

Report of the Trustees and
Financial Statements
for the Year Ended 31st March 2023
for
Ferens Art Gallery

Sadofskys
Statutory Auditors
Princes House
Wright Street
Kingston upon Hull
HU2 8HX

Ferens Art Gallery

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for the year ended 31st March 2023

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Ferens Art Gallery
Report of the Trustees
for the year ended 31st March 2023

The trustees present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, aims and public benefit

In 1919 T.R. Ferens bequeathed the land the building now stands on and the money to construct and furnish an Art Gallery.

The Art Gallery is held on trust by Kingston upon Hull City Council for "the exhibition of works of art in perpetuity". Hull Culture & Leisure Limited occupies and runs the art gallery on behalf of Kingston upon Hull City Council who are responsible for its maintenance, which is in part funded from the Ferens Art Gallery Endowment Fund.

Kingston upon Hull City Council, as sole trustee, maintains the Ferens Art Gallery and its collections for the benefit of the general public.

The trustee is of the opinion that it has complied with the duty in Section 4 of the Charities Act 2011 with regard to public benefit guidance published by the Charity Commission.

ACHIEVEMENT AND PERFORMANCE

The fund was set up to purchase and exhibit works of art. No purchases during 2022/23 have been capitalised (2021/22 - nil).

The Adopt-a-Painting Scheme was set up in 2008/09 to fund the restoration of artworks. During 2022/23, no donations were received (2021/22 - nil). No expenditure was incurred during 2022/23 (2021/22 - nil).

The policy of the trust is to ensure that Land and Buildings show a true and fair view in accordance with FRS102 so this is considered and are re-valued each year.

FINANCIAL REVIEW

Financial position

The financial position of the charity is strong with net assets at 31st March 2023 amounting to £103,478,096 (2022 - £99,545,310).

Reserves policy

The Trust operates a Reserves Policy whereby the fund retains sufficient cash to ensure it has sufficient available funds for its operations.

Going concern

The charity has sufficient reserves to enable any debts to be paid as they fall due. The trustees do not foresee any problems in the next twelve months from the date that these financial statements are authorised for issue.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Ferens Art Gallery was built in 1927 from monies held in a trust fund set up in 1919 by T.R. Ferens.

Following the completion of the gallery, a deed of trust was created, dated 15 March 1928, and residual monies were deposited with the Ferens Art Gallery Endowment Fund to provide funding for the purchase of artworks.

Ferens Art Gallery was registered as a charity on 5 August 1991 (no. 1003774), with the Ferens Art Gallery Endowment Fund being registered as its constituent charity.

Ferens Art Gallery
Report of the Trustees
for the year ended 31st March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Kingston upon Hull City Council is the sole trustee but it is the Council's Corporate Trustee Committee as per the Council constitution that exercises control.

The recruitment and appointment is based solely on when there are changes to the Committee as a result of official local elections.

Organisational structure

Kingston upon Hull City Council is the sole trustee of the Ferens Art Gallery. The function of the trustee is exercised by the Council's Corporate Trustee Committee as per the Council constitution. The current members of the Corporate Trustee Committee are Councillor J. Dad, Councillor R. Pritchard and Councillor M. Ross. The Corporate Trustee Committee is responsible for ensuring that arrangements are made for keeping proper books of account which represent a true and fair view of the affairs of the Trust in respect of activities. It also ensures that the financial statements have been properly prepared in accordance with the Trust Deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities (effective 1 January 2019).

