

THE HEPWORTH WAKEFIELD

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2021

The Hepworth Wakefield

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

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

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

Alice Rawsthorn – Chair (resigned 1 June 2021)
Jane Mee (resigned 12 November 2020)
Diane Howse
Jane Madeley
Stuart Fletcher - Interim Chair (appointed 2 June 2021)
Merran McCrae
Peter Box (resigned 31 December 2020)
Andrew Haigh MBE
Nicholas Johnson (resigned 7 August 2021)
Henry Meyric Hughes
Priya Khanchandani
Dame Magdalene Anyango Namakhiya Odundo DBE (appointed 11 August 2020)

Key management personnel of The Hepworth Wakefield: senior management team

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

Simon Wallis	(Director)
Olivia Colling	(Director of Communications & Development)
Nicola Freeman	(Director of Engagement & Learning)
Katharine Knight	(Director of Business & Operations)
Nick Stephenson	(Head of Finance & Strategic Services) (resigned 1 August 2021)
Victoria Kirkpatrick	(Head of Finance & Strategic Services) (appointed 1 August 2021)

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

Jordans Solicitors
18 King Street
Wakefield, WF1 2SQ

The Hepworth Wakefield

OFFICERS AND PROFESSIONAL ADVISERS

AUDITOR
Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG4 5RX

The Hepworth Wakefield

TRUSTEES' REPORT

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 2021.

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

2020/21 has, without doubt, been a most challenging year for the entire museum and gallery sector, owing to Covid-19. The Hepworth Wakefield was forced to close its doors in March 2020 and was only permitted to open for 13 weeks in the period between 1 April 2020 and 31 March 2021, leading to significant financial losses. I would like to acknowledge the hard work undertaken and tough, but essential, decisions made by The Hepworth Wakefield's senior management team early in the pandemic to make huge cost savings to mitigate some of these losses. We are extremely grateful for the quick response of Arts Council England in establishing its Emergency Response Fund, as well as for funding from the government's Culture Recovery Fund and from the Wolfson Foundation, which has enabled us to get through the most uncertain of times. We are also grateful to all our other funders, including Wakefield Council, for their flexibility and support over the last year and to all of our members who have stuck by us, even though they couldn't visit the gallery.

I want to thank all the staff at The Hepworth Wakefield – from those furloughed for most of the year, to the small number who covered multiple posts for many months. They adapted quickly to new ways of working, established new initiatives to continue engaging our audiences and ensured the ongoing safety and care of Wakefield's art collection, the gallery and new garden. I would also like to thank my fellow board members for giving their time and guidance to support the team through such difficult times.

On behalf of the trustees and staff, I particularly want to extend my gratitude to Alice Rawsthorn, whose term as Chair of the Board of Trustees came to an end in May 2021. Her unswerving energy and enthusiasm, as well as personal support, for The Hepworth Wakefield enabled many important achievements during her tenure as Chair.

There is still much uncertainty ahead, but we hope for a much brighter year ahead throughout our 10th anniversary year.



Stuart Fletcher
Interim Chair of The Hepworth Wakefield

Date: 31, Jan 2022

The Hepworth Wakefield

TRUSTEES' REPORT

DIRECTOR'S REPORT

Reflecting on the last 12 months, it is apparent that despite the unprecedented challenges of Covid, many wonderful things have occurred and we have in the face of great unexpected adversity interrogated every area of our business as we work to ensure post-Covid stability and sustainability. In order to do this we have had to make very significant savings through, highly regrettable staff redundancies, cutting back our exhibitions and learning programmes, and shortening our opening hours. The organisation has now been pared-back to the bare minimum in terms of staff structure, programme and operation to ensure we remain in the best possible financial situation to weather the ongoing Covid crisis. We will be looking to rebuild in a new sustainable as soon as the public can return safely to the gallery.

The Hepworth Wakefield Garden bloomed into its first magnificent spring, just as the country went into lockdown. It has been so heartening to see how important the garden became to local people during this time, eloquently summed up by one regular visitor:

“All the messages then were of doom and death; I worried for friends and family and it all felt pretty dark. But when you walked into the garden and hundreds of narcissi and tulips were out – it just lifted your mood.”

The garden became a place of solace for people on their permitted daily walk, a place to safely meet friends, and an uplifting space, desperately needed amidst so much worrying and destabilising news. And in our cultural gardener, who was able to continue tending the space throughout lockdown, visitors found a friendly face, someone who was willing to listen to them and with whom they could share observations to the changes taking place in the garden. We are grateful to the many individuals who have donated to help us keep up the maintenance of the garden, and especially to the Finnis Scott Foundation who gave us a grant to buy 50,000 spring bulbs so that next year's display is even more impressive. The garden has also worked to complement the regeneration work underway on the 19th century mill complex opposite us. It will ensure the wider site coalesces successfully to attract broader footfall and new businesses.

We have worked on building close and trusted relationships with key philanthropists to grow Wakefield's collection as it will be an increasingly important resource, ready to draw upon in the future. The growth of the collection also ensures that reputation of the The Hepworth remains high as an organisation of ambition and national significance capable of attracting high level gifts worth, in total, many millions of pounds.

We benefitted from some extremely generous philanthropic gifts and bequests for the collection, including over 100 works of art from the private collection of Terence Bacon and John Oldham, built up lovingly over many years. The collection includes ceramics by leading studio potters as well as paintings and works on paper by important British artists.

Collector Ronnie Duncan, who has loaned numerous works to the gallery over the years, has bequeathed 30 significant paintings and drawings in tribute to his friend and mentor, Helen Kapp, a former Director of Wakefield Art Gallery. His gift includes a large painting by Alan Davie, *Blood Creation*, (1952) along with four other works by the same artist, as well as work by Trevor Bell, Terry Frost and Roger Hilton.

With a grant from the Contemporary Art Society's Rapid Response Fund, we were able to acquire a new body of work by Rosanne Robertson, an artist we first worked with in 2019 as part of Yorkshire Sculpture International. We were also delighted to be gifted a painting by one of the UK's most exciting young artists, Jadé Fadojutimi, through the generosity of Paul and Alison Deighton: her work is now some of the most sought after in the world. The *Clay Requiem*, 1991 by Japanese artist Ryoji Koie was acquired through a generous donation from Christopher Gorman-Evans. All of these new acquisitions were installed in an exhibition, *Vision & Reality*, that explored 100 years of contemporary art in Wakefield, telling the story of the city's art collection. Sadly, ongoing restrictions prevented visitors from seeing it, but the team did a great job of turning it into an online exhibition, so there is now more information about, and stories drawn from, the collection on our website than ever before.

The Hepworth Wakefield

TRUSTEES' REPORT

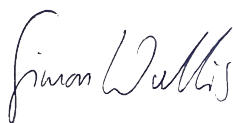
I'd like to thank all our artists, touring partners and lenders for their generosity and understanding as we re-scheduled and re-re-scheduled our exhibition programme as the Covid situation rapidly changed. Only a few short weeks after opening the magnificent Bill Brandt/Henry Moore exhibition, organised in partnership with the Yale Centre for British Art, we had to close. We were delighted that we were able to extend the exhibition to the beginning of November to allow visitors the opportunity to experience Brandt's haunting photographs together with Henry Moore's monumental sculptures, as well as Moore's own photographs and drawings, documenting their shared subjects of war, society, industry, the British landscape and the human form. Exhibitions originally planned for 2020, including the first major retrospective in the UK of artist Sheila Hicks and our Freeland's Award-winning survey exhibition of British photographer, Hannah Starkey have been postponed until 2022, when they will attract the visitors they deserve.

It was wonderful to see people return to the gallery on 1 August 2020 and to hear just how much the gallery was missed while we were closed. We were inundated with messages of support, like this one, from one of our Members:

"I am so pleased to hear The Hepworth is reopening, you don't necessarily realise how much you enjoy something and how regularly you go until it is not available! I'm thrilled that I can once again come and wander around, have brunch, meet friends and show it off (with some pride) to visitors."

Many of our youth programme participants rely on the regular contact with our youth coordinator and with one another, and although we weren't able to deliver our learning programme in the usual way, we did manage to keep our youth programme going throughout lockdown by sending out craft packs, regularly 'meeting', albeit virtually, and creating bespoke creative challenges and videos led by our artists. A dedicated webpage was set up to act as a central hub to showcase their work and share the bespoke films with a wider audience. We also managed to deliver the third year of our Burberry Inspire programme for 1,000 secondary school students in West Yorkshire by devising a six-week project to enable students to continue their engagement with art and creativity at home. Craft packs were sent to each student and weekly artist-led films and activity sheets explored a range of accessible, creative activities. Through this programme we were connected with schools in New York, with students in Yorkshire being set a project by an artist based in New York and vice versa. This international collaboration helped students feel that they were part of a global community with shared experiences of the pandemic. We were also delighted to launch the fourth series of artists' original prints as part of our School Prints programme with new prints by Hurvin Anderson, Alvaro Barrington, Sir Frank Bowling OBE, RA, Lubaina Himid CBE, Claudette Johnson and Yinka Shonibare CBE. We are grateful to all of the artists for donating their time to produce such a wonderful set of prints and look forward to working with the Black Curriculum to deliver the engagement programme with the primary schools next year.

I would like to thank all of my colleagues at The Hepworth Wakefield, including our team of volunteers, for their continued dedication to engaging wide audiences with art in imaginative ways. I would also like to offer my personal thanks to the Board of Trustees for their commitment and support and in particular, to our former Chair, Alice Rawsthorn, for her enthusiasm and guidance.



Simon Wallis OBE

Director of The Hepworth Wakefield

Date: 31 January 2022

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 Hepworth Wakefield

TRUSTEES' REPORT

ACTIVITIES, ACHIEVEMENTS & PERFORMANCE IN 2020/21

Exhibitions

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

Bill Brandt & Henry Moore (7 February – 1 November 2020)

This exhibition was the first charging exhibition at The Hepworth Wakefield. It explored the parallel and intersecting paths of two great artists of the 20th century. The photographer Bill Brandt and the sculptor Henry Moore first met during the Second World War, when they both created images of civilians sheltering from the Blitz in the London Underground. The exhibition brought together of 200 works highlighting the relationships between sculpture, photography, drawing and collage revealed through Brandt and Moore's shared interests in the subjects and themes of labour, society, industry, the British landscape and the human body. The exhibition was organised in partnership with the Yale Center for British Art and was accompanied by a major new book published by Yale University Press. The exhibition received support from Hiscox and Henry Moore Foundation.

The exhibition received four and five star reviews in all the national papers, with the Daily Telegraph describing it as 'this outstanding show' and the Guardian, 'a coruscating chronicle of British Life'. Advertising equivalent value of the press campaign was £2,994,035.

As the gallery was closed between 18 March and 1 April 2020, a digital version of the exhibition was created for The Hepworth Wakefield's website.

Vision & Reality: 100 Years of Contemporary Art in Wakefield

This exhibition explored how Wakefield's art collection, established in 1923, has been built up with a focus on understanding contemporary art and its relation to modern life. It also demonstrated how the collection has been strategically developed over the 10 years since The Hepworth Wakefield took on responsibility for the collection, with carefully considered art works chosen to address historic imbalances or to enrich narratives explored by artists in shifting contexts over time. A number of previously unseen new acquisitions and bequests were displayed for the first time, enabling new stories to be told and showing how contemporary narratives and ideas can cast new light on historical works of art.

Sadly, the show was never permitted to open to the public owing to renewed Covid-19 restrictions, so this too was translated into an online exhibition with highlighted 'work of the week', behind the scenes curator diaries into their research, telling previously undiscovered stories about the collection, filmed tours of the exhibition and interviews with collectors and news moments about the recent gifts and bequests. Press coverage for the online exhibition was achieved in a range of titles, including national newspapers.

A public appeal was launched to support the research and restoration work which was supported by Deborah Archer, Malgosia Chelminska, Stuart & Trish Fletcher, Sharon Gillott, Denise Hopker, Mel Pretious, Alice Rawsthorn, Francis Ryan & Peter Woods, Ros & Gordon Watson as well as those who wish to remain anonymous. We are enormously grateful to everyone who supported the exhibition.

Learning

Youth Programme

Many of our youth programme participants rely on the regular contact with our youth coordinator and with one another, and although we weren't able to deliver our learning programme in the usual way, we did manage to keep our youth programme going throughout lockdown by sending out craft packs, regularly 'meeting', albeit virtually, and creating bespoke creative challenges and videos led by our artists. A dedicated webpage was set up to act as a central hub to showcase their work and share the bespoke films with a wider audience.

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TRUSTEES' REPORT

Schools

The majority of our work with schools was cancelled in line with school closures. However we did manage to deliver the third year of our Burberry Inspire programme for 1,000 secondary school students in West Yorkshire by devising a six-week project to enable students to continue their engagement with art and creativity at home. Craft packs were sent to each student and weekly artist-led films and activity sheets explored a range of accessible, creative activities. Through this programme we were connected with schools in New York, with students in Yorkshire being set a project by an artist based in New York and vice versa. This international collaboration helped students feel that they were part of a global community with shared experiences of the pandemic.

We were also delighted to launch the fourth series of artists' original prints as part of our School Prints programme with new prints by Hurvin Anderson, Alvaro Barrington, Sir Frank Bowling OBE, RA, Lubaina Himid CBE, Claudette Johnson and Yinka Shonibare CBE. We are grateful to all of the artists for donating their time to produce such a wonderful set of prints and look forward to working with the Black Curriculum to deliver the engagement programme with the primary schools next year.

Families

We continued to engage with families online by releasing fortnightly Creative Challenges, with families sharing their creative outcomes with us on social media. A dedicated area of the website was created to host all the creative challenges and share participants work. With funding from the Liz & Terry Bramall Foundation we also created a series of artist-led films with ideas for ways to get creative at home. These were incredibly popular and shared widely, including by schools teaching online.

Public Programme

To maintain the momentum of our fairs and markets programme, and support artists around the country, we successfully held our Ceramics Fair (22-25 May 2020), Christmas market (27-29 Nov & 4-6 Dec 2020) and Print Fair (12-28 March 2021), online, driving traffic to the artists websites to make sales direct to our audiences.

Digital

Our primary audience engagement tool throughout 2020 was through our digital platforms. We achieved significant growth and established a number of new digital initiatives including Q&As with artists, Curator Diaries and interactive pages for Creative Challenges and Youth Programme to share their creative projects. We partnered with Google to create a global Barbara Hepworth themed 'Google Doodle' to announce our forthcoming Barbara Hepworth exhibition.

Website sessions rose from 1,129,036 for 2019/20 to 1,232,649 in 2020/21.

Platform	End Q4 2019/20	End Q4 2020/21
Facebook	31,416	32,316
Twitter	82,119	82,021
Instagram	60,172	77,196
You Tube Subscribers	817	1,068
THW e-news	4604	5,340

STAFF & VOLUNTEERS

At the end of March 2021, the staff headcount (excluding casual) was 85. There were no active volunteers at the end of March due to the restrictions enforced by the government.

The Hepworth Wakefield

TRUSTEES' REPORT

FINANCIAL REVIEW

The consolidated statement of financial activities for 2020/21 shows a net surplus of funds for the year of £758,883. As a result, consolidated net assets within the statement of financial position are now £4,184,062. Fixed asset balances have increased by £374,801 due to asset purchases including work 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 59% of total consolidated income (excluding investment gains) for the year, with the balance being made up of trust grants, donations and earned income streams. The proportion of total income from these two invaluable sources has increased slightly compared to 2019/20 when it was 53% due to the culture support grants received from Arts Council due to covid.

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.

RESERVES POLICY

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

The Hepworth Wakefield's reserves policy is a product of strategic planning, budgeting and risk management processes. These processes provide trustees with the information they need to establish exactly why they might need reserves and to help them quantify that need. For example, identified financial risks will inform both budgeting and the reserves policy. At the outset and based on advice and guidance from charity law professionals, it was determined that the charity should operate within the convention established and recommended by the Charity Commission for large complex undertakings. The total free reserves are £1,402,641.

The policy of the charity is to hold reserves to cover 6 months operating costs which is £1,076,552. 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.

FUTURE PLANS & COVID-19

The Hepworth Wakefield is progressing towards realising its vision to be recognised as one of the world's leading art galleries, creating unforgettable art experiences for all, while inspiring positive change locally. 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

2021 marks the gallery's 10th anniversary and we are very hopeful we will be able to realise our major Barbara Hepworth: Art & Life exhibition, which will be the largest exhibition of the artist's work since the

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1970s. We have decided to reduce our 2021 programme to solely this one exhibition across all our gallery spaces in order to reduce the financial risk of investing in the presentation of other exhibitions that have small numbers of visitors or are not permitted to open at all owing to ongoing Covid-19 restrictions. We also hope in the year ahead to be able to reintroduce onsite activities for families, as well as our physical workshop, fairs and markets programme.

COVID-19

The continued increase in visitor numbers is key to underpinning the other objectives described above. However, the Covid-19 pandemic has and will undoubtedly continue to cause a significant reduction in visitor numbers whilst government restrictions are in place and the public wishes to maintain social distancing. Visitors to the gallery contribute revenue through ticket sales, car park, trading income through the shop and café and donations. Our valued visitors also become members, patrons and long-term supporters.

Action has already been taken to reduce costs through a review of staff structure to reflect the reduced programme and to reduce overhead costs where possible and emergency support funds from the Arts Council along with other trusts and foundations have been applied for.

Continuing actions being taken to mitigate the reduction in income include:

- Reduction in days of opening,
- Utilisation of applicable government funding,
- Alternative revenue stream including further development of our digital offer are being pursued for the short and medium term.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

New trustees are appointed by the Board of Trustees to ensure that, collectively, the Trustees possess the range of skills, expertise and experience required by The Hepworth Wakefield Garden Trust. A Trustee will serve for an initial term of three years and may then be reappointed for a further term of three years, after which they can be reappointed on an annual basis.

Induction & Training of New Trustees

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

Organisational Structure

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

Related Parties

None of the Trustees receives remuneration or other benefit from their work with the charity, with the exception of reimbursement of travel and accommodation expenses incurred in connection with their work for THW. Any links with potential related parties must be identified and disclosed to the Board of Trustees and this is reviewed on a regular basis. Declarations of interest are also disclosed and recorded. A register is maintained of all related parties to monitor for any associated risks or conflicts of interest that may arise. The

The Hepworth Wakefield

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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.

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.

Pay Policy for Senior Staff

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

Risk Management

The Trustees have a risk management strategy which comprises:

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

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

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

- Impact of Covid-19 pandemic on 2021/22 financial year and future business plans;
- 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;

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.

Fundraising

In accordance with the Charities Act 2011, as amended in 2016, the Trust endeavours to adhere to the Code of Fundraising Practice governed by the Fundraising Regulator, and all relevant guidance published by the Chartered Institute of Fundraising including Treating donors fairly. The Director of Communications & Development coordinates our fundraising activity to ensure that highest standards of fundraising practice. We did not receive any complaints in relations to fundraising in the year.

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TRUSTEES' REPORT

Auditor

Saffery Champness LLP, were appointed as auditors in the period, and 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.



Stuart Fletcher
Interim Chair

Date: 31, Jan 2022

The Hepworth Wakefield

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 (FRS102);
- 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

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 2021 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 group or the parent charitable company'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 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.

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 course of 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.

The Hepworth Wakefield

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

We have nothing to report in this regard.

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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' 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 Trustees' Annual Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who are also the directors of the parent 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 the 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 and the 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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,

The Hepworth Wakefield

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees, and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

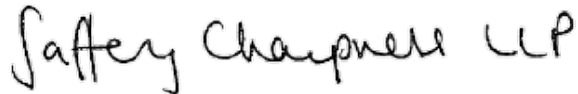
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The Hepworth Wakefield

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Sally Appleton (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants	Mitre House
	North Park
	Road
	Harrogate
	HG1 5RX

Statutory Auditors

Date: 31 January 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Hepworth Wakefield

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

Year ended 31 March 2021

		Unrestricted funds 2021	Designated funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	220,108	-	400,079	620,187	885,009
Charitable activities	4	1,967,973	-	270,726	2,238,699	2,161,442
Other trading activities	5	819,452	-	-	819,452	768,580
Investments	6	17,481	-	-	17,481	31,985
Total income		<u>3,025,014</u>	<u>-</u>	<u>670,805</u>	<u>3,695,819</u>	<u>3,847,016</u>
Expenditure on:						
Raising funds	10	548,556	-	-	548,556	746,508
Charitable activities	11	2,034,743	-	353,692	2,388,435	3,229,297
Total expenditure		<u>2,583,299</u>	<u>-</u>	<u>353,692</u>	<u>2,936,991</u>	<u>3,975,805</u>
Taxation on other trading activities	14	-	-	-	-	-
Net gain/(losses) on investments		<u>148,054</u>	<u>-</u>	<u>-</u>	<u>148,054</u>	<u>(108,398)</u>
Net income/(expenditure)		<u>589,769</u>	<u>-</u>	<u>317,113</u>	<u>906,882</u>	<u>(237,186)</u>
Transfer between funds	24	<u>2,942,311</u>	<u>(1,458,470)</u>	<u>(1,483,841)</u>	<u>-</u>	<u>-</u>
Other recognised gains and losses						
Actuarial (loss) / gain on defined benefit pension	27	<u>(148,000)</u>	<u>-</u>	<u>-</u>	<u>(148,000)</u>	<u>4,000</u>
Net movement in funds for the year		<u>3,384,080</u>	<u>(1,458,470)</u>	<u>(1,166,728)</u>	<u>758,882</u>	<u>(233,187)</u>
Reconciliation of funds						
Total funds brought forward	22-24	<u>75,986</u>	<u>1,458,470</u>	<u>1,890,724</u>	<u>3,425,180</u>	<u>3,658,367</u>
Total funds carried forward	22-24	<u>3,460,066</u>	<u>-</u>	<u>723,996</u>	<u>4,184,062</u>	<u>3,425,180</u>

All incoming resources and resources expended derive from continuing activities. All gains and losses recognised in the current year and prior year are included above. The gross income of the parent charity was £3,404,324 (2020: £3,451,391) and the net outgoing resources were £902,084 (2020: £187,254 outgoing).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	15		2,057,425		1,682,624
Investments	16		960,314		803,190
			<u>3,017,739</u>		<u>2,485,814</u>
Current assets					
Stocks	17	139,019		143,876	
Investments	18	1,320		275,317	
Debtors	19	932,668		1,028,854	
Cash at bank and in hand		1,304,516		394,966	
			<u>2,377,523</u>	<u>1,843,013</u>	
Liabilities					
Creditors: amounts falling due within one year	20	(767,200)		(625,647)	
Net current assets			<u>1,610,323</u>	<u>1,217,366</u>	
Total assets less current liabilities			<u>4,628,062</u>	<u>3,703,180</u>	
Creditors: amounts falling due after more than one year					
Provisions for liabilities			-	-	
Defined benefit pension scheme liability	27		<u>(444,000)</u>	<u>(278,000)</u>	
Total net assets			<u>4,184,062</u>	<u>3,425,180</u>	
The funds of the charity					
Unrestricted funds					
General funds	22	3,904,066		353,986	
Pension reserve	22	(444,000)		(278,000)	
			<u>3,460,066</u>	<u>75,986</u>	
Designated funds	23		-		1,458,470
Restricted income funds	24		723,996		1,890,724
Total charity funds			<u>4,184,062</u>	<u>3,425,180</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 18 to 58 were approved by the Board of Trustees and authorised for issue on 31, January 2022 and are signed on its behalf by:

Stuart Fletcher

Interim Chair

The Hepworth Wakefield

Company Registration No. 07113861

Registered Charity No. 1138117

STATEMENT OF FINANCIAL POSITION

31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	15		312,229		1,674,749
Investments	16		960,315		803,190
			<u>1,272,544</u>		<u>2,477,939</u>
Current assets					
Stocks	17	834		751	
Investments	18	1,320		275,317	
Debtors	19	1,085,549		1,121,841	
Cash at bank and in hand		1,139,532		336,835	
			<u>2,227,235</u>	<u>1,734,744</u>	
Liabilities					
Creditors: amounts falling due within one year	20	(608,669)		(585,489)	
Net current assets			<u>1,618,566</u>	<u>1,149,255</u>	
Total assets less current liabilities			<u>2,891,110</u>	<u>3,627,194</u>	
Creditors: amounts falling due in more than one year					
Provisions for liabilities			-	-	
Defined benefit pension scheme liability	27		<u>(444,000)</u>	<u>(278,000)</u>	
Net assets			<u>2,447,110</u>	<u>3,349,194</u>	
Funds of the charity					
Unrestricted funds					
General reserve	22	2,167,114		278,000	
Pension reserve	22	(444,000)		(278,000)	
			<u>1,723,114</u>	<u>-</u>	
Designated funds	23		-		1,458,470
Restricted income funds	24		723,996		1,890,724
Total charity funds			<u>2,447,110</u>	<u>3,349,194</u>	

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

The Charity's deficit for the year was £902,084 (2020: £187,524).

STATEMENT OF FINANCIAL POSITION

31 March 2021

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 18 to 58 were approved by the Board of Trustees and authorised for issue on

31, January 2022 and are signed on its behalf by:



Stuart Fletcher

Interim Chair

The Hepworth Wakefield

STATEMENT OF CASH FLOWS

Year ended 31 March 2021

	Note	Group 2021 £	2020 £
Net cash flows from operating activities	29	1,147,179	176,965
Investing activities			
Returns on investments		17,481	31,986
Purchase of tangible fixed assets		(520,037)	(909,578)
Proceeds from sale of investments		47,117	827,082
Cash (released from) / reinvested within investment portfolio		5,230	57,544
Purchase of investments		(61,417)	(322,515)
Net cash used in investing activities		(511,626)	(315,481)
Increase/ (Decrease) in cash in the year		635,553	(138,516)
Cash and cash equivalents at the beginning of the year		670,283	808,798
Total cash and cash equivalents at the end of the year	29	1,305,836	670,282

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

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 subsidiaries, The Hepworth Wakefield Enterprises Limited (Company Registration Number – 07594964) and The Hepworth Wakefield Garden Trust (Company Registration Number – 10383188).

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 6 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 18 to 58.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent charity information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

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 undertakings, The Hepworth Wakefield Enterprises Limited and The Hepworth Wakefield Garden Trust Limited, both drawn up to 31 March each year. The summarised profit and loss accounts for the subsidiaries are 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 Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES (*continued*)

BASIS OF CONSOLIDATION (*continued*)

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

The Hepworth Wakefield was one of four partner organisations to run the Yorkshire Sculpture International festival in 2019. Funds relating to the jointly controlled enterprise are held by The Henry Moore Foundation on the partner's behalf. As at 31 March 2021 no material liabilities or assets could be attributed to The Hepworth Wakefield.

INCOME

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

RESOURCES EXPENDED AND IRRECOVERABLE VAT

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

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

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

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

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

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

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES (*continued*)

COLLECTIONS

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

TANGIBLE FIXED ASSETS

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

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

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

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

Individual fixed assets costing £500 or more are capitalised.

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

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

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

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

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

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

IMPAIRMENT OF FIXED ASSETS

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

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the statement of financial activities.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES (*continued*)

IMPAIRMENT OF FIXED ASSETS (*continued*)

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

INVESTMENTS

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

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

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

STOCK

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

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

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

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

CASH AND CASH EQUIVALENTS

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

FINANCIAL INSTRUMENTS

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

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

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

Basic financial assets

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

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.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES (*continued*)

FINANCIAL INSTRUMENTS (*continued*)

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

GIFTS IN KIND

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

FOREIGN CURRENCY

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES (*continued*)

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.

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 Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES (*continued*)

TAXATION (*continued*)

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.

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 TRADING SUBSIDIARY

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

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Trust grants received & Individual Giving	187,578	400,079	587,657	30,386	817,255	847,641
Gallery box donations	2,874	-	2,874	16,638	-	16,638
Other donations	22,912	-	22,912	4,873	7,820	12,693
Donated services - patrons	6,744	-	6,744	8,037	-	8,037
	<u>220,108</u>	<u>400,079</u>	<u>620,187</u>	<u>59,934</u>	<u>825,075</u>	<u>885,009</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Wakefield Council service charge income	1,000,000	-	1,000,000	1,125,000	-	1,125,000
Arts Council England NPO funding	922,773	259,726	1,182,499	906,101	-	906,101
Partnership income	16,000	-	16,000	2,500	10,000	12,500
Workshops, tours and talks income	25,213	-	25,213	40,325	-	40,325
Education income	235	-	235	17,439	-	17,439
Other charitable activity income	3,252	-	3,252	20,634	3,971	24,605
Donated services	-	-	-	-	2,000	2,000
Sponsorship	500	11,000	11,500	3,972	29,500	33,472
	<u>1,967,973</u>	<u>270,726</u>	<u>2,238,699</u>	<u>2,115,971</u>	<u>45,471</u>	<u>2,161,442</u>

Donations in Kind of £nil have been recognised regarding legal services at nil cost from Jordan's Solicitors (2020: £2,000). Further valuable in-kind support was received but not recognised within income and expenditure.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

5. INCOME EARNED FROM OTHER ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Car park income	18,825	-	18,825	98,217	-	98,217
Corporate partnership Income	-	-	-	3,000	-	3,000
Event income	4,682	-	4,682	55,354	-	55,354
Membership	9,942	-	9,942	20,338	-	20,338
Other income	36,550	-	36,550	8,842	-	8,842
Trading income	342,255	-	342,255	505,809	-	505,809
Coronavirus Job Retention Scheme grant income	366,778	-	366,778	-	-	-
Museums Galleries & Exhibitions Tax Relief	29,697	-	29,697	77,020	-	77,020
Garden Trust income	10,723	-	10,723	-	-	-
	<u>819,452</u>	<u>-</u>	<u>819,452</u>	<u>768,580</u>	<u>-</u>	<u>768,580</u>

6. INVESTMENT INCOME

All of the group's investment income of £17,481 (2020: £31,985) arises from a) money held in interest bearing deposit accounts of £4 (2020: £548) and b) money held in a corporate bond portfolio of £17,477 (2020: £31,438).

7. DEFERRED INCOME

Group	1 April 2020 £	Deferred £	Released £	31 March 2021 £
Other deferred income	<u>6,224</u>	<u>76,298</u>	<u>(78,788)</u>	<u>3,734</u>
Charity	1 April 2020 £	Deferred £	Released £	31 March 2021 £
Other deferred income	<u>5,893</u>	<u>73,257</u>	<u>(75,747)</u>	<u>3,403</u>

The deferred income balance at 31 March 2021 relates to booking income received before 31 March 2021 which relates to the future financial period of the year ended 31 March 2022.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

8. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2021 No.	2020 No.
Average number of persons employed:		
Collections and exhibitions	7	7.0
Learning	17	19.8
Visitor services	31	31.1
Marketing	3	3.4
Management and administration	11	10.5
Development	4	3.8
Trading subsidiary	15	20.3
Premises	6	5.8
	<hr/>	<hr/>
	94	101.7
	<hr/>	<hr/>
	2021 No.	2020 No.
Average number of FTE employed:		
Collections and exhibitions	6	6.0
Learning	6	7.4
Visitor services	14	14.2
Marketing	3	3.0
Management and administration	9	9.5
Development	2	2.7
Trading subsidiary	6	6.7
Premises	4	4.3
	<hr/>	<hr/>
	50	53.8
	<hr/>	<hr/>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

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

	2021 £	2020 £
Staff costs during the year:		
Wages and salaries	1,324,722	1,355,858
Social security costs	99,446	103,514
Pension costs	98,300	118,049
Recruitment and temporary staff costs	10,023	34,942
Other staff costs	21,620	22,323
Staff training and expenses	8,491	12,024
	<u>1,562,602</u>	<u>1,646,710</u>

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

	2021 No.	2020 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 £11,639 (2020: £12,053).

VOLUNTEERS

Due to the gallery closure and Covid restrictions there was no assistance received from volunteers during the year. In the prior year a significant saving to the charity was the invaluable assistance received from volunteers. During the prior year a total of 96 volunteers offered their services and the resulting savings from this are estimated to be in the region of £44,412, equivalent to 2.7 full time members of staff.

TRUSTEES' REMUNERATION

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

Expenses of £nil (2020: £636) were paid to nil (2020: four) trustees in respect of accommodation and travel fares.

9. KEY MANAGEMENT PERSONNEL

The key management of the group comprise those of the charity and the key management personnel of its wholly owned subsidiaries. The total employee benefits of the key management personnel of the group were £322,289 (2020: £323,316), 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 2021

10. EXPENDITURE ON RAISING FUNDS

Unrestricted Funds

	Staff costs	Direct costs	Overhead costs	Depreciation costs	Marketing costs	Governance costs	Total 2021	Total 2020
	£	£	£	£	£	£	£	£
Cost of raising funds	130,321	7,929	41,529	5,897	5,296	3,600	194,572	289,646
Fundraising trading	147,259	116,758	80,538	3,388	1,034	5,007	353,984	454,435
Total	277,580	124,687	122,067	9,285	6,330	8,607	548,556	744,081

Restricted

	Staff costs	Direct costs	Overhead costs	Depreciation costs	Marketing costs	Governance costs	Total 2021	Total 2020
	£	£	£	£	£	£	£	£
Cost of raising funds	-	-	-	-	-	-	-	2,427
Total	-	-	-	-	-	-	-	2,427

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

11. EXPENDITURE ON CHARITABLE ACTIVITIES

Unrestricted funds	Staff Costs £	Direct costs £	Overhead costs £	Depreciation costs £	Marketing costs £	Governance costs £	Total 2021 £	Total 2020 £
Collections and exhibitions	300,357	46,766	80,584	10,955	9,018	4,431	452,111	809,066
Learning	281,269	(5,923)	161,145	22,703	18,064	5,539	482,797	498,102
Visitor services	574,713	3,455	125,850	44,903	33,291	11,908	794,120	980,479
Public Programme	52,253	(2,525)	26,062	4,142	2,498	1,108	83,538	183,474
Garden	31,270	60,828	38,445	88,227	-	3,407	222,177	79,679
Total	1,239,862	102,601	432,086	170,930	62,871	26,393	2,034,743	2,550,800
Restricted funds	Staff costs £	Direct costs £	Overhead costs £	Marketing costs £	Depreciation costs £	Governance costs £	Total 2021 £	Total 2020 £
Collections and exhibitions	-	53,890	186,766	-	-	-	240,656	165,845
Learning	45,349	48,289	3,957	6,441	-	-	104,036	223,741
Visitor services	-	-	-	-	-	-	-	1,785
Public Programme	-	-	1,000	-	-	-	1,000	9,902
Garden	-	8,000	-	-	-	-	8,000	227,224
Total	45,349	110,179	191,723	6,441	-	-	353,692	628,497

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

11. EXPENDITURE ON CHARITABLE ACTIVITIES (*continued*)

Designated funds	Staff costs £	Direct costs £	Overhead costs £	Market- ing costs £	Depre- ciation costs £	Gover- nance costs £	Total 2021 £	Total 2020 £
Collections and exhibitions	-	-	-	-	-	-	-	50,000
Learning	-	-	-	-	-	-	-	-
Visitor services	-	-	-	-	-	-	-	-
Public Programme	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	50,000
Total expenditure on charitable activities							2,388,435	3,229,297

Shared and support costs totalling £2,186,565 (2020: £1,452,503) 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 £2,388,435 (2020: £3,229,297) of which £2,034,743 (2020: £2,550,800) was unrestricted, £nil (2020: £50,000) was designated funds and £353,692 (2020: £628,497) was restricted funds.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

12. GOVERNANCE COSTS

	2021 £	2020 £
Staff costs	-	60,510
Overhead costs	34,999	36,434
	<u>34,999</u>	<u>96,944</u>

13. NET INCOME/EXPENDITURE FOR THE YEAR

This is stated after charging:

	2021 £	2020 £
Depreciation	145,236	131,381
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	13,300	14,800
Fees payable to the company's auditor for the audit of the subsidiary's annual financial statements	4,300	4,300
Tax compliance services	3,190	6,350
Accountancy services	3,500	3,550
	<u>169,526</u>	<u>160,381</u>

14. TAXATION

	2021 £	2020 £
United Kingdom corporation tax at 19% (2020: 19%)	-	-
	<u>-</u>	<u>-</u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

15. TANGIBLE FIXED ASSETS

Group	Assets in the course of construction	Plant and machinery	Fixtures and fittings	Gatehouse	Gardens	Office and gallery equipment	Computer and AV equipmen t	Leasehold land and buildings	Total
Cost	£	£	£	£	£	£	£	£	£
At 1 April 2020	1,322,763	158,980	128,762	-	-	65,805	351,724	188,509	2,216,543
Additions	488,194	20,060	-	-	-	4,000	7,783	-	520,037
Works completed	(1,810,957)	-	-	169,373	1,641,584	-	-	-	-
At 31 March 2021	-	179,040	128,762	169,373	1,641,584	69,805	359,507	188,509	2,736,580
Accumulated depreciation									
At 1 April 2020	35,762	94,533	49,632	-	-	61,801	245,066	47,125	533,919
Transfers	(70,286)	-	-	3,199	67,087	-	-	-	-
Charge for the year	34,524	24,808	12,657	7,049	793	4,615	51,365	9,425	145,236
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2021	-	119,341	62,289	10,248	67,880	66,416	296,431	56,550	679,155
Net book value									
At 31 March 2021	-	59,699	66,473	159,125	1,573,704	3,389	63,076	131,959	2,057,425
At 31 March 2020	1,287,001	64,447	79,130	-	-	4,004	106,658	141,384	1,682,624

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

15. TANGIBLE FIXED ASSETS (*continued*)

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 2020	1,322,729	149,649	123,727	54,731	348,666	188,449	2,187,951
Additions	182,532	19,416	-	-	3,900	-	205,848
Disposals	(1,505,261)	-	-	-	-	-	(1,505,261)
At 31 March 2021	-	169,065	123,727	54,731	352,566	188,449	888,538
Accumulated depreciation							
At 1 April 2020	35,759	89,731	48,166	50,985	241,436	47,125	513,202
Disposal	(106,204)	-	-	-	-	-	(106,204)
Charge for the year	70,445	22,553	12,100	3,746	51,042	9,425	169,311
Disposals							
At 31 March 2021	-	112,284	60,266	54,731	292,478	56,550	576,309
Net book value							
At 31 March 2021	-	56,781	63,461	-	60,088	131,899	312,229
At 31 March 2020	1,286,970	59,918	75,561	3,746	107,230	141,324	1,674,749

All tangible fixed assets were used for charitable purposes.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

16. INVESTMENTS HELD AS FIXED ASSETS

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Investment in subsidiary	-	1	-	1
Listed investments	960,314	960,314	803,190	803,190
Listed investments				
	2021 Investments £	2021 Cash £	2020 Investments £	2020 Cash £
Market value brought forward at 1 April 2020	780,304	22,886	1,393,272	80,430
Add: additions to investments at cost	61,417	-	322,515	-
Disposals at carrying value	(47,117)	-	(247,085)	-
Movement in cash	-	(5,230)	(580,000)	(57,544)
Revaluation	148,054	-	(108,400)	-
Market value as at 31 March 2021	942,658	17,656	780,302	22,886

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 2021

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 principal activities of the company is 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 2021 is summarised below:

	2021 £	2020 £
Turnover	342,255	505,706
Cost of sales	(117,794)	(221,175)
	<hr/>	<hr/>
Gross profit	224,461	284,531
Administrative expenses	(236,192)	(220,112)
	<hr/>	<hr/>
(Loss)/Profit on ordinary activities for the financial period	(11,731)	64,419
	<hr/>	<hr/>
(Loss)/Profit retained for the financial period	(11,731)	64,419
	<hr/>	<hr/>

The aggregate of the assets, liabilities and funds was:

	2021 £	2020 £
Assets	331,026	255,713
Liabilities	(334,751)	(179,724)
	<hr/>	<hr/>
	(3,725)	75,989
	<hr/>	<hr/>
Represented by:		
Called up share capital	1	1
Profit and loss account	(3,726)	75,988
	<hr/>	<hr/>
Shareholder's funds	(3,725)	75,989
	<hr/>	<hr/>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

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

The income and expenditure of The Hepworth Wakefield Garden Trust Limited for the period ended 31 March 2021 is summarised below:

	2021 £
Total income and endowments	17,223
Total expenditure	(354,535)
	<hr/>
Total funds carried forward	(337,312)
	<hr/>

The aggregate of the assets, liabilities and funds was:

	2021 £
Assets	2,097,313
Liabilities	(2,434,625)
	<hr/>
	(337,312)
	<hr/>
Represented by:	
Unrestricted funds	(337,312)
	<hr/>

17. STOCKS

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Goods for resale	139,019	834	143,876	751
	<hr/>	<hr/>	<hr/>	<hr/>

18. INVESTMENTS

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Current asset investment held in cash	1,320	1,320	275,317	275,317
	<hr/>	<hr/>	<hr/>	<hr/>

The Hepworth Wakefield
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

19. DEBTORS

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Amounts falling due within one year:				
Trade debtors	42,234	29,289	102,556	56,572
Amount owed by subsidiary	-	504,339	-	118,609
Other debtors	2,083	506	6,521	5,462
Prepayments and accrued income	657,310	654,966	386,401	391,828
VAT debtor	231,041	(103,551)	302,181	318,176
Corporation Tax recoverable	-	-	231,195	231,194
	<u>932,668</u>	<u>1,085,549</u>	<u>1,028,854</u>	<u>1,121,841</u>

20. CREDITORS: Amounts falling due within one year

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Trade creditors	228,238	200,310	320,099	316,790
Other creditors	393,376	34,217	78,706	50,355
Amounts due to group companies	-	239,362	-	-
Other taxes and social security	25,071	25,071	28,479	28,479
Accruals and deferred income	120,515	109,709	198,363	189,865
	<u>767,200</u>	<u>608,669</u>	<u>625,647</u>	<u>585,489</u>

21. FINANCIAL INSTRUMENTS

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>1,960,536</u>	<u>1,782,607</u>	<u>1,084,695</u>	<u>1,104,732</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>322,201</u>	<u>283,467</u>	<u>464,472</u>	<u>452,666</u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

22. MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

Group	1 April 2020	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2021
	£	£	£	£	£	£	£
General unrestricted funds	353,986	3,025,014	(2,565,299)	148,054	2,942,311	-	3,904,066
Pension reserve	(278,000)	-	(18,000)	-	-	(148,000)	(444,000)
Total unrestricted funds	75,986	3,025,014	(2,583,299)	148,054	2,942,311	(148,000)	3,460,066
Charity	1 April 2020	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2021
	£	£	£	£	£	£	£
General unrestricted funds	278,000	2,739,019	(3,940,270)	148,054	2,942,311	-	2,167,114
Pension reserve	(278,000)	-	(18,000)	-	-	(148,000)	(444,000)
Total unrestricted funds	-	2,739,019	(3,958,270)	148,054	2,942,311	(148,000)	1,723,114

PRIOR YEAR MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

PRIOR YEAR MOVEMENT IN UNRESTRICTED FUNDS (*continued*)

Unrestricted funds comprise the following:

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

23. MOVEMENT IN DESIGNATED FUNDS

Designated funds comprise the following:

Group	1 April 2020	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2021
	£	£	£	£	£	£	£
Designated funds	1,458,470	-	-	-	(1,458,470)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Charity	1 April 2020	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2021
	£	£	£	£	£	£	£
Designated funds	1,458,470	-	-	-	(1,458,470)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In prior years designated funds were set aside out of the current year surplus by the trustees to cover future expenditure. Designated income received in the current year was £nil (2020: £Nil) and the transfer made to unrestricted funds in the current year was £1,458,470 (2020: £170,537) with attributed revenue expenditure of £nil (2020: £50,000). There was a redesignation of funds within funds during the year with the trustees agreeing to release deferred income into unrestricted funds.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

23. MOVEMENT IN DESIGNATED FUNDS (*continued*)

PRIOR YEAR MOVEMENT IN DESIGNATED FUNDS

Designated funds comprise the following:

Group	1 April 2019 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfers £	Actuarial gain/(loss) £	31 March 2020 £
Designated funds	1,679,005	-	(49,998)	-	(170,537)	-	1,458,470
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Charity	1 April 2019 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfers £	Actuarial gain/(loss) £	31 March 2020 £
Designated funds	1,679,004	-	(49,997)	-	(170,537)	-	1,458,470
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In prior years designated funds were set aside out of the current year surplus by the trustees to cover future expenditure. Designated income received in the current year was £nil (2019: £Nil) and the transfer made from unrestricted funds in the current year was £170,538 (2019: £64,544) with attributed revenue expenditure of £50,000 (2019: £Nil). There was a redesignation of funds within designated funds during the year to cover the cost of capital investment, with the most significant funds remaining at year end being: a) 6 months operating costs £1,185,878 (2019: £1,679,005), b) Designated Investment Reserve £286,683 (2019: £53,873) and c) Digital Investment Strategy – £(14,094) (2019: £10,671).

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

24. MOVEMENT IN RESTRICTED FUNDS

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

Group	1 April 2020 £	Income £	Expenditure £	Transfers £	31 March 2021 £
Arts Council Museums Resilience	12,985	-	-	(20,390)	(7,405)
Learning: other programme costs	96,086	180,593	(64,721)	2,739	214,697
Learning: Integrated Youth Programme	67,615	58,500	(27,454)	(23,615)	75,046
Learning: Dementia Project	1,742	-	(775)	-	967
Learning: School Prints	-	9,500	(8,053)	-	1,447
Collection Conservation	5,076	3,747	-	-	8,823
Exhibition - Sheila Hicks	56,394	10,000	(3,150)	-	63,244
The Hepworth Wakefield Garden Trust	1,285,271	2,500	(2,500)	(1,285,271)	-
Learning: Gallery Enrichment Pilot Programme	56,234	-	(3,032)	-	53,202
Exhibitions - Hepworth 2021	5,000	35,000	(800)	-	39,200
Acquisitions	-	35,500	(30,500)	-	5,000
Collections & Exhibitions	-	328,524	(205,524)	-	123,000
Learning Studio Redevelopment	150,052	-	-	(150,052)	-
Art Fund Ceramics Project	30,000	-	-	-	30,000
Exhibitions - Hepworth Research Network	1,480	441	(643)	-	1,278
Arts Council Catalyst: Match Funding	16	-	-	-	16
Learning - wellbeing related	8,935	-	-	-	8,935
The Hepworth Prize for Sculpture	3,620	-	-	-	3,620
Gott Collection	13,106	-	-	-	13,106
Learning - Dementia Café	9,000	-	-	-	9,000
Lee Miller exhibition publication	1,500	-	-	(1,500)	-
Learning: Equipment	5,752	-	-	(5,752)	-
Learning: Imagine Better Futures Project	2,359	-	-	-	2,359
Le Grand Depart – Thomas Houseago	936	-	-	-	936
Exhibition - Hannah Starkey	77,565	-	(40)	-	77,525
Public Programme	-	1,000	(1,000)	-	-
Finnis Scott – Garden Planting	-	5,500	(5,500)	-	-
	<u>1,890,724</u>	<u>670,805</u>	<u>(353,692)</u>	<u>(1,483,841)</u>	<u>723,996</u>

The brought forward restricted fund at 1 April 2020 have been re-classified to more accurately reflect the internal reporting of the Charity. This has had no impact on the overall level of restricted funds reported.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

24. MOVEMENT IN RESTRICTED FUNDS (*continued*)

Charity	1 April 2020 £	Income £	Expenditure £	Transfers £	31 March 2021 £
Arts Council Museums Resilience	12,985	-	-	(20,390)	(7,405)
Learning: other programme costs	96,086	180,593	(64,721)	2,739	214,697
Learning: Integrated Youth Programme	67,615	58,500	(27,454)	(23,615)	75,046
Learning: Dementia Project	1,742	-	(775)	-	967
Learning: School Prints	-	9,500	(8,053)	-	1,447
Collection Conservation	5,076	3,747	-	-	8,823
Exhibition - Sheila Hicks	56,394	10,000	(3,150)	-	63,244
The Hepworth Wakefield Garden Trust	1,285,271	2,500	(2,500)	(1,285,271)	-
Learning: Gallery Enrichment Pilot Programme	56,234	-	(3,032)	-	53,202
Exhibitions - Hepworth 2021	5,000	35,000	(800)	-	39,200
Acquisitions	-	35,500	(30,500)	-	5,000
Collections & Exhibitions	-	328,524	(205,524)	-	123,000
Learning Studio Redevelopment	150,052	-	-	(150,052)	-
Art Fund Ceramics Project	30,000	-	-	-	30,000
Exhibitions - Hepworth Research Network	1,480	441	(643)	-	1,278
Arts Council Catalyst: Match Funding	16	-	-	-	16
Learning - wellbeing related	8,935	-	-	-	8,935
The Hepworth Prize for Sculpture	3,620	-	-	-	3,620
Gott Collection	13,106	-	-	-	13,106
Learning - Dementia Café	9,000	-	-	-	9,000
Lee Miller exhibition publication	1,500	-	-	(1,500)	-
Learning: Equipment	5,752	-	-	(5,752)	-
Learning: Imagine Better Futures Project	2,359	-	-	-	2,359
Le Grand Depart – Thomas Houseago	936	-	-	-	936
Exhibition - Hannah Starkey	77,565	-	(40)	-	77,525
Public Programme	-	1,000	(1,000)	-	-
	1,890,724	665,305	(348,192)	(1,483,841)	723,996

Restricted funds as at 31 March 2021 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.

Fund Transfers

The funds received in relation to the Hepworth Garden Trust have been released to unrestricted funds in the year in line with the completion of the construction of the Hepworth Garden project.

The remaining fund transfers relate to prior year capital projects now completed.

The major funds are considered below:

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRIOR YEAR MOVEMENT IN RESTRICTED FUNDS

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

24. MOVEMENT IN RESTRICTED FUNDS *(continued)*

Group and charity	1 April 2019 £	Income £	Expenditure £	Transfers £	31 March 2020 £
Gott Collection	13,103	-	-	-	13,103
Collection Conservation	5,010	13,433	(13,367)	-	5,076
Exhibitions	57,017	117,668	(61,530)	(48,648)	64,507
Learning: Gallery Enrichment Pilot Programme	2,989	-	-	-	2,989
Learning: Equipment	5,752	-	-	-	5,752
Learning: Integrated Youth Programme	61,410	-	-	-	61,410
Learning: other programme costs	114,030	114,500	(129,255)	-	99,275
Learning Studio Redevelopment	149,603	-	(9,425)	-	140,178
Learning: Imagine Better Futures Project	2,359	-	-	-	2,359
Learning - Out & About programme	-	-	-	-	-
Arts Council Catalyst: Match Funding	7,537	-	(2,142)	(5,379)	16
Le Grand Depart – Thomas Houseago	936	-	-	-	936
The Hepworth Prize for Sculpture	3,620	-	-	-	3,620
Arts Council Catalyst: 2015/16	29,316	-	(7,597)	(21,719)	-
Arts Council Museums Resilience	6,411	-	(3,000)	-	3,411
The Hepworth Wakefield Garden Trust	1,231,752	285,746	(227,223)	(4)	1,290,271
Acquisition fund	-	49,100	(49,100)	-	-
Anthony McCall exhibition	-	-	-	-	-
Communities project	10,490	-	(10,490)	-	-
Learning - wellbeing related	8,936	-	-	-	8,936
Learning - Dementia Café	9,000	-	-	-	9,000
Lee Miller exhibition publication	-	1,500	-	-	1,500
More & Better	7,581	56,500	(57,876)	-	6,205
Learning: Dementia project	-	3,120	(1,378)	-	1,742
School prints	-	12,000	(12,000)	-	-
Exhibition – Shelia Hicks	-	57,008	(615)	-	56,393
Exhibition – David Hockney/Alan Davie	-	8,000	(8,000)	-	-
Exhibition – Christina Quarles	-	10,000	(10,000)	-	-
Exhibition – Hannah Starkey	-	101,000	(23,435)	-	77,565
Art Fund Ceramics project	-	30,000	-	-	30,000
Exhibitions – Hepworth Research network	-	3,971	(2,491)	-	1,480
Exhibitions – Hepworth 2021	-	5,000	-	-	5,000
Jordans Legal Support	-	2,000	(2,000)	-	-
	<u>1,726,852</u>	<u>870,546</u>	<u>(630,924)</u>	<u>(75,750)</u>	<u>1,890,724</u>

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

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

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

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

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 2021

25. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2021 £	31 March 2020
Tangible fixed assets	2,057,425	-	-	2,057,425	1,682,625
Fixed asