

# THE HEPWORTH WAKEFIELD

## REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2019

# 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:

David Liddiment – Chair (resigned 17 May 2018)  
Alice Rawsthorn – Chair (appointed 5 June 2018)  
Sophie Bowness (resigned 14 May 2019)  
David Roberts (resigned 22 November 2018)  
Linda Bennett (resigned 14 May 2019)  
Jane Mee  
Diane Howse  
Neil Wenman (resigned 5 June 2018)  
Jane Madeley  
Stuart Fletcher  
Merran McCrae  
Peter Box  
Andrew Haigh (appointed 13 September 2018)  
Nicholas Johnson (appointed 22 November 2018)  
Henry Meyric Hughes (appointed 14 May 2019)

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  
8 Providence Street  
Wakefield  
West Yorkshire, WF1 3BG

### SOLICITORS

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

# The Hepworth Wakefield

## OFFICERS AND PROFESSIONAL ADVISERS

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Jordans Solicitors  
18 King Street  
Wakefield, WF1 2SQ

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 2019.

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 successful year in 2018/19 with an eclectic and dynamic programme of activities. The year began with a mesmerising exhibition of Anthony McCall's 'solid light' installations, which proved to be one of our most popular exhibitions of recent years. Over the summer we explored Surrealism in Britain, pairing one of the 20th-century's most influential female photographers, Lee Miller, with an innovative female photographer of the 21st century, Viviane Sassen, to examine their shared love of the surreal. In the autumn, we celebrated the breadth of contemporary sculpture making in the UK with the second Hepworth Prize for Sculpture.

During the year we welcomed 220,000 visitors to the gallery, including 35,000 people who participated in our award-winning creative learning and engagement activities. We also maintained our exceptionally high visitor satisfaction ratings and continued to expand our commercial activities, which produce vital funds for the gallery.

Fundraising for The Hepworth Wakefield Garden was a particular success of the year, enabling us to start construction to transform a strip of bare land adjacent to the gallery into one of the largest free public gardens in the UK, designed by the internationally renowned garden designer, Tom Stuart-Smith. The Hepworth Wakefield Garden will create an enticing new visitor attraction for Wakefield and a new free public space for residents and visitors to enjoy.

We continued to strengthen our strategic collaboration with our Yorkshire Sculpture Triangle partners: the Henry Moore Institute, Leeds Art Gallery and the Yorkshire Sculpture Park as we work towards our first major festival of sculpture across Leeds and Wakefield in summer 2019 – the Yorkshire Sculpture International. This initiative will play an important role in further positioning West Yorkshire as the home of modern British sculpture. We are also a central partner in Wakefield's Cultural Consortium, which aims, through joined-up working, to celebrate the rich cultural assets in Wakefield District and to raise Wakefield's profile as a cultural destination.

As 2018/19 was my first year as Chair of the Board of Trustees at The Hepworth Wakefield, I would like to thank all of my fellow trustees and the staff for supporting me in this role and for their commitment to and ambition for the organisation.

I would also like to thank all of those who have 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. All of these supporters continue to grow in number and to 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 support, enthusiasm and ongoing investment.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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I look forward to another year of engaging and thought-provoking international programming and inspiring work within our local community at The Hepworth Wakefield as we continue to grow in status, reach and recognition.



**Alice Rawsthorn OBE**  
Chair of The Hepworth Wakefield

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### DIRECTOR'S REPORT

There have been numerous notable achievements for The Hepworth this year, including, our acclaimed exhibition programme, growing our art collection for Wakefield, winning, for the third year in a row at the Association of Cultural Enterprises Product Awards and being nominated for a White Rose Award in the Large Visitor Attraction category. However, one of our most significant wins is getting close to realising our full fundraising target to transform our outdoor site and create The Hepworth Wakefield Garden designed by Tom Stuart-Smith.

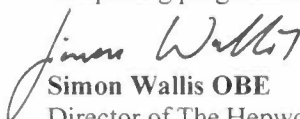
With an engaging and diverse programme of ambitious exhibitions, strategic partnerships and imaginative events and activities we have sustained our visitor numbers following our outstanding year in 2017/18 as Art Fund Museum of the Year. We have also improved our high visitor satisfaction rating with Visit England. We successfully devised new strategies to engage more people in our work, with 40% of our visitors in 2018/19 never previously having visited the gallery. A number of newly created programmes have focussed on deepening our connection to local community groups, helping to deliver much needed health and wellbeing benefits in the district and making the gallery and the works of art on display accessible to ever more people. These include an ongoing programme for those suffering with Alzheimer's disease, a developing partnership with communities, schools and youth groups in the nearby Agbrigg area of Wakefield, and expansion of our popular early years activities to encourage our youngest visitors to be creative along with their parents and carers.

I am delighted to see our School Prints project – which enables leading contemporary art to be shown and worked with in our local schools – succeed again in its second year, with original art by four major artists, including Sir Peter Blake, being donated to a further six schools in the Wakefield District. A new partnership with Turner Contemporary, where The Hepworth will provide expertise and merchandise, and which is supported by the Art Fund, will see the scheme offered to schools in Margate to enable the next step for School Prints to become a national initiative in future years. We have also delivered our first year of the four-year *Burberry Inspire* programme with two secondary schools in Castleford, offering out-of-school creative sessions as well as providing an artist-in-residence to work regularly with the children in their schools for a sustained period of time. This initiative is being thoroughly evaluated by the Policy Institute at King's College, London to help provide concrete evidence to decision makers regarding the benefits of creative learning in schools for young people.

Our popular fairs & markets programme has gone from strength to strength attracting large new diverse audiences. This year we added a new contemporary ceramics fair, offering our visitors opportunities to buy directly from the makers, many of whom are Yorkshire based. One of the many ways in which we have supported artists this year has been through the launch of The Print Fair Prize, which provided an opportunity for one of the printmakers to hold a successful selling exhibition in The Hepworth cafe. Thanks to support from the Allied Editions collective we presented our wide range of artist editions at Frieze Art Fair in London, contributing to an above-target generation of income through our retail offer.

We have continued to build our outstanding local, national and international reputation for excellence and innovation. We've grown our social media following and consistently delivered effective high-profile communications campaigns, while garnering remarkably regular positive reviews from the national and local media.

We are grateful for the continued support and investment from our funders who include WMDC and Arts Council England and our growing number of generous Members, Patrons and Circle Members. Alongside their investments 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

# 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 2018/19

#### Exhibitions Programme

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

**Anthony McCall: Solid Light Works, 16 February – 3 June 2018**

# The Hepworth Wakefield

## TRUSTEES' REPORT

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The first major UK exhibition of McCall's work in over a decade included the UK premieres of three 'solid light' installations. Aided by digital projection, these new installations used only projected light and a thin mist, creating physically powerful works that take on the appearance of sculptural forms in space. Visitors were encouraged to engage with the places and chambers created by the projections, becoming active participants in the work. The exhibition also explored the importance of drawing in McCall's creative process and the meticulous planning that goes into each installation. The public programme included a collaborative choreography commission with Learning.

### **Lee Miller & Surrealism in Britain, 22 June – 7 October 2018**

Shining a light on a little-known but exciting cultural moment, this exhibition told the story of surrealism in Britain through the lens of Lee Miller, one of the greatest photographers of the twentieth century. The exhibition focused on creative collaborations with the artists Miller knew, photographed and exhibited alongside, during a brief time when Britain was recognised as a 'surrealist centre'. Sculptures, paintings, photographs, collages and works on paper by artists Eileen Agar, Leonora Carrington, Salvador Dalí, Max Ernst, René Magritte and Henry Moore featured in the exhibition alongside over 50 of Miller's photographs.

The exhibition toured to the Fundacio Miro, Barcelona, Spain, from 31 October 2018 to 20 January 2019. It was accompanied by a fully illustrated catalogue, published by Lund Humphries, featuring new research from THW curators Eleanor Clayton and Hilary Floe, and surrealism expert Patricia Allmer, Director of Research at Edinburgh University College of Art. The book was translated into Spanish and Catalan and distributed internationally.

