have all been applied with a view to meeting the objects of the Trust. The Company's Memorandum and Articles of Association do not permit the payment of a dividend.

## Trustees' report (continued)

The Trust has a wholly owned trading subsidiary, SGMT Enterprises Limited, which is incorporated in England and Wales, and distributes its reserves to the Trust by gift aid. SGMT Enterprises Limited operates the shops, cafes, events and corporate hospitality trading operations carried on at the Trust. The subsidiary made a distribution of £115,000 (2019: £155,000) this year.

There are significant financial challenges facing the Trust – notably, recovery from the impact of Covid-19, medium term planned reduction in SCC income, rising salary and increasing establishment costs<sup>[NM2]</sup>.

Growing commercial income to replace some of the falling funding was a priority in business plans. However, in the short term the impact of Covid-19 means that commercial income will reduce. Business plans will be fully reviewed and regularly updated as recovery from closure begins. However, it is recognised that changes to the expected business model may be required.

Further details of the activities of the trading subsidiary are set out in note 4 of the consolidated financial statements.

The Trust has finished the year in a sound financial position and has worked hard to build resilience that will allow it to respond positively to the many challenges ahead.

## Audiences

Total visitor numbers for the three sites in 2019/20 were 944,151, 11% down on prior year and 6% down on budget. Museums closures due to the COVID-19 pandemic in March had a significant impact, with visitor numbers down 57% against budget for the month. Overall, Millennium Gallery and Graves Gallery performed well, with lower visitor numbers at Weston Park Museum, which saw two galleries closed for several months for redevelopment, remaining an area of focus going forward.

Audience research continued throughout 2019/20 via several key strands. We once again exceeded our data collection targets for Audience Finder, which provides useful insight on demographic data, visitor behaviour and ratings. Overall data was largely consistent with previous years, indicating robust data collection. Our Net Promoter Score (the percentage of people who would recommend a museum to friends or family) was strong overall, up 7% at Millennium Gallery (to 74%) and 8% at Graves Gallery (to 72%), with Weston Park Museum retaining the highest rating (81%), although down slightly, 2%, on the previous year.

In terms of demographics, around 10% of those surveyed identified as BAME compared to 12% the previous year. The age of those surveyed remained relatively unchanged, however Millennium Gallery saw an increase of those aged 45-54, while Graves Gallery saw a drop in 35-44s, but an increase in those aged 45-64. The gender split shifted slightly this year, with an increase in female visitors across all sites. There was little fluctuation in the number of visitors identifying as deaf, disabled or having a long-term health condition, but the way the question was set changed in 2019/20 so should be informed by subsequent data sets.

This year also saw our first contribution to ACE's Impact & Insight Survey, which all band 2 & 3 NPOs are now required to complete. Due to the museum closures we fell just short of our data collection targets for the I&I surveys, which measure the impact of our programme, however the majority of reports will still be completed. In addition to I&I, we received excellent audience feedback on our Leonardo da Vinci and John Ruskin: Art & Wonder exhibitions via surveys created in partnership with the Royal Collection Trust and Guild of St George respectively.

## Trustees' report (continued)

### Achievements and performance

#### ***Aim 1: To be an organisation that is resilient, well-managed and generating independent income to deliver our charitable objectives***

The focus on income generation and expenditure control over the past few years together with the commitment of major funders to continue funding through this difficult period has provided sufficient financial resilience to survive and ultimately respond to the current Covid-19 difficulties.

Commercial income had been developing well. 2019/20 had seen growth in corporate hospitality income and our sites were increasingly recognised as a major venue for city wide events and festivals. Whilst general High Street woes reflected in retail turnover, our ability to improve gross margins meant that net profit from retail was holding well.

Relationships and partnering opportunities with the private sector have been developing over the past few years. This year we have seen significant growth in sponsorship income, a reflection of the strong exhibition and events programme and of the organisations ability to identify and convert commercial opportunities.

In addition to increasing earned income, all expenditure is closely managed, and the Trust maintains strong cost control. Employment and utility costs continue to be our largest areas of expenditure. Statutory changes including the increasing national minimum wage, increased pension contributions and increasing energy charges will be a significant pressure in coming years and will require organisational change in response.

## Trustees' report (continued)

### *Aim 2: To enhance the attainment, aspirations and well-being of Sheffield's people*

Our work and our programme continue to offer accessible and inspiring opportunities for people from all walks of life to use their museums as places to reflect upon the past, question the present and imagine the future.

During 2019/20 over 17,700 formal education visitors engaged with exhibitions, events and activities at our sites (2018/19 17,500). We were delighted to work with 218 different schools from across the Sheffield City Region as well as from far afield as Workington in Cumbria, Huddersfield, Lincoln and Birkenhead. The team delivered 314 workshops on a wide variety of subjects through the year and facilitated a further 226 self-guided visits. We continue to employ casual learning delivery staff to increase our capacity and enhance our offer in areas of the city with the least engagement.

Using funding linked to the Leonardo da Vinci exhibition we were able to work on a number of projects with Woodthorpe Community Primary School. The school is in an area with many indices of socio-economic deprivation. The first project was in partnership with their local care home, Chatsworth Grange. Using the themes of the Leonardo exhibition as a starting point, the children investigated water through art and STEM activities. As part of the project, the pupils also undertook Dementia Awareness Training, giving them the confidence, skills and understanding to meaningfully engage with older people. Equipped with their new knowledge, creative skills and training they then visited the care home to teach the residents the marbling techniques they had recently learned. The session was incredibly successful – the residents normally go upstairs for their lunch, but during the children's visit they insisted that it be brought down to them so they wouldn't miss any of the afternoon activities. The day was perhaps best summed up by one of the residents, who, on seeing the paper lifted from the marbling tray, candidly exclaimed: "Well bugger me, I'm an artist!" Following the initial project, we have worked with the school on several other activities therefore strengthening our relationship with them.

We continue to develop family audiences through working collaboratively with community partners. This year we have worked with over 25 partners including Sheffield Industrial Museums Trust, SAYIT, Sheffield Carnival, Children's University and local colleges and universities. Starting with the launch of the new Ancient Egyptian Gallery we have increased our family offer to include Weekend Wonders at Weston Park Museum. These regular weekend family activities are designed to increase engagement with families, increase dwell time as well as increase repeat visits as there is something different to do each week.

We continue to offer an engaging public programme of events and activities. During 2019/20 we welcomed 1,392 people (2018/19 1310 people) to regular classes such as Life drawing and the Graves Art Club and over 19,000 people (2019: 28,000) attended an event in one of our spaces. Events have a financial benefit for the organisation however, they also an opportunity to add depth to our exhibitions and add additional layers of interpretation to our collections. The difference in the figures is due to a number of large events not happening this year such as Festival of the Mind as well as the CMC Playground moving to a different venue. We were also without a Public Programme co-ordinator for around six months.

We have worked through the year to introduce an Advisory Forum, Our Voices, Our Lives. Drawn from Sheffield's diverse communities, the Forum will work with us to ensure that the museum's collections and programmes better represent the lives of people living in Sheffield.

### **Volunteering**

Volunteering is expanding and developing at MS with 277 volunteers giving a total of 8,606 hours of their time in a variety of roles to support our charitable work (2019: 213 volunteers, 7,705 hours). Volunteers are involved in a range of roles across collections management and research, exhibitions research, learning, visitor engagement, strategic research, audience surveying and communications.

Volunteers make an immense contribution to the quality and quantity of activities that we can undertake, and we would like to express our thanks to all who have given their time to support us this year.

During the year, we have worked closely with Sheffield Industrial Museums Trust to develop links between our respective volunteer programmes. Volunteers from both Trusts have worked together on projects such as Alzheimer-friendly cafes and have enjoyed social events and trips together.

## Trustees' report (continued)

### *Aim 3: To promote a sense of place, city-pride and cultural identity*

#### Partnerships

##### The V&A

The city has had a strategic partnership with the Victoria & Albert Museum since 1999. It has enabled the people of Sheffield to enjoy high quality collections and exhibitions and the Trust has benefitted from curatorial advice and professional expertise through talks, secondments, trustee involvement and training. In this year we worked with the V&A on the Design Lab Nation project that connected young people with creative processes and works in Sheffield's and the V&A's collections.

##### The Guild of St George

The Trust works in close partnership with The Guild of St George through our stewardship of the Ruskin Collection. The Guild continue to support us to care for and display the Ruskin Collection. The Guild have agreed a five year funding plan with total investment over this period of £200,000. John Ruskin: Art & Wonder was a very popular exhibition with more visitors than previous Ruskin themed exhibitions. The new Master of the Guild, Rachel Dickinson, has led the development of a new steering group to plan and monitor collaborative working.

The Board of Trustees and staff would like to thank the Guild of St George for their ongoing commitment to Sheffield and the work of the Trust during this and future years.

##### Sheffield Culture Consortium

The Trust's membership of the Sheffield Culture Consortium continues to be of strategic importance as we seek to position culture as a key component in the city's growth agenda. The Trust has worked alongside colleagues at Sheffield Theatres Trust, Site Gallery, The Showroom, Sheffield Industrial Museums Trust, Doc/Fest, Yorkshire Artspace and the Universities, to develop the Consortium's role and deliver on its strategic objectives. The Consortium aims to influence cultural policy and decision making and enable people to develop the skills needed to lead, administer and sustain the future development of the cultural sector in the Sheffield City Region.

The Trust is also acting as accountable body for the Sheffield Culture Consortium's *Making Ways* project. This three-year Arts Council England funded project will demonstrate, celebrate and develop exceptional contemporary visual art practice in Sheffield.

##### Sheffield Industrial Museums Trust

Museums Sheffield has received funding from Arts Council England NPO programme to deliver a programme of joint activity with Sheffield Industrial Museums Trust to explore how the two organisations can work more closely together. This year both organisation's boards agreed to undertake a process of due diligence to decide whether the two organisations should formally come together through the formation of a new Trust. On May 14<sup>th</sup> it was agreed by resolution of the Board of Trustees that a new museums Trust for Sheffield should be formed. The new Trust will unite the operations, assets and liabilities of Sheffield Galleries & Museums Trust and Sheffield Industrial Museums Trust. It is anticipated that on the new Trust will be operational from 1 April 2021.

##### South Yorkshire Museums

The Curator of Archaeology provided advice to Heritage Doncaster staff both via email and during a visit to the stores on the processes involved in the deposition and cataloguing of archaeological archives resulting from developer-funded investigations.



## Trustees' report (*continued*)

### Exhibitions and displays

Our creative programme combines rich collections and welcoming spaces that inspire people to reflect on the past, question the present and imagine the future. The exhibition programme brought the work of Leonardo da Vinci to Sheffield, commissioned our first major digital work, celebrated the bicentenary of John Ruskin, the career of local hero Joe Scarborough and brought Sheffield's collections and talent to a wider audience. All the exhibitions listed below offered free entry.

#### **Leonardo da Vinci: A Life in Drawing**, Millennium Gallery, Special exhibition gallery, 1 Feb – 6 May 2019

Visitor number – 100,480

Leonardo da Vinci was arguably the greatest artist that ever lived. The exhibition displayed 12 of his most extraordinary drawings from the Royal Collection, part of a major series of exhibitions in 12 cities throughout the UK and marking the 500th anniversary of his death. With much of his life's work unrealised or destroyed, many of Leonardo's greatest achievements are represented through his drawings. These drawings reflect the diversity of Leonardo's interests – painting, sculpture, architecture, music, anatomy, engineering, cartography, geology, botany and his observations of the movement of water. This was our most visited exhibition since opening.

Funders: SCC, ACE, GIS, Arup, CMS, Constantine, The University of Sheffield

#### **John Ruskin: Art & Wonder**, Millennium Gallery, Special exhibition gallery, 29 May -15 Sept 2019

Visitor number – 54,398

John Ruskin championed the joy that nature can bring to our lives and the sense of awe it can evoke within us. Ruskin's passion began in childhood with a love of minerals and mountains. Later he would come to write at length about geology, botany and zoology, and how the study of natural history was central to his thinking around both art and architecture. This exhibition explored Ruskin's belief that an understanding of the natural world enriches our lives in a multitude of ways; for him, appreciating its beauty was just as valuable as any scientific knowledge.

*Art & Wonder* was the second exhibition curated by Museums Sheffield marking Ruskin's bicentenary and follows the success of *John Ruskin: The Power of Seeing* at Two Temple Place in London.

Funders: SCC, ACE, Guild of St George, Sheffield Property Association, The University of Sheffield

#### **The Time is Now**, Millennium Gallery, Special exhibition gallery, 5 Oct 2019 - 19 Jan 2020

Visitor number – 64,936

This immersive exhibition considered how contemporary artists reflect the minutes, months and years that govern everything we do. *The Time is Now* brought together work by Helen Chadwick, Berris Conolly, Braco Dimitrijević, Ruth Ewan, Andrew Hunt, Ruth Levene, James Nares, Jorge Otero-Pailos, Katie Paterson and Mathew Weir.

Funders: SCC, ACE

#### **Lines of Beauty: Master Drawings from Chatsworth**, Millennium Gallery, Special exhibition gallery, 14 Feb – 25 May 2020

Visitor number to 16 March 2020, 19,076

This exhibition was a partnership between Chatsworth, Museums Sheffield and The Lightbox, Woking. It featured works by Carpaccio, Poussin, Rembrandt, Rubens, Van Dyck and more and was the largest display of drawings from the

collection in over twenty years. When the collection was originally established over 300 years ago, viewing of these works would have been reserved for the social elites of the time in marked contrast to this large-scale free exhibition.

Funders: SCC, ACE, GIS, CMS, Duke of Devonshire Charitable Trust, The University of Sheffield

**Trustees' report (continued)**

**The Vehicle of Nature by Universal Everything, Millennium Gallery, exhibition gallery, 19 Jan – 26 May 2019**

Visitor number: 102,340

The genius of Leonardo da Vinci provided the inspiration for an immersive experience from internationally acclaimed digital studio, Universal Everything. This installation was a 21st century response to the artist's ground-breaking Studies of flowing water (1510-13), displayed in Leonardo da Vinci: A Life in Drawing. It received an incredible visitor number.

Funders: SCC, ACE

**Time Lab, Millennium Gallery, exhibition gallery, 8 June – 18 Aug 2019**

Visitor number – 21,526

This informal environment presented activities and objects that invited visitors to consider the notion of time and what it meant to them. The responses we received helped develop thinking and plans for the larger scale *Time is Now* exhibition that followed later in the year.

Funders: SCC, ACE

**Manor Maker: Base Materials with Emilie Taylor, Millennium Gallery, exhibition gallery, 31 Aug – 6 Oct 2019**

Visitor number: 12,810

Emilie Taylor, ceramic artist worked with a group of adults undertaking great change in their lives to explore the potent metaphor of turning mud into gold. Manor Maker: Base Materials considered the powerful impact of making on our sense of self, and, the relevance of the British heritage craft of wood-firing pots in our contemporary urban environment. The exhibition was the culmination of a project which saw 10 adults, each in a process of change and recovery, come together to talk, think, draw and use clay to create monuments to their process and themselves.

Funders: SCC, ACE, Oscar & Sophie Humphries

**Richard Bartle: Nomadic Tales, Millennium Gallery, exhibition gallery, 18 Jan – 12 Apr 2020**

Visitor number to 16 March 2020, 23,361

When Richard Bartle discovered the drawings of Siyah Kalem, or Black Pen, 15 years ago, it began an enduring fascination. He became captivated by these 14th century images which had crossed the borders of Iran, Turkey, China and Mongolia. The exhibition showed a new series of large-scale paintings in which Bartle consciously re-presented visual symbols and social and political images he observed on the streets of contemporary Istanbul creating his own personal version of the drawings of Black Pen.

Funders: SCC, ACE, Making Ways

**This Life is so Everyday: The Home in British Art 1950–1980, Graves Gallery, 30 March – 6 July 2019**

Visitor number – 13,608

Our relationship with our homes influences the way we think about ourselves and each other. This exhibition brought together work by Patrick Caulfield, Helen Chadwick, Richard Hamilton, David Hockney, Anne Redpath and Su Richardson to show how artists have explored our diverse experiences of home life.

Funders: SCC, ACE, Paul Mellon Centre for Studies in British Art, Finnis Scott Foundation, Freshgate Trust Foundation, H and L Cantor Trust and Sheffield Town Trust. The research for this exhibition was made possible with a Jonathan Ruffer Curatorial Research Grant from Art Fund.

### **Trustees' report** *(continued)*

#### **It Moves Forward: The Work of Richard Hamilton**, Graves Gallery, 20 Jul – 26 Oct 2019

Visitor number – 12,991

This exhibition explored Richard Hamilton's seminal role in defining the Pop Art movement bringing together over 30 works spanning the breadth of his career from public and private collections.

Funders: SCC, ACE, John Ellerman Fund

#### **Gaze: A Retrospective of Portraits by Lorna May Wadsworth**, Graves Gallery, 9 Nov 2019 – 15 Feb 2020

Visitor number – 14,462

Sheffield's Lorna May Wadsworth paints portraits of sitters from the worlds of politics, entertainment and beyond. Gaze showcased over 100 of her most striking images, including portraits of actors David Tennant and Derek Jacobi, filmmaker Richard Curtis, author Neil Gaiman, and former Prime Minister Baroness Thatcher.

Funders: SCC, ACE, a series of donations

#### **Invisible Wounds: Landscape in Memory and Photography**, Graves Gallery, 5 Mar – 20 Jun 2020

Visitor number to 16 March 2020, 1,560

Curated with The University of Sheffield, the exhibition brought together over 45 photographs that blur the boundaries between documentary and the work of imagination to explore how the past lingers in the present. The images displayed showed sites that bear little or no visible trace of their traumatic history, but where those events remain scarred in individual or collective memory.

Funders: SCC, ACE, The University of Sheffield

#### **Who We Are: Photographs by Martin Jenkinson**, Weston Park Museum, Harold Cantor Gallery, 24 Nov 2018 – 14 April 2019

Visitor number: 50,696

Who We Are was the first major retrospective of Martin Jenkinson's work. For over four decades Sheffield-based photojournalist Jenkinson chronicled the drama and detail of our everyday lives. During the 1980s, Jenkinson became known for his memorable images of British protests widely published in the national press. While these photographs became a familiar presence on the front pages, Jenkinson's wider work was no less powerful.

Funders: SCC, ACE

#### **Nordic by Nature: modern design and prints**, A British Museum touring exhibition, Weston Park Museum, Harold Cantor Gallery, 4 May – 28 Jul 2019

Visitor number: 28,275

Artists and designers have long been inspired by the varied and dramatic landscapes of the Nordic countries. *Nordic by Nature* explored how nature and landscape are at the heart of Finnish, Swedish, Danish and Norwegian art and design. Using the British Museum's collection, it considered how Finnish, Swedish, Danish and Norwegian artists and designers

have created distinctive objects and imagery that are rooted in the culture, traditions and industries of those nations and often embody national pride.

Funders: SCC, ACE, Dorset Foundation in memory of Harry M Weinrebe

**Trustees' report** (*continued*)

**Joe Scarborough – Life in the Big Village**, Weston Park Museum, Harold Cantor Gallery, 17 Aug – 24 Nov 2019

Visitor number – 44,700

Joe Scarborough was born in Pitsmoor in 1937. He first began to paint having spent six years working at Thorpe Hesley Colliery and as a miner found his inspiration in the colour and light above ground. After selling his first painting “for a fiver”, Scarborough left the pit and took several labouring jobs which allowed him to paint in the morning and evening. Joe has affectionately documented Sheffield’s history in glorious technicolour in a career spanning over 50 years. Life in the Big Village brought together over 60 paintings and drawings for the first time in over 25 years.

Funders: SCC, ACE, Turner and Townsend

**Loved&Lost**, Weston Park Museum, Harold Cantor Gallery, 14 Dec 2019 – 19 Apr 2020

Visitor number to 16 March 2020, 25,210

Created by photographer Simon Bray after the death of his father, Loved&Lost invited people to find a family photograph, then return to the location to restage it and record a conversation about the experience of grief. The process offered them a way to acknowledge their loss, to share the stories of these precious moments and celebrate those who are no longer with us. The moving stories that Simon and the participants told together challenge the taboo of talking about death, whilst offering solace and a chance to reflect on our own memories of lost loved ones.

Funders: SCC, ACE

## Trustees' report (*continued*)

### ***Aim 4: To care for and develop the City's art, human and natural history collections***

#### **Collections Partnerships**

The Trust has worked in partnership with the Assay Office and Yorkshire Artspace to commission new work as part of the Precious Little Gems Programme which resulted in the acquisition of Daisy Lee-Overton's Sterling Silver and gold Gin Chalice. Collaboration between Sheffield Hallam University and the Arts Society also saw the commission of a piece for the Metalwork collection by Amber Stephen. Partnership working alongside Yorkshire Artspace and South Yorkshire Housing Association also saw the commission of a ceramic book by Rebecca Brown developed in collaboration with *Live Well at Home* residents and displayed in the Millennium Gallery during summer 2019.

During 2019/20 the Trust also worked in partnership with Sheffield Hallam University BA (Hons) Illustration course to create animations for the new Ancient Egypt gallery. This project also drew on the expertise of specialist Egyptologists from around the UK including Professor Joann Fletcher as well as working with Egypt Exploration Society and The Society for the Study of Ancient Egypt. This research into the Ancient Egypt collections has now been imbedded both in the gallery and on TMS.

The Trust also continues the partnership with the Portable Antiquities Scheme hosting Finds Surgeries, where members of the public can bring their archaeological finds in for identification and recording. In October, we facilitated a training event, organised by the Portable Antiquities Scheme, on identifying and documenting medieval coins.

#### **Collections Access**

Museums Sheffield continues to work toward Arts Council Accreditation targets and anticipate the next submission for Accreditation will be February 2024.

In 2019/20 Museums Sheffield made significant progress with collections management activities, bringing an additional 5191 records up to SPECTRUM standard and resolving 541 discrepancies, significantly over both annual targets. An additional 500 records were also added to the online collections database, giving a total of 5679 records now accessible worldwide.

The Trust has embedded the *Big Ambitions* volunteer project working with people who require additional support to make the move into employment. During 2019/20 we worked with nine participants enabling MS to make 435 TMS records spectrum standard and improve the care of the Metalwork collection. The project continues to have good outcomes for the participants with two going to University, two becoming regular volunteers and two moving on to paid employment. Volunteers have also assisted with the cataloguing and rationalising the archaeological archives, documenting roughly 200 boxes of material.

Over the past year the Trust has opened the doors to the store through the Heritage Open Days as well as hosting visits from the Young Archaeologist Club, The Gleadless Valley history group, ARUP, MS Friends, volunteers and our Instagram Artist in Resident Melissa Burntown. There has been a high number of international researchers visiting to access the collections from France, Germany, Italy and Japan as well as more local interest such as Natalie Murray from Barnsley Museums and art historian Christopher Wright who viewed works from our French collection and the University of Sheffield Archaeology department who filmed at the store for a film about their research into Sheffield Castle. In addition, we have also supported academics from Universities through the Interherbarium loans scheme, arranging loans from across Europe in order to facilitate study by local fungologists. The weather station continues to attract national attention with over 100 academic meteorological enquiries and a great deal of media attention due to record breaking weather events.

The GHB Ward collection (founded of the Clarion Ramblers) was taken to Longshaw Estate in September, objects from the Metalwork, Social History and Natural Science collections were taken to the Sheffield Heritage Fair in January and a selection of collections were also used to inspire debate for the Proud! project participants.

During 2019/20 MS continued its work with Art UK and facilitated the professional photography of 20% of our sculpture collection, enhancing online access to this area of the collection. Further photography is planned with the help of MS volunteers in order to feature all Sheffield's sculpture on Art UK.

## Trustees' report (continued)

### Acquisitions

During 2019/20 633 items were added to Sheffield's collection. Significant additions include:

- A selection of sculptures by Phlegm from the *Mausoleum of the Giants*
- 230 items LGBT+ -related items as part of the HLF funded Proud! project including objects relating to Sheffield University's LGB society, a wedding dress and a copy of *The Intermediate Sex* by Edward Carpenter
- A group of 17 plaster sculptures by George Fullard (1923 - 1973)
- *Acceleration Structures* by Dan Holdsworth
- *Landlines and Robes* Portfolio of 10 prints by Turner prize winning Sean Scully
- *Vertical Panorama: Oak Tree* by Hannah Downing
- *Val-de-Grace* photograph by Andrew Conroy
- Five silver spoons by Suzanne Berry acquired through the CAS Omega Fund.
- Archaeological archives from the Hare and Hounds, Stannington, Princess Works, Sheffield, Sheffield Retail Quarter, Oughtibridge Mill, Sheffield, Sidney Street, Sheffield
- A silver Romano-British Tot ring bezel

### Conservation and Collections care

Over the past year 286 items have undergone conservation including an extensive selection of Ancient Egyptian material (173 items) supported by the *Stories from Ancient Egypt to Sheffield* project. This also enabled the conservation of the painting *Temple of the Medinet Habu, Upper Egypt* by Ernest Koerner which was in very poor condition with a large tear and no frame and is now one of the highlights of the gallery.

Treatment of the flooded material in the Social History collection continues with the conservation of 82 photographs, 21 flood damaged works on paper and a selection of ephemera for display in Sheffield Stories.

We have also worked with volunteers to improve the storage of collections including pinning items of metalwork into their drawers to prevent movement and the re-storage of the Visual Art works on paper.

### Collections loans

Museums Sheffield lent a total of 186 objects to institutions across the UK and internationally. These included a higher than usual number of natural science loans to local organisations including Chesterfield Museum, University of Sheffield and Kelham Island. International loans included key works such as James Tissot's *The Convalescent* lent to Fine Arts Museum, San Francisco and the Musée D'Orsay, Paris and Paul Gauguin's *Interior avec Aline* lent to the National Gallery of Canada and the National Gallery, London. There were also a significant number of loans to regional galleries including the Laing Art Gallery, Pallant House and Wolverhampton Art Gallery. The Trust also lent a Houdini poster to Wellcome Collection for their exhibition *Smoke and Mirrors, the psychology of magic* which enabled this fascinating work from the Social History collections to be conserved, mounted and framed courtesy of the Wellcome Trust.

### Looking ahead

2020 is expected to be a challenging year that heralds significant change for Museums Sheffield.

The year began with all sites closed and many activities halted due to Covid-19. And whilst our sites partially reopened in August,, we must anticipate that this will not be a return to normal.

It is our expectation that visitor uncertainty about returning to public venues and the expected limitations on gatherings will impact significantly on our commercial and donation income.

Our recovery plans will be led by public health advice. The safety and confidence of our staff and visitors will be our first concern.

Business plans for the year and further ahead will be reviewed and amended to respond to the changed environment.

As mentioned earlier in this report the Trustees of Museums Sheffield and Sheffield Industrial Museums Trust have agreed to support the formation of a new Museum Trust. The new Trust will unite the collections, ambitions and operations of the

### **Trustees' report** *(continued)*

two separate Trusts into one. During 2020 business, implementation and integration planning will be undertaken to enable the new Trust to begin operations on 1 April 2021.

We believe that Sheffield's unique collections and sites belong to all, are used by all, cared for by all, and are shaped by all: One City - One Collection: Many Voices.

#### **Investment policy and returns**

The Trust currently does not benefit from a surplus of long-term reserves. All cash held at present is primarily for working capital or specific projects and as a result, is held in liquid accounts at the bank that can be called upon at short notice. However, where surplus funds do arise, the Executive seek to place them on deposit in the highest interest-bearing account provided by the Trust's bankers, whilst still retaining the ability to draw down these funds as and when required. The Trustees will review the investment policy as funds grow in the future, although current cash flow projections do not show any significant increase in cash reserves.

#### **Reserves policy**

Trustees adopt a risk-based approach to the management of reserves that seeks to balance long term financial sustainability and flexibility with current operational requirements. In assessing the level of free reserves required the Trustees have taken due note of the major risks facing the charity, considered the likelihood of the risks and the potential financial impact of those risks.

The major financial risks that have been considered in determining the level of free reserves required by the Trust are the security of the funding that we receive from our major funders; our ability to supplement funding with self-generated income; and the level of expenditure that we need to maintain our buildings in the appropriate conditions to operate as publicly accessible accredited museum and galleries.

At 31 March 2020 total funds held were £9,005k (2019: £8,645k). Of these £7,425k of funds were restricted (2019: £7,722k) Restricted funds include a capital depreciation reserve relating to grant funded capital assets.

Where appropriate Trustees may designate funds for specific strategic projects. At 31 March 2020 £35k of funds were designated for future capital developments (2019: £23k). Designated funds are currently supporting a programme of digital development within our museums. It is expected that designated reserves will be fully expended by 31 March 2021.

At 31 March 2020 Trustees determined that based on the assessment of principal risks the appropriate targeted free reserves level for the Trust was £500k. At 31 March 2020 free reserves, calculated as unrestricted funds less fixed assets not included within the restricted capital reserve fund plus the long-term guaranteed defined benefit pension liability, were £556k (2019: £407k).

The covid -19 crisis has increased the magnitude and likelihood of many of the funding, financial and operational risks facing the Trust. Enforced and sustained closure of our sites followed by expected lower visitor attendance for some months will also adversely impact on the level of free reserves that we will be able to maintain. In response to these circumstances there will be a focus on tight budgetary control, stabilising the cash position and developing future sustainable income streams.

#### **Principal risks**

The Trustees are committed to the identification and management of the major strategic, business and operational risks that the charity faces. The Senior Management Team and Heads of Services communicate with colleagues throughout the organisation to identify risk and regularly update a detailed register. The Board consolidates this into a Board Assurance Framework (BAF) of the most significant risks that would impact on our prospects, together with any assurances and controls. Any key gaps are addressed with plans to mitigate the risk and a timeframe for actions to be discussed by the board. They rate these risks as high, medium and low through an impact and likelihood matrix and have identified the key risks to be:

- Covid-19 closure and recovery – as with all visitor attractions, the Trust’s operations and finances will be severely impacted by the current pandemic. Recovery planning including budget revisions will be closely monitored by the Board and relevant committees.

**Trustees’ report** *(continued)*

- Formation of a new Museum Trust – the formation of a new Trust reflects strong ambition and expected opportunity. However, it is also recognised that such significant change will bring new risk.
- Funding and income generation – the current climate of reduced funding from key stakeholders is set to continue and we are constantly working to provide new income streams as well as reducing costs throughout the organisation.
- People – our people have been very loyal. Continued funding issues mean that we have not always been able to financially reward our staff as we would like to. Our staff have understood of our financial constraints and we thank them for their continuing commitment.
- Graves Gallery – Graves Gallery occupies the top floor of the Central Library building on Surrey Street. The building, owned by Sheffield City Council, requires significant maintenance work. There is an opportunity for SCC and ourselves to work together to appraise the future use of the building and consider how redevelopment might meet City wide Heart of the City objectives. The current uncertainty around these plans raises risk for Museums Sheffield. The Senior Management Team and Trustees are working closely with SCC on future strategies and development plans.

The BAF is considered as part of the Risk, Audit and Governance committee and presented to the board for discussion and action planning.

**Independent Auditor**

Pursuant to Section 487 of the Companies Act 2006, BHP were appointed as auditors of the Trust on 13<sup>th</sup> February 2020.



## Trustees' report (continued)

### Statement of trustees' responsibilities

The trustees (who are also directors of Sheffield Galleries & Museums Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom may differ from legislation in other jurisdictions.

### Statement as to disclosure to our auditor

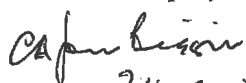
In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board

**CAJ Biggin**

*Trustee and Company Secretary*

  
24-9-20

Company Number 3527746

Riverside East  
2 Millsands  
Sheffield  
S3 8DT

## **Independent auditor's report to the members of Sheffield Galleries and Museums Trust**

### **Opinion**

We have audited the financial statements of Sheffield Galleries and Museum Trust (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and the group's incoming resources and applications of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

## **Other information**

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

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

## **Use of our report**

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

BHP LLP

Jane Marshall (Senior Statutory  
Auditor)  
For and on behalf of BHP LLP, Statutory Auditor  
2 Rutland Park  
Sheffield  
S10 2PD

Date: 7 October 2020

## Consolidated Statement of Financial Activities

for the year ended 31 March 2020

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
<b>Income from:</b>					
Donations and Legacies					
Grants	2	800	428	1,228	975
Donations	6	146	-	146	187
Charitable Activities					
Income from charitable activities		219	10	229	192
Management service charge		1,504	-	1,504	1,504
Commercial Income		731	-	731	712
Other		39	-	39	76
<b>Total Income and Endowments</b>		<b>3,439</b>	<b>438</b>	<b>3,877</b>	<b>3,646</b>
<b>Expenditure on:</b>	5				
<b>Raising Funds</b>					
Commercial trading operations		(611)	-	(611)	(563)
Fund-raising costs		(112)	(23)	(135)	(160)
<b>Charitable activities</b>					
Curatorial & exhibitions		(702)	(299)	(1,001)	(1,009)
Operational		(1,407)	(266)	(1,673)	(1,866)
Education		(357)	(95)	(452)	(346)
<b>Other</b>		<b>(213)</b>	<b>(52)</b>	<b>(264)</b>	<b>(265)</b>
<b>Total resources expended</b>		<b>(3,402)</b>	<b>(735)</b>	<b>(4,136)</b>	<b>(4,209)</b>
<b>Net income/(expenditure)</b>		<b>37</b>	<b>(297)</b>	<b>(259)</b>	<b>(563)</b>
<b>Other recognised gains and (losses)</b>					
Actuarial gain / (loss) on defined pension scheme	23	482	-	482	(163)
Purchases from Acquisition funds		-	-	-	(33)
Corporation tax Relief		137	-	137	48
<b>Net movement in funds</b>		<b>656</b>	<b>(297)</b>	<b>360</b>	<b>(711)</b>
<b>Total funds brought forward</b>		<b>923</b>	<b>7,722</b>	<b>8,645</b>	<b>9,356</b>
<b>Total funds carried forward</b>	18	<b>1,579</b>	<b>7,425</b>	<b>9,005</b>	<b>8,645</b>

The results are wholly derived from the continuing operations.

Restricted expenditure includes a depreciation charge of £543k that relates to grant funded assets. Depreciation on these assets is funded from the restricted capital reserve.

## Consolidated and Trust Balance Sheets at 31 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Trust 2020 £'000	Trust 2019 £'000
<b>Fixed assets</b>					
Tangible assets	10,11	8,894	9,766	8,810	9,155
Investments	12	-	-	-	-
		<u>8,894</u>	<u>9,197</u>	<u>8,810</u>	<u>9,155</u>
<b>Current assets</b>					
Stocks and WIP	13	62	58	-	-
Debtors and prepayments	14	240	190	507	405
Cash at bank and in hand – unrestricted	15	781	1,234	625	1,071
Cash at bank and in hand – restricted reserve support	15	147	130	147	130
Cash at bank and in hand – funds relating to agency arrangements	15	-	52	-	52
		<u>1,230</u>	<u>1,664</u>	<u>1,279</u>	<u>1,658</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(327)</u>	<u>(801)</u>	<u>(303)</u>	<u>(763)</u>
<b>Net current assets</b>		<u>903</u>	<u>863</u>	<u>976</u>	<u>895</u>
Provision for liabilities and charges	17	<u>(166)</u>	<u>(303)</u>	<u>(166)</u>	<u>(303)</u>
<b>Net assets excluding pension liability</b>		<u>9,631</u>	<u>9,757</u>	<u>9,620</u>	<u>9,799</u>
Defined benefit pension scheme liability	23	<u>(626)</u>	<u>(1,112)</u>	<u>(626)</u>	<u>(1,112)</u>
<b>Net assets including pension liability</b>		<u>9,005</u>	<u>8,645</u>	<u>8,994</u>	<u>8,687</u>
<b>The funds of the charity</b>					
<i>Restricted funds</i>					
Capital depreciation reserve	18	7,279	7,592	7,279	7,592
Acquisition fund	18	52	33	52	33
Social History Collection Recovery	18	53	66	53	66
Restricted projects	18	41	31	41	31
		<u>7,425</u>	<u>7,722</u>	<u>7,425</u>	<u>7,722</u>
<i>Unrestricted funds</i>					
General funds	18	1,545	900	1,534	890
Designated funds	18	35	23	35	23
		<u>1,580</u>	<u>923</u>	<u>1,569</u>	<u>913</u>
<b>Total funds</b>	18	<u>9,005</u>	<u>8,645</u>	<u>8,994</u>	<u>8,687</u>

The Parent charity's gross income in the year was £3,146,000 (2019: £3,645,000) with a net increase in funds of £359,000 (2019: net reduction of £711,000).

These financial statements on pages 27 to 54 were approved and authorised for issue by the Board of Trustees on 24/4/20 and were signed on its behalf by:

John Cowling  
Chair of Trustees  
Company Number 3527746

**Consolidated Statement of Cashflow**  
*for the year ended 31 March 2020*

	<i>Note</i>	<b>2020</b> <b>£'000</b>	2019 £'000
<b>Net cash generated from operating activities</b>	<i>20</i>	<b>(343)</b>	623
<b>Cash flows generated from financing activities</b>		-	(127)
<b>Cash flows (used in)/generated from investing activities</b>			
Purchase of property, plant and equipment		<b>(91)</b>	(54)
Purchase of assets for SCC Collection		<b>(2)</b>	(28)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(436)</b>	414
Cash and cash equivalents at 1 April 2019 excluding agency arrangements		1,364	950
<b>Cash and cash equivalents at 31 March 2020</b>		<b>928</b>	<b>1,364</b>

## **Notes**

*(forming part of the financial statements)*

### **1. Accounting policies**

#### ***Basis of preparation***

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £000.

#### ***Going concern***

The financial statements have been prepared on the going concern basis which assumes that the Trust will continue to operate. The validity of this assumption is dependent on the continued financial support of the Sheffield City Council ('the Council') which has been confirmed by the provision of a letter of support.

Management have considered the cash flow requirements of the group for at least 12 months from the approval of these financial statements, using realistic assumptions for reductions in funding. This, together with the receipt of the letter of support from Sheffield City Council, leads management to consider the group will be able to meet its financial obligations as they fall due. Therefore, the financial statements have been prepared on a going concern basis.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

#### ***Group financial statements***

These financial statements consolidate the results of the Trust and its wholly owned subsidiary SGMT Enterprises Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the Trust itself is not presented because the Trust has taken advantage of the exemptions afforded by section 404 of the Companies Act 2006 and paragraph 397 of SORP (FRS 102).

#### ***Incoming resources***

Income represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. It includes sponsorship and various merchandising.

The following accounting policies are applied to income:

#### ***Voluntary income- Grants***

Grants are recognised as income when receivable, provided that any conditions attached to the donation of the grant have been fulfilled. Grants are classified as restricted funds where appropriate in accordance with SORP (FRS 102).

#### ***Voluntary income- Donations***

Donations and all other receipts from fund-raising are reported gross and the related fund-raising costs are reported in other expenditure. Cash collections to which the Trust is entitled but which it has not received by the period end are included in incoming resources in the statement of financial activities and shown as debtors in the balance sheet.

#### ***Management service charge***

The Trust has entered into an agreement with Sheffield City Council ("the Council") to manage the museums and galleries listed at page 4 on behalf of the council. The management service charge is accounted for when receivable.



## **Notes (continued)**

### **Accounting policies (continued)**

#### *Income from charitable activities*

Income from charitable activities represents income received from schools and other educational bodies for the provision of educational services, and the generation of income from the use of collections by other external organisations. Income from charitable activities is accounted for when receivable.

#### *Commercial income*

Commercial income includes the management of shops, cafes and corporate hospitality undertaken at the sites operated from, namely the Millennium Gallery, Graves Gallery and Weston Park Museum together with an on-line retail offer. Income from commercial income is accounted for when receivable.

### **Resources expended**

#### *Raising Funds*

Raising funds represent expenditure in relation to staff members who are directly engaged in and fundraising, and related costs of fundraising activity.

#### *Charitable Activities*

Charitable activities expenditure includes all expenditure directly related to the objects of the Trust, this is analysed between three category headings: curatorial and exhibitions, operational and education.

#### *Other costs*

Other costs include marketing and publicity relating to exhibitions and other operational activities.

#### *Operational costs*

The Trust's operating costs include staff costs, premises costs, governance and other related costs. Such costs are allocated between other charitable expenditure, fundraising and publicity, and management and administration. Staff costs are allocated according to the costs of staff working directly in the relevant activity and property costs are allocated according to the space used by each activity. Where costs are not directly attributable to any activity, they have been apportioned according to the total of all other costs relating to each activity.

#### *Governance costs*

Governance costs represent expenditure incurred in the management of the Trust's assets, organisational administration, and compliance with constitutional and statutory requirements.

### **Fund accounting**

The Trust maintains various types of funds as follows:

#### *Restricted funds*

Restricted funds represent grants and donations received which are allocated by the grantor, provider and donor for specific purposes. The purpose and use of the restricted funds are set out in the notes to the financial statements.

## **Notes (continued)**

### **Accounting policies (continued)**

#### *Capital depreciation reserve*

The capital depreciation reserve, a restricted fund, represents restricted grants received to finance capital expenditure. The grants have been recognised as income in the Statement of Financial Activities, but the cost of the assets has been capitalised rather than recognised as expenditure. The reserve increases as new grants are received and is reduced each year by an amount equivalent to the depreciation charged on these assets.

#### *Acquisition Fund*

The acquisition fund has been set up to allow the Trust to acquire further items for the collections. The Collection belongs to, and is recorded as an asset of, Sheffield City Council. Museums Sheffield manages the Collection on behalf of Sheffield City Council.

#### *General unrestricted funds*

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Trust. Such funds may be held in order to finance both working capital and capital investment.

#### *Designated unrestricted funds*

The Trustees agree when able to designate funds and hold them for a specific purpose.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold Land & Buildings	-	4% or period of lease, whichever is lower.
Gallery improvements	-	12½%
Fixtures, fittings and equipment	-	10-25%
Plant and Equipment	-	10%

Large scale capital projects are accounted for as capital works in progress. As the project is completed, transfers are made between capital works in progress and the most appropriate fixed asset account.

#### *Stock*

Stock is stated at the lower of cost and net realisable value. In determining the cost of goods, the average cost is used. Provision is made for slow moving and obsolete stock.

#### *Post-retirement benefits*

The Group operates both defined benefit and defined contribution schemes. The assets of the defined contribution schemes are held separately from those of the Group in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

The assets of the defined benefit scheme are also held separately from those of the Group. Pension scheme assets are measured using market values. For quoted securities the mid-market price current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

## **Notes (continued)**

### **Accounting policies (continued)**

#### *Agency Arrangements*

The Trust may agree to administer the funds of another entity as its agent. As agent, the Trust will act in line with the instructions of the entity that acts as the principal.

Funds received by the Trust as agent are not recognised as an asset in its accounts because the funds are not within its control. Consequently, the receipt of funds as agent is not recognised as income nor is its distribution recognised as expenditure.

#### *Taxation*

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

The Trust benefits from Museums and Galleries Exhibition Tax relief. This relief supports museums and galleries to develop new exhibitions and to display their collections to a wider audience. A claim for relief is submitted based on qualifying expenditure on exhibitions.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### *Contributions made towards the costs of exhibits*

Any exhibit the Trust acquires is added to the Sheffield Collections, which are the property of Sheffield City Council and are covered by a Collections Agreement between Sheffield City Council and the Trust. Where the Trust makes a contribution towards the cost of the exhibit the cost is charged to the income and expenditure account in the period in which the payment is made.

#### *Investments*

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

#### *Financial instruments*

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

#### *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

## Notes (continued)

### Accounting policies (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or

(c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### i. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments,

economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment.

ii. Dilapidations Provision

The provision for dilapidations reflects anticipated future expenditure on the repair of leased premises based on current assessments of the condition and the necessary repairs requirement in the short term. The Trust has full repairing lease obligations for two properties, Weston Park Museum and Millennium Galleries.

## Notes (continued)

### 2. Grants

	2020	2019
	£'000	£'000
<b>Revenue grants</b>		
Arts Council England – National Portfolio Organisation Funding	800	800
Grants toward management of Ruskin Gallery and exhibitions	62	30
Grants towards research projects and exhibitions – Esme Fairbairn Foundation	-	23
Grants towards Ancient Egypt and Sheffield Stories gallery refurbishments– Charles Hayward Trust, Foyle Foundation, JGG Trust, Sheffield Town Trust, Earl Fitzwilliam Trust	48	-
Grant towards research and exhibitions - John Ellerman Foundation	25	25
Grant towards collection acquisition and development – Art Fund	22	-
Education grants – V & A	16	7
Grants towards exhibitions – HLF	13	52
Education grants – Children & the Arts	2	7
Education grants – Royal Collection Trust	7	3
Education grants – Duke of Devonshire Charitable Trust	2	-
Community Participation grants – TESCO	1	2
Grant towards research and exhibitions - Paul Mellon Centre	-	21
Business and activity development grant – Sheffield BID	-	5
	998	975
<b>Capital Grants</b>		
Grants towards Ancient Egypt and Sheffield Stories gallery refurbishments – DCMS	183	-
Grants towards capital projects – Arts Council England	47	-
	1,228	975

Income from grants was £1,228k (2019: £975k) of which £428k (2019: £175k) was attributable to restricted funds and £800k (2019: £800k) was attributable to unrestricted funds.

## Notes (continued)

### 3. Movement in restricted group funds

Restricted group funds, excluding those held under agency agreements, comprise the following unexpended income for capital and revenue purposes:

	Balance brought forward £'000	Incoming resources £'000	Expenditure £'000	Balance carried forward £'000
Capital Depreciation reserve				
Weston Park Museum – Project Funding	6,818	-	(468)	6,350
Collection Management Store – Capital Funding	397	-	(41)	356
Other funded capital additions	377	230	(36)	571
Acquisition fund	34	22	(3)	53
Social History collection recovery	66	-	(13)	53
Restricted projects				
Grants towards management and care of Collections	19	186	(172)	33
Picture and conservation of visual arts donations	11	-	(2)	9
	<u>7,722</u>	<u>438</u>	<u>(735)</u>	<u>7,425</u>

### Movement in unrestricted group funds

Unrestricted group funds comprise the following:

	Balance brought forward £'000	Incoming resources £'000	Resources expended £'000	Actuarial Loss provision and tax relief £'000	Balance carried forward £'000
General fund including designated	<u>923</u>	<u>3,440</u>	<u>(3,402)</u>	<u>619</u>	<u>1,580</u>

## Notes (continued)

Movement in restricted group funds for the year ended 31 March 2019:

	Balance brought forward £'000	Incoming resources £'000	Expenditure £'000	Balance carried forward £'000
Capital Depreciation reserve				
Weston Park Museum – Project Funding	7,278	-	(460)	6,818
Collection Management Store – Capital Funding	438	-	(41)	397
Other funded capital additions	409	-	(32)	377
Acquisition fund	62	5	(33)	34
Social History collection recovery	101	-	(35)	66
Restricted projects				
Grants towards management and care of Collections	-	106	(87)	19
Various grants towards replacement metalwork gallery	1	-	(1)	-
Picture and conservation of visual arts donations	13	1	(3)	11
	<u>8,302</u>	<u>112</u>	<u>(692)</u>	<u>7,722</u>

### Movement in unrestricted group funds

Unrestricted group funds comprise the following:

	Balance brought forward £'000	Incoming resources £'000	Resources expended £'000	Actuarial Loss provision and tax relief £'000	Balance carried forward £'000
General fund including designated	<u>1,054</u>	<u>3,534</u>	<u>(3,550)</u>	<u>(115)</u>	<u>923</u>



**Notes (continued)**

**Analysis of group assets and liabilities (excluding agency agreements) for the year ended 31 March 2020**

	<b>Restricted Funds</b>	<b>Designated Funds</b>	<b>General Funds</b>	<b>2020 Total</b>	<b>2019 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Tangible fixed assets	7,279	-	1,615	8,894	9,197
Current assets	146	35	1,030	1,211	1,612
Current liabilities	-	-	(308)	(308)	(749)
Defined benefit pension liability	-	-	(626)	(626)	(1,112)
Provision for dilapidations	-	-	(166)	(166)	(303)
	<b>7,425</b>	<b>35</b>	<b>1,545</b>	<b>9,005</b>	<b>8,645</b>

**Analysis of group assets and liabilities (excluding agency agreements) for the year ended 31 March 2019**

	<b>Restricted Funds</b>	<b>Designated Funds</b>	<b>General Funds</b>	<b>2019 Total</b>	<b>2018 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Tangible fixed assets	7,592	-	1,605	9,197	9,766
Current assets	130	23	1,459	1,612	1,234
Current liabilities	-	-	(749)	(749)	(573)
Defined benefit pension liability	-	-	(1,112)	(1,112)	(974)
Provision for dilapidations	-	-	(303)	(303)	(97)
	<b>7,722</b>	<b>23</b>	<b>900</b>	<b>8,645</b>	<b>9,356</b>

## Notes (continued)

### 4. Commercial trading operations and investment in trading subsidiary

The wholly owned trading subsidiary, SGMT Enterprises Limited, which is incorporated in the United Kingdom, makes an annual gift aid distribution to the Trust. SGMT Enterprises Limited operates the shops, cafes and corporate hospitality trading operations carried on at the Trust. The Trust owns the entire issued share capital of two ordinary shares of £1 each. A summary of its trading results is shown below.

	2020	2019
<i>Profit and loss account</i>	<b>£'000</b>	<b>£'000</b>
Turnover	723	712
Change in stocks of goods for resale	(4)	(52)
Purchase of goods for resale	(318)	(252)
Staff costs	(245)	(205)
Other operating charges and interest payable	(41)	(44)
Profit on ordinary activities before tax	115	159
Amount distributed to the Trust	(115)	(155)
Retained in the subsidiary	0	4
	<b>2020</b>	<b>2019</b>
<i>Summary balance sheet</i>	<b>£'000</b>	<b>£'000</b>
Tangible fixed assets	84	43
Stocks	62	58
Debtors	29	53
Cash at bank and in hand	157	162
Creditors falling due within one year	(321)	(305)
Net assets	11	11
Called up share capital	-	-
Profit and loss account	11	11
Shareholders' funds	11	11

## Notes (continued)

### 5. Analysis of total resources expended

	Staff costs £'000	Other £'000	Governance £'000	Depreciation £'000	2020 Total £'000	2019 Total £'000
<b>Raising funds</b>						
Commercial trading operations	(245)	(344)	(7)	(16)	(612)	(563)
Fundraising	(85)	(27)	(1)	(22)	(135)	(160)
	<u>(330)</u>	<u>(371)</u>	<u>(8)</u>	<u>(38)</u>	<u>(747)</u>	<u>(723)</u>
<b>Charitable activities</b>						
Curatorial and exhibitions	(531)	(326)	(4)	(140)	(1,001)	(1,009)
Operational	(522)	(804)	(8)	(338)	(1,672)	(1,866)
Education	(309)	(70)	(2)	(71)	(452)	(346)
	<u>(1,362)</u>	<u>(1,200)</u>	<u>(14)</u>	<u>(549)</u>	<u>(3,125)</u>	<u>(3,221)</u>
<b>Other expenditure</b>	(130)	(90)	-	(44)	(264)	(265)
	<u>(1,822)</u>	<u>(1,661)</u>	<u>(22)</u>	<u>(631)</u>	<u>(4,136)</u>	<u>(4,209)</u>

Analysis of Total resources expended for the year ended 31 March 2019:

	Staff costs £'000	Other £'000	Governance £'000	Depreciation £'000	2019 Total £'000	2018 Total £'000
<b>Raising funds</b>						
Commercial trading operations	(205)	(348)	(5)	(5)	(563)	(559)
Fundraising	(98)	(36)	(1)	(25)	(160)	(117)
	<u>(303)</u>	<u>(384)</u>	<u>(6)</u>	<u>(30)</u>	<u>(723)</u>	<u>(676)</u>
<b>Charitable activities</b>						
Curatorial and exhibitions	(577)	(287)	(5)	(140)	(1,009)	(810)
Operational	(497)	(999)	(10)	(360)	(1,866)	(1,813)
Education	(233)	(60)	(2)	(51)	(346)	(323)
	<u>(1,307)</u>	<u>(1,346)</u>	<u>(17)</u>	<u>(551)</u>	<u>(3,221)</u>	<u>(2,946)</u>
<b>Other expenditure</b>	(133)	(90)	(1)	(41)	(265)	(203)
	<u>(1,743)</u>	<u>(1,820)</u>	<u>(24)</u>	<u>(622)</u>	<u>(4,209)</u>	<u>(3,825)</u>

## Notes (continued)

### 6. Donations

	2020	2019
	£'000	£'000
Voluntary income donations	<u>146</u>	<u>187</u>

Income from donations was £146k (2019: £187k) of which £146k (2019: £181k) was attributable to unrestricted funds and £nil (2019: £6k) was attributable to restricted funds.

### 7. Other finance costs

	2020	2019
	£'000	£'000
Expected return on pension scheme assets (see note 23)	103	108
Interest on pension scheme liabilities (see note 23)	(129)	(134)
	<u>(26)</u>	<u>(26)</u>

### 8. Net income for the year is stated after charging

	2020	2019
	£'000	£'000
<i>Net income for the year is stated after charging</i>		
Auditors remuneration		
- audit of these financial statements	10	11
- accountant's report on financial statements of subsidiaries	1	5
- non audit services	2	6
Depreciation	631	622
Amounts payable under operating leases	<u>14</u>	<u>14</u>

## Notes (continued)

### 9. Staff numbers and costs

The average number of employees and their full time equivalent employed by the Group was as follows:

	2020	2020	2019	2019
	headcount	FTE	headcount	FTE
Curatorial and exhibitions	18	15	21	18
Operations	48	31	47	29
Learning	5	4	7	6
Fundraising and publicity	7	6	6	5
Management and administration	5	5	5	5
	<u>83</u>	<u>61</u>	<u>86</u>	<u>63</u>

	2020	2019
	£'000	£'000
Wages and salaries	1,430	1,462
Social security costs	92	83
Other pension costs (see note 23)	210	191
Redundancy costs	1	-
	<u>1,733</u>	<u>1,736</u>

#### *Remuneration policy and benefits*

The Trust bases its reward policies and strategies on the needs of the organisation. Salaries in general are determined by reference to similar museum services in the UK, and consistency is ensured by regular evaluation of employees' performance. Senior executive's remuneration is decided by the Trustee remuneration and employment committee which has access to external data. A Personal Pension Plan is available to all staff that is auto-enrolment compliant.

#### *Key management personnel emoluments*

No Trustee or person related or connected by business to them received any remuneration during the year, or the prior year. Travelling and subsistence expenses paid to the Trustees of the Trust amounted to £0 (2019: £0).

1 employee received benefits (excluding employer pension costs) of more than £60,000 (2019: 1)

Key management personnel, including trustees and senior management, received total employee benefits of £176,406 (2019: £172,047). The senior management team comprises 3 employees – Chief Executive, Director of Programmes and Director of Finance & Resources.

#### *Volunteers*

Volunteers work throughout the organisation and contributed 8,606 hours of service during the year (2019: 7,705)

**Notes (continued)**

**10. Tangible fixed assets – Group**

	Leasehold land & buildings	Gallery Improvements	Fixtures, fittings & equipment	Plant & equipment	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At beginning of year	15,216	4,080	333	912	20,541
Additions	-	173	147	8	328
Disposals	-	(124)	-	-	(124)
<b>At end of year</b>	<b>15,216</b>	<b>4,129</b>	<b>480</b>	<b>920</b>	<b>20,745</b>
<i>Depreciation and diminution in value</i>					
At beginning of year	6,890	3,479	296	679	11,344
Charge for year	427	129	18	57	631
Disposals/scrapped	-	(124)	-	-	(124)
<b>At end of year</b>	<b>7,317</b>	<b>3,484</b>	<b>314</b>	<b>736</b>	<b>11,851</b>
<i>Net book value</i>					
<b>At 31 March 2020</b>	<b>7,899</b>	<b>645</b>	<b>166</b>	<b>184</b>	<b>8,894</b>
At 31 March 2019	8,326	601	37	233	9,197

**11. Tangible fixed assets – Trust**

	Leasehold land & buildings	Gallery Improvements	Fixtures, fittings & equipment	Plant & equipment	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At beginning of year	15,216	4,080	284	871	20,451
Additions	-	173	89	8	270
Disposals	-	(124)	-	-	(124)
<b>At end of year</b>	<b>15,216</b>	<b>4,129</b>	<b>373</b>	<b>879</b>	<b>20,597</b>
<i>Depreciation and diminution in value</i>					
At beginning of year	6,890	3,480	278	648	11,296
Charge for year	427	129	4	55	615
Disposals/scrapped	-	(124)	-	-	(124)
<b>At end of year</b>	<b>7,317</b>	<b>3,485</b>	<b>282</b>	<b>703</b>	<b>11,787</b>
<i>Net book value</i>					
<b>At 31 March 2020</b>	<b>7,899</b>	<b>644</b>	<b>91</b>	<b>176</b>	<b>8,810</b>
At 31 March 2019	8,326	600	6	223	9,155

## Notes (continued)

### Tangible fixed assets – Trust (continued)

All the tangible fixed assets are used for charitable purposes. The Trust was established to take over management and care of Sheffield City Council's art, natural and social history collections.

All the collections remain the property of Sheffield City Council and the Trust's management of them is governed by a Collections Agreement.

The standards of care adopted by the Trust are governed by the requirements of the National Museum Accreditation Scheme.

### 12. Investments – Trust

	Shares in group undertakings £
<i>Cost and net book value</i>	
At beginning and end of year	2

The Trust owns the entire issued ordinary share capital of SGMT Enterprises Limited, incorporated in the UK. The principal activity of SGMT Enterprises Limited is the management of shops, cafes, events and corporate hospitality at sites owned by the Trust. The registered office of SGMT Enterprises Limited is Riverside East, 2 Millsands, Sheffield, S3 8DT.

### 13. Stocks

	Group 2020 £'000	Group 2019 £'000	Trust 2020 £'000	Trust 2019 £'000
Goods for resale	<u>62</u>	<u>58</u>	<u>-</u>	<u>-</u>

Stock provisions amount to £245 (2019: £8,412)

## Notes (continued)

### 14. Debtors and prepayments

	<b>Group</b>	<b>Group</b>	<b>Trust</b>	<b>Trust</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	75	100	48	50
Prepayments and accrued income	51	37	49	35
Amount due from subsidiary undertakings	-	-	296	267
Other debtors	114	53	114	53
	<u>240</u>	<u>190</u>	<u>507</u>	<u>405</u>

A £6k provisions have been made against trade debtors (2019: £nil)

### 15. Cash

	<b>Group</b>	<b>Group</b>	<b>Trust</b>	<b>Trust</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand - unrestricted	781	1,234	625	1,071
Cash at bank and in hand – restricted reserve support	147	130	147	130
Cash at bank and in hand – funds relating to agency arrangements	-	52	-	52
	<u>928</u>	<u>1,047</u>	<u>772</u>	<u>725</u>

The trustees aim to ensure that the cash balance is sufficient to ensure that all restricted reserve project commitments are met. At 31 March 2020 £147k cash (2019: £130k) was required to meet restricted reserve commitments.

### 16. Creditors: amounts falling due within one year

	<b>Group</b>	<b>Group</b>	<b>Trust</b>	<b>Trust</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	106	109	106	101
Accruals and deferred income	199	647	175	619
Other tax and social security	22	45	22	43
	<u>327</u>	<u>801</u>	<u>303</u>	<u>763</u>



**Notes** *(continued)*

**17. Provisions for Liabilities and charges**

	<b>Group</b>	<b>Trust</b>
	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April 2019	303	303
Amount charged against the provision	(137)	(137)
At 31 March 2020	<u>166</u>	<u>166</u>

	<b>Group</b>	<b>Trust</b>
	<b>2019</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April 2018	97	97
Additions during the year	209	209
Amount charged against the provision	(3)	(3)
At 31 March 2019	<u>303</u>	<u>303</u>

The provision for dilapidations relates to specific identified dilapidations at Millennium Gallery and Weston Park Museum.

## Notes (continued)

### 18. Reconciliation of movements in consolidated funds

	Capital depreciation reserve	Social History Collection Recovery Fund	Acquisition Fund	Restricted projects	Total Restricted Funds	General Fund	Designated Funds	Total Reserves, excluding agency agreements
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At beginning of year	7,592	66	33	31	7,722	900	23	8,645
(Deficit) / surplus for the year	(313)	(13)	19	10	(297)	645	12	360
At end of year	<u>7,279</u>	<u>53</u>	<u>52</u>	<u>41</u>	<u>7,425</u>	<u>1,545</u>	<u>35</u>	<u>9,005</u>

The capital depreciation reserve represents restricted grants received to finance capital expenditure. The grants have been recognised as restricted income in the Statement of Financial Activities, but the cost of the assets has been capitalised rather than recognised as expenditure. The reserve is reduced each year by an amount equivalent to the depreciation charged on these assets.

The Social History Collection Recovery fund was created following the receipt of insurance monies to refurbish items that were damaged whilst in a former store at Kelham Island. The aim is to spend the monies on conservation and new storage facilities to improve access to the collection.

The acquisition fund has been set up to allow the Trust to acquire further items for the collections. The source of this is income generated from the sale of surplus assets or donations made specifically for this purpose.

Restricted projects are those where income has been received in the current year to fund future specific activities.

## **Notes** *(continued)*

### **19. Commitments**

At 31 March 2020 the Trust had capital commitments of £nil (2019: £ nil).

The Group and the Trust have the following future minimum lease payments under non-cancellable operating leases operating leases for each of the following periods:

	<b>Other 2020 £'000</b>	Other 2019 £'000
Less than one year	<b>2</b>	12
Between two and five years	<b>4</b>	6
	<b>6</b>	18

## Notes (continued)

### 20. Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2020	2019
	£'000	£'000
<b>Net income/(expenditure) for the year (as per the statement of financial activities)</b>	<b>(257)</b>	<b>(563)</b>
Adjustments for:		
Depreciation	631	622
Loss on disposal of Fixed Assets	-	-
(Increase)/Decrease in stocks	(4)	43
(Increase)/Decrease in debtors	(50)	8
(Decrease)/Increase in creditors and provisions	(663)	513
<b>Net cash generated from operating activities</b>	<b>(343)</b>	<b>623</b>

Reconciliation to net cash/ debt	2020	Movement in net cash/ debt during the year	2019
	£'000	£'000	£'000
Cash	928	(436)	1,364
<b>Net cash</b>	<b>928</b>	<b>(436)</b>	<b>1,364</b>

## **Notes** *(continued)*

### **21. Indemnity insurance**

Indemnity insurance has been purchased from Trust Funds to:

- protect the Trust from loss arising from the neglect or defaults of its Trustees or employees; and
- indemnify the Trustees against the consequences of any neglect or default on their part.

The cost incurred during the year was £627 (2019: £788).

### **22. Company status and members**

The Trust is a private company limited by guarantee. Every member of the Trust undertakes to contribute such amount as may be required (not exceeding one pound) to the assets of the Trust if it should be wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the Trust before they cease to be a member, and of the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributors.

### **23. Post-retirement benefits**

The Trust currently provides post-retirement benefits to employees in three ways. These are detailed below together with the accounting policy for each.

Employees transferred from Sheffield City Council on 6 April 1998 are members of the South Yorkshire Pension Scheme providing benefits based on final pensionable pay. The expected cost of providing these pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payrolls. Two employees were members of the defined benefit scheme on 31 March 2020.

From 1<sup>st</sup> April 1999, employees were eligible to join the Sheffield Galleries & Museums Trust Group Personal Pension Plan, until it closed on 31<sup>st</sup> December 2012, which is a defined contribution scheme. Employer contributions are paid over to the Plan at the rate of 7.5% of basic pay. Contributions are then invested in the employees Personal Pension Plan currently administered by Scottish Widows.

From 1<sup>st</sup> January 2013, a NOW pension scheme was made available to new employees, this is auto-enrolment compliant. Employer contributions to this plan are 3% of basic pay. From 1<sup>st</sup> May 2015, an additional NOW pension scheme was made available to new employees. Employee contributions to this plan are currently 5% of basic pay.

During the year, the pension contributions paid to South Yorkshire Pension Authority totalled £68,315 (2019: £67,521). The contributions paid during the year to the Sheffield Galleries & Museums Trust Group Personal Pension Plan totalled £54,093 (2019: £56,860). The contributions paid during the year to NOW Pensions totalled £58,812 (2019: £37,636).

The performance of the South Yorkshire Pension Scheme defined benefit scheme has been reported under FRS102, which was adopted fully in 2016. The balance sheet disclosures as at 31 March 2020 were based on a full valuation at 31 March 2019, updated where necessary by an actuary on an FRS102 basis. The information disclosed below is in respect of the South Yorkshire Pension Scheme defined benefit scheme for which the Trust has been allocated a share of cost under an agreed policy throughout the periods shown.

## Notes (continued)

### Post-retirement benefits (continued)

	2020 £000	2019 £000
Present value of funded defined benefit obligations	4,548	5,301
Fair value of plan assets	(4,044)	(4,328)
	<hr/> 504	<hr/> 973
Present value of unfunded defined benefit obligations	122	139
	<hr/> 626	<hr/> 1,112
Deficit	<hr/> 626	<hr/> 1,112
	<hr/> 626	<hr/> 1,112
Net liability	<hr/> <hr/> 626	<hr/> <hr/> 1,112

### Movements in present value of defined benefit obligation

	2020 £000	2019 £000
At 1 April	5,440	5,197
Current service cost	28	24
Past service cost	18	-
Interest cost	129	134
Actuarial (gains)/ losses	(796)	300
Contributions by members	8	7
Benefits paid	(157)	(222)
	<hr/> 4,670	<hr/> 5,440
At 31 March	<hr/> <hr/> 4,670	<hr/> <hr/> 5,440

### Movements in fair value of plan assets

	2020 £000	2019 £000
At 1 April	4,328	4,223
Interest on plan assets	103	108
Remeasurement of assets	(314)	137
Contributions by employer	76	75
Contributions by members	8	7
Benefits paid	(157)	(222)
	<hr/> 4,044	<hr/> 4,328
At 31 March	<hr/> <hr/> 4,044	<hr/> <hr/> 4,328

### Expense recognised in the Statement of Financial Activities

	2020 £000	2019 £000
Current service cost	28	24
Past Service Gain	18	-
Interest on defined benefit pension plan obligation	26	26
	<hr/> 72	<hr/> 50
Total	<hr/> <hr/> 72	<hr/> <hr/> 50

## Notes (continued)

### Post-retirement benefits (continued)

The expense is recognised in the following line items in the Statement of Financial Activities:

	<b>2020</b>	2019
	<b>£000</b>	£000
Curatorial and exhibitions	<b>28</b>	22
Operational	<b>28</b>	19
Education	<b>16</b>	9
	<hr/> <b>72</b> <hr/>	<hr/> 50 <hr/>

The fair value of the plan assets and the return on those assets were as follows:

	<b>2020</b>	2019
	<b>Fair value</b>	Fair value
	<b>£000</b>	£000
Equities	<b>2,091</b>	2,199
Government debt	<b>546</b>	679
Corporate bonds	<b>295</b>	320
Property	<b>364</b>	420
Cash/Liquidity	<b>121</b>	143
Other	<b>627</b>	567
	<hr/> <b>4,044</b> <hr/>	<hr/> 4,328 <hr/>
Actual return on plan assets	<hr/> <b>(128)</b> <hr/>	<hr/> 244 <hr/>

None of the Trust's own financial instruments and property occupied, or other assets used, are included within fair value of plan assets.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.4 years (male), 25.2 years (female) (2019: 65: 23.1 years (male), 25.9 years (female))
- Future retiree upon reaching 65: 23.9 years (male), 27.1 years (female) (2019: 65: 25.3 years (male), 28.3 years (female))

## Notes (continued)

### Post-retirement benefits (continued)

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

#### History of plans

The history of the plans for the current and prior periods is as follows:

#### Balance sheet

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Present value of scheme liabilities	4,670	5,440	5,197	5,444	4,635
Fair value of scheme assets	(4,044)	(4,328)	(4,223)	(4,115)	(3,360)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit	626	1,112	974	1,329	1,275
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Company expects to contribute approximately £nil (2019: £77k) to its defined benefit plans in the next financial year.

### 24. Related parties

Under an agreement dated 8 April 1998 between the Trust and Sheffield City Council the Trust is paid by SCC to manage the non-industrial galleries and museums of Sheffield.

During the year the Trust entered into the following transactions with SCC:

- The Council paid £1,504,000 (2019: £1,504,000) to the Trust under the Service Agreement to manage the non-industrial museums and galleries of Sheffield. The Trust purchased goods and services from the Council of £100,662 (2019: £115,640);
- The Council purchased goods and services from the Trust of £82,608 (2019: £14,371);

At the year-end the Council owed the Trust £4,796 (2019: £194). The Trust owed the Council £nil (2019: £451,200).