Induction and training of new trustees

The councillors are given a copy of the scheme document together with any amendments made to it and a copy of the latest charity report and the accounts.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Charity has identified the risks to which it may be exposed and has implemented a risk management strategy which comprises;

- an annual review of the risks which the Charity may face;
- the establishment of systems and procedures to mitigate those risks; and
- the implementation of procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1003774

Principal address

Kingston upon Hull City Council
Guildhall
Alfred Gelder Street
Kingston upon Hull
HU1 2AA

Trustees

Kingston upon Hull City Council

Auditors

Sadofskys
Statutory Auditors
Princes House
Wright Street
Kingston upon Hull
HU2 8HX

Ferens Art Gallery
Report of the Trustees
for the year ended 31st March 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

National Westminster Bank plc
34 King Edward Street
Kingston upon Hull
HU1 3SS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Council's Corporate Trustee Committee acting as the sole trustee on 22nd January 2024 and signed on its behalf by:

Councillor J Dad - Chair of the Committee

Report of the Independent Auditors to the Trustees of
Ferens Art Gallery

Opinion

We have audited the financial statements of Ferens Art Gallery (the 'charity') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2023 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Ferens Art Gallery

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Trustees of
Ferens Art Gallery

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, the Charities Statement of Recommended Practice (SORP), taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charities' legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Report of the Independent Auditors to the Trustees of
Ferens Art Gallery

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sadofskys
Statutory Auditors
Princes House
Wright Street
Kingston upon Hull
HU2 8HX

26th January 2024

Ferens Art Gallery

Statement of Financial Activities
for the year ended 31st March 2023

		2023 Unrestricted funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	<u>3,730</u>	<u>1,440</u>
 EXPENDITURE ON			
Charitable activities			
Depreciation		212,091	200,650
Governance costs		3,305	2,400
Professional fees		<u>450</u>	<u>540</u>
Total		<u>215,846</u>	<u>203,590</u>
 NET INCOME/(EXPENDITURE)		 (212,116)	 (202,150)
Other recognised gains/(losses)			
Gains on revaluation of fixed assets		<u>4,144,902</u>	<u>1,344,783</u>
Net movement in funds		3,932,786	1,142,633
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>99,545,310</u>	<u>98,402,677</u>
 TOTAL FUNDS CARRIED FORWARD		 <u><u>103,478,096</u></u>	 <u><u>99,545,310</u></u>

The notes form part of these financial statements

Ferens Art Gallery

Balance Sheet
31st March 2023

		2023	2022
		Unrestricted	Total
		funds	funds
		£	£
FIXED ASSETS	Notes		
Tangible assets	5	103,481,482	99,548,671
CURRENT ASSETS			
Cash at bank		364	119
CREDITORS			
Amounts falling due within one year	6	(3,750)	(3,480)
NET CURRENT ASSETS		<u>(3,386)</u>	<u>(3,361)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>103,478,096</u>	<u>99,545,310</u>
NET ASSETS		<u>103,478,096</u>	<u>99,545,310</u>
FUNDS	7		
Unrestricted funds		<u>103,478,096</u>	<u>99,545,310</u>
TOTAL FUNDS		<u>103,478,096</u>	<u>99,545,310</u>

The financial statements were approved by the Council's Corporate Trustee Committee acting as the sole trustee and authorised for issue on 22nd January 2024 and were signed on its behalf by:

Councillor J Dad - Chair of the Committee

The notes form part of these financial statements

Ferens Art Gallery

Notes to the Financial Statements for the year ended 31st March 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The presentation currency of the financial statements is the Pound Sterling (£).

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and Buildings	- 1% on cost
Equipment	- 10% on cost
Pictures and Artefacts	- not provided

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds 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.

Fixed assets

Land and Buildings and Equipment

These are valued on the basis recommended by CIPFA and in accordance with the Valuation Standards as issued by the Royal Institution of Chartered Surveyors.

Revaluations are done every year to ensure that the revalued amounts show a true and fair view.

Pictures and Artefacts

These are held in perpetuity and have no determinable useful life. The method for valuing these assets is now based on insurance values (previously historic cost valuations were used).

Items with a purchase price of less than £5,000 are charged to the revenue account in the year of acquisition, and are not included in the value of Pictures and Artefacts.

Ferens Art Gallery

Notes to the Financial Statements - continued for the year ended 31st March 2023

2. DONATIONS AND LEGACIES

Capital works to the Art Gallery are funded by Kingston upon Hull City Council. Purchases of pictures and artefacts are funded by contributions from the Ferens Art Gallery Endowment Fund, other arts and cultural bodies and voluntary donations.