### **Viviane Sassen: Hot Mirror, 22 June – 7 October 2018**

Hot Mirror presented a survey of work by internationally renowned Dutch artist and photographer Viviane Sassen. Sassen is one of the most innovative photographers working today and cites surrealism as one of her earliest artistic influences, seen in the uncanny shadows, fragmented bodies and dream-like landscapes in her work. For this exhibition, Sassen selected individual images from her notable art photography series of the last 10 years, as well as new photographs and collages. These selections were combined to create 'image-poems' that draw on the surrealist strategies of collage and 'exquisite corpse'. The exhibition also presented a new version of Sassen's immersive film, Totem, 2014, which placed the visitor inside a surreal landscape.

The exhibition toured to Musée des Beaux-Arts Le Locle, Switzerland, from 16 February to 26 May 2019. It was accompanied by the book Viviane Sassen: Hot Mirror, a creative collaboration between Sassen and designer Irma Boom, published by Prestel. It includes an insightful interview with the artist, a contextualising essay by THW curator Eleanor Clayton and Sassen's own writings.

### **The Hepworth Prize for Sculpture, 26 October 2018 – 20 January 2019**

The Hepworth Prize for Sculpture recognises a British or UK-based artist of any age, at any stage in their career, who has made a significant contribution to the development of contemporary sculpture. It is named after Barbara Hepworth, a sculptural pioneer in her own time, who benefited from prizes throughout her life. The shortlisted artists for the second iteration of the Prize were: Michael Dean, Mona Hatoum, Philip Lai, Magali Reus and Cerith Wyn Evans. Wyn Evans was announced as the winner at an award dinner on Thursday 15 November 2018. The shortlist and winner were selected by a panel of contemporary art experts including Sarah Brown, Principal Keeper, Leeds Art Gallery; Martin Clark, Director, Camden Arts Centre; Margot Heller OBE, Director, South London Gallery; and Helen Legg, Director, Tate Liverpool.



# The Hepworth Wakefield

## TRUSTEES' REPORT

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### COLLECTION DISPLAYS & COMMISSIONS

#### **School Prints, 12 January – 26 June 2018**

The School Prints project revives a ground-breaking scheme set up in the 1940s by Brenda Rawnsley, where artists including Henri Matisse, Henry Moore and Pablo Picasso were commissioned to create prints as part of a project to bring high quality contemporary art to school children. Inspired by this project, The Hepworth Wakefield invited six British artists – Martin Creed, Jeremy Deller, Anthea Hamilton, Helen Marten, Haroon Mirza and Rose Wylie – to create limited edition prints responding to the original 1940s brief. These works were displayed alongside the original prints from the 1940s.

#### **Giles Round: The Director, 13 July 2018 – 13 January 2019**

2018 marked the 300th birthday of Thomas Chippendale, one of this country's greatest craftsmen and designers. The Hepworth Wakefield collaborated with Nostell, Wakefield's National Trust house, and artist and designer Giles Round to explore Chippendale's legacy and the importance of the domestic setting as one where art and design are brought into conversation.

#### **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.

#### **Approaching Thunder: 1940s Prints and Drawings from The Hepworth Wakefield**

**Kirkby Gallery: 25 January – 25 April 2018**

**River and Rowing Museum: 5 October – 13 January 2019**

Following its presentation at THW, this display of 1940s prints and drawings from the Wakefield Permanent Art Collection toured to two locations in 2018/19, with a third venue planned for summer 2019. This allows greater exposure for the collection, greater public access to fantastic artworks, and income to support THW's future collection displays.

#### **A Contemporary Collection – Ongoing**

Gallery 1 celebrates Wakefield's Art Collection and featured artworks, both contemporary and historic, that have recently entered the collection. A selection of Henry Moore's drawings and sculpture from the collection was on display in Gallery 2, while Galleries 3 - 5 trace Hepworth's extraordinary career and working methods, including The Hepworth Family Gift of plaster models and prototypes for some of her iconic sculptures.

### LEARNING PROGRAMME

THW worked with almost 35,000 participants across our extensive learning programme incorporating schools, communities, family and youth engagement activity. We employed 27 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.

#### 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 Wakefield District schools. In 2018/19 this included the first year of the Burberry Inspire project, a collaboration with eight schools, Northern Ballet, Leeds Young Film, Leeds Playhouse and the Burberry

# The Hepworth Wakefield

## TRUSTEES' REPORT

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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.

Other special projects include the annual Out & About family engagement programme with two local secondary schools, and the second year of the School Prints scheme, working with Year 5 students from five Wakefield primary schools, Year 9 art ambassadors and artists, to create responses to prints created especially for children by leading contemporary artists.

Together with the Yorkshire Sculpture International partners, we devised a new, joint schools offer supporting schools to visit each of the four venues to engage in critical thinking, debate and sculpture making. In the lead up to the YSI festival we worked with 45 GCSE Art & Design pupils and two artists to explore contemporary sculptural practice and to co-produce a large-scale outdoor sculpture for their school and supported 90 young people attending the National Saturday Club programme at the University of Leeds, Nottingham Trent University and Manchester Met Universities to visit the gallery and to explore contemporary sculptural practise.

In preparation for the opening of THW Garden, we collaborated with local primary schools to pilot a new outdoor learning programme and have developed a network of teachers to support the further development of this new programme.

We worked closely with local higher education institutions to deliver study days, masterclasses and exhibition-related projects for secondary and university students. In 2018/19 this included working with the University of Leeds to co-deliver the national ARTiculation Discovery Days, supporting 50 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 2018/19 this included:

- Co-developed two 'Grand Design' conferences with Wakefield Community Learning (CPD network for creative subject teachers) for primary and secondary teachers.
- A series of early years workshops at WMDC's Early Years Conference for teachers and practitioners.
- A collaboration with Grand Central Rail and Year 10 Art & Design students at Trinity Academy Sowerby Bridge to explore architecture on the journey from Halifax to the gallery and to create public realm sculpture proposals for Wakefield Kirkgate train station.
- Hosting the annual ARTiculation National Partners conference with Roche Court Educational Trust.
- A collaboration with the Association of Senior Children's and Education Librarians (ASCEL) Yorkshire and Humberside to deliver drama and English sessions with KS2 pupils at the Festival of Literacy, Wakefield.
- A partnership with the Campaign for Drawing and Nottingham Trent University to host a Big Draw symposium for teachers, highlighting the role of mark making and drawing in the creative industries.
- Co-programming of the Arts Council Collection Curators' Study Day for curators and gallery educators.

### 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 15 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.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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In Summer 2018 the gallery welcomed over 3,000 families to our outdoor National Play Day event, where families played creatively together and collaborated on inflatable sculpture dens and mazes, in partnership with artists Pester & Rossi. In October 2018 we delivered a month-long family festival of creative drawing and mark making to celebrate The Big Draw. Families participated in drawing, sculpture, music and movement workshops, inspired by The Hepworth Family Gift.

We worked with local families and networks to develop a new strand of programming for SEND (special educational needs) children and their families featuring bespoke workshops, resources and 'early opening' events.

The early years offer for families has increased in popularity with Toddler Tuesdays and Mindful Makers sessions fully booked throughout the year. Building upon this success, we have developed additional early years activities during THW's fairs and markets programme, offering free early years and family drop-in events catering for 1000+ children and adults each day.

We refined our 'Art Clubs', offered during the school holidays. A new sibling discount and 'wrap-around' provision has increased interest and repeat bookings.

In partnership with WMDC and artists, we have begun to develop a new programme of work with local nurseries and children centres in key priority areas, exploring best practice around play and supporting families and communities to use play to build school readiness, resilience and family cohesion.

### COMMUNITIES

In September 2018 our new full-time Communities Manager started work at THW to develop relationships and deliver the community engagement strategy. The strategy 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;
- meaningfully collaborate with our communities to build sense of ownership and belonging at THW.

We continued to 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.

To support the development of an 18-month engagement project across communities, schools, youth and family audiences living in Agbrigg, we met with local organisations, charities and providers to identify priorities within the area and to develop activities at the gallery and within the community. Activity will run throughout 2019 and into 2020.

### 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. 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.

In 2018/19 we delivered weekly drop-in workshops, projects in Pupil Referral Units, weekend taster sessions at the gallery, three-week courses, short and mid-term mentoring, and artist studio residencies. In November 2018 we launched a new 'creative learning network' for youth providers across the Wakefield District, with the aim of sharing best practice and identifying opportunities for collaboration and better supporting young people to access provision across the district. The network meets bi-monthly and is attended by 20+ youth providers.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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Young people collaborated with artists to create artwork for Apple Tree Allotments in Agbrigg (THW's priority area for 2018/19), Crofton Youth Centre and as part of the NCS programme. Inspired by the Lee Miller & Surrealism in Britain and Viviane Sassen: Hot Mirror exhibitions, young people designed and facilitated a series of workshops at the Summer Fair weekend.

In partnership with The Art House, Leeds Beckett University admissions staff and THW artist mentors, we developed a youth artist residency to support a young person to work on live projects to develop a portfolio of work to support their application for foundation Art & Design courses.

### PUBLIC PROGRAMME

The fairs and markets programme has continued to grow and over the last year we delivered six fairs and markets which were attended by over 45,000 people. Over 40% of stallholders were based in Yorkshire, continuing our support for independent artists, designers and makers. In May 2018 we held the inaugural Ceramics Fair which was attended by over 3,000 people.

The Summer Fair enabled us to showcase elements of our learning programme including the Family Programme, Integrated Youth Programme and partnership with the Community Learning Network (CLN). It also enabled THW to build stronger links with regional creative practitioners, local festival organisers and other organisations across various artforms. The fair attracted 5,650 visitors across two days.

Events related to the exhibition programme were held throughout the year including: Expanded Cinema events programmed alongside Anthony McCall: Solid Light Works; Surrealism in Britain conference; Lee Miller and Viviane Sassen talks programme; and The Hepworth Prize for Sculpture panel discussion.

As part of the national Heritage Open Days scheme we worked in partnership with Wakefield Civic Society and Wakefield Historical Society on a programme of talks and events. These provided an opportunity to highlight and explore the history of industry and culture along Wakefield Waterfront while sharing our vision for the future of the site.

### COMMUNICATIONS

*'In the seven years since it opened in 2011, the Hepworth Wakefield has been at the cutting edge of innovative thinking in the visual arts. Right from the start, they have aimed high with ambitious, ground-breaking, world-class exhibitions – and they have consistently hit the mark.'* - The Yorkshire Post

### DIGITAL

Total website visits between 1 April 2018 – 31 March 2019: 407,250. We commissioned new film content that explores the working environment and creative processes of Anthony McCall, Vivianne Sassen and all five of The Hepworth Prize for Sculpture nominees. We created an interactive timeline to explore Surrealism in Britain and Lee Miller's career from the 1920s until Miller's death in 1977.

Our social media following continues to grow, most significantly on Instagram where we are one of the sector leaders, with Vogue UK recommending our platform.

	Twitter followers	Facebook followers	Instagram followers
March 2018	81,953	26,107	34,305
March 2019	81,834*	28,338	47,278
% increase	-0.1%	8.5%	38%

\*In 2018 Twitter did a major purge of suspicious or dormant accounts, resulting in the deletion of 6% of its accounts.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### PRESS

We have delivered high profile press campaigns for all our major exhibitions, receiving at least four-star ratings in each case. Some highlights are provided below.

*Anthony McCall: Solid Light Works*

‘At the Hepworth Wakefield you can see the work of an artist who makes geometry mesmerising...nothing can quite prepare you for the experience. It is captivating. You are immersed in a world of diaphanous light.’ – \*\*\*\* The Times

‘A glowing cosmic spectacle’ – \*\*\*\* The Guardian

Press campaign advertising equivalent value\*\*: £4,400,809

*Lee Miller and Surrealism in Britain*

‘This exhibition is a triumph’ \*\*\*\*\* - The Telegraph

‘What a woman, what great work’ - The I

Press campaign advertising equivalent value\*\*: £4,134,055

*Viviane Sassen: Hot Mirror*

‘Viviane Sassen’s latest show at The Hepworth Wakefield is a surrealists dream’ – Dazed

‘An opportunity to place your own body in her work is a treat’ – The Guardian

Press campaign advertising equivalent value\*\*: £4,006,810

*The Hepworth Prize for Sculpture*

‘Messy misery to a dash of magic’ - \*\*\*\* - The Guardian

‘A strong shortlist – but one stands out’ - \*\*\*\* The Telegraph

Press campaign advertising equivalent value\*\*: £7,791,299

\*\*Advertising equivalent value is a recognised measurement of benefit from the media coverage of a PR campaign

### MARKETING

We have continued our strategy to target our identified audience segments most likely to visit and worked with MUSE, a sector-leading consultant, on further insight into audiences for the new garden and how to attract them. This information will inform our marketing campaign in to 2020.

We commissioned illustrator Will Luz to create a series of illustrations which were used across promotions for the fairs and markets programme, creating a new visual identity for this series of events. These were animated for use on social media by Leeds-based Hungry Sandwich Club. For the 2019 programme we are working with illustrator Rose Blake.

### 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 have included:

# The Hepworth Wakefield

## TRUSTEES' REPORT

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- Paul Hamlyn Foundation, More & Better Fund, awarded £215,000 over four years to deliver an expanded Integrated Youth Programme;
- The Liz & Terry Bramall Foundation awarded £50,000 each year for three years to support our Learning programme;
- Burberry Foundation awarded £240,000 to deliver Burberry Inspire, a four-year programme to engage local secondary schools with the arts available on their doorstep.

We also secured a number of large grants for The Hepworth Wakefield Garden including a £499,999 Arts Council England small capital grant, and donations from The Wolfson Foundation, Foyle Foundation, G&K Boyes Charitable Trust and Morrisons Foundation. This enabled construction work on The Hepworth Wakefield Garden to commence in January 2019.

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

### INDIVIDUAL GIVING

In March we launched two higher-level giving circles – The Contemporary Circle and The Collection Circle. This raised £10,500 by the end of quarter four.

Membership has continued to grow in 2018/19 to almost 700, raising £20,024 over the course of the year, a 6% increase on the previous year.

Our Patrons scheme raised £10,783 and attracted two new members, taking the total to 25.

We saw a decline in donations through our collection boxes which raised £17,637, an average of 8.1 pence per head. New contactless donation points are planned to be installed for 2019/20 to address the drop in visitors carrying cash.

We successfully delivered our first public appeal generating over £45,000 in a week for The Hepworth Wakefield Garden in donations, match funding and gift aid through the Big Give's Christmas challenge.

### CORPORATE GIVING

We welcomed Hiscox as exhibition sponsor for an initial period of three years.

We are delighted to continue corporate partnerships with Grand Central (as Travel Partner), Jordans Solicitors and EY. We welcomed two new corporate partners.

Philips auction house once again provided in-kind support of our School Prints project with a display of the second set of specially commissioned prints at their London headquarters. This project also attracted support from The Worshipful Company of Stationers.

We were pleased to continue our relationship with MTEC as supporter of The Hepworth Prize for Sculpture for the second time.

### STAFF & VOLUNTEERS

At the end of March 2019, the staff headcount (excluding casual) was 67 with a gender split of 49 female and 18 male, 73% and 27% respectively. 55% of staff are Wakefield District residents.

We have continued to invest in the development of our staff. Five managers completed a Leadership & Management Essential Skills programme; this programme was run in conjunction with the Henry Moore Institute.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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A staff survey was undertaken again in 2018/19 and following review we have set up a staff working group to analyse staff suggestions for change and recommend how this could be achieved.

