

# THE HEPWORTH WAKEFIELD

## REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2020

# The Hepworth Wakefield

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Key management personnel of The Hepworth Wakefield: Trustees and Directors:

Alice Rawsthorn – Chair  
Sophie Bowness (resigned 14 May 2019)  
Linda Bennett (resigned 14 May 2019)  
Jane Mee  
Diane Howse  
Jane Madeley  
Stuart Fletcher  
Merran McCrae  
Peter Box  
Andrew Haigh  
Nicholas Johnson  
Henry Meyric Hughes (appointed 14 May 2019)  
Priya Khanchandani (appointed 13 February 2020)

Key management personnel of The Hepworth Wakefield: senior management team

Daily management of the charity's activities is delegated by the trustees to the senior management team which is comprised of the following:

Simon Wallis	(Director)
Olivia Colling	(Director of Communications & Development)
Nicola Freeman	(Director of Engagement & Learning)
Katharine Knight	(Director of Business & Operations)
Nick Stephenson	(Head of Finance & Strategic Services)

Company Secretary

Katharine Knight

REGISTERED OFFICE  
Gallery Walk  
Wakefield, WF1 5AW

BANKERS  
The Co-operative Bank  
PO Box 250  
Skelmersdale  
WN8 6WT

SOLICITORS  
Winckworth Sherwood  
Minerva House  
5 Montague Close  
London, SE1 9BB

Jordans Solicitors  
18 King Street  
Wakefield, WF1 2SQ

# The Hepworth Wakefield

## OFFICERS AND PROFESSIONAL ADVISERS

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AUDITOR  
RSM UK Audit LLP  
Chartered Accountants  
Central Square  
5<sup>th</sup> Floor  
29 Wellington Street  
Leeds, LS1 4DL

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### TRUSTEES' REPORT

The trustees, who are directors of the company, present their annual report on the affairs of the company and the group, together with the financial statements and auditor's report for the year ended 31 March 2020.

The small companies' exemption has been taken from preparing a Strategic Report, and the Trustees' report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

### FOREWORD BY THE CHAIR

The Hepworth Wakefield enjoyed another very successful year in 2019/20. Through our exhibition programme, we brought work of inspiring and influential artists from around the world to Wakefield. The year began with the first major solo retrospective in the UK of a leading ceramicist of our time, Magdalene Odundo, whose work is steeped in her passion for artisanal history and in the politics of cultural identity. During the summer, we collaborated with our friends and neighbours – the Henry Moore Institute, Leeds Art Gallery and Yorkshire Sculpture Park – to produce the Yorkshire Sculpture International, the largest festival dedicated to sculpture in the UK, thereby reinforcing West Yorkshire's role as the home of British sculpture. Over one million people engaged with sculpture during the 100-day festival across Leeds and Wakefield, which included exhibitions at all of the four organisations, a major community engagement programme and commissions of outdoor sculpture in both cities. In the autumn, we were delighted to introduce the young US artist, Christina Quarles, whose work explores gender identities and queerness, to the UK with her first solo museum exhibition in Europe. We also reflected on Wakefield's history as a place that has helped to launch the careers of many young artists, with an exhibition that brought together early works made in the mid-20<sup>th</sup> century by Alan Davie and David Hockney to examine the parallel artistic paths of these two great British painters.

One of the great achievements of this year has been the development of The Hepworth Wakefield Garden. Construction began in January 2019 and by August the site had been transformed into the early stages of our Tom Stuart-Smith-designed garden. Although it will take a couple of years to mature and to represent his full vision, the Garden has already had positive impacts, on the local communities surrounding the gallery and on the flora and fauna of our unique site. It has been a great pleasure to watch the garden change with the seasons and we look forward to seeing it thrive in future years as a wonderful addition to Wakefield.

Due to the escalation of the Covid-19 pandemic in early 2020, The Hepworth Wakefield was forced to close in March to safeguard our visitors, staff and volunteers. Despite the sharp decline in visits during the last two months of the year, we welcomed 208,000 people to the gallery in 2019/20, including over 40,000 participants in our creative learning and outreach programme. I would like to thank all of my fellow trustees and our remarkable staff for their hard work and commitment to the organisation, particularly in the last two months of emergency planning during the Covid crisis. The ambition, creativity and resourcefulness of the team will help us rise to the challenges of another turbulent year ahead due to the pandemic and its impact on the global economy. Further information about our actions to manage the impact of Covid-19 is on pages 17 and 30

I would also like to thank everyone who has supported us over the last year: the artists with whom we have worked, our wonderful volunteers, and our many partners and funders whose contributions have helped to make the gallery so successful. Thank you also to our patrons, members and the supporters of our new Collection Circle and Contemporary Circle. As well as helping The Hepworth Wakefield financially with great generosity, our supporters act as splendid ambassadors for the gallery. Finally, I would like to give special thanks to our major funders Wakefield Metropolitan District Council (WMDC) and Arts Council England (ACE) for their loyalty, enthusiasm and ongoing investment in The Hepworth Wakefield.

**Alice Rawsthorn OBE**

Chair of The Hepworth Wakefield



Date: 28 January 2021

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### DIRECTOR'S REPORT

Among the many achievements of The Hepworth this year, I want to mention three highlights. The first is the transformation of our outdoor site into a beautiful free public garden for all to use. It has been wonderful to see so many more people using this space, chatting with our Cultural Gardener and engaging with sculpture outdoors. Our partnership with Wakefield College gave their horticultural students hands-on experience of working in a professional garden and helped us plant 4,000 spring bulbs. This is just one example of the many ways we plan to work to enhance our relationship with our local communities.

The successful delivery of Yorkshire Sculpture International this summer was the culmination of many years of partnership working with our near neighbours Leeds Art Gallery, Henry Moore Institute and Yorkshire Sculpture Park. The project further extended our international reputation as the place to experience sculpture in the UK and was a fantastic first pilot of how our four organisations can work together to drive tourism, economic and social growth in our region.

My third highlight has been the steady and strategic growth of Wakefield's art collection. Established in the 1920s, the collection was founded to use contemporary art to explain modern life. This is something we aim to continue today whilst addressing some of the imbalances in the collection. Having no acquisition budget with which to grow the collection, we are incredibly grateful to the funders such as the Art Fund and the Contemporary Art Society, the commercial galleries we work with and private individuals for their generous support and donations to the collection. This year we were delighted to accept a bequest by two local collectors and long-term Hepworth supporters, John Oldham & Terrence Bacon. Their collection of more than 100 paintings and ceramics by British artists including Craigie Aitchison, Terry Frost, Dame Lucie Rie and John Ward has been built up over many years and we look forward to sharing it for the first-time next year. Other significant acquisitions include a sculpture by Helen Marten, the inaugural winner of The Hepworth Prize for Sculpture, together with work by fellow Prize nominees Michael Dean, Magali Reus and Steve Claydon. A painting by Lisa Brice and ceramics by Jennifer Lee have been donated to the collection and we were delighted to benefit from the government's Acceptance in Lieu scheme, adding to the collection three works, including Hepworth's *Orpheus (Maquette 1)*, 1956.

We pride ourselves on our warm visitor welcome and this year we have improved our high visitor satisfaction rating with Visit England – with an overall score of 92% - and were awarded the Visit England Welcome accolade in recognition of the exceptional visitor experience. At the beginning of 2020 we introduced charging to our major temporary exhibitions for everyone outside of Wakefield District in an effort to generate more of our own income. Before we were forced to close owing to the Covid-19 pandemic, we were above target on ticket sales and associated gift aid and were selling more memberships than ever, so it is with hope that we look to recover from the as yet unknown impacts of the global pandemic. Further information about actions taken to manage the impact of Covid-19 are outlined on pages 17 and 30.

As ever we are deeply grateful for the continued support and investment from our funders WMDC and Arts Council England, as well as from our growing number of generous Members, Patrons and Circle Members. Alongside their investments, support from trusts and foundations continues to be critical to our work and we have successfully applied for a number of large multi-year grants that contribute to our sustainability: notably from the Paul Hamlyn Foundation, the Liz and Terry Brammall Foundation and Burberry Foundation. This helps support our learning and outreach work, enabling us to provide consistent and compelling programmes for those most in need in our local communities.

**Simon Wallis OBE**

Director of The Hepworth Wakefield

Date: 28 January 2021

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### OBJECTIVES

The Hepworth Wakefield provides a permanent public legacy for Barbara Hepworth in her home city, with exhibitions that respond to and reflect the unique qualities of the Wakefield Permanent Art Collection.

Our superb David Chipperfield designed building embodies many sculptural qualities and provides some of the finest spaces in the world in which to experience art. The building is a testament to the ambition of the city of Wakefield and the relationship between the architecture, the works of art we display and our strong sense of place is a unique part of the experience of our programme.

Modernist sculpture and the process of creativity are central to our offer, as is the influence of the Yorkshire landscape on modern art. Our programme strives to ensure that we present the best in modern and contemporary art from all over the world. We want to ensure that the presentation of this work is accessible and provides an engaging dialogue for a wide, diverse audience, so that the past and present inform one another in a compelling way.

#### 1. Mission

Our Mission is to create art experiences that inspire, captivate, surprise and enhance everyone's lives.

#### 2. Vision

We want to be recognised as one of the world's leading art galleries, creating unforgettable art experiences for all, while inspiring positive change locally.

#### 3. Values

These are the values that we believe in:

##### ➤ Embrace innovation

From the way we work with colleagues and partners, to how we present our collections and exhibitions in an ever-changing world, we're always exploring new ways to innovate. Art doesn't stand still. Nor do we.

##### ➤ Be bold

Our staff, our location, our building and our programming is all proof of how ambitious we are. Relentlessly embrace this spirit of adventure to challenge and surprise. We create impact in everything we do to engage people in creative experiences.

##### ➤ Be open

Being open means we are inclusive, we collaborate freely and fairly, and are generous with our time and knowledge. We are welcoming and make the experiences we offer accessible to everyone.

##### ➤ Quality matters

We strive to achieve the highest possible quality. Everyone has a role to play in ensuring that excellence runs through every aspect of our work.

The charity's purposes and objects are detailed under 'Structure, Governance and Management', below.

### ACTIVITIES, ACHIEVEMENTS & PERFORMANCE IN 2019/20

#### EXHIBITIONS & COMMISSIONS

The Hepworth Wakefield continues to develop a nationally and internationally recognised exhibitions programme, which successfully combines major historical exhibitions with support for diverse contemporary artists, including new commissions.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### MAGDALENE ODUNDO: THE JOURNEY OF THINGS

16 February – 2 June 2019

Kenyan-born Magdalene Odundo OBE is one of the world's most esteemed ceramic artists. This major exhibition brought together more than 50 of Odundo's vessels alongside a large selection of historic and contemporary objects which revealed the vast range of references from around the globe that have informed the development of Odundo's unique work.

Designed by architect Farshid Moussavi OBE, the exhibition was a dynamic journey through diverse inspirations including British studio pottery, ancient vessels from Greece & Egypt, historic ceramics from Africa, Asia and Central America, ritual objects from across the African continent, Elizabethan dress and textiles, as well as sculptures by artists including Edgar Degas, Barbara Hepworth, Henry Moore and August Rodin who have influenced Odundo's art. The exhibition was organised in partnership with the Sainsbury Centre in Norwich.

The exhibition toured to the Sainsbury Centre, 3 August–15 December 2019, and it was accompanied by the second in a series of catalogues produced by THW in collaboration with design studio OK-RM and publisher InOtherWords. The book included a conversation between Magdalene Odundo and Man Booker Prize winning poet and novelist Ben Okri, with an introductory essay by Chief Curator Andrew Bonacina.

### YORKSHIRE SCULPTURE INTERNATIONAL

22 June – 29 September 2019

Yorkshire Sculpture International (YSI) was the UK's first major festival of sculpture. Taking place across Wakefield and Leeds and organised in partnership with the Henry Moore Institute, Leeds Art Gallery and Yorkshire Sculpture Park, the festival featured a series of exhibitions, international commissions, events and learning programmes.

For YSI, The Hepworth Wakefield organised one of its most ambitious exhibitions to date. Centred on the idea of 'truth to materials', a concept adopted by British modernist artists including Barbara Hepworth and Henry Moore, the exhibition explored how artists today continue to have an interest in how the sculptural form is determined by the characteristics of their chosen material. A series of new commissions and debut presentations in the UK by established and emerging artists from around the world unfolded across the gallery, including presentations by Nairy Baghramian, Jimmie Durham, Wolfgang Laib and Tau Lewis.

### ALAN DAVIE & DAVID HOCKNEY: EARLY WORKS

19 October 2019 – 19 January 2020

In 1958 Alan Davie had his first solo exhibition at Wakefield Art Gallery, which went on to tour nationally and launched Davie's career. A young attendee at the Wakefield exhibition was David Hockney, then a student at Bradford College of Art. The exhibition was a pivotal influence on Hockney's artistic development. The new exhibition at THW brought together around 45 paintings and works on paper by Alan Davie and David Hockney to trace the parallel paths of these key figures of post-war British painting. It revealed creative convergences and shared themes of passion, poetry and love as their works of art evolved from figuration to abstraction.

The exhibition toured to Towner Art Gallery, Eastbourne, 15 February–31 May 2020 (subsequently extended to 20 September due to Covid-19). The exhibition and tour were accompanied by a book edited by THW Curator Eleanor Clayton and published by Lund Humphries.

### CHRISTINA QUARLES: IN LIKENESS

19 October 2019 – 19 January 2020

The first solo exhibition in a European museum by American artist Christina Quarles (b. 1985). Quarles' vibrantly coloured and textured paintings depict bodies in varying states of abstraction, framed by architectural devices that create ever-shifting spaces. Her paintings create spaces in which to explore the complex intersections of race, sexuality and gender that lie at the heart of each of our identities. Quarles herself identifies as a queer cisgendered woman. Born to a black father and white mother, but with fair skin that doesn't visibly evidence her black heritage, the artist is interested in exploring the disjuncture between what we know of ourselves and how we are perceived by others. The exhibition was an opportunity to open up these important and complex issues for discussion and creative investigation across our learning programmes. On display were a range of recent paintings and drawings including a number of new works commissioned specifically for the exhibition.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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THW published the artist's first monograph, designed by APFEL and comprising an introductory essay by Chief Curator Andrew Bonacina and an in-depth conversation between Christina Quarles and art historian David J. Getsy.

### SCHOOL PRINTS 2020

The School Prints project continued into its third year with new prints commissioned from Sir Michael Craig-Martin, Laure Prouvost and Linder Sterling, launched with a display at Phillips in London in January 2020. The project revives an innovative 1940s scheme in which artists including Henri Matisse, Henry Moore and Pablo Picasso were commissioned to create original work for primary school children. Leading THW's campaign to address the crisis in art education, School Prints delivers a full engagement programme with participating schools that is funded by the sale of limited-edition prints. The following artists have so far supported the scheme and their prints remain on sale to support THW's future programme: Sir Peter Blake, Fiona Banner, Martin Creed, Jeremy Deller, Anthea Hamilton, Helen Marten, Haroon Mirza, Francis Upritchard, Richard Wentworth and Rose Wylie. School Prints 2020 is kindly supported by The Erudge Trust and Phillips.

### COLLECTION DISPLAYS

Modern Nature: British Photographs from the Hyman Collection, 13 July 2018 – 2 June 2019

This exhibition of photographs by leading British photographers such as Shirley Baker, Bill Brandt, Anna Fox, Chris Killip, Martin Parr and Tony Ray-Jones explored our evolving relationship with the natural world and how this shapes individuals and communities. Drawn from the photography collection of Claire and James Hyman, Modern Nature included around 60 photographs taken since the end of the Second World War, through the beginnings of deindustrialisation to the present day. The exhibition explored the merging of urban and rural landscapes, the rapid expansion of cities and the increasingly intrusive management of the countryside. Taking its title from Derek Jarman's journal about the creation of his stunning garden in Dungeness in response to an AIDS diagnosis, the exhibition provoked a series of community and research projects designed to better understand what THW's new garden could offer for local communities.

#### *A Collection for Wakefield*

Gallery 1 introduced key historic and contemporary works from across Wakefield's Art Collection, while a more focused display in Gallery 6 highlighted the significant contemporary works that have recently entered the collection. Material Encounters, a selection of works that revealed the diversity and evolving use of materials for sculpture was on display in Gallery 2. Galleries 3–5 continued to trace Hepworth's extraordinary career and working methods, including The Hepworth Family Gift of plaster models and prototypes for some of her iconic sculptures.

#### *War and Rumours of War: 1940s British works on paper from The Hepworth Wakefield*

Victoria Art Gallery, Bath: 6 July – 15 September 2019

Following a presentation at THW in 2017, before touring to Kirby Art Gallery and the River & Rowing Museum, this display of 1940s prints and drawings from the Wakefield Art Collection ended its tour at Victoria Art Gallery in Bath. The display, which included work by Edward Bawden, Henry Moore, John Piper and Graham Sutherland, engaged audiences with a decade of anxiety, austerity and idealism that resonates strongly with our lives today. The touring exhibition has allowed greater exposure for the collection, greater public access to fantastic artworks, and income to support THW's future programme.

### LEARNING & RESEARCH

THW worked with 41,800 participants across our extensive learning programme incorporating schools, communities, family and youth engagement activity. We employed 21 local artists to help deliver these programmes. Our offer promotes the enjoyment, appreciation and understanding of visual arts for the widest audience possible, many of whom have never previously visited a gallery or museum and is supported by a generous grant from The Liz & Terry Bramall Foundation.

With the opening of the first phase of the THW Garden, the team started to deliver aspects of the programme outside: we collaborated with a local nursery and community centre to co-produce an outdoor learning resource for early years and family audiences; KS3 pupils worked with artists to create sculptures in the garden as part of the Burberry Inspire programme; and families explored nature and the landscape through mindful making activities.



# The Hepworth Wakefield

## TRUSTEES' REPORT

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### SCHOOLS & UNIVERSITIES

Our formal learning programmes engage with students from early years to university through artist-led workshops, projects, study days and special events and festivals. Alongside our offer for students, we deliver a series of CPD workshops for local teachers exploring health, wellbeing and mindfulness in the classroom.

Additional to this core programme, we collaborate with schools and funders to develop in-depth Special Projects for local schools. In 2019/20 this included the second year of the four-year *Burberry Inspire* project, a collaboration with eight schools across Wakefield and Leeds, Northern Ballet, Leeds Young Film, Leeds Playhouse and the Burberry Foundation to develop artist residences in schools, addressing the decline in creative subjects at KS3/4 through a research collaboration with King's College London. Another flagship Special Project is our five-year *School Prints* scheme, now in its third year. In 2019/20 we worked with Year 5 students from five Wakefield primary schools, Year 9 art ambassadors and artists, to explore creative responses to prints made for the children by Sir Michael Craig-Martin, Laure Prouvost and Linder Sterling, as well as using the works for learning across the curriculum.

In the lead up to *Yorkshire Sculpture International*, 56 KS3 Art & Design GCSE students collaborated with two local emerging artists to co-create a sculpture to be sited within the school grounds. Students developed their sculptural practice through a series of workshops at THW, Yorkshire Sculpture Park, Leeds Art Gallery, the Henry Moore Institute and working with artists in school.

We worked closely with local higher education institutions to deliver study days, masterclasses and exhibition-related projects for secondary and university students. In 2019/20 this included working with the University of Leeds to co-deliver the national ARTiculation Discovery Days, supporting 30 pupils to develop their research and debating skills, and with tutors at Leeds Arts University, to co-deliver a programme of portfolio development, creative careers and study days.

We continue to work in partnership with local and national partners to support local teachers and pupils to access high-quality arts provision. In 2019/20 this included:

- A new CPD programme exploring cross-curricular approaches to exploring art, creativity and wellbeing, piloted with 120 teachers and senior leaders.
- The first opportunity for members of the public to plant bulbs in the garden with Wakefield College Level 1 Horticulture joining the Cultural Gardner and the learning team to explore garden design and outdoor event programming and to plant over 900 spring bulbs.
- A series of creative careers days for KS3 pupils across Wakefield and Leeds in partnership with local creative industries.

### RESEARCH PROJECTS

In April 2019, THW hosted a Modern Nature Symposium in collaboration with the University of Sheffield, prompted by ideas raised in the exhibition *Modern Nature*. With speakers including photographers Simon Roberts and Peter Mitchell, gardeners and writers Alys Fowler and Anna da Silva, academics and local community groups, the purpose of the two days was to explore what THW's new garden could offer to our diverse local audiences. The symposium included a presentation by poet and environmentalist Zakiya McKenzie who spoke about Bristol's Green & Black Ambassadors project, inspiring the development of new community project to specifically engage BAME communities in the garden as it develops.

The Hepworth Research Network, devised in collaboration with the University of York and University of Huddersfield, launched at THW on 12 March 2020 with speakers including Penelope Curtis, Museu Calouste Gulbenkian; Chris Stephens, Director, The Holburne Museum; Alice Strang, Senior Curator, National Galleries of Scotland; Sara Matson, Curator, Tate St Ives; Jo Baring, Director, Ingram Collection; Eleanor Clayton, THW; and Michael White, University of York. Two days of talks and lively debate highlighted the necessity of this kind of knowledge exchange for advancing research and identifying creative outputs. The Network will inform our forthcoming Hepworth 2021 exhibition and book, as well as ongoing collection displays and programming at THW.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### FAMILIES

Families can access a wide variety of free provision every weekend and every day in local school holidays. The family programme supports families with children aged 18 months to 12 years to explore the gallery, learn about artists and artworks, create and play together and to develop creative confidence. Activities include artist-led workshops, Explore & Draw stations in the galleries, holiday Art Clubs, an Arts Award course, and special events and festivals including the Big Draw and National Play Day.

In Summer 2019 the gallery welcomed more than 2,600 families to our outdoor National Play Day event, where they played creatively together and collaborated on building sculptures. In October 2019 we delivered a month-long family festival of creative drawing and mark making to celebrate The Big Draw. Over 2,000 families participated in abstract painting and printmaking workshops inspired by the *Alan Davie & David Hockney* exhibition and The Hepworth Family Gift.

We continued a new strand of programming for SEND (special educational needs) children and their families featuring bespoke workshops, resources and 'early opening' events.

Building upon the success of our early years programme, featuring a fully booked programme of term-time and weekend events, we have developed a series of sensory outdoor play workshops, supporting families to explore the THW garden throughout the changing seasons.

### COMMUNITIES

THW's communities programme aims to provide access to inspiring creative opportunities that support healthier and more connected people and communities; diversify and expand our audiences so they reflect the full demographic of Wakefield; and, through meaningful collaboration, build a sense of ownership and belonging at THW.

We continued our successful work with adults living with dementia and their carers, in partnership with the Alzheimer's Society, Carers Wakefield, Age UK, local libraries and dementia cafes, developing our understanding of how to make the gallery more accessible and building the confidence of carers and dementia sufferers to visit independently. Resources in our Explore & Draw stations were updated to ensure they were inclusive and inspiring for adults living with dementia.

Adult migrant and refugee English to Speakers of Other Language (ESOL) learners, collaborated with a Yorkshire based artist to visit THW and other Yorkshire Sculpture International venues, to explore language, play, process, objects, meaning, museums, display, heritage, personal narratives, collections, myths and storytelling, through sculpture workshops and discussions. Participants created clay and metal sculptures displayed in an exhibition in Wakefield city centre as part of the YSI festival.

### YOUNG PEOPLE

We continued to deliver our Integrated Youth Programme for vulnerable and at-risk young people aged 11 to 25, as part of WMDC's Future in Mind strategy and in collaboration with youth and health services across the district, funded by the Paul Hamlyn Foundation and Creative Minds (NHS). The key aims of the project are to support young people to enhance their wellbeing, educational attainment and employability, increase young people's motivation to participate and succeed, and to enable young people to follow clear pathways into education, employment and training.

The project comprises weekly drop-in workshops, projects in Pupil Referral Units, taster sessions at the gallery, extended courses, mentoring, and artist studio residencies. In 2019/20 this included:

In partnership with The Art House, two young people completed a 12-week artist residency, culminating in exhibitions at Wakefield Art Walk and a silver Arts Award.

Four short-term open-ended mentoring opportunities, supporting young people to feel safe and comfortable to access provision at THW.

Two 12-week mentoring opportunities, supporting young people with their resilience and confidence, their portfolio development, leading activities at THW's Summer Fair, and working towards a silver Arts Award.

Two year-long projects in Pupil Referral Units supporting students and staff to explore creative approaches to addressing mental health and wellbeing across the curriculum.

# The Hepworth Wakefield

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A 3-week photography course and a 12-week creative arts and employability course, in partnership with Flex, a local employability course (The Princes Trust).

A partnership with Children's First Hub, an early intervention programme within Children & Young People's Services (Wakefield Council) to engage 30 young people identified as at risk of becoming NEET with weekly activities at the gallery, and visits to Yorkshire Sculpture Park.

A partnership with Adopteens to engage 15 looked-after children with THW's collection displays exploring Barbara Hepworth and Henry Moore through photography activities, building confidence to return to the gallery independently.

We have continued our partnership with Wakefield's Youth Offending Team, West Yorkshire Police and Wakefield District Housing to deliver the Branching Out project. The project supports vulnerable young people at risk of becoming involved in offending to build their confidence, resilience and help raise their aspirations. The programme engaged 56 young offenders or those at risk of offending and 30 staff with a series of sculpture, photography and mark-making workshops and events at the gallery and facilitated a visit to Yorkshire Sculpture Park. In October 2019, Branching Out was awarded £538,244 from the Youth Endowment Fund to expand the programme across the Wakefield District. THW will continue to collaborate on the programme, facilitating year-round provision including extended courses, volunteering and mentoring.

The Creative Learning Network, comprising staff from more than 15 youth organisations, health and wellbeing providers and Wakefield Council services convened seven times. The Network was supported by THW staff and artists to create a resource that will facilitate creative interventions across a variety of contexts, coupled with developing the confidence of members to test the resource in their settings.

### **PUBLIC PROGRAMME**

The fairs programme continued to develop and this year included a Ceramics Fair. We also held a Summer Fair in the new garden, a Wellness Fair linked to our work with communities, and our popular Christmas Fairs. Following the loss of The Calder as an events venue, we implemented a contingency plan for fairs which involved installation of temporary outdoor structures around the gallery. This model was not suitable for a winter Print Fair, so the Print Fair did not take place in this financial year. The significant increase in fair costs reduced their financial contribution, however, they still generated a small profit and attract 36,867 visitors, while generating secondary income through the car park, café and shop.

Events related to the exhibition programme included a sell-out talk and book signing by Magdalene Odundo during the Ceramics Fair, along with New Departures, a day of talks, performances and readings featuring prominent poets and musicians as well as students from The University of Leeds, inspired by the work of David Hockney and Alan Davie and the creative circles they moved in. Alongside Bill Brandt / Henry Moore exhibition, a study day was held in partnership with the exhibition's co-curators.

As part of the national Heritage Open Days scheme we worked in partnership with Wakefield Historical Society on a programme of talks exploring the lives of people who worked in the industries that lay along Wakefield Waterfront. In collaboration with The Hepworth café, we ran an Easter family event and a Pop-up Restaurant event, while in collaboration with the learning team we ran a Halloween event.

### **COMMUNICATIONS**

#### **EXHIBITIONS**

We have delivered high-profile integrated communications campaigns for all our major exhibitions, across our digital platforms, press and through targeted marketing. All our exhibitions received at least four-star ratings in press reviews.

For *Yorkshire Sculpture International* (YSI) we worked in partnership with the Henry Moore Institute, Leeds Art Gallery and Yorkshire Sculpture Park to devise and launch a new brand and integrated advertising campaign for the partnership and delivered a two-day press trip with 12 journalists, including all the national broadsheets, to all our organisations. The Hepworth Wakefield commissioned local artist Hollie Fuller to create a series of illustrations in response to the sculptures on display for social media promotion.

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For *Alan Davie and David Hockney: Early Works*, the gallery ran its first podcast advertising campaign and commissioned poet Andrew McMillan to write a new poem inspired by the exhibition. The poem was printed and available for visitors to take away and we also filmed McMillan performing the poem which was available on our website and promoted through social media.

As part of our campaigns we commissioned a number of filmed interviews with artists Magdalene Odundo, Tau Lewis, Rosanne Robertson and Christina Quarles; the architect Farshid Moussavi OBE, who designed *Magdalene Odundo: The Journey of Things*.

We also recorded a curator-led tour of *Alan Davie and David Hockney: Early Works*, produced two short YSI trailers and recorded the opening event of *Magdalene Odundo: The Journey of Things* at which both Odundo and the poet and novelist Ben Okri spoke.

### THE HEPWORTH WAKEFIELD GARDEN

We have been building our digital assets to help tell the story of the construction and development of The Hepworth Wakefield Garden. These include: a time-lapse film of the construction of The Hepworth Wakefield Garden Jan-Aug 2019; a film documenting the planting of bulbs in partnership with Wakefield College; and a film capturing the installation of the sculptures in the garden, which included an interview with artist Sir Michael Craig-Martin. In May 2019, a monthly diary by The Hepworth Wakefield's Cultural Gardener was launched on the website and has been regularly reproduced in the Yorkshire Post and Wakefield Express. We also entered into a new partnership with gardening app, Candide, which hosts an audio tour of the garden and allows us to reach garden-enthusiasts.

### FAIRS & MARKETS

Illustrator Rose Blake was commissioned to create an identity for the gallery's fairs programme. These were animated for social media by Hungry Sandwich Club.

### DIGITAL

Total website visits 1 April 2019 – 31 March 2020: 386,619

Our social media following continues to grow, most significantly on Instagram where we are one of the sector leaders, regularly featured in the media and on posts by Talk Art, JW Anderson and Art UK.

	Twitter followers	Facebook followers	Instagram followers
End 17/18	81,953	26,107	34,305
End 18/19	81,834*	28,338	47,278
End 19/20	82,155*	29,844	61,573
% increase (19/20 compared to previous year)	0.4%	5.3%	30.2%

\*In 2018 Twitter did a major purge of suspicious or dormant accounts, resulting in the deletion of 6% of its accounts. This continued across 2019/20

### PRESS QUOTES

*Magdalene Odundo: The Journey of Things*

# The Hepworth Wakefield

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‘There is layer on layer of history and skill in this exhibition’ ★★★★★ The Guardian

‘British artist Magdalene Odundo celebrates 40 years of her art in her new Hepworth Wakefield exhibition’  
Wallpaper (front cover feature)

Press campaign advertising equivalent value: £1,699,295

Yorkshire Sculpture International

☆☆☆☆ The Sunday Telegraph

☆☆☆☆ The Times

‘The pinnacle is found at the Hepworth: in Jamaican-Canadian artist Tau Lewis’ unsettling aquatic textile collages, Nairy Baghramian’s intellectually laboured Maintainers, and Rosanne Robertson’s exposition of the fluidity of queer bodies...’ Wallpaper

‘It’s a rich, varied exhibition which also showcases work by associate artist Rosanne Robertson and the diverse range of artists the Hepworth has brought to Yorkshire over the past few years. Long may they continue to do so.’ Yorkshire Post

Press campaign advertising equivalent value: £5,970,794

*Alan Davie & David Hockney: Early Works*

‘A lovely show full of signs of cross-fertilisation.’ ★★★★★ The Guardian

‘A gorgeous reminder both of the debt he (Hockney) owed the older artist, and how rich Davie’s work was in its own right.’ ★★★★★ The i

★★★★★ The Mail on Sunday

Press campaign advertising equivalent value: £4,444,501

*Christina Quarles: In Likeness*

‘A fascinating, accomplished exhibition.’ Cool Hunting

‘Bursting with. Raw sense of energy, movement and life, her paintings demand to be seen.’ Creative Tourist

‘Quarles quotes Hockney’s California swimming-pool paintings with her own white ripples on blue water.’

★★★★★ The Guardian

Press campaign advertising equivalent value: £2,126,045

## DEVELOPMENT

### TRUSTS & FOUNDATIONS

Trusts and Foundations remain our main source of income after the grants from WMDC and Arts Council England. We continue to benefit from a number of large multi-year grants which have helped stabilise our funding position. These include:

Paul Hamlyn Foundation, through the More & Better Fund, continued to fund our Integrated Youth Programme. This was the second year of a four-year fund to deliver the programme, to a total of £215,000.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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The Liz & Terry Bramall Foundation awarded £50,000 for the third year of their three-year support pledge to our Learning programme. In Q4 of 2019/20 the Foundation agreed to renew their support of the Learning programme for another three years at £55,000 per year.

Burberry Foundation awarded £60,000 for the delivery of the second year of Burberry Inspire, a four-year programme to engage local secondary schools with the arts available on their doorstep. In 2018/2019, Burberry Foundation pledged to support the programme over four-years, to a total of £240,000.

We would also like to thank The Henry Moore Foundation for their sustained support of our exhibition programme.

Several one-off grants further supported the Learning programme, including £10,000 from the Eridge Trusts towards the third edition of School Prints, and £3,120 from D'Oyly Carte to deliver the Dementia Cafés. We are also very grateful to the Ofenheim Charitable Trust who increased their annual unrestricted grant to £10,000.

The Hepworth Wakefield received two major awards in 2019/20: £30,000 was awarded through the Art Fund's New Collecting Awards to develop Wakefield's ceramics collection, specifically, post-war ceramics by artists associated with the Central School of Arts and Crafts. Together with artist Hannah Starkey The Hepworth Wakefield won the £100,000 Freeland's Award, supporting a survey exhibition of Starkey's work as well as a major new body of work created in collaboration with local communities in Wakefield.

The John Ellerman Foundation also generously awarded £84,667 to support curatorial development and expertise in siting outdoor sculpture in the new Hepworth Wakefield Garden, including the costs associated with installing outdoor sculpture.

We were incredibly grateful to the Garfield Weston Foundation for awarding a further capital grant of £75,000 to help us complete The Hepworth Wakefield Garden.

### INDIVIDUAL GIVING

We are very grateful for the generosity of the Roden family in supporting The Hepworth Wakefield Garden, to Lord Oswald for his donation to The Hepworth Wakefield Trust and to Jay Franke and David Herro for their significant support of our forthcoming Sheila Hicks exhibition.

Special thanks are to be given to patrons Terence Bacon & John Oldham for pledging a significant amount of their own private art collection as a bequest to The Hepworth Wakefield.

In March 2019 we launched two higher-level giving circles, The Contemporary Circle and the Collection Circle. By the end of the financial year, the Contemporary Circle grew to seven members, raising £16k while the Collection Circle grew to five members, raising £14k.

Our membership scheme remains a buoyant source of income and was beginning to grow significantly with the introduction of charged-for temporary exhibitions. We raised £20k – a 12% increase on the previous year.

Our patrons scheme raised £9k with 22 members. A number of patrons upgraded to Circle level and we also had two patrons increase their annual payments to £1,000 and £500 respectively.

Donations through our collection boxes raised £16.6k, an average of 8 pence per head. New contactless donation points were installed in 2019/20.

### CORPORATE GIVING

Hiscox were our exhibition partner for the second year running.

Wilkes Group gave us a capital gift to help complete The Hepworth Wakefield Garden project.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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We are delighted to continue corporate partnerships with Grand Central (as Travel Partner), Hiscox, Jordans Solicitors and Trinity Walk. Jolliffe Cork renewed their support as Corporate Members of The Hepworth Wakefield.

Philips auction house once again provided in-kind support of our School Prints project with a special display and cultivation breakfast at their London headquarters to launch the third set of commissioned prints.

We were pleased to continue our relationship with Oulton Hall through their offer of discounted rooms for guests of The Hepworth Wakefield.

### STAFF & VOLUNTEERS

At the end of March 2020, the staff headcount (excluding casual) was 64 with a gender split of 48 female, 1 non-binary and 15 male, 75%, 2% and 23% respectively. 55% of staff are Wakefield District residents.

We have one staff member from a black and minority ethnic (BAME) background. 8 staff members have a disability.

Of the 55 volunteers active at the end of March, 26 are from the Wakefield District. 10 of our volunteers are male (18%) and 42 (82%) are female. We have 4 volunteers with disabilities and one from a BAME background.

Volunteers gave 4,065 hours of their time in 2019/20. Seven volunteers left to go into employment, including five into employment at THW.

### VISITORS

In 2019/20 the gallery closed on 18 March 2020 due to the Covid-19 pandemic, so visitor numbers did not achieve target.

	Target	Achieved	Target	Achieved	Target	Achieved
	2017/18		2018/19		2019/20	
Visitor attendance	214,210	248,731	220,000	220,793	247,665	207,890
Learning programme attendances	25,000	40,665	30,005	34,923	46,8055	42,649
% of visitors resident in Wakefield District		24%		33%		27%

The gallery retained its accreditation under the Visit England Quality Scheme achieving an overall score of 92%, a 5% improvement on the previous year. The Hepworth Wakefield was also awarded the Visit England Welcome accolade in recognition of the exceptional visitor experience.

### COMMERCIAL ACTIVITY

The Hepworth Wakefield Enterprises comprises the shop, venue hire and catering operation and is supported by The Hepworth Wakefield Enterprises Board.

### RETAIL

Retail sales were below budget by 26% although gross profit margin increased across the retail business from 50.4% previous year to 55.5%. Retail spend per head was £1.48 for the year, down £0.07 compared to 2018/19. Artist Editions achieved an additional £0.36 spend per head in line with last year.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### RETAIL (continued)

A Buying Strategy was implemented in 2019/20 which helped to ensure net profits were maximised and reduced risks around stock investment with merchandise stockholding reducing by 21%. Strong product ranges reflective of the collection and brand will continue to be an area of focus. A Retail Strategy will be implemented in 2020/21 to ensure full potential is reached and the business adapts to the implications of Covid-19.

### CATERING

The catering contract was novated from House of Koko Ltd. to Ha Ha Catering Ltd. in June 2019 after a change of directors. Café spend per head was £2.09 for the year, up £0.15 compared to 2018/19. The café closed on 18 March due to Covid-19 pandemic resulting in sales being down on previous year by £10,000. The services offered will be adapted to fit social distancing requirements as restrictions are lifted.

### VENUE HIRE

Venue hire performed well in 2019/20 with hire income and event catering commission reaching 90% of the full year target but reduced by 25% compared to 2018/19. This is despite the cancellation/postponement of several events due to: a) the loss of The Calder event space due to the Rutland Mills development, and b) the Covid-19 pandemic causing the THW to close in mid-March 2020. During 2019, THW hosted an array of events including several weddings, photoshoots, launch events, private parties and consistent conferences and training courses ran by regular clients.

### THE HEPWORTH WAKEFIELD GARDEN

The first phase of the garden, designed by Tom Stuart-Smith was completed in August 2019, transforming the previously unused piece of land next to the gallery into a colourful and living oasis for people to freely visit and enjoy.

Throughout the year the plants have established well, the year-round interest has proved a joy to repeat visitors who have delighted in seeing the garden develop and change with the seasons. Over 9,000 daffodils and tulips were planted in the autumn and these bloomed in Spring 2020. Visitors spoke about how the colour and vibrancy gave a sense of hope and new life whilst the Covid-19 crisis was unfolding.

The garden has hosted numerous events and activities from National Play Day, our Summer Fair through to events for schools and young people, including Burberry Inspire. A team of regular garden volunteers have assisted the Cultural Gardener on a weekly basis and relationships have been built with Wakefield College's Horticulture Department with their students volunteering in the garden.

There has been lots of generous feedback from visitors and in particular from local people who have reported to us how much the new garden has meant to them and how it has made them feel proud to live in Wakefield.

### ECONOMIC IMPACT

The Hepworth Wakefield is a leading art gallery and one of the city's premier tourist attractions. The public investment in the gallery from WMDC and ACE creates a positive economic return for the city.

Since opening in 2011 the gallery has worked with collectors and donors to acquire in the region of £35m of art works for the Wakefield Collection, thus creating an invaluable asset for the people of Wakefield whilst raising the profile of the city and attracting national and international visitors.

In 2019/20 152,000 visitors (73%) from outside the Wakefield district visited The Hepworth, contributing the majority of the £899k of earned income generated in the year. Using the average day trip spend per visitor from a WMDC report published in 2014 the total contributed to the Wakefield economy by these visitors was at least £3.6m (£3.8m). In addition to earned income The Hepworth generated £885k of grants and donations in 2019/20 (2018/19: £1.3m). Total funds generated for the city are therefore estimated to be £4.5m in 2019/20 (2018/19: £5.1m).



# The Hepworth Wakefield

## TRUSTEES' REPORT

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The Hepworth attracts significant press coverage which raises the profile of the city. The industry standard advertising equivalent value for this in 2019/20 was over £14m (2018/19: £20m).

55% of The Hepworth staff are Wakefield residents and so we have an important role in providing employment for the local area.

### FINANCIAL REVIEW

The consolidated statement of financial activities for 2019/20 shows a net deficit in funds for the year of £233,187, this being attributable to restricted funds (£163,872), designated funds (-£220,535) and unrestricted funds (-£176,524). As a result, consolidated net assets within the statement of financial position are now £3,425,180. Fixed asset balances have increased by £778,248 due to asset purchases including work in progress related to the garden project.

The Hepworth Wakefield's main sources of income include service charge income from WMDC, and central government, through Arts Council England National Portfolio funding. Together, these sources comprised 53% of total consolidated income (excluding investment gains) for the year, with the balance being made up of donations and earned income streams. The proportion of total income from these two invaluable sources has reduced compared to 2017/18 when it was 60%. The proportion is slightly greater than 2018/19 (49%) due to the lower level of capital fundraising in 2019/20 but also still demonstrates our continued focus on becoming more financially resilient.

The gallery has raised income and has continued to perform well given the continuing challenging economic environment in which it is operating. Costs are closely monitored to ensure that the savings are made and sustained where possible, and that purchasing is done in an efficient manner across the organisation.

Designated funds continue to be invested in long-term investments at £0.8m (2019: £1.47m), with a further £0.27m (2019: £0.27m) in shorter term deposits and the balance represented by debtors £0.4m (2019: £Nil). This forms part of the target to place £2.18m in long-term funds to provide reserves required to meet six months of operating costs and other agreed investments (see Reserves Policy).

The charity benefitted from the invaluable assistance received from volunteers. During the year 96 volunteers offered their services which increased our ability to offer a great service to our visitors and led to potential savings estimated to be in the region of over £44,412 or equivalent to 2.4 full time members of staff (2018: £48,300 (equivalent to 2.7 full time members of staff)).

### RESERVES POLICY

The Hepworth Wakefield, with its complex activities and structures, needs to take into account a broad range of factors in its reserves policy. It operates a public service space and has substantial public liabilities in doing so. It engages in trading or providing goods or services under contract, for example by operating the gallery, delivering learning programmes to formal learning institutions and corporate hire services to external business clients. It holds a number of restricted funds, employs directly and indirectly a substantial number of staff and has a long-term lease on a building complex and operates a trading subsidiary.

The Hepworth Wakefield's reserves policy is a product of strategic planning, budgeting and risk management processes. These processes provide trustees with the information they need to establish exactly why they might need reserves and to help them quantify that need. For example, identified financial risks will inform both budgeting and the reserves policy. At the outset and based on advice and guidance from charity law professionals, it was determined that the charity should operate within the convention established and recommended by the Charity Commission for large complex undertakings.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### RESERVES POLICY (*continued*)

The policy of the charity is to designate reserves to cover 6 months operating costs and specific projects including digital development and rolling fixed asset replacement, after accounting for restricted projects. Designated reserves in respect of operating costs amount to £1.45m (2019: £1.67m) which is short of the overall target of £1.90m. Designated reserves held in respect of anticipated fixed assets replacements and developments are £0.28m. The 6 months operating costs target is intended to enable us to successfully 'trade through' any potential crisis or adversity that may interrupt operations for that period, or deal with other crises that may be similar in scale to that. The trustees are satisfied that sufficient progress is being made towards meeting the target under the current circumstances and that reserves levels are acceptable. The level of designated reserves held has reduced in 2019/20 due to the impact of the reduction in the WMDC grant, and reduced trading activity caused by the fall in visitor numbers which in turn was partially due to Covid-19 causing the gallery to close. The impact of Covid-19 may require further use of reserves in 2020/21 and 2021/22 (see Future Plans and COVID-19 (page 19) and Going Concern (page 30)). Note 23 (page 49) provides further details of designated funds held.

Total consolidated funds held by the group at 31 March 2020 were £3,425,180. Of these, £1,890,724 were restricted funds, £1,458,470 designated funds and £75,986 unrestricted.

### PENSION RESERVE

The Hepworth Wakefield also needs to provide for the liability associated with the defined benefit scheme pension that a number of its employees are members of. This provision is offset against unrestricted funds and is monitored to ensure that it remains sustainable and does not impact negatively on general funds available for application. From time to time, the trustees will need to review this policy, balanced against particular or specific risks that the trust may additionally expose itself to in its prevailing operating plan, or being mindful of contextual factors which may increase the degree of risk that the charity is facing in that year. Note 27 (page 58) provides details of the actuarial review of the pension scheme.

At 31 March 2020, the value of unrestricted reserves stood at £75,986 (2019: £252,510) after designation for projects.

### INVESTMENTS

Investment income for the year was £31,985, however the main Investec investment portfolio saw a market value reduction of £108,400 (2018/19: increase of £26,660) following the Covid-19 pandemic impacting financial markets at the time of valuation. £580,000 was withdrawn from the portfolio in the year in order to cover a delay in expected VAT recovery on the garden project and pledged capital funds for the Garden project not received at year end.

The Charity's Articles of Association allow it to invest by depositing with financial institutions.

The Charity seeks to produce the best financial return within a low to medium risk portfolio of 'ethical' equities and bonds, providing a mixture of capital and income growth aimed at long term investment. The key risk to the long-term reserves is inflation, and the assets are invested to mitigate this risk over the long term. The investment objective is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of The Hepworth Wakefield.

The investment objective for short-term reserves is to preserve the value with a minimum level of risk. These assets are required to be readily available to meet cash flow needs.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### **FUTURE PLANS AND COVID-19**

In 2020/21 The Hepworth Wakefield plans to achieve substantial progress towards realising its vision to become the UK's most engaging art gallery. The Business Plan 2018 to 2021 was approved in January 2018. The six strategic areas which we will focus on over the lifetime of the plan are:

- Increasing engagement with our collections and exhibitions
- Developing high-quality learning experiences for all
- Growing and diversifying our audiences
- Developing a high-quality visitor experience
- Building a more resilient and diverse organisation
- Investing in the regeneration of the Wakefield waterfront and wider district

### **COVID-19**

The continued increase in visitor numbers is key to underpinning the other objectives described above. However, the Covid-19 pandemic will undoubtedly cause a significant reduction in visitor numbers during the short to medium term due to the need for social distancing, capacity constraints of the gallery and the economic impact of the pandemic. Visitors to the gallery contribute revenue through ticket sales, car park, trading income through the shop and café and donations. Our valued visitors also become members, patrons and long-term supporters. At the time of reporting the gallery expected to remain closed until at least 31 March 2021, having re-opened for three months on 1 August 2020 following the original closure in mid-March 2020. Visitors will therefore be significantly less than a quarter of those originally budgeted. The forecast reduction in underlying income compared to that originally budgeted for is around £750k but emergency grants and support are now projected to reduce this to c£200k.

Actions being taken to mitigate the reduction in income include:

- Reduction in days of opening,
- Reducing costs through: a) review of staff structure to reflect the reduced programme, b) direct cost savings across all areas reflecting the amended programme and reduced activity levels, and c) review and reduction of overhead costs,
- Utilisation of applicable government funding,
- Applying for emergency support funds from the Arts Council and trusts and foundations
- Alternative revenue stream including further development of our digital offer are being pursued for the short and medium term.

An additional factor affecting the financial sustainability of The Hepworth is the further proposed reduction in the revenue grant funding from WMDC by £125k per annum over the next three years – in addition to the £115k incurred in 2019/20. By the end of 2022/23 the grant will have reduced by £490k per annum. The cost reductions described above are in addition to £200k already identified to help to mitigate the WMDC grant reduction. However, the challenges posed by the Covid-19 crisis will significantly reduce our ability to maximise the potential savings made and additional income generated by those mitigation measures.

The management team and trustees have identified additional savings sufficient to allow the organisation to operate through 2020/21, albeit with reduced opening hours and are focussed on making further changes to ensure medium term viability, including moving to two rather than three major exhibitions per year.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

New trustees are appointed by the Board of Trustees to ensure that, collectively, the Trustees possess the range of skills, expertise and experience required by The Hepworth Wakefield. The Governance Code was revised in 2019 and now states that there should be a minimum of five and a maximum of fifteen Trustees. A Trustee will serve for an initial term of three years and may then be reappointed for a further term of three years, after which they can be reappointed on an annual basis. This year two new Trustees were recruited - Henry Meyric Hughes and Priya Khanchandani.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### INDUCTION AND TRAINING OF NEW TRUSTEES

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

### ORGANISATIONAL STRUCTURE

The Board of Trustees meets four times a year. There are two subcommittees with delegated authority; Finance & Performance (incorporating Audit), and Collections & Acquisitions. The day-to-day operations of the charity are delegated to the Gallery Director and Senior Management Team.

### RELATED PARTIES

None of the Trustees receives remuneration or other benefit from their work with the charity, with the exception of reimbursement of travel and accommodation expenses incurred in connection with their work for THW. Any links with potential related parties must be identified and disclosed to the Board of Trustees and this is reviewed on a regular basis. Declarations of interest are also disclosed and recorded. A register is maintained of all related parties to monitor for any associated risks or conflicts of interest that may arise. The only related parties for the period of these financial statements were The Hepworth Wakefield Enterprises Limited, the 100% owned trading subsidiary of The Hepworth Wakefield and The Hepworth Wakefield Garden Trust which is a company limited by guarantee controlled by The Hepworth Wakefield.

### PAY POLICY FOR SENIOR STAFF

The Hepworth Wakefield pay policy is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and deliver the charity's aims. When setting pay the following factors are considered: the charity's ability to pay including long term affordability; pay policy and practice in organisations of a similar nature and size; and the wider employment offer. Pay is reviewed in line with the annual business and budget planning timetable.

All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees and Directors' expenses and related party transactions are disclosed in note 8 and note 28 to the accounts.

### RISK MANAGEMENT

The Trustees have a risk management strategy which comprises:

- Compilation of an annual schedule of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise;
- Regular review of risks;
- A policy of adopting an attitude of low risk in all strategies.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Trustees.

The principal risks and uncertainties identified and recognised on the organisation's risk register include:

- Impact of Covid-19 pandemic on 2020/21 financial year and future business plans;
- Remuneration, recruitment and retention of staff in an intensely challenging economic climate;
- Uncertainty around the timetable and programme for development of the wider waterfront site including Rutland Mills;

An insurance policy is in place in respect of directors', trustees' and officers' liability.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### OBJECTS OF THE TRUST

The Charity's Objects are specifically restricted to the following:

- to establish and maintain an art gallery for the benefit of the public;
- the advancement of education of the public through the provision, maintenance and support of The Hepworth Wakefield Gallery within Wakefield and its environs;
- to promote, maintain, improve and advance public education through the care, management and display for the public benefit of: The Hepworth Family Gift and The Wakefield Art Gallery Fine Art & Sculpture Collections (inc. the Gott Collection); and any other collections, groupings, displays or individual items from any other body which will promote the Objects of the charity;
- 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 charity; and
- such other charitable Objects as the charity shall from time to time determine.

### AUDITOR

RSM UK Audit LLP, Chartered Accountants, have indicated their willingness to be appointed as auditors for another term.

### PROVISION FOR SMALL COMPANIES

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemptions.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees in their capacity as directors approve the Trustees' Report which includes the Directors' Report.



Alice Rawsthorn OBE  
Chair

Date: 28 January 2021

# The Hepworth Wakefield

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The charity trustees (who are also directors of The Hepworth Wakefield for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 company and 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; 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 disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management.

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 governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# The Hepworth Wakefield

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE HEPWORTH WAKEFIELD

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### Opinion

We have audited the financial statements of The Hepworth Wakefield (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise Consolidated Statement of Financial Activities, Consolidated Statement of Financial Position, Statement of Financial Position, Statement of Cash Flows 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 FRS 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 of the group's incoming resources and application 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 and the Charities Act 2011.

### Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the 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.

# The Hepworth Wakefield

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE HEPWORTH WAKEFIELD

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

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 21, 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 trustees 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 trustees either intend to liquidate the group or 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**

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 provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# The Hepworth Wakefield

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE HEPWORTH WAKEFIELD

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### Use of our report

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

RSM UK Audit LLP

VICTORIA CRAVEN (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Central Square

5<sup>th</sup> Floor

29 wellington Street

Leeds

LS1 4DL

Date: 29 January 2021

# The Hepworth Wakefield

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

Year ended 31 March 2020

		Unrestricted funds 2020	Designated funds 2020	Restricted funds 2020	Total funds 2020	Total funds 2019
	Note	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and legacies	3	59,934	-	825,075	885,009	1,292,177
Charitable activities	4	2,115,971	-	45,471	2,161,442	2,271,215
Other trading activities	5	768,580	-	-	768,580	855,142
Investments	6	31,985	-	-	31,985	35,782
<b>Total income</b>		<u>2,976,470</u>	<u>-</u>	<u>870,546</u>	<u>3,847,016</u>	<u>4,454,316</u>
<b>Expenditure on:</b>						
Raising funds	10	744,081	-	2,427	746,508	826,861
Charitable activities	11	2,550,800	50,000	628,497	3,229,297	2,660,591
<b>Total expenditure</b>		<u>3,294,881</u>	<u>50,000</u>	<u>630,924</u>	<u>3,975,805</u>	<u>3,487,452</u>
Taxation on other trading activities	14	-	-	-	-	-
Net gain/(losses) on investments		<u>(108,400)</u>	<u>2</u>	<u>-</u>	<u>(108,398)</u>	<u>26,660</u>
Net income/expenditure		<u>(426,811)</u>	<u>(49,998)</u>	<u>239,622</u>	<u>(237,187)</u>	<u>993,524</u>
Transfer between funds		<u>246,287</u>	<u>(170,537)</u>	<u>(75,750)</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains and losses</b>						
Actuarial (loss) / gain on defined benefit pension	27	4,000	-	-	4,000	(33,000)
<b>Net movement in funds for the year</b>		<u>(176,524)</u>	<u>(220,535)</u>	<u>163,872</u>	<u>(233,187)</u>	<u>960,524</u>
<b>Reconciliation of funds</b>						
Total funds brought forward	22-24	<u>252,510</u>	<u>1,679,005</u>	<u>1,726,852</u>	<u>3,658,367</u>	<u>2,697,843</u>
<b>Total funds carried forward</b>	22-24	<u>75,986</u>	<u>1,458,470</u>	<u>1,890,724</u>	<u>3,425,180</u>	<u>3,658,367</u>

All incoming resources and resources expended derive from continuing activities. All gains and losses recognised in the current year and prior year are included above. The gross income of the parent charity was £3,451,391 (2019: £4,035,762) and the net outgoing resources were £(187,254) (2019: £1,015,410).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	15		1,682,624		904,376
Investments	16		803,190		1,473,702
			<u>2,485,814</u>		<u>2,378,078</u>
<b>Current assets</b>					
Stocks	17	143,876		169,504	
Investments	18	275,317		274,946	
Debtors	19	1,028,854		1,117,463	
Cash at bank and in hand		394,966		533,852	
		<u>1,843,013</u>		<u>2,095,765</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	20	(625,647)		(571,476)	
<b>Net current assets</b>			<u>1,217,366</u>	<u>1,524,289</u>	
<b>Total assets less current liabilities</b>			<u>3,703,180</u>	<u>3,902,367</u>	
<b>Creditors: amounts falling due after more than one year</b>					
Defined benefit pension scheme liability	27		<u>(278,000)</u>	<u>(244,000)</u>	
<b>Total net assets</b>			<u>3,425,180</u>	<u>3,658,367</u>	
<b>The funds of the charity</b>					
Unrestricted funds					
General funds	22	353,986		496,510	
Pension reserve	22	(278,000)		(244,000)	
		<u>75,986</u>		<u>252,510</u>	
Designated funds	23		1,458,470		1,679,005
Restricted income funds	24		1,890,724		1,726,852
<b>Total charity funds</b>			<u>3,425,180</u>	<u>3,658,367</u>	

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2020

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The financial statements have been prepared in accordance to the provisions applicable to companies subject to the small company regime. The financial statements on pages 25 to 62 were approved by the Board of Trustees and authorised for issue on 28 January 2021 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Alice Rawsthorn', is placed over a light blue rectangular background.

Alice Rawsthorn OBE  
Chair

## STATEMENT OF FINANCIAL POSITION

31 March 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	15		1,674,749		893,481
Investments	16		803,190		1,473,704
			<u>2,477,939</u>		<u>2,367,185</u>
<b>Current assets</b>					
Stocks	17	751		502	
Investments	18	275,317		274,946	
Debtors	19	1,121,841		1,170,900	
Cash at bank and in hand		336,835		462,710	
			<u>1,734,744</u>	<u>1,909,058</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	20	(585,489)		(495,527)	
<b>Net current assets</b>			<u>1,149,255</u>	<u>1,413,531</u>	
<b>Total assets less current liabilities</b>			<u>3,627,194</u>	<u>3,780,716</u>	
<b>Creditors: amounts falling due in more than one year</b>					
Defined benefit pension scheme liability	27		<u>(278,000)</u>	<u>(244,000)</u>	
<b>Net assets</b>			<u>3,349,194</u>	<u>3,536,716</u>	
<b>Funds of the charity</b>					
Unrestricted funds					
General reserve	22	278,000		374,860	
Pension reserve	22	(278,000)		(244,000)	
			<u>-</u>	<u>130,860</u>	
Designated funds	23		1,458,470		1,679,004
Restricted income funds	24		1,890,724		1,726,852
<b>Total charity funds</b>			<u>3,349,194</u>	<u>3,536,716</u>	

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent Charity is not presented as part of those financial statements.

The Charity's deficit for the year was (£187,524) (2019: surplus of £1,015,408).


The financial statements have been prepared in accordance to the provisions applicable to companies subject to the small company regime.

## STATEMENT OF FINANCIAL POSITION

31 March 2020

---

The financial statements on pages 25 to 62 were approved by the Board of Trustees and authorised for issue on 28 January 2021 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Alice Rawsthorn', is displayed within a light blue rectangular box.

Alice Rawsthorn OBE

Chair

# The Hepworth Wakefield

## STATEMENT OF CASH FLOWS

Year ended 31 March 2020

		<b>Group</b>		<b>Charity</b>	
	<b>Note</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash flows from operating activities</b>	29	176,965	337,722	189,972	311,313
<b>Investing activities</b>					
Returns on investments		31,986	35,782	31,986	35,782
Purchase of tangible fixed assets		(909,578)	(447,608)	(909,578)	(447,606)
Proceeds from sale of investments		827,082	301,519	827,088	301,519
Cash (released from) / reinvested within investment portfolio		57,544	(21,264)	57,544	(21,265)
Purchase of investments		(322,515)	(289,207)	(322,516)	(289,207)
<b>Net cash used in investing activities</b>		<u>(315,481)</u>	<u>(420,778)</u>	<u>(315,476)</u>	<u>(420,777)</u>
Decrease in cash in the year		(138,516)	(83,056)	(125,504)	(109,464)
Cash and cash equivalents at the beginning of the year		808,798	891,854	737,656	847,120
<b>Total cash and cash equivalents at the end of the year</b>	29	<u>670,282</u>	<u>808,798</u>	<u>612,152</u>	<u>737,656</u>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 1. ACCOUNTING POLICIES

#### CHARITY INFORMATION

The Hepworth Wakefield is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is Gallery Walk, Wakefield, WF1 5AW.

The group consists of The Hepworth Wakefield and its subsidiary, The Hepworth Wakefield Enterprises Limited (Company Registration Number – 07594964).

The Hepworth Wakefield meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of access to inspiring, world-class art, which is detailed in the charities' principal activities.

The charity's and the group's principal activities are described in detail on page 5 along with the nature of the charity's operations and the group's operations. The company has adopted the following principal accounting policies which should be read in conjunction with the financial statements set out on pages 25 to 65.

#### ACCOUNTING CONVENTION

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Statement of Recommended Practice, Accounting and Reporting by Charities ("SORP") FRS 102 and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention.

The consolidated financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

#### GOING CONCERN

The directors and senior management team have re-assessed the financial viability of the organisation for the next two financial years (2020/21 and 2021/22) in light of the impact of the Covid-19 pandemic. Revised forecasts including cashflow projections have been produced covering the period to the end of 2021/22 to facilitate this process. The most significant risks to viability have been considered, including reductions in income compared to original budgets and the directors believe this can be managed given that the two largest operational funding sources from WMDC and ACE are agreed until at least the end of 2021/22. At the time of approving the financial statements, the company has adequate resources to continue in operational existence for 2020/21 and through 2021/22 on the basis of the risks considered and there are designated and unrestricted reserves sufficient to cover projected shortfalls in operational funding, although the intention is that the use of reserves will be minimised.

As noted above under *Future Plans & Covid-19*, the organisation already faces a reduction in grant funding from WMDC and significant cost savings have already been realised during 2019/20 and 2020/21. Further actions being taken include identifying new sources of income generation and further opportunities to reduce the organisational cost base.

On the basis of this assessment the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

No significant post balance sheet events have occurred that change the opinion above or require disclosure in the opinion of the directors.

#### BASIS OF CONSOLIDATION

These financial statements consolidate on a line by line basis the results of the charity and its wholly-owned subsidiary undertaking, The Hepworth Wakefield Enterprises Limited, drawn up to 31 March each year. The summarised profit and loss account for the subsidiary is shown in note 16. A separate Statement of Financial



# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 1. ACCOUNTING POLICIES (*continued*)

Activities, or income and expenditure account, for the charity itself is not presented as the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The incoming resources for the company during the year ended 31 March 2020 were £3,451,391 (2019: £4,035,763), plus a market value decrease on investments of £108,400 (2019: increase of £26,659) and actuarial gain on the pension scheme of £4,000 (2019: loss of £33,000). After expenditure (before the investment and pension scheme adjustments noted) of £3,534,514 (2019: £3,014,011) a net deficit of £176,524 (2019: surplus £1,015,410) was generated for The Hepworth Wakefield, as an individual company.

The share held in The Hepworth Wakefield Enterprises Limited, for which there is no readily ascertainable market value, is valued at cost.

The Hepworth Wakefield was one of four partner organisations to run the Yorkshire Sculpture International festival in 2019. Funds relating to the jointly controlled enterprise are held by The Henry Moore Foundation on the partner's behalf. As at 31 March 2020 no material liabilities or assets could be attributed to The Hepworth Wakefield.

#### INCOME

Income is recognised when it meets the three criteria set out within the charities SORP of entitlement, when it is probable it will be received and it is measurable. Hence income from charitable activities and interest receivable is included in the period in which the group is entitled to receipt.

#### RESOURCES EXPENDED AND IRRECOVERABLE VAT

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered and charged.

Raising funds includes the costs incurred in generating voluntary income; fundraising trading costs, including the costs of operating the gallery car park. Trading subsidiary costs which include costs of retail, café and venue hire operations are included in raising funds, other trading activities. Overheads incurred by the charity relating to building and estates costs are apportioned to the subsidiary based upon the staff time devoted to these areas on a basis consistent with that used for support costs.

Charitable expenditure has been analysed by activity, these costs enable the gallery to meet its charitable aims and objectives.

Where expenditure on multi-purpose fundraising activity has taken place, these are apportioned on the basis of the aim and content of marketing and fundraising output between costs of raising funds (where expenditure is on material for raising the general profile of the gallery) and charitable expenditure (where expenditure is on material specifically provided to further the charity's objectives).

The activities of the charity fall into discrete areas of operations. Directly attributable outgoing resources are shown under the relevant heading. Indirect outgoing resources are allocated to the projects on the basis of usage, staff time, value or area occupied, as appropriate. The remaining non-attributable amounts represent the cost of the overall management and administration of the charity and are shown under that heading on the Statement of Financial Activities. An explanation of the amount of indirect costs allocated in this way is shown in note 11. Support costs comprising in the majority staff costs have been apportioned across the activities based upon the staff time devoted to these areas.

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

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 1. ACCOUNTING POLICIES (*continued*)

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

#### COLLECTIONS

The Hepworth Wakefield is the managing trustee of the collections. However, WMDC is the custodian trustee and therefore none of the collections are included in fixed assets.

#### TANGIBLE FIXED ASSETS

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

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

Donated, functional fixed assets are included at a valuation made by the Trustees. Where the use of these assets is unrestricted they are included in a designated fund reflecting their book value. All fixed assets where the use is unrestricted are then transferred after initial recognition from restricted or designated funds into general reserves.

No value is shown in the accounts for assets occupied and used by the Trust under license from WMDC.

Individual fixed assets costing £500 or more are capitalised.

Costs directly related to bringing an asset to its completed state are capitalised as they are incurred in accordance with FRS102 (Chapter 17).

Long-term exhibition equipment is capitalised as a fixed asset. Temporary exhibition costs are written off as resources expended in the year that they are incurred.

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

Depreciation is charged monthly. A full month's depreciation is charged in the month of acquisition, none in the month of disposal. Depreciation is charged at the following rates:

Plant & machinery	:	20% per annum
Fixtures and fittings	:	10% per annum
Office and gallery equipment	:	20% per annum
Computer and AV equipment	:	25% per annum
Leasehold buildings	:	5% per annum
Leasehold garden works	:	5% per annum

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

#### IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets

1. ACCOUNTING POLICIES (*continued*)

IMPAIRMENT OF FIXED ASSETS (*continued*)

are treated as a revaluation loss. All other impairment losses are recognised in the statement of financial activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

INVESTMENTS

Long-term investments are classified as fixed assets. Short term investments are classified as current assets.

Fixed asset investments are stated at cost in the company balance sheet.

Provision is made for any impairment in the value of fixed asset investments.

STOCK

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

At each reporting date, the group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in the statement of financial activities.

Reversals of impairment losses are also recognised in the statement of financial activities.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

*Basic financial assets*

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

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 1. ACCOUNTING POLICIES (*continued*)

#### FINANCIAL INSTRUMENTS (*continued*)

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 a 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.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Basic financial liabilities*

Basic financial liabilities, including trade and other payables and loans from fellow group companies 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 payments discounted at a market rate of interest.

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

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### GIFTS IN KIND

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Those received for the purposes of sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Those received for use by the charity are included in the Statement of Financial Activities as incoming resources when receivable. Volunteer work is not recognised in the accounts but the savings to the charity have been estimated in note 8.

#### FOREIGN CURRENCY

Transactions in foreign currency are recorded at the rate of exchange prevailing at the time of the transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any resulting gains or losses on exchange are included in the Statement of Financial Activities.

1. ACCOUNTING POLICIES (*continued*)

PENSION COSTS (*continued*)

The group operates two pension schemes. There is a defined benefit scheme with West Yorkshire Pension Fund, which is only available to staff who have previously contributed to the scheme. In addition there is a Group Personal Pension Scheme administered by Scottish Life which is available to all other employees.

Contributions to both Schemes are charged directly to the Statement of Financial Activities. The employers' contributions are included in the Statement of Financial Activities as an expended resource on an accruals basis.

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest.

Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

FUND ACCOUNTING

Funds held by the charity are either:

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

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

TAXATION

The company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

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

1. ACCOUNTING POLICIES (*continued*)

TAXATION (*continued*)

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

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MUSEUM AND GALLERY TAX RELIEF

The accrued income in respect of Museum and Gallery Tax Relief has been assessed by management based on the guidelines set out by HMRC in relation to eligibility.

2. INCOME GENERATED BY THE SUBSIDIARY

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

The income, which arises in the United Kingdom, is attributable to the company's principal activity. Consolidated incoming resources from generating funds also includes income from the trading activities including retail sales, hire of gallery spaces, commission on café and catering income and car parking income.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Trust grants received & Individual Giving	30,386	817,255	847,641	17,536	1,232,961	1,250,497
Gallery box donations	16,638	-	16,638	16,289	1,498	17,787
Other donations	4,873	7,820	12,693	4,952	8,158	13,110
Donated services - patrons	8,037	-	8,037	10,783	-	10,783
	<u>59,934</u>	<u>825,075</u>	<u>885,009</u>	<u>49,560</u>	<u>1,242,617</u>	<u>1,292,177</u>

### 4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Wakefield Council service charge income	1,125,000	-	1,125,000	1,240,696	-	1,240,696
Arts Council England NPO funding	906,101	-	906,101	906,101	-	906,101
Partnership income	2,500	10,000	12,500	8,403	-	8,403
Workshops, tours and talks income	40,325	-	40,325	23,913	-	23,913
Education income	17,439	-	17,439	13,452	-	13,452
Other charitable activity income	20,634	3,971	24,605	48,984	-	48,984
Donated services	-	2,000	2,000	-	20,000	20,000
Sponsorship	3,972	29,500	33,472	2,998	6,668	9,666
	<u>2,115,971</u>	<u>45,471</u>	<u>2,161,442</u>	<u>2,244,547</u>	<u>26,668</u>	<u>2,271,215</u>

Donations in Kind of £2,000 have been recognised regarding legal services at nil cost from Jordan's Solicitors (2019: £20,000). Further valuable in-kind support was received but not recognised within income and expenditure.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 5. INCOME EARNED FROM OTHER ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Car park income	98,217	-	98,217	102,049	-	102,049
Corporate partnership Income	3,000	-	3,000	3,167	-	3,167
Event income	55,354	-	55,354	66,746	-	66,746
Membership	20,338	-	20,338	20,024	-	20,024
Other income	8,842	-	8,842	10,275	-	10,275
Trading income	505,809	-	505,809	582,102	-	582,102
Museums Galleries & Exhibitions Tax Relief	77,020	-	77,020	70,779	-	70,779
	<u>768,580</u>	<u>-</u>	<u>768,580</u>	<u>855,142</u>	<u>-</u>	<u>855,142</u>

### 6. INVESTMENT INCOME

All of the group's investment income of £31,985 (2019: 35,782) arises from a) money held in interest bearing deposit accounts of £548 (2019: £643) and b) money held in a corporate bond portfolio of £31,438 (2019: £35,139).

### 7. DEFERRED INCOME

Group and Charity	1 April 2019 £	Deferred £	Released £	31 March 2020 £
Other deferred income	<u>4,224</u>	<u>56,409</u>	<u>(54,409)</u>	<u>6,224</u>

The deferred income balance at 31 March 2020 relates to booking income received before 31 March 2020 which relates to the future financial period of the year ended 31 March 2021.

### 8. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2020 No.	2019 No.
Average number of persons employed:		
Collections and exhibitions	7.0	6.0
Learning	19.8	16.0
Visitor services	31.1	31.0
Marketing	3.4	4.0
Management and administration	10.5	11.0
Development	3.8	3.0
Trading subsidiary	20.3	17.0
Premises	5.8	7.0
	<u>101.7</u>	<u>95.0</u>



# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 8. INFORMATION REGARDING TRUSTEES AND EMPLOYEES (*continued*)

	2020 No.	2019 No.
Average number of FTE employed:		
Collections and exhibitions	6.0	6.1
Learning	7.4	7.6
Visitor services	14.2	15.5
Marketing	3.0	3.5
Management and administration	9.5	10.2
Development	2.7	2.4
Trading subsidiary	6.7	6.8
Premises	4.3	4.9
	<u>53.8</u>	<u>57.0</u>

#### Staff costs during the year:

Wages and salaries	1,355,858	1,335,006
Social security costs	103,514	108,944
Pension costs	118,049	97,810
Recruitment and temporary staff costs	34,942	9,365
Other staff costs	22,323	13,614
Staff training and expenses	12,024	26,797
	<u>1,646,710</u>	<u>1,591,536</u>

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

	2020 No.	2019 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,000 - £90,000	1	1
	<u>1</u>	<u>1</u>

All employees earning over £80,000 participated in the pension scheme. Total contributions paid during the period in respect of these employees were £12,053 (2019: £11,849).

#### VOLUNTEERS

A significant saving to the charity was the invaluable assistance received from volunteers. During the year a total of 96 volunteers (2019: 116) offered their services and the resulting savings from this are estimated to be in the region of £44,412, equivalent to 2.4 full time members of staff (2019: £48,300 (equivalent to 2.7 full time members of staff)).

#### TRUSTEES' REMUNERATION

No trustees received remuneration during the current year or prior period.

Expenses of £636 (2019: £667) were paid to four (2019: four) trustees in respect of accommodation and travel fares.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 9. KEY MANAGEMENT PERSONNEL

The key management of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary. The total employee benefits of the key management personnel of the group were £323,316 (2019: £320,054), excluding amounts paid to employment agencies.

The key management personnel of the charity comprises the trustees and the Senior Management Team.

### 10. EXPENDITURE ON RAISING FUNDS

#### Unrestricted Funds

	Staff costs	Direct costs	Overhead costs	Depreciation costs	Marketing costs	Governance costs	Total 2020	Total 2019
	£	£	£	£	£	£	£	£
Cost of raising funds	153,935	29,301	62,989	8,335	24,308	10,778	289,646	335,448
Fundraising trading	145,609	198,127	89,639	4,198	2,208	14,654	454,435	485,439
<b>Total</b>	<b>299,544</b>	<b>227,428</b>	<b>152,628</b>	<b>12,533</b>	<b>26,516</b>	<b>25,432</b>	<b>744,081</b>	<b>820,887</b>

#### Restricted

	Staff costs	Direct costs	Overhead costs	Depreciation costs	Marketing costs	Governance costs	Total 2020	Total 2019
	£	£	£	£	£	£	£	£
Cost of raising funds	-	2,427	-	-	-	-	2,427	5,974
<b>Total</b>	<b>-</b>	<b>2,427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,427</b>	<b>5,974</b>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 11. EXPENDITURE ON CHARITABLE ACTIVITIES

Unrestricted funds	Staff Costs £	Direct costs £	Overhead costs £	Depreciation costs £	Marketing costs £	Governance costs £	Total 2020 £	Total 2019 £
Collections and exhibitions	300,312	321,740	112,969	15,727	43,086	15,232	809,066	696,648
Learning	283,268	38,671	102,259	17,433	39,586	16,885	498,102	550,935
Visitor services	544,106	8,999	256,677	34,840	100,106	35,751	980,479	898,833
Public Programme	62,223	75,850	28,127	4,469	9,224	3,581	183,474	146,843
Garden	32,329	44,855	841	1,140	450	64	79,679	-
<b>Total</b>	<b>1,222,238</b>	<b>490,115</b>	<b>500,873</b>	<b>73,609</b>	<b>192,452</b>	<b>71,513</b>	<b>2,550,800</b>	<b>2,293,259</b>
<b>Restricted funds</b>	<b>Staff costs £</b>	<b>Direct costs £</b>	<b>Overhead costs £</b>	<b>Marketing costs £</b>	<b>Depreciation costs £</b>	<b>Governance costs £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Collections and exhibitions	16,234	149,611	-	-	-	-	165,845	167,992
Learning	48,329	165,987	-	-	9,425	-	223,741	176,802
Visitor services	-	-	1,785	-	-	-	1,785	13,411
Public Programme	-	9,902	-	-	-	-	9,902	9,127
Garden	-	191,413	-	-	35,811	-	227,224	-
<b>Total</b>	<b>64,563</b>	<b>516,913</b>	<b>1,785</b>	<b>-</b>	<b>45,236</b>	<b>-</b>	<b>628,497</b>	<b>367,332</b>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 11. EXPENDITURE ON CHARITABLE ACTIVITIES *(continued)*

Designated funds	Staff costs £	Direct costs £	Overhead costs £	Marketing costs £	Depreciation costs £	Governance costs £	Total 2020 £	Total 2019 £
Collections and exhibitions	-	50,000	-	-	-	-	50,000	-
Learning	-	-	-	-	-	-	-	-
Visitor services	-	-	-	-	-	-	-	-
Public Programme	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>
<b>Total expenditure on charitable activities</b>							<b>3,229,297</b>	<b>2,660,591</b>

Shared and support costs totalling £1,452,503 (2019: £1,323,297) and comprising in the majority staff costs have been allocated across the activities based upon the staff time devoted to these areas. Staff costs for these areas are reported under the staff cost heading, other than amounts allocated to Governance.

Expenditure on charitable activities was £3,229,297 (2019: £2,660,591) of which £2,550,800 (2019: £2,293,259) was unrestricted, £50,000 (2019: £Nil) was designated funds and £628,497 (2019: £367,332) was restricted funds.

### 12. GOVERNANCE COSTS

	2020 £	2019 £
Staff costs	60,510	65,408
Overhead costs	36,434	41,685
	<b>96,944</b>	<b>107,093</b>

### 13. NET INCOME/EXPENDITURE FOR THE YEAR

This is stated after charging:

	2020 £	2019 £
Depreciation	131,381	82,090
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	14,800	18,600
Fees payable to the company's auditor for the audit of the subsidiary's annual financial statements	4,300	4,360
Tax compliance services	6,350	4,570
Accountancy services	3,550	1,450

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 14. TAXATION

	2020 £	2019 £
United Kingdom corporation tax at 19% (2019: 19%)	-	-

### 15. TANGIBLE FIXED ASSETS

Group	Assets in the course of construction	Plant and machinery	Fixtures and fittings	Office and gallery equipment	Computer and AV equipment	Leasehold land and buildings	Total
Cost	£	£	£	£	£	£	£
At 1 April 2019	490,484	128,323	119,879	65,600	314,170	188,509	1,306,965
Additions	832,279	30,657	8,883	205	37,554	-	909,578
Disposals	-	-	-	-	-	-	-
At 31 March 2020	1,322,763	158,980	128,762	65,805	351,724	188,509	2,216,543
Accumulated depreciation							
At 1 April 2019	-	75,259	37,947	57,327	194,356	37,700	402,589
Transfers							
Charge for the year	35,813	19,274	11,685	4,474	50,710	9,425	131,381
Disposals	(51)	-	-	-	-	-	(51)
At 31 March 2020	35,762	94,533	49,632	61,801	245,066	47,125	533,919
Net book value							
At 31 March 2020	1,287,001	64,447	79,130	4,004	106,658	141,384	1,682,624
At 31 March 2019	490,484	53,064	81,932	8,273	119,814	150,809	904,376

Charity	Assets in the course of construction	Plant and machinery	Fixtures and fittings	Office and gallery equipment	Computer and AV equipment	Leasehold land and buildings	Total
Cost	£	£	£	£	£	£	£
At 1 April 2019	490,450	118,787	114,844	54,731	311,112	188,449	1,278,373
Additions	832,279	30,862	8,883	-	37,554	-	909,578
Disposals	-	-	-	-	-	-	-
At 31 March 2020	1,322,729	149,649	123,727	54,731	348,666	188,449	2,187,951

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 15. TANGIBLE FIXED ASSETS (*continued*)

Charity ( <i>continued</i> )	Assets in the course of construction £	Plant and machinery £	Fixtures and fittings £	Office and gallery equipment £	Computer and AV equipment £	Leasehold land and buildings £	Total £
Accumulated depreciation							
At 1 April 2019	(1)	72,363	36,806	47,072	190,952	37,700	384,892
Transfers	-	-	-	-	-	-	-
Charge for the year	35,811	17,368	11,360	3,913	50,484	9,425	128,361
Disposals	(51)	-	-	-	-	-	(51)
At 31 March 2020	35,759	89,731	48,166	50,985	241,436	47,125	513,202
Net book value							
At 31 March 2020	1,286,970	59,918	75,561	3,746	107,230	141,324	1,674,749
At 31 March 2019	490,451	46,424	78,038	7,659	120,160	150,749	893,481

All tangible fixed assets were used for charitable purposes.

### 16. INVESTMENTS HELD AS FIXED ASSETS

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Investment in subsidiary	-	1	-	1
Listed investments	803,190	803,190	1,473,702	1,473,704
Listed investments				
	2020 Investments £	2020 Cash £	2019 Investments £	2019 Cash £
Market value brought forward at 1 April 2019	1,393,272	80,430	1,366,613	59,165
Add: additions to investments at cost	322,517	-	289,207	-
Disposals at carrying value	(827,085)	-	(301,519)	-
Movement in cash	-	(57,544)	-	21,265
Revaluation	(108,400)	-	38,971	-
Market value as at 31 March 2020	780,304	22,886	1,393,272	80,430

The company owns 100% of the ordinary share capital of The Hepworth Wakefield Enterprises Limited, Company Registration Number – 07594964, a company registered in England and Wales. The principal activities of the company are to carry out the retail and venue hire operations of the charity and also to receive commissions from the outsourced operations of the café business.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 16. INVESTMENTS HELD AS FIXED ASSETS *(continued)*

The company also controls The Hepworth Wakefield Garden Trust Limited, Company Registration Number - 10383188, a company limited by guarantee and registered in England and Wales. The company was registered on 19 September 2016, it is currently dormant and has an accounting reference date of 31 March 2020. The principal activities of the company are to establish and operate The Hepworth Wakefield Garden.

The income and expenditure of The Hepworth Wakefield Enterprises Limited for the period ended 31 March 2020 is summarised below:

	2020 £	2019 £
Turnover	505,706	582,102
Cost of sales	(221,175)	(242,921)
Gross profit	284,531	339,181
Administrative expenses	(220,112)	(230,520)
Profit on ordinary activities for the financial period	64,419	108,661
Profit retained for the financial period	64,419	108,661

The aggregate of the assets, liabilities and funds was:

	2020 £	2019 £
Assets	255,713	349,898
Liabilities	(179,724)	(228,248)
	75,989	121,650
Represented by:		
Called up share capital	1	1
Profit and loss account	75,988	121,649
Shareholder's funds	75,989	121,650

### 17. STOCKS

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Goods for resale	143,876	751	169,504	502

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 18. INVESTMENTS

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Current asset investment held in cash	275,317	275,317	274,946	274,946

### 19. DEBTORS

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Amounts falling due within one year:				
Trade debtors	102,556	56,572	229,318	131,050
Amount owed by subsidiary	-	118,609	-	118,844
Other debtors	6,521	5,462	3,511	2,008
Prepayments and accrued income	386,401	391,828	683,794	690,502
VAT debtor	302,181	318,176	46,666	74,322
Corporation Tax recoverable	231,195	231,194	154,174	154,174
	1,028,854	1,121,841	1,117,463	1,170,900

### 20. CREDITORS: Amounts falling due within one year

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Trade creditors	320,099	316,790	240,312	200,016
Other creditors	78,706	50,355	64,603	37,601
Amounts due to group companies	-	-	-	-
Other taxes and social security	28,479	28,479	27,875	27,875
Accruals and deferred income	198,363	189,865	238,686	230,035
	625,647	585,489	571,476	495,527

### 21. FINANCIAL INSTRUMENTS

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,084,695	1,104,732	1,581,106	1,537,708
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	464,472	452,666	323,548	274,600



# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 22. MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

Group	1 April 2019	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2020
	£	£	£	£	£	£	£
General unrestricted funds	496,510	2,976,470	(3,256,881)	(108,400)	246,287	-	353,986
Pension reserve	(244,000)	-	(38,000)	-	-	4,000	(278,000)
Total unrestricted funds	<u>252,510</u>	<u>2,976,471</u>	<u>(3,294,881)</u>	<u>(108,400)</u>	<u>246,287</u>	<u>4,000</u>	<u>75,986</u>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 22. MOVEMENT IN UNRESTRICTED FUNDS (*continued*)

Charity	1 April 2019 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfers £	Actuarial gain/(loss) £	31 March 2020 £
General unrestricted funds	374,860	2,580,847	(2,815,594)	(108,400)	246,287	-	278,000
Pension reserve	(244,000)	-	(38,000)	-	-	4,000	(278,000)
Total unrestricted funds	130,860	2,580,847	(2,853,594)	(108,400)	246,287	4,000	-

### PRIOR YEAR MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

Group	1 April 2018 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfers £	Actuarial gain/(loss) £	31 March 2019 £
General unrestricted funds	438,844	3,185,031	(3,114,146)	26,659	(39,878)	-	496,510
Pension reserve	(178,000)	-	-	-	(33,000)	(33,000)	(244,000)
Total unrestricted funds	260,844	3,185,031	(3,114,146)	26,659	(72,878)	(33,000)	252,510

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 22. MOVEMENT IN UNRESTRICTED FUNDS *(continued)*

#### PRIOR YEAR MOVEMENT IN UNRESTRICTED FUNDS *(continued)*

Unrestricted funds comprise the following:

Charity	1 April 2018	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2019
	£	£	£	£	£	£	£
General unrestricted funds	262,306	2,766,478	(2,640,705)	26,659	(39,878)	-	374,860
Pension reserve	(178,000)	-	-	-	(33,000)	(33,000)	(244,000)
Total unrestricted funds	<u>84,306</u>	<u>2,766,478</u>	<u>(2,640,705)</u>	<u>26,659</u>	<u>(72,878)</u>	<u>33,000</u>	<u>130,860</u>

### 23. MOVEMENT IN DESIGNATED FUNDS

Designated funds comprise the following:

Group	1 April 2019	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2020
	£	£	£	£	£	£	£
Designated funds	<u>1,679,005</u>	<u>-</u>	<u>(49,998)</u>	<u>-</u>	<u>(170,537)</u>	<u>-</u>	<u>1,458,470</u>

Charity	1 April 2019	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2020
	£	£	£	£	£	£	£
Designated funds	<u>1,679,004</u>	<u>-</u>	<u>(49,997)</u>	<u>-</u>	<u>(170,537)</u>	<u>-</u>	<u>1,458,470</u>

### 23. MOVEMENT IN DESIGNATED FUNDS

Designated funds have been set aside out of the current year surplus by the trustees to cover future expenditure. Designated income received in the current year was £nil (2019: £Nil) and the transfer made to unrestricted funds in the current year was £170,537 (2019: £64,544) with attributed revenue expenditure of £49,998 (2019: £Nil). There was a redesignation of funds within designated funds during the year to cover the cost of capital investment, with the most significant funds remaining at year end being: a) 4 months operating costs, short of the 6 month target £1,185,878 (2019: £1,679,005), b) Designated Investment Reserve £286,683 (2019: £53,873) and c) Digital Investment Strategy – (£14,094) (2019: £10,671).

**The Hepworth Wakefield**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2020**

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**23. MOVEMENT IN DESIGNATED FUNDS** *(continued)*

**PRIOR YEAR MOVEMENT IN DESIGNATED FUNDS**

Designated funds comprise the following:

Group	1 April 2018 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfers £	Actuarial gain/(loss) £	31 March 2019 £
Designated funds	1,614,460	-	-	1	64,544	-	1,679,005
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Charity	1 April 2018 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfers £	Actuarial gain/(loss) £	31 March 2019 £
Designated funds	1,614,460	-	-	-	64,544	-	1,679,004
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Designated funds have been set aside out of the current year surplus by the trustees to cover future expenditure. Designated income received in the current year was £Nil (2018: £Nil) and the transfer made from unrestricted funds in the current year was £64,544 (2018: £69,287) with attributed revenue expenditure of £Nil (2018: £5,804). There was a redesignation of funds within designated funds during the year to cover the cost of capital investment, with the most significant funds remaining at year end being: a) 6 months operating costs £1,679,005 (2018: £1,517,089), b) Designated Investment Reserve £53,873 (2018: £67,697) and c) Digital Investment Strategy - £10,671 (2018: £29,674).

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 24. MOVEMENT IN RESTRICTED FUNDS

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

Group and charity	1 April 2019 £	Income £	Expenditure £	Transfers £	31 March 2020 £
Gott Collection	13,106	-	-	-	13,106
Collection Conservation	5,010	13,433	(13,367)	-	5,076
Exhibitions	57,017	117,668	(61,530)	(48,648)	64,507
Learning: Gallery Enrichment Pilot Programme	2,989	-	-	-	2,989
Learning: Equipment	5,752	-	-	-	5,752
Learning: Integrated Youth Programme	61,410	-	-	-	61,410
Learning: other programme costs	114,030	114,500	(129,255)	-	99,275
Learning Studio Redevelopment	149,600	-	(9,425)	-	140,175
Learning: Imagine Better Futures Project	2,359	-	-	-	2,359
Arts Council Catalyst: Match Funding	7,537	-	(2,142)	(5,379)	16
Le Grand Depart – Thomas Houseago	936	-	-	-	936
The Hepworth Prize for Sculpture	3,620	-	-	-	3,620
Arts Council Catalyst: 2015/16	29,316	-	(7,597)	(21,719)	-
Arts Council Museums Resilience	6,411	-	(3,000)	-	3,411
The Hepworth Wakefield Garden Trust	1,231,752	285,746	(227,223)	(4)	1,290,271
Acquisition fund	-	49,100	(49,100)	-	-
Communities project	10,490	-	(10,490)	-	-
Learning - wellbeing related	8,936	-	-	-	8,936
Learning - Dementia Café	9,000	-	-	-	9,000
Lee Miller exhibition publication	-	1,500	-	-	1,500
More & Better	7,581	56,500	(57,876)	-	6,205
Learning: Dementia Project	-	3,120	(1,378)	-	1,742
School Prints	-	12,000	(12,000)	-	-
Exhibition - Sheila Hicks	-	57,008	(615)	-	56,393
Exhibition - David Hockney / Alan Davie	-	8,000	(8,000)	-	-
Exhibition - Christina Quarles	-	10,000	(10,000)	-	-
Exhibition - Hannah Starkey	-	101,000	(23,435)	-	77,565
Art Fund Ceramics Project	-	30,000	-	-	30,000
Exhibitions - Hepworth Research Network	-	3,971	(2,491)	-	1,480
Exhibitions - Hepworth 2021	-	5,000	-	-	5,000
Jordans Legal Support	-	2,000	(2,000)	-	-
	<u>1,726,852</u>	<u>870,546</u>	<u>(630,924)</u>	<u>(75,750)</u>	<u>1,890,724</u>

Restricted funds as at 31 March 2020 consist of unspent restricted grants and donations and fixed assets purchased with restricted funds. Where restricted money is donated to fund assets which will be for the general use of the charity, a transfer is made from the restricted reserve to unrestricted when the asset is purchased or brought into use. The major funds are considered below:

**24. MOVEMENT IN RESTRICTED FUNDS (*continued*)**

Gott Collection – funds received towards the conservation and digitisation of the 10-volume Gott collection.

Exhibitions – funds received towards the costs of exhibitions in 2019/20 and 2020/21 and prior years.

Learning Gallery Enrichment Pilot Programme – funds received in two phases to enable the development of a secondary school cross curricular learning programme.

Learning: Integrated Youth Programme – funds received to enable the running of a programme for NEETs (individuals not in education, employment or training) to attend a youth programme hosted by the Hepworth Wakefield.

Learning: Imagine Better Futures – funds received to enable the running of a programme for young women on the rent deposit scheme who were previously homeless to engage with the Gott collection to explore Wakefield's history and their future.

Learning Studio Redevelopment – funds have been raised to enable the redevelopment of the learning spaces with improvements which will make a significant difference to the way the Hepworth presents its learning programme and engages with learning audiences, creating a more welcoming and meaningful experience.

Learning - wellbeing related - Wakefield Metropolitan District Council grant to support local cultural organisations to deliver cultural activities which contribute towards improving the health and wellbeing of people and communities across the district.

The Hepworth Prize for Sculpture – aggregate funds received to cover the cost of the prize, the exhibition and associated costs. The use of individual donations has been restricted according to donor stipulations.

The Hepworth Wakefield Garden Trust - funds received are to be used to cover the cost of the planning, design and construction of the garden.

Communities project - funds received to help fund the Community staff post.

Lee Miller exhibition publication - funds received towards the costs of a book which would otherwise not be produced.

More & Better - funds received from the Paul Hamlyn Foundation to fund this programme of engaging local young people in the arts.

Learning: Dementia Project - funds received towards the cost of this project.

School Prints - funds received towards the cost of producing prints for schools.

Exhibition - Sheila Hicks - funds received towards the cost of the exhibition planned for 2022.

Exhibition - David Hockney / Alan Davie - funds received towards the cost of this exhibition.

Exhibition - Christina Quarles - funds received towards the cost of this exhibition.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 24. MOVEMENT IN RESTRICTED FUNDS *(continued)*

Exhibition - Hannah Starkey - funds received towards the cost of this exhibition planned for 2021.

Exhibition - Bill Brandt / Henry Moore - funds received towards the cost of this exhibition.

Art Fund Ceramics Project - funds received towards the cost of this project.

Exhibitions - Hepworth Research Network - funds received towards the cost of the network.

Exhibitions - Hepworth 2021 - funds received towards the cost of this exhibition.

Jordans Legal Support - in kind support.

It has been identified that costs relating to restricted funds have not all been analysed in previous years.

The transfer in the year of £75,750 reflects a re-allocation of expenditure incurred on delivering the activities covered by restricted funds from the unrestricted to restricted expenditure categories.

### PRIOR YEAR MOVEMENT IN RESTRICTED FUNDS

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

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 24. MOVEMENT IN RESTRICTED FUNDS (*continued*)

Group and charity	1 April 2018 £	Income £	Expenditure £	Transfers £	31 March 2019 £
Gott Collection	13,106	-	-	-	13,106
Collection Conservation	5,010	5,000	(5,000)	-	5,010
Exhibitions	57,017	96,256	(96,256)	-	57,017
Learning: Gallery Enrichment Pilot Programme	2,989	-	-	-	2,989
Learning: Equipment	5,752	-	-	-	5,752
Learning: Integrated Youth Programme	14,860	56,020	(9,470)	-	61,410
Learning: other programme costs	68,882	127,995	(82,847)	-	114,030
Learning Studio Redevelopment	159,025	-	(9,425)	-	149,600
Learning: Imagine Better Futures Project	2,359	-	-	-	2,359
Learning - Out & About programme	5,184	-	(5,184)	-	-
Arts Council Catalyst: Match Funding	17,700	-	(10,163)	-	7,537
Le Grand Depart – Thomas Houseago	936	-	-	-	936
The Hepworth Prize for Sculpture	61,120	(8,334)	(57,500)	8,334	3,620
Arts Council Catalyst: 2015/16	32,104	-	(2,788)	-	29,316
Arts Council Museums Resilience	23,796	-	(17,385)	-	6,411
The Hepworth Wakefield Garden Trust	261,578	982,348	(12,174)	-	1,231,752
JW Anderson Exhibition	-	-	-	-	-
Howard Hodgkin Exhibition	-	-	-	-	-
Alina Szapcznikow exhibition	-	-	-	-	-
Acquisition fund	12,500	-	(12,500)	-	-
Anthony McCall exhibition	-	-	-	-	-
Communities project	10,490	10,000	(10,000)	-	10,490
Learning - wellbeing related	12,268	-	(3,332)	-	8,936
Learning - Dementia Café	9,000	-	-	-	9,000
Lee Miller exhibition publication	5,000	-	(5,000)	-	-
More & Better	41,863	-	(34,282)	-	7,581
	822,539	1,269,285	(373,306)	8,334	1,726,852

Restricted funds as at 31 March 2019 consist of unspent restricted grants and donations and fixed assets purchased with restricted funds. Where restricted money is donated to fund assets which will be for the general use of the charity, a transfer is made from the restricted reserve to unrestricted when the asset is purchased or brought into use. The major funds are considered below:

Gott Collection – funds received towards the conservation and digitisation of the 10-volume Gott collection.

Exhibitions – funds received towards the costs of exhibitions in 2017/18 and those planned for 2018/19.

Learning Gallery Enrichment Pilot Programme – funds received in two phases to enable the development of a secondary school cross curricular learning programme.



# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 24. MOVEMENT IN RESTRICTED FUNDS (*continued*)

Learning: Integrated Youth Programme – funds received from Paul Hamlyn Foundation to enable the running of a programme for NEETs (individuals not in education, employment or training) to attend a youth programme hosted by the Hepworth Wakefield.

Learning: Imagine Better Futures – funds received to enable the running of a programme for young women on the rent deposit scheme who were previously homeless to engage with the Gott collection to explore Wakefield's history and their future.

Learning Studio Redevelopment – funds have been raised to enable the redevelopment of the learning spaces with improvements which will make a significant difference to the way the Hepworth presents its learning programme and engages with learning audiences, creating a more welcoming and meaningful experience.

Learning - wellbeing related - Wakefield Metropolitan District Council grant to support local cultural organisations to deliver cultural activities which contribute towards improving the health and wellbeing of people and communities across the district.

Learning - Dementia Café – grant funds towards community activities and workshops involving artists and volunteers.

Arts Council Catalyst Match Funding – funds received which are matched at a rate of 2/3 to first time donations from new members, patrons, trusts, foundations, individual donors & banked collection box donations.

The Hepworth Prize for Sculpture – aggregate funds received to cover the cost of the prize, the exhibition and associated costs. The use of individual donations has been restricted according to donor stipulations.

The Hepworth Wakefield Garden Trust - funds received are to be used to cover the cost of the planning, design and construction of The Hepworth Wakefield Gallery Garden.

Disobedient Bodies exhibition - funds received to help fund the costs of the exhibition in 2017/18.

Howard Hodgkin exhibition - funds received to help fund the costs of the exhibition.

Alina Szapcznikow exhibition - funds received will be used to help fund the costs of the exhibition in 2017/18.

Acquisition fund - funds donated towards the purchase of new additions to The Wakefield Collection.

Anthony McCall exhibition funds received to help fund the costs of the exhibition in 2017/18.

Communities project - funds received to help fund the Community staff post.

Lee Miller exhibition publication - funds received towards the costs of a book which would otherwise not be produced.

More & Better - funds received from the Paul Hamlyn Foundation to fund a programme designed to engage local young people in the arts.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 25. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2020 £	31 March 2019 £
Tangible fixed assets	196,383	-	1,486,241	1,682,624	904,376
Fixed asset investments	2	803,188	-	803,190	1,473,702
Stocks	143,876	-	-	143,876	169,504
Investments	370	-	274,947	275,317	274,946
Debtors	301,644	400,000	327,210	1,028,854	1,117,463
Cash at bank and in hand	116,947	255,282	22,737	394,966	533,852
Creditors: amounts falling due within one year	(405,236)	-	(220,411)	(625,647)	(571,476)
Defined benefit pension scheme liability	(278,000)	-	-	(278,000)	(244,000)
At 31 March 2020	75,986	1,458,470	1,890,724	3,425,180	3,658,367

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2020 £	31 March 2019 £
Tangible fixed assets	188,508	-	1,486,241	1,674,749	893,481
Investments	3	803,187	-	803,190	1,473,704
Stocks	751	-	-	751	502
Investments	371	-	274,946	275,317	274,946
Debtors	394,631	400,000	327,210	1,121,841	1,170,900
Cash at bank and in hand	58,813	255,283	22,739	336,835	462,710
Creditors: amounts falling due within one year	(365,077)	-	(220,412)	(585,489)	(495,527)
Defined benefit pension scheme liability	(278,000)	-	-	(278,000)	(244,000)
At 31 March 2020	-	1,458,470	1,890,724	3,349,194	3,536,716

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 25. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS *(continued)*

#### PRIOR YEAR ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2019 £	31 March 2018 £
Tangible fixed assets	209,888	-	694,488	904,376	538,807
Fixed asset investments	-	1,473,702	-	1,473,702	1,425,778
Stocks	169,504	-	-	169,504	142,980
Investments	-	-	274,946	274,946	274,738
Debtors	519,952	-	597,511	1,117,463	293,753
Cash at bank and in hand	(3,015)	205,303	331,564	533,852	617,116
Creditors: amounts falling due within one year	(399,819)	-	(171,657)	(571,476)	(404,329)
Defined benefit pension scheme liability	(244,000)	-	-	(244,000)	(191,000)
At 31 March 2019	252,510	1,679,005	1,726,852	3,658,367	2,697,843

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2019 £	31 March 2018 £
Tangible fixed assets	198,993	-	694,488	893,481	524,892
Investments	3	1,473,701	-	1,473,704	1,425,780
Stocks	502	-	-	502	634
Investments	-	-	274,946	274,946	274,738
Debtors	573,389	-	597,511	1,170,900	255,810
Cash at bank and in hand	(74,156)	205,303	331,563	462,710	572,382
Creditors: amounts falling due within one year	(323,871)	-	(171,656)	(495,527)	(341,931)
Defined benefit pension scheme liability	(244,000)	-	-	(244,000)	(191,000)
At 31 March 2019	130,860	1,679,004	1,726,852	3,536,716	2,521,305

### 26. COMPANY STATUS

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

## 27. PENSION SCHEMES

The group contributes to two pension schemes.

### Defined contribution scheme

There is a Group Personal Pension Scheme, which is a defined contribution pension scheme, administered by Scottish Life which is available to all other employees not part of the defined benefit scheme.

The charge to the statement of financial activities in respect of defined contribution scheme was £65,835 (2019: £64,296). As at 31 March 2020, contributions of £19,616 (2019: £7,262) due in respect of the current reporting period had not been paid over to the scheme.

### Defined benefit scheme

There is a defined benefit scheme operated by the West Yorkshire Pension Fund which is only available to staff who have previously contributed to the scheme. Under the scheme, the employees are entitled to retirement benefits based on a combination of length of service and final salary on attainment of a retirement age of 65 (55 with employer consent). No other post-retirement benefits are provided. The scheme is a funded scheme.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 March 2020 by Aon Hewitt. As the fund is closed to new entrants, the cost of the future accrual as a proportion of the salary roll can be expected to increase as the average age of the membership increases, on a given basis. Adjustment to the valuation at the year-end have been made based on the following assumptions:

	2020 %	2019 %
Key assumptions:		
Discount rate	2.30	2.50
Expected rate of salary increases	1.80	3.35
Expected rate of increase for future pension increases	1.80	2.10
Expected rate of increase for deferred pensioners	N/A	N/A
Rate of inflation	3.05	3.20

### Mortality assumptions:

The assumed life expectations on retirement at age 65 are:

	2020 years	2019 years
Retiring today:		
Males	21.8	22.2
Females	22.5	23.2
Retiring in 20 years:		
Males	24.6	25.4
Females	25.7	27.2

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 27. PENSION SCHEMES *(continued)*

Amounts recognised in the statement of financial activities:

	2020 £	2019 £
Current service cost	32,000	29,000
Net interest on defined benefit liability/(asset)	6,000	5,000
	<u>38,000</u>	<u>34,000</u>

Amounts taken to other comprehensive income

	2020 £	2019 £
Actual return on scheme assets	(51,000)	(33,000)
	<u>(51,000)</u>	<u>(33,000)</u>

The amount included in the balance sheet arising from obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2020 £	2019 £
Present value of defined benefit obligations	(835,000)	(830,000)
Fair value of scheme assets	557,000	586,000
	<u>(278,000)</u>	<u>(244,000)</u>

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
At 1 April 2019	586,000	(830,000)	(244,000)
Benefits paid	(1,000)	1,000	-
Employer contributions	14,000	(14,000)	-
Participant contributions	9,000	(9,000)	-
Current service cost	-	(32,000)	(32,000)
Interest income/(expense)	15,000	(21,000)	(6,000)
Re-measurement gains/(losses)	-	-	-
Actuarial losses	(66,000)	70,000	4,000
At 31 March 2020	<u>557,000</u>	<u>835,000</u>	<u>(278,000)</u>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 27. PENSION SCHEMES *(continued)*

The fair value of the plan assets was:

	Fair value of assets	Fair value of assets
	2020	2019
	£	£
Equity instruments	431,675	433,640
Property	25,065	27,542
Government bonds	53,472	65,632
Corporate bonds	28,407	23,440
Cash	10,583	13,478
Other	7,798	22,268
	<u>557,000</u>	<u>586,000</u>

The returns on plan assets was:

	Fair value of assets	Fair value of assets
	2020	2019
	£	£
Interest income	15,000	14,000
Return on plan assets less interest income	(66,000)	12,000
	<u>(51,000)</u>	<u>26,000</u>

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

### 28. RELATED PARTY TRANSACTIONS

The following related party transactions took place in the year:

	2020	2019
	£	£
a) The remuneration of key management personnel, who are members of the executive team is as follows:		
Aggregate compensation	323,316	320,054
b) Other related parties		
Purchase of goods from Michael Denardo (partner of David Liddiment, former Chairman of the Trustees)	-	153
Purchase of from Museums Association	1,740	1,813

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 28. RELATED PARTY TRANSACTIONS (*continued*)

Wakefield Metropolitan Borough Council:		
Service Concession agreement income	1,125,000	1,241,296
Services and goods purchased	49,560	52,060
Purchases and transfers from The Hepworth Wakefield Enterprises Ltd	8,645	3,145
Recharge of costs to The Hepworth Wakefield Enterprises Ltd	199,449	204,711
Gift aid payment from The Hepworth Wakefield Enterprises Ltd	110,080	163,549
Donations and patron subscription from Stuart Fletcher, Trustee	455	-
Purchases from Harewood House Trading Ltd (Diane Howse was a Trustee in 2019/20)	-	119
Sales to Harewood House Operating Trust Ltd (Diane Howse was a Trustee in 2019/20)	-	8,625
Sales to Harewood House Food & Drink Project Ltd (Diane Howse was a Trustee in 2019/20)	-	458
Patron subscription from Andrew Haigh, Trustee	190	-
Circle subscription, Alice Rawsthorn, Chair of Trustees	2,500	-
Purchases from Wakefield Theatre Trust (Peter Box was a Trustee in 2019/20)	126	-
Purchases from Yorkshire Sculpture Park (Peter Box was a Trustee in 2019/20)	180	-

At 31 March 2020 related party transactions outstanding with non-group organisation were £Nil (2019: Nil) within creditors and £Nil within debtors. Related party balances with group companies were £nil (2019: £3,711) within creditors.

There are no further related party transactions to disclose.

### 29. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Net movement in funds	(233,186)	960,524	(187,523)	1,015,410
Investment income	(31,986)	(35,782)	(31,986)	(35,782)
(Gains) / losses on investments	108,400	(26,659)	108,400	(26,659)
Investment fees charged to portfolio	(52)	(12,788)	(51)	(12,788)
Depreciation charge	131,381	82,089	128,361	79,068
Defined benefit pension schemes	34,000	53,000	34,000	53,000
(Increase)/decrease in stocks	25,628	(26,523)	(249)	132
(Increase)/decrease in debtors	88,609	(834,502)	49,059	(826,423)
(Decrease)/increase in creditors	54,171	178,363	89,961	65,355
	176,965	337,722	189,972	311,313

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

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### 29. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES *(continued)*

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Cash and cash equivalents:				
Cash equivalents – investments	275,316	274,946	275,317	274,946
Cash at bank and in hand	394,966	533,852	336,835	462,710
	<hr/>	<hr/>	<hr/>	<hr/>
	670,282	808,798	612,152	737,656
	<hr/>	<hr/>	<hr/>	<hr/>