	2023	2022
	£	£
Contributions from Ferens Art Gallery Endowment Fund	3,480	1,440
Donations received via Charities Aid Foundation (CAF)	<u>250</u>	<u>-</u>
	<u><u>3,730</u></u>	<u><u>1,440</u></u>

3. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u><u>3,300</u></u>	<u><u>2,400</u></u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

5. TANGIBLE FIXED ASSETS

	Land and Buildings £	Equipment £	Pictures and Artefacts £	Totals £
COST OR VALUATION				
At 1st April 2022	21,979,488	37,985	77,569,183	99,586,656
Revaluations	<u>3,932,811</u>	<u>-</u>	<u>-</u>	<u>3,932,811</u>
At 31st March 2023	<u><u>25,912,299</u></u>	<u><u>37,985</u></u>	<u><u>77,569,183</u></u>	<u><u>103,519,467</u></u>
DEPRECIATION				
At 1st April 2022	-	37,985	-	37,985
Charge for year	212,091	-	-	212,091
Revaluation adjustments	<u>(212,091)</u>	<u>-</u>	<u>-</u>	<u>(212,091)</u>
At 31st March 2023	<u><u>-</u></u>	<u><u>37,985</u></u>	<u><u>-</u></u>	<u><u>37,985</u></u>
NET BOOK VALUE				
At 31st March 2023	<u><u>25,912,299</u></u>	<u><u>-</u></u>	<u><u>77,569,183</u></u>	<u><u>103,481,482</u></u>
At 31st March 2022	<u><u>21,979,488</u></u>	<u><u>-</u></u>	<u><u>77,569,183</u></u>	<u><u>99,548,671</u></u>

Ferens Art Gallery

Notes to the Financial Statements - continued
for the year ended 31st March 2023

5. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31st March 2023 is represented by:

	Land and Buildings £	Equipment £	Pictures and Artefacts £	Totals £
Valuations 2010 to 2023	17,313,633	-	67,265,624	84,579,257
Cost*	<u>8,598,666</u>	<u>37,985</u>	<u>10,303,559</u>	<u>18,940,210</u>
	<u><u>25,912,299</u></u>	<u><u>37,985</u></u>	<u><u>77,569,183</u></u>	<u><u>103,519,467</u></u>

*The cost figure shown above includes all valuations up to 31st March 2009. This is the earliest date for which we have been able to ascertain what the carrying amount would have been had the assets been carried under the cost model.

The Land and Buildings are valued on the basis recommended by CIPFA and in accordance with the Valuation Standards as issued by the Royal Institution of Chartered Surveyors.

The last valuation was done on 26th May 2023 by Hull City Council which valued the Land and Buildings at £25,912,299 with an effective date of 31st March 2023.

The property valuation for the Ferens Art Gallery includes the area in which the La Loggia cafe is located. The cafe is run by Hull Culture and Leisure Limited who are responsible for its maintenance.

Ferens Art Gallery has a membership with the Contemporary Arts Society, through which works of art are purchased with the aid of Lottery funding. Following the additions shown in the 2004/05 accounts totalling £60,048 which became Ferens Art Gallery assets in the year ending 31st December 2014, no further purchases of this nature have been capitalised.

The pictures and artefacts are included at the value they are insured for. Experts consider if there are any reasons to believe that there has been a material change in value of the pictures and artefacts on an annual basis.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other creditors	<u>3,750</u>	<u>3,480</u>

7. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
Fixed Asset Reserve	99,545,193	3,932,786	103,477,979
Adopt-a-painting Scheme	<u>117</u>	<u>-</u>	<u>117</u>
	<u>99,545,310</u>	<u>3,932,786</u>	<u>103,478,096</u>
TOTAL FUNDS	<u><u>99,545,310</u></u>	<u><u>3,932,786</u></u>	<u><u>103,478,096</u></u>

Ferens Art Gallery

Notes to the Financial Statements - continued
for the year ended 31st March 2023

7. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Fixed Asset Reserve	3,730	(215,846)	4,144,902	3,932,786
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,730</u>	<u>(215,846)</u>	<u>4,144,902</u>	<u>3,932,786</u>

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	At 31/3/22 £
Unrestricted funds			
Fixed Asset Reserve	98,402,560	1,142,633	99,545,193
Adopt-a-painting Scheme	117	-	117
	<hr/>	<hr/>	<hr/>
	98,402,677	1,142,633	99,545,310
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>98,402,677</u>	<u>1,142,633</u>	<u>99,545,310</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Fixed Asset Reserve	1,440	(203,590)	1,344,783	1,142,633
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,440</u>	<u>(203,590)</u>	<u>1,344,783</u>	<u>1,142,633</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/21 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
Fixed Asset Reserve	98,402,560	5,075,419	103,477,979
Adopt-a-painting Scheme	117	-	117
	<hr/>	<hr/>	<hr/>
	98,402,677	5,075,419	103,478,096
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>98,402,677</u>	<u>5,075,419</u>	<u>103,478,096</u>

Ferens Art Gallery

Notes to the Financial Statements - continued
for the year ended 31st March 2023

7. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Fixed Asset Reserve	5,170	(419,436)	5,489,685	5,075,419
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>5,170</u>	<u>(419,436)</u>	<u>5,489,685</u>	<u>5,075,419</u>

Purposes of funds

Fixed Asset Reserve

The fund was setup for the construction and furnishing of an Art Gallery.

Adopt a Painting Scheme

The Ferens Art Gallery houses an internationally significant collection of work ranging from Old Masters through to 21st century contemporary art. The Gallery is dedicated to making all of the art in its care accessible to as many people as possible. An important aspect of this is ensuring that works are preserved in as good a condition as possible so that they can be enjoyed by visitors now and in the future.

The Adopt a Painting scheme was set up to enable individuals to contribute in whole or part to the restoration and conservation of key works in the Ferens Art Gallery.

8. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2023.

Report of the Trustees and
Financial Statements
for the Year Ended 31st March 2023
for
Ferens Art Gallery Endowment Fund

Sadofskys
Statutory Auditors
Princes House
Wright Street
Kingston upon Hull
HU2 8HX

Ferens Art Gallery Endowment Fund

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for the year ended 31st March 2023

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Ferens Art Gallery Endowment Fund

Report of the Trustees **for the year ended 31st March 2023**

The trustees present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives, aims and public benefit

The Ferens Art Gallery Endowment Fund was established in 1928 to provide funding for the purchase of artworks. The trust deed stipulates that a proportion of the annual income shall be applied towards the cost of maintenance, upkeep and annual expenses of the Ferens Art Gallery. The balance of the income is to be used in defraying the cost of acquiring any pictures, statuary or other works of art which the corporation or any of its committees may from time to time deem it desirable to acquire. This stipulation effectively makes the fund restricted as defined by SORP relating to charities.

Kingston upon Hull City Council operates a Ferens Art Collection Fund (F.A.C.F.) for the acquisition of the works of art to add to the Ferens Art Gallery permanent collection.

The Ferens Art Gallery Endowment Fund (F.E.F.) has been established as the major source of income to finance F.A.C.F spending. Balances are periodically transferred from the F.E.F. to support the F.A.C.F and, in doing so, satisfy the requirements of the deed.

The trustee is of the opinion that it has complied with the duty in Section 4 of the Charities Act 2011 with regard to public benefit guidance published by the Charity Commission.

ACHIEVEMENT AND PERFORMANCE

The annual contribution made towards the running costs of the Ferens Art Gallery for the year ended 31 March 2023 was £18,426 (2022 - £17,124). Other expenditure included £48,490 (2022 - £52,779) to HSBC Private Bank in respect of fund management services and £6,955 (2022 - £7,951) to Kingston upon Hull City Council for support services.

Income from investments and interest amounted to £165,832 (2022 - £154,115).

FINANCIAL REVIEW

Financial position

The financial position of the charity is strong with net assets at 31st March 2023 amounting to £8,277,418 (2022 - £8,220,093).

Investment policy and objectives

The aim of which is to minimise the financial risk whilst seeking to maintain adequate levels of income. This policy will be reviewed annually.

Reserves policy

The Trust operates a Reserves Policy whereby the fund retains sufficient available funds to continue its operations.

Going concern

The charity has sufficient reserves to enable any debts to be paid as they fall due. The trustees do not foresee any problems in the next twelve months from the date that these financial statements are authorised for issue.

Ferens Art Gallery Endowment Fund

Report of the Trustees **for the year ended 31st March 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Ferens Art Gallery was built in 1927 from monies held in a trust fund set up in 1919 by T.R. Ferens. The Art Gallery is held on trust by Kingston upon Hull City Council for "the exhibition of works of art in perpetuity".

Following the completion of the Gallery, the Ferens Art Gallery Endowment Fund was established by a deed of trust dated 15 March 1928, to provide funding for the purchase of artworks.

Ferens Art Gallery was registered as a charity on 5 August 1991, with the Ferens Art Gallery Endowment Fund being its constituent charity (no 1003774-1).

Recruitment and appointment of new trustees

Kingston upon Hull City Council is the sole trustee but it is the Council's Corporate Trustee Committee as per the Council constitution that exercises control.

The recruitment and appointment is based solely on when there are changes to the Committee as a result of official local elections.

Organisational structure

Kingston upon Hull City Council is the sole trustee of the Ferens Art Gallery Endowment Fund. The function of the trustee is exercised by the Council's Corporate Trustee Committee as per the Council constitution. The current members of the Corporate Trustee Committee are Councillor J. Dad, Councillor R Pritchard and Councillor M. Ross. The Corporate Trustee Committee is responsible for ensuring that arrangements are made for keeping proper books of account which represent a true and fair view of the affairs of the Trust in respect of activities. It also ensures that the financial statements have been properly prepared in accordance with the Trust Deed, the Charities Act 2011 and the Statement of Recommended Practice Accounting and Reporting by Charities (effective 1 January 2019).

The trustees continue to procure financial, legal and secretarial support and advice from Kingston upon Hull City Council.

Induction and training of new trustees

The councillors are given a copy of the scheme document together with any amendments made to it and a copy of the latest charity report and the accounts.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Charity has identified the risks to which it may be exposed and has implemented a risk management strategy which comprises;

- an annual review of the risks which the Charity may face;
- the establishment of systems and procedures to mitigate those risks;
- the implementation of procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1003774-1

Ferens Art Gallery Endowment Fund

Report of the Trustees
for the year ended 31st March 2023

Principal address

Kingston upon Hull City Council
Guildhall
Alfred Gelder Street
Kingston upon Hull
HU1 2AA

Trustees

Kingston upon Hull City Council

Auditors

Sadofskys
Statutory Auditors
Princes House
Wright Street
Kingston upon Hull
HU2 8HX

Bankers

National Westminster Bank plc
34 King Edward Street
Kingston upon Hull
HU1 3SS

Investment Consultants

HSBC Private Bank (UK) Limited
8 Cork Street
London
W1S 3LJ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the Financial Statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ferens Art Gallery Endowment Fund

Report of the Trustees
for the year ended 31st March 2023

Approved by order of the Council's Corporate Trustee Committee acting as sole trustee on 22nd January 2024 and signed on its behalf by:

Councillor J Dad - Chair of the Committee

Report of the Independent Auditors to the Trustees of
Ferens Art Gallery Endowment Fund

Opinion

We have audited the financial statements of Ferens Art Gallery Endowment Fund (the 'charity') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2023 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Ferens Art Gallery Endowment Fund

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Trustees of
Ferens Art Gallery Endowment Fund

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, the Charities Statement of Recommended Practice (SORP), taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charities' legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Report of the Independent Auditors to the Trustees of
Ferens Art Gallery Endowment Fund

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sadofskys
Statutory Auditors
Princes House
Wright Street
Kingston upon Hull
HU2 8HX

26th January 2024

Ferens Art Gallery Endowment Fund

Statement of Financial Activities
for the year ended 31st March 2023

	Notes	Restricted fund £	Endowment fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	2	<u>165,832</u>	<u>-</u>	<u>165,832</u>	<u>154,115</u>
EXPENDITURE ON					
Raising funds	3	6,858	48,587	55,445	60,730
Charitable activities					
Ferens Art Collection Fund		3,480	-	3,480	1,440
Hull Culture & Leisure Limited		18,426	-	18,426	17,124
Governance costs		<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>2,400</u>
Total		<u>31,764</u>	<u>48,587</u>	<u>80,351</u>	<u>81,694</u>
Net gains/(losses) on investments		<u>-</u>	<u>(28,156)</u>	<u>(28,156)</u>	<u>290,731</u>
NET INCOME/(EXPENDITURE)		134,068	(76,743)	57,325	363,152
RECONCILIATION OF FUNDS					
Total funds brought forward		994,383	7,225,710	8,220,093	7,856,941
TOTAL FUNDS CARRIED FORWARD		<u>1,128,451</u>	<u>7,148,967</u>	<u>8,277,418</u>	<u>8,220,093</u>

The notes form part of these financial statements

Ferens Art Gallery Endowment Fund

Balance Sheet
31st March 2023

	Notes	Restricted fund £	Endowment fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Investments	6	-	7,099,481	7,099,481	7,267,443
CURRENT ASSETS					
Debtors	7	1,150,083	-	1,150,083	1,014,070
Cash in hand		-	61,757	61,757	(29,132)
		1,150,083	61,757	1,211,840	984,938
CREDITORS					
Amounts falling due within one year	8	(21,632)	(12,271)	(33,903)	(32,288)
NET CURRENT ASSETS		1,128,451	49,486	1,177,937	952,650
TOTAL ASSETS LESS CURRENT LIABILITIES		1,128,451	7,148,967	8,277,418	8,220,093
NET ASSETS		1,128,451	7,148,967	8,277,418	8,220,093
FUNDS	9				
Restricted funds				1,128,451	994,383
Endowment funds				7,148,967	7,225,710
TOTAL FUNDS				8,277,418	8,220,093

The financial statements were approved by the Council's Corporate Trustee Committee acting as sole trustee and authorised for issue on 22nd January 2024 and were signed on its behalf by:

Councillor J Dad - Chair of the Committee

The notes form part of these financial statements

Ferens Art Gallery Endowment Fund

Notes to the Financial Statements **for the year ended 31st March 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The presentation currency of the financial statements is the Pound Sterling (£).

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds 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.

Endowment funds - these funds represent assets which must be held permanently by the charity, principally investments. Income arising from the endowment can be used in accordance with the objects of the charity and is included as restricted income.

Fixed asset investments and stocks & shares

Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

Stocks and shares are included at market value at the balance sheet date.

Ferens Art Gallery Endowment Fund

Notes to the Financial Statements - continued
for the year ended 31st March 2023

2. INVESTMENT INCOME

	2023	2022
	£	£
Investment income	150,722	153,507
Interest on balances	<u>15,110</u>	<u>608</u>
	<u><u>165,832</u></u>	<u><u>154,115</u></u>

3. RAISING FUNDS

Investment management costs

	2023	2022
	£	£
Fund management costs	48,490	52,779
Support services recharge	<u>6,955</u>	<u>7,951</u>
	<u><u>55,445</u></u>	<u><u>60,730</u></u>

4. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>3,000</u>	<u>2,400</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

6. FIXED ASSET INVESTMENTS

The fixed asset investments relate to stocks and shares. These are included in the accounts at the following market values.

	2023	2022
	£	£
Fixed interest	989,177	860,104
Equities	5,749,789	6,147,283
Alternatives & Funds	<u>360,515</u>	<u>260,056</u>
	<u><u>7,099,481</u></u>	<u><u>7,267,443</u></u>

The initial book cost of these investments was:

	2023	2022
	£	£
Fixed interest	1,013,477	870,671
Equities	5,490,554	5,965,631
Alternatives & Funds	<u>360,514</u>	<u>180,806</u>
	<u><u>6,864,545</u></u>	<u><u>7,017,108</u></u>

Ferens Art Gallery Endowment Fund

Notes to the Financial Statements - continued
for the year ended 31st March 2023

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Kingston upon Hull City Council	1,132,868	1,001,913
HSBC Private Bank	<u>17,215</u>	<u>12,157</u>
	<u><u>1,150,083</u></u>	<u><u>1,014,070</u></u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other creditors	<u>33,903</u>	<u>32,288</u>

9. MOVEMENT IN FUNDS

	At 1/4/22	Net movement in funds	At 31/3/23
	£	£	£
Restricted funds			
Restricted Fund	994,383	134,068	1,128,451
Endowment funds			
Endowment Fund	<u>7,225,710</u>	<u>(76,743)</u>	<u>7,148,967</u>
TOTAL FUNDS	<u><u>8,220,093</u></u>	<u><u>57,325</u></u>	<u><u>8,277,418</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Restricted funds				
Restricted Fund	165,832	(31,764)	-	134,068
Endowment funds				
Endowment Fund	<u>-</u>	<u>(48,587)</u>	<u>(28,156)</u>	<u>(76,743)</u>
TOTAL FUNDS	<u><u>165,832</u></u>	<u><u>(80,351)</u></u>	<u><u>(28,156)</u></u>	<u><u>57,325</u></u>

Ferens Art Gallery Endowment Fund

Notes to the Financial Statements - continued
for the year ended 31st March 2023

9. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/21	Net movement in funds	At 31/3/22
	£	£	£
Restricted funds			
Restricted Fund	869,770	124,613	994,383
Endowment funds			
Endowment Fund	6,987,171	238,539	7,225,710
TOTAL FUNDS	<u>7,856,941</u>	<u>363,152</u>	<u>8,220,093</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Restricted funds				
Restricted Fund	154,115	(29,502)	-	124,613
Endowment funds				
Endowment Fund	-	(52,192)	290,731	238,539
TOTAL FUNDS	<u>154,115</u>	<u>(81,694)</u>	<u>290,731</u>	<u>363,152</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/21	Net movement in funds	At 31/3/23
	£	£	£
Restricted funds			
Restricted Fund	869,770	258,681	1,128,451
Endowment funds			
Endowment Fund	6,987,171	161,796	7,148,967
TOTAL FUNDS	<u>7,856,941</u>	<u>420,477</u>	<u>8,277,418</u>

Ferens Art Gallery Endowment Fund

Notes to the Financial Statements - continued
for the year ended 31st March 2023

9. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted funds				
Restricted Fund	319,947	(61,266)	-	258,681
Endowment funds				
Endowment Fund	-	(100,779)	262,575	161,796
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>319,947</u>	<u>(162,045)</u>	<u>262,575</u>	<u>420,477</u>

The restricted fund balances are held and administered by Kingston upon Hull City Council. A proportion of the annual investment income is used towards the costs of maintenance and upkeep of the Ferens Art Gallery. The remainder is to be used for acquiring pictures, statuary and other works of art.

The Permanent Endowment Fund comprises:

	2023 £	2022 £
Original endowment (at cost)	22,500	22,500
Net gains from previous years	<u>7,203,210</u>	<u>6,964,671</u>
Market Value at 31st March 2022	7,225,710	6,987,171
Less: Disposals at book value (proceeds : £4,389,691 + loss: £16,679)	(4,406,370)	(8,901,424)
Add: Acquisitions at cost	4,253,807	9,690,439
Less: Management fees paid	(48,587)	(52,192)
Net gains/(losses) on valuation at year end	<u>124,407</u>	<u>(498,284)</u>
Market Value at 31st March 2023	<u>7,148,967</u>	<u>7,225,710</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2023.