The volunteer programme continues to grow with volunteers giving 5,596 hours of their time in 2018/19. Eleven volunteers left to go into employment, including 7 into employment at THW.

### VISITORS

In 2017 The Hepworth Wakefield was named as Art Fund Museum of the Year and increased its annual visitor numbers by 25%. While there was an anticipated fall in visitor numbers in 2018/19, we achieved the annual visitor target of 220,000.

	Target	Achieved	Target	Achieved	Target	Achieved
	2016/17		2017/18		2018/19	
Visitor attendance	210,000	204,164	214,210	248,731	220,000	220,793
Learning programme attendances	20,000	26,597	25,000	40,665	30,005	34,923
% of visitors resident in Wakefield District		28%		24%		33%

The gallery retained its accreditation under the Visit England Quality Scheme achieving an overall score of 87%, a 2% improvement on the previous year. The assessor concluded '...a very enjoyable and thought-provoking visit to one of West Yorkshire's most iconic buildings.'

### 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 continued to demonstrate strong performance and although reduced compared to 2017/18 they still exceeded budget for the year. Retail spend per head was £1.55 for the year, down £0.10 compared to 2017/18. Artist Editions achieved an additional £0.35 spend per head, down £0.21 on 2017/18 but still performed well, exceeding budget by 30%. This was helped by a successful exhibition of editions at Frieze, London, as part of Allied Editions.

A Buying Strategy will be implemented in 2019/20 to ensure net profits are maximised and risks around stockholding are reduced. Strong product ranges reflective of the exhibitions programme, collection and brand will continue to be an area of focus. Continued considered investment into our publishing and Artist Editions portfolios will allow profit growth and help grow e-commerce.

#### CATERING

Income from the catering contract commission has increased by over 8% on the previous year. The new café operator's focus on improving quality of the food and drink offer and service levels, as well as the ambiance and look of the café, has led to an increase in spend per head. The café team has trialled several special events including a Surreal-themed pop-up restaurant alongside the Lee Miller exhibition, and a Gin-themed pop-up in conjunction with the launch of The Hepworth Gin in the shop.

#### VENUE HIRE

The venue hire business has continued to perform well in 2018/19 with net income from hire and event catering commission up by 25%. However, from June 2019, we will no longer have access to The Calder event space due to the Rutland Mills development; this is likely to impact on our ability to attract larger corporate and private events in future.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### THE HEPWORTH WAKEFIELD GARDEN

We have worked with internationally renowned garden designer Tom Stuart-Smith to transform the land next to the gallery into a free public garden. The garden will have a rolling programme of outdoor sculptures, special events and commissions for all to enjoy.

Construction on The Hepworth Wakefield Garden began in January 2019 after 80% of the £1.8 million fundraising target had been achieved. The first phase of the garden opened in summer 2019. The next phase, including conversion of the Gatehouse, a small building situated on the edge of the garden, into a seasonal café is expected to be completed by March 2020. The final phase is expected to be complete by summer 2020 and will see the creation of a Garden Studio, a new learning and activity space,

### FINANCIAL REVIEW

The consolidated statement of financial activities for 2018/19 shows a net surplus in funds for the year of £960,524, this surplus being attributable to restricted funds (£904,313), designated funds (£64,545) and unrestricted funds (-£8,334). As a result, consolidated net assets within the statement of financial position are now approaching £3,658,367 million. Fixed asset balances have increased by £365,569 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 49% 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 reduced compared to 2017/18 when it was 60%. The reduced proportion is largely due to capital fundraising in the year 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. Efficiency is demonstrated by the 20% increase in income for the year compared to the 3% increase in group reported expenditure.

Designated funds continue to be invested in long-term investments at £1.47m (2018: £1.43m), with a further £0.27m (2018: £0.27m) in shorter term deposits and a small amount attributed to fixed assets related to designated work in progress. This forms part of the target to place £2.28m in long-term funds to cash back 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 an average of 65 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 £48,300 or equivalent to 2.7 full time members of staff (2018: £51,230 (equivalent to 3.5 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

## TRUSTEES' REPORT

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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 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 £1.73m (2018: £1.614m) which is short of the overall target of £1.79m. Designated reserves held in respect of anticipated fixed assets replacements and developments are £64,544 which is significantly short of the projected requirement by 2021/22.. 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 and that reserves levels are acceptable. Note 23 (page 47) provides further details of designated funds held.

Total consolidated funds held by the group at 31 March 2019 were £3,658,367. Of these, £1,726,852 were restricted funds, £1,679,005 designated funds and £252,510 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 55) provides details of the actuarial review of the pension scheme.

At 31 March 2019, the value of unrestricted reserves stood at £252,510 (2018: £260,844) after designation for projects.

### INVESTMENTS

Investment income for the year was £35,782, in addition to an in the year increase in the market value on the main Investec investment portfolio of £26,660.

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**

By 2019, The Hepworth Wakefield will have achieved 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

The number of visitors had decreased after the first year of opening in 2011/12 until the trend was reversed in 2016/17 followed by a further increase in 2017/18 (when we became Art Fund Museum of the Year) and in 2018/19 numbers reduced but to a level still 8% greater than 2016/17. The continued increase in numbers is key to underpinning the other objectives described above. With a clearer understanding of our audience, what motivates people to visit and where growth is most likely to come from, our priority is to grow audiences within an hour's drive time of the gallery, while continuing to build our profile nationally and overseas. The development of The Hepworth Wakefield Garden (described above) is a key part of our strategy to increase and diversify our audience and the anticipated redevelopment of the Rutland Mills complex adjacent to the gallery will also have a significant role to play. Our participation in partnerships such as Wakefield's Cultural Consortium and Yorkshire Sculpture Triangle is also crucial, and we have been working for a number of years to enhance the profile of Wakefield as a cultural destination and the major Yorkshire Sculpture International festival in 2019 will be a culmination of this work.

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

#### **GOVERNING DOCUMENT**

The Hepworth Wakefield is a company limited by guarantee, incorporated in the United Kingdom, and is governed by its Memorandum and Articles of Association dated 23 December 2009. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

#### **RECRUITMENT AND APPOINTMENT OF NEW TRUSTEES**

As set out in the Articles of Association, the Board of trustees shall consist of between two and fifteen trustees. The trustees are appointed by the chair of the Board, who is appointed by a selection Board comprised of primary stakeholders, Arts Council England (ACE) and WMDC, the Local Authority partner, aided by independent panel members. Alice Rawsthorn was appointed as Chair in May 2018. This year we also recruited two new trustees – Andrew Haigh and Nick Johnson. David Liddiment (former Chair), David Roberts, Sophie Bowness and Neil Wenman left us in the year and we would like to formally thank them for their contributions.

Trustees are appointed by the Board to serve for an initial term of three years from incorporation of the charity or the Annual General Meeting, at which they were appointed, as applicable. Thereafter each trustee may be reappointed for a further term of three years, and thereafter on an annual basis.

#### **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 also four subcommittees with delegated authority; Finance (incorporating Audit), Remuneration, Garden Project Board and Collections & Acquisitions. The day-to-day operations of the charity are delegated to the Gallery Director and Senior Management Team.

#### **RELATED PARTIES**

# The Hepworth Wakefield

## TRUSTEES' REPORT

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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. A Remuneration Committee, comprised of the Chair of The Hepworth Wakefield Board and Trustees, reviews pay for staff, including the Director, on an annual basis and makes recommendations to the Board on pay awards. This is done in line with the annual business planning and budget setting 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:

- Reduction in revenue funding from Wakefield Council from 2019/20;
- Remuneration, recruitment and retention of staff in a challenging financial climate;
- Uncertainty around the timetable and programme for development of the wider waterfront site including Rutland Mills;
- Impact of Brexit on exhibition and insurance costs.

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

### 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.

# The Hepworth Wakefield

## TRUSTEES' REPORT

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### 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: 22/11/2019

# 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 2019 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 2019 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 20, 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 28/11/19.



# The Hepworth Wakefield

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) Year ended 31 March 2019

		Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note					
<b>Income and endowments from:</b>						
Donations and legacies	3	49,560	-	1,242,617	1,292,177	337,930
Charitable activities	4	2,244,547	-	26,668	2,271,215	2,396,526
Other trading activities	5	855,142	-	-	855,142	946,375
Investments	6	35,782	-	-	35,782	33,981
<b>Total income</b>		<b>3,185,031</b>	<b>-</b>	<b>1,269,285</b>	<b>4,454,316</b>	<b>3,714,812</b>
<b>Expenditure on:</b>						
Raising funds	10	820,887	-	5,974	826,861	902,634
Charitable activities	11	2,293,259	-	367,332	2,660,591	2,478,835
<b>Total expenditure</b>		<b>3,114,146</b>	<b>-</b>	<b>373,306</b>	<b>3,487,452</b>	<b>3,381,469</b>
Taxation on other trading activities	14	-	-	-	-	-
Net gain/(losses) on investments		26,659	1	-	26,660	(76)
Net income/expenditure		97,544	1	895,979	993,524	333,267
Transfer between funds		(72,878)	64,544	8,334	-	-
<b>Other recognised gains and losses</b>						
Actuarial (loss) / gain on defined benefit pension	27	(33,000)	-	-	(33,000)	33,000
<b>Net movement in funds for the year</b>		<b>(8,334)</b>	<b>64,545</b>	<b>904,313</b>	<b>960,524</b>	<b>366,267</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	22-24	260,844	1,614,460	822,539	2,697,843	2,331,576
<b>Total funds carried forward</b>	<b>22-24</b>	<b>252,510</b>	<b>1,679,005</b>	<b>1,726,852</b>	<b>3,658,367</b>	<b>2,697,843</b>

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 £4,035,762 (2018: £3,094,002) and the net incoming/(outgoing) resources were £1,015,410 (2018: £250,953).

# The Hepworth Wakefield

Company Registration No. 07113861

Registered Charity No. 1138117

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2019

	Note	2019	2018
		£	£
<b>Fixed assets</b>			
Tangible assets	15	904,376	538,807
Investments	16	1,473,702	1,425,778
		<u>2,378,078</u>	<u>1,964,585</u>
<b>Current assets</b>			
Stocks	17	169,504	142,980
Investments	18	274,946	274,738
Debtors	19	1,117,463	293,753
Cash at bank and in hand		533,852	617,116
		<u>2,095,765</u>	<u>1,328,587</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	20	(571,476)	(404,329)
<b>Net current assets</b>		<u>1,524,289</u>	<u>924,258</u>
<b>Total assets less current liabilities</b>		<u>3,902,367</u>	<u>2,888,843</u>
<b>Creditors: amounts falling due after more than one year</b>			
Provisions for liabilities		-	-
Defined benefit pension scheme liability	27	(244,000)	(191,000)
<b>Total net assets</b>		<u>3,658,367</u>	<u>2,697,843</u>
<b>The funds of the charity</b>			
Unrestricted funds			
General funds	22	496,510	438,844
Pension reserve	22	(244,000)	(178,000)
		<u>252,510</u>	<u>260,844</u>
Designated funds	23	1,679,005	1,614,460
Restricted income funds	24	1,726,852	822,539
<b>Total charity funds</b>		<u>3,658,367</u>	<u>2,697,843</u>

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 24 to 58 were approved by the Board of Trustees and authorised for issue on 22/11/2019 and are signed on its behalf by:

Alice Rawsthorn

Chair



# The Hepworth Wakefield

Company Registration No. 07113861

Registered Charity No. 1138117

## STATEMENT OF FINANCIAL POSITION

31 March 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	15		893,481		524,892
Investments	16		1,473,704		1,425,780
			<u>2,367,185</u>		<u>1,950,672</u>
<b>Current assets</b>					
Stocks	17	502		634	
Investments	18	274,946		274,738	
Debtors	19	1,170,900		255,810	
Cash at bank and in hand		462,710		572,382	
			<u>1,909,058</u>	<u>1,103,564</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	20	(495,527)		(341,931)	
<b>Net current assets</b>			<u>1,413,531</u>	<u>761,633</u>	
<b>Total assets less current liabilities</b>			<u>3,780,716</u>	<u>2,712,305</u>	
<b>Creditors: amounts falling due in more than one year</b>					
Provisions for liabilities			-	-	
Defined benefit pension scheme liability	27		(244,000)		(191,000)
<b>Net assets</b>			<u>3,536,716</u>	<u>2,521,305</u>	
<b>Funds of the charity</b>					
Unrestricted funds					
General reserve	22	374,860		262,306	
Pension reserve	22	(244,000)		(178,000)	
			<u>130,860</u>	<u>84,306</u>	
Designated funds	23		1,679,004		1,614,460
Restricted income funds	24		1,726,852		822,539
<b>Total charity funds</b>			<u>3,536,716</u>	<u>2,521,305</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 surplus for the year was £1,015,408 (2018: £250,953).

## STATEMENT OF FINANCIAL POSITION 31 March 2019

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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 24 to 58 were approved by the Board of Trustees and authorised for issue on 22/11/2019 and are signed on its behalf by:



Alice Rawsthorn OBE

Chair

# The Hepworth Wakefield

## STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	Note	Group		Charity	
		2019	2018	2019	2018
		£	£	£	£
<b>Net cash flows from operating activities</b>	29	337,722	310,292	311,313	352,614
<b>Investing activities</b>					
Returns on investments		35,782	33,981	35,782	33,906
Purchase of tangible fixed assets		(447,608)	(279,509)	(447,606)	(266,693)
Proceeds from sale of investments		301,519	580,427	301,519	580,503
Cash (released from) / reinvested within investment portfolio		(21,264)	135,264	(21,265)	135,260
Purchase of investments		(289,207)	(755,399)	(289,207)	(755,399)
<b>Net cash used in investing activities</b>		(420,778)	(285,236)	(420,777)	(272,423)
(Decrease) / Increase in cash in the year		(83,056)	25,056	(109,464)	80,191
Cash and cash equivalents at the beginning of the year		891,854	866,798	847,120	766,929
<b>Total cash and cash equivalents at the end of the year</b>	29	808,798	891,854	737,656	847,120

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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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 24 to 58.

#### 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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 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 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 2019 were £4,035,763 (2018: £3,094,002), plus a market value increase on investments of £26,659 (2018: decrease of £76) and actuarial loss on the pension scheme of £33,000 (2018 gain of £33,000). After expenditure (before the investment and pension scheme adjustments noted) of £3,014,011 (2018: £2,877,157) a net surplus of £1,015,410 (2018: surplus £250,953) as 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 is one of four partner organisations running the Yorkshire Sculpture International festival due to take place from June 2019. Funds relating to the jointly controlled enterprise are held by The Henry Moore Foundation on the partner's behalf. As at 31 March 2019 no material liabilities or assets could be attributed to The Hepworth Wakefield.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

#### 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.

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

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

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

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 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.



# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

#### 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.

#### *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.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

#### FINANCIAL INSTRUMENTS (*continued*)

##### *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.

#### PENSION COSTS

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.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

#### PENSION COSTS *(continued)*

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.

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.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

#### TAXATION *(continued)*

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.

### 3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Trust grants received &						
Individual Giving	17,536	1,232,961	1,250,497	227	273,871	274,098
Gallery box donations	16,289	1,498	17,787	24,265	-	24,265
Other donations	4,952	8,158	13,110	8,970	17,000	25,970
Donated services - patrons	10,783	-	10,783	13,597	-	13,597
	<u>49,560</u>	<u>1,242,617</u>	<u>1,292,177</u>	<u>47,059</u>	<u>290,871</u>	<u>337,930</u>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

### 4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Wakefield Council service charge income	1,240,696	-	1,240,696	1,240,696	-	1,240,696
Arts Council England NPO funding	906,101	-	906,101	906,102	63,336	969,438
The Art Fund Museum of the Year Prize	-	-	-	100,000	-	100,000
Partnership income	8,403	-	8,403	4,880	3,000	7,880
Workshops, tours and talks income	23,913	-	23,913	20,649	-	20,649
Education income	13,452	-	13,452	26,763	-	26,763
Other charitable activity income	48,984	-	48,984	4,500	100	4,600
Donated services	-	20,000	20,000	8,000	5,000	13,000
Sponsorship	2,998	6,668	9,666	(1,500)	15,000	13,500
	<u>2,244,547</u>	<u>26,668</u>	<u>2,271,215</u>	<u>2,310,090</u>	<u>86,436</u>	<u>2,396,526</u>

Donations in Kind of £20,000 have been recognised regarding costs foregone in respect of the Magdalene Odondo exhibition by the supplier Litestructures (2018: £13,000). Further valuable in-kind support was received but not recognised within income and expenditure.

### 5. INCOME EARNED FROM OTHER ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Car park income	102,049	-	102,049	111,159	-	111,159
Corporate partnership Income	3,167	-	3,167	3,000	2,000	5,000
Event income	66,746	-	66,746	48,264	-	48,264
Membership	20,024	-	20,024	18,805	-	18,805
Other income	10,275	-	10,275	1,101	-	1,101
Trading income	582,102	-	582,102	678,651	-	678,651
Museums Galleries & Exhibitions Tax Relief	70,779	-	70,779	83,395	-	83,395
	<u>855,142</u>	<u>-</u>	<u>855,142</u>	<u>944,375</u>	<u>2,000</u>	<u>946,375</u>

### 6. INVESTMENT INCOME

All of the group's investment income of £35,782 arises from a) money held in interest bearing deposit accounts of £643 (2018: £449) and b) money held in a corporate bond portfolio of £35,139 (2018: £33,532).

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2019

#### 7. DEFERRED INCOME

Group and Charity	1 April 2018 £	Deferred £	Released £	31 March 2019 £
Other deferred income	1,762	30,707	(28,245)	4,224

The deferred income balance at 31 March 2019 relates to booking income received before 31 March 2019 which relates to the future financial period of the year ended 31 March 2020.

#### 8. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2019 No.	2018 No.
Average number of persons employed:		
Collections and exhibitions	6.0	6.3
Learning	16.0	14.0
Visitor services	31.0	30.5
Marketing	4.0	3.8
Management and administration	11.0	9.6
Development	3.0	3.7
Trading subsidiary	17.0	13.0
Premises	7.0	6.0
	<u>95.0</u>	<u>86.9</u>
	2019 No.	2018 No.
Average number of FTE employed:		
Collections and exhibitions	6.1	5.9
Learning	7.6	6.4
Visitor services	15.5	15.1
Marketing	3.5	3.3
Management and administration	10.2	8.6
Development	2.4	3.2
Trading subsidiary	6.8	6.8
Premises	4.9	5.0
	<u>57.0</u>	<u>54.3</u>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

	2019 £	2018 £
Staff costs during the year:		
Wages and salaries	1,335,006	1,252,863
Social security costs	108,944	99,883
Pension costs	97,810	98,870
Recruitment and temporary staff costs	9,365	98,540
Other staff costs	13,614	8,476
Staff training and expenses	26,797	25,267
	<u>1,591,536</u>	<u>1,583,899</u>

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

	2019 No.	2018 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 £11,849 (2018: £12,053).

#### VOLUNTEERS

A significant saving to the charity was the invaluable assistance received from volunteers. During the year a total of 116 volunteers (2018: 65) offered their services and the resulting savings from this are estimated to be in the region of £48,300, equivalent to 2.7 full time members of staff (2018: £51,230 (equivalent to 3.5 full time members of staff)).

#### TRUSTEES' REMUNERATION

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

Expenses of £667 (2018: £2,158) were paid to four (2018: fourteen) trustees in respect of accommodation and travel fares. Trustees also benefited from entertaining costs of £Nil (2018: £1,347).

### 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 £320,054 (2018: £289,529), excluding amounts paid to employment agencies.

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

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

### 10. EXPENDITURE ON RAISING FUNDS

#### Unrestricted Funds

	Staff costs £	Direct costs £	Overhead costs £	Depreciation costs £	Marketing costs £	Governance costs £	Total 2019 £	Total 2018 £
Cost of raising funds	207,550	51,244	39,331	5,663	23,982	7,678	335,448	376,669
Fundraising trading	150,100	245,848	63,891	4,074	4,580	16,946	485,439	517,694
<b>Total</b>	<b>357,650</b>	<b>297,092</b>	<b>103,222</b>	<b>9,737</b>	<b>28,562</b>	<b>24,624</b>	<b>820,887</b>	<b>894,363</b>

#### Restricted

	Staff costs £	Direct costs £	Overhead costs £	Depreciation costs £	Marketing costs £	Governance costs £	Total 2019 £	Total 2018 £
Cost of raising funds	-	5,974	-	-	-	-	5,974	8,271
	-	5,974	-	-	-	-	5,974	8,271

### 11. EXPENDITURE ON CHARITABLE ACTIVITIES

Unrestricted funds	Staff Costs £	Direct costs £	Overhead costs £	Depreciation costs £	Marketing costs £	Governance costs £	Total 2019 £	Total 2018 £
Collections and exhibitions	271,322	288,570	71,767	10,413	40,640	13,936	696,648	803,456
Learning	310,715	12,008	120,554	12,016	71,680	23,962	550,935	549,605
Visitor services	505,707	5,388	195,586	28,640	121,727	41,785	898,833	804,680
Public Programme	46,610	66,213	19,780	3,334	8,120	2,786	146,843	131,724
<b>Total</b>	<b>1,134,354</b>	<b>372,179</b>	<b>407,687</b>	<b>54,403</b>	<b>242,167</b>	<b>82,469</b>	<b>2,293,259</b>	<b>2,289,465</b>



# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

Restricted funds	Staff costs £	Direct costs £	Overhead costs £	Market-ing costs £	Depre-ciation costs £	Gover-nance costs £	Total 2019 £	Total 2018 £
Collections and exhibitions	-	167,992	-	-	-	-	167,992	98,009
Learning	34,124	125,189	-	-	17,489	-	176,802	60,962
Visitor services	-	-	13,411	-	-	-	13,411	23,024
Public Programme	-	9,127	-	-	-	-	9,127	1,571
<b>Total</b>	<b>34,124</b>	<b>302,308</b>	<b>13,411</b>	<b>-</b>	<b>17,489</b>	<b>-</b>	<b>367,332</b>	<b>183,566</b>
Designated funds	Staff costs £	Direct costs £	Overhead costs £	Market-ing costs £	Depre-ciation costs £	Gover-nance costs £	Total 2019 £	Total 2018 £
Collections and exhibitions	-	-	-	-	-	-	-	-
Learning	-	-	-	-	-	-	-	-
Visitor services	-	-	-	-	-	-	-	5,804
Public Programme	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,804</b>
<b>Total expenditure on charitable activities</b>							<b>2,660,591</b>	<b>2,478,835</b>

Shared and support costs totalling £1,323,297 (2018: £1,317,831) 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 £2,660,591 (2018: £2,478,835) of which £2,293,259 (2018: £2,289,465) was unrestricted, £Nil (2018: £5,804) was designated funds and £367,332 (2018: £183,566) was restricted funds.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

### 12. GOVERNANCE COSTS

	2019 £	2018 £
Staff costs	65,408	69,226
Overhead costs	41,685	26,355
	<u>107,093</u>	<u>95,581</u>

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

This is stated after charging:

	2019 £	2018 £
Depreciation	82,090	56,453
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	18,600	13,550
Fees payable to the company's auditor for the audit of the subsidiary's annual financial statements	4,360	3,950
Tax compliance services	4,570	1,100
Accountancy services	1,450	-
	<u>107,070</u>	<u>75,053</u>

### 14. TAXATION

	2019 £	2018 £
United Kingdom corporation tax at 19% (2018: 19%)	-	-
	<u>-</u>	<u>-</u>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

### 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 2018	127,974	106,605	79,374	65,276	292,471	188,509	860,209
Additions	362,510	21,718	40,505	1,176	21,699	-	447,608
Disposals	-	-	-	(852)	-	-	(852)
At 31 March 2019	490,484	128,323	119,879	65,600	314,170	188,509	1,306,965
Accumulated depreciation							
At 1 April 2018	51	60,009	29,169	53,387	150,511	28,275	321,402
Transfers	-	-	534	(534)	-	-	-
Charge for the year	-	15,250	8,244	5,326	43,845	9,425	82,090
Disposals	(51)	-	-	(852)	-	-	(903)
At 31 March 2019	-	75,259	37,947	57,327	194,356	37,700	402,589
Net book value							
At 31 March 2019	490,484	53,064	81,932	8,273	119,814	150,809	904,376
At 31 March 2018	127,923	46,596	50,205	11,889	141,960	160,234	538,807
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 2018	127,940	97,069	74,339	54,959	288,863	188,449	831,619
Additions	362,510	21,718	40,505	624	22,249	-	447,606
Disposals	-	-	-	(852)	-	-	(852)
At 31 March 2019	490,450	118,787	114,844	54,731	311,112	188,449	1,278,373

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2019

#### 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 £
At 1 April 2018	50	59,021	28,353	43,786	147,242	28,275	306,727
Transfers	-	-	534	(534)	-	-	-
Charge for the year	-	13,342	7,919	4,672	43,710	9,425	79,068
Disposals	(51)	-	-	(852)	-	-	(903)
At 31 March 2019	(1)	72,363	36,806	47,072	190,952	37,700	384,892
Net book value							
At 31 March 2019	490,451	46,424	78,038	7,659	120,160	150,749	893,481
At 31 March 2018	127,890	38,048	45,452	11,707	141,621	160,174	524,892

All tangible fixed assets were used for charitable purposes.

#### 16. INVESTMENTS HELD AS FIXED ASSETS

	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Investment in subsidiary	-	1	-	1
Listed investments	1,473,702	1,473,704	1,425,778	1,425,780
Listed investments				
	2019 Investments £	2019 Cash £	2018 Investments £	2018 Cash £
Market value brought forward at 1 April 2018	1,366,613	59,165	1,191,716	194,429
Add: additions to investments at cost	289,207	-	755,399	-
Disposals at carrying value	(301,519)	-	(580,427)	-
Movement in cash	-	21,265	-	(135,264)
Revaluation	38,971	-	(75)	-
Market value as at 31 March 2019	1,393,272	80,430	1,366,613	59,165

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 2019

### 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 2019. The principal activities of the company are to establish and operate The Hepworth Wakefield Riverside Gallery Garden.

The income and expenditure of The Hepworth Wakefield Enterprises Limited for the period ended 31 March 2019 is summarised below:

	2019 £	2018 £
Turnover	582,102	678,651
Cost of sales	(242,921)	(278,286)
Gross profit	339,181	400,365
Administrative expenses	(230,520)	(226,026)
Profit on ordinary activities for the financial period	108,661	174,339
Profit retained for the financial period	108,661	174,339

The aggregate of the assets, liabilities and funds was:

	2019 £	2018 £
Assets	349,898	346,669
Liabilities	(228,248)	(170,132)
	121,650	176,537
Represented by:		
Called up share capital	1	1
Profit and loss account	121,649	176,536
Shareholder's funds	121,650	176,537

### 17. STOCKS

	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Goods for resale	169,504	502	142,980	634

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

### 18. INVESTMENTS

	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Current asset investment held in cash	274,946	274,946	274,738	274,738

### 19. DEBTORS

	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Amounts falling due within one year:				
Trade debtors	229,318	131,050	84,532	31,816
Amount owed by subsidiary	-	118,844	-	15,906
Other debtors	3,511	2,008	3,183	2,037
Prepayments and accrued income	683,794	690,502	122,643	119,071
VAT debtor	46,666	74,322	-	3,585
Corporation Tax recoverable	154,174	154,174	83,395	83,395
	<u>1,117,463</u>	<u>1,170,900</u>	<u>293,753</u>	<u>255,810</u>

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

	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Trade creditors	240,312	200,016	153,130	139,191
Other creditors	64,603	37,601	60,706	30,690
VAT creditor	-	-	6,232	-
Other taxes and social security	27,875	27,875	27,357	27,357
Accruals and deferred income	238,686	230,035	156,904	144,693
	<u>571,476</u>	<u>495,527</u>	<u>404,329</u>	<u>341,931</u>

### 21. FINANCIAL INSTRUMENTS

	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	<u>1,581,106</u>	<u>1,537,708</u>	<u>842,258</u>	<u>832,820</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>323,548</u>	<u>274,600</u>	<u>265,562</u>	<u>343,285</u>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

### 22. 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)
<b>Total unrestricted funds</b>	<b>260,844</b>	<b>3,185,031</b>	<b>(3,114,146)</b>	<b>26,659</b>	<b>(72,878)</b>	<b>(33,000)</b>	<b>252,510</b>
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)
<b>Total unrestricted funds</b>	<b>84,306</b>	<b>2,766,478</b>	<b>(2,640,705)</b>	<b>26,659</b>	<b>(72,878)</b>	<b>(33,000)</b>	<b>130,860</b>

### PRIOR YEAR MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

Group	1 April 2017	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2018
	£	£	£	£	£	£	£
General unrestricted funds	334,530	3,335,505	(3,183,828)	(76)	(69,287)	22,000	438,844
Pension reserve	(189,000)	-	-	-	-	11,000	(178,000)
<b>Total unrestricted funds</b>	<b>145,530</b>	<b>3,335,505</b>	<b>(3,183,828)</b>	<b>(76)</b>	<b>(69,287)</b>	<b>33,000</b>	<b>260,844</b>

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2019

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

Unrestricted funds comprise the following:

Charity	1 April 2017	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2018
	£	£	£	£	£	£	£
General unrestricted funds	273,306	2,715,879	(2,679,516)	(76)	(69,287)	22,000	262,306
Pension reserve	(189,000)	-	-	-	-	11,000	(178,000)
Total unrestricted funds	84,306	2,715,869	(2,679,516)	(76)	(69,287)	33,000	84,306

#### 23. 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

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

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 £1,614,460 (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 2019

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

#### PRIOR YEAR MOVEMENT IN DESIGNATED FUNDS

Designated funds comprise the following:

Group	1 April 2017 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfers £	Actuarial gain/(loss) £	31 March 2018 £
Designated funds	1,550,977	-	(5,804)	-	69,287	-	1,614,460

Charity	1 April 2017 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfers £	Actuarial gain/(loss) £	31 March 2018 £
Designated funds	1,550,977	-	(5,804)	-	69,287	-	1,614,460

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 (2017: nil) and the transfer made from unrestricted funds in the current year was £69,287 (2017: £138,514) with expenditure of £5,804 (2017: £1,890) being expended. There was a redesignation of funds within designated funds during the year, with the most significant funds remaining at year end being: a) 6 months operating costs £1,517,089 (2017: £1,420,000), b) Designated Investment Reserve £67,697 (2017: £108,000), c) Digital Investment Strategy £29,674 (2017: £108,000).

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2019

#### 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 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.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

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 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 Riverside 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 2019

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

##### PRIOR YEAR MOVEMENT IN RESTRICTED FUNDS

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

Group and charity	1 April 2017 £	Income £	Expenditure £	Transfers £	31 March 2018 £
Gott Collection	13,169	-	(63)	-	13,106
Collection Conservation	5,010	-	-	-	5,010
Exhibitions	56,992	100	(75)	-	57,017
Learning: Gallery Enrichment Pilot Programme	3,551	-	(562)	-	2,989
Learning: Equipment	5,752	-	-	-	5,752
Learning: Integrated Youth Programme	25,973	-	(11,113)	-	14,860
Learning: other programme costs	15,455	56,580	(3,153)	-	68,882
Learning Studio Redevelopment	168,450	-	(9,425)	-	159,025
Learning: Imagine Better Futures Project	2,359	-	-	-	2,359
Learning - Out & About programme	1,517	4,200	(533)	-	5,184
Arts Council Catalyst: Match Funding	17,700	-	-	-	17,700
Le Grand Depart – Thomas Houseago	936	-	-	-	936
The Hepworth Prize for Sculpture	1,250	58,750	1,120	-	61,120
Arts Council Catalyst: 2015/16	32,104	-	-	-	32,104
Arts Council Museums Resilience	243	63,337	(39,784)	-	23,796
The Hepworth Wakefield Garden Trust	246,520	31,250	(16,192)	-	261,578
JW Anderson Exhibition	4,500	5,000	(9,500)	-	-
Howard Hodgkin Exhibition	19,588	2,500	(22,088)	-	-
Alina Szapcznikow exhibition	14,000	43,500	(57,500)	-	-
Acquisition fund	-	12,500	-	-	12,500
Anthony McCall exhibition	-	13,000	(13,000)	-	-
Communities project	-	10,490	-	-	10,490
Learning - wellbeing related	-	15,600	(3,332)	-	12,268
Learning - Dementia Café	-	9,000	-	-	9,000
Lee Miller exhibition publication	-	5,000	-	-	5,000
More & Better	-	48,500	(6,637)	-	41,863
	635,069	379,307	(191,837)	-	822,539

Restricted funds as at 31 March 2018 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.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

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 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 Riverside 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 2019

**25. 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

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

### 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 2018 £	31 March 2017 £
Tangible fixed assets	281,032	12,915	244,860	538,807	315,750
Fixed asset investments	-	1,425,778	-	1,425,778	1,386,145
Stocks	142,980	-	-	142,980	110,276
Investments	-	-	274,738	274,738	274,608
Debtors	185,650	-	108,103	293,753	293,070
Cash at bank and in hand	212,683	188,682	215,751	617,116	592,190
Creditors: amounts falling due within one year	(383,416)	-	(20,913)	(404,329)	(438,463)
Defined benefit pension scheme liability	(191,000)	-	-	(191,000)	(202,000)
Transfer of fixed assets between funds	12,915	(12,915)	-	-	-
At 31 March 2018	260,844	1,614,460	822,539	2,697,843	2,331,576

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2018 £	31 March 2017 £
Tangible fixed assets	267,117	12,915	244,860	524,892	312,624
Investments	2	1,425,778	-	1,425,780	1,386,147
Stocks	634	-	-	634	-
Investments	-	-	274,738	274,738	274,608
Debtors	147,707	-	108,103	255,810	434,337
Cash at bank and in hand	167,949	188,682	215,751	572,382	492,321
Creditors: amounts falling due within one year	(321,018)	-	(20,913)	(341,931)	(427,685)
Defined benefit pension scheme liability	(191,000)	-	-	(191,000)	(202,000)
Transfer between funds	12,915	(12,915)	-	-	-
At 31 March 2018	84,306	1,614,460	822,539	2,521,305	2,270,352

### 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.

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2019

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#### 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 £64,296 (2018: £61,679). As at 31 March 2019, contributions of £7,262 (2018: nil) 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 2019 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:

	2019 %	2018 %
Key assumptions:		
Discount rate	2.50	3.6
Expected rate of salary increases	3.35	3.3
Expected rate of increase for future pension increases	2.10	2.0
Expected rate of increase for deferred pensioners	N/A	N/A
Rate of inflation	3.20	3.1

##### **Mortality assumptions:**

The assumed life expectations on retirement at age 65 are:

	2019 years	2018 years
Retiring today:		
Males	22.2	22.1
Females	23.2	23.0
Retiring in 20 years:		
Males	25.4	25.2
Females	27.2	27.0



# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

Amounts recognised in the statement of financial activities:

	2019 £	2018 £
Current service cost	29,000	32,000
Net interest on defined benefit liability/(asset)	5,000	4,000

Total costs	34,000	36,000
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Amounts taken to other comprehensive income

	2019 £	2018 £
Actual return on scheme assets	(33,000)	33,000

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

	2019 £	2018 £
Present value of defined benefit obligations	(830,000)	(729,000)
Fair value of scheme assets	586,000	538,000
Total liability recognised	(244,000)	(191,000)

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
At 1 April 2018	538,000	(729,000)	(191,000)
Benefits paid	(1,000)	1,000	-
Employer contributions	14,000	-	14,000
Participant contributions	9,000	(9,000)	-
Current service cost	-	(29,000)	(29,000)
Interest income/(expense)	14,000	(19,000)	(5,000)
Re-measurement gains/(losses)	12,000	-	12,000
Actuarial losses	-	(45,000)	(45,000)
At 31 March 2019	586,000	(830,000)	(244,000)

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

The fair value of the plan assets was:

	Fair value of assets	Fair value of assets
	2019	2018
	£	£
Equity instruments	433,640	415,874
Property	27,542	24,210
Government bonds	65,632	50,572
Corporate bonds	23,440	19,906
Cash	13,478	9,684
Other	22,268	17,754
	<u>586,000</u>	<u>538,000</u>

The returns on plan assets was:

	Fair value of assets	Fair value of assets
	2019	2018
	£	£
Interest income	14,000	13,000
Return on plan assets less interest income	12,000	13,000
	<u>26,000</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:

	2019	2018
	£	£
a) Other related parties		
Purchase of goods from Michael Denardo (partner of David Liddiment, Chairman of the Trustees)	153	1,332
Purchase of from Museums Association (David Liddiment, Chairman of the Trustees)	1,813	-
Wakefield Metropolitan Borough Council:		
Service Concession agreement income	1,241,296	1,256,896
Services and goods purchased	52,060	49,962

# The Hepworth Wakefield

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

	2019 £	2018 £
Purchases and transfers from The Hepworth Wakefield Enterprises Ltd	-	3,145
Recharge of costs to The Hepworth Wakefield Enterprises Ltd	-	204,111
Gift aid payment from The Hepworth Wakefield Enterprises Ltd	163,549	59,026
Donation from David Liddiment, Chairman of the Trustees	-	25,000
Donations from Stuart Fletcher, Trustee	-	35,000
Purchases from Harewood House Trading Ltd (Diane Howse was a Trustee in 2018/19)	119	105
Sales to Harewood House Operating Trust Ltd (Diane Howse was a Trustee in 2018/19)	8625	-
Sales to Harewood House Food & Drink Project Ltd (Diane Howse was a Trustee in 2018/19)	458	-

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

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

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Net movement in funds	960,524	366,267	1,015,410	250,953
Investment income	(35,782)	(33,981)	(35,782)	(33,981)
(Gains) / losses on investments	(26,659)	76	(26,659)	76
Investment fees charged to portfolio	(12,788)	-	(12,788)	-
Depreciation charge	82,089	56,453	79,068	54,425
Defined benefit pension schemes	53,000	(11,000)	53,000	(11,000)
(Increase)/decrease in stocks	(26,523)	(32,705)	132	(634)
(Increase)/decrease in debtors	(834,502)	(683)	(826,423)	178,527
(Decrease)/increase in creditors	178,363	(34,135)	65,355	(85,752)
	<u>337,722</u>	<u>310,292</u>	<u>311,313</u>	<u>352,614</u>
	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Cash and cash equivalents:				
Cash equivalents - investments	274,946	274,738	274,946	274,738
Cash at bank and in hand	533,852	617,116	462,710	572,382
	<u>808,798</u>	<u>891,854</u>	<u>737,656</u>	<u>847,120</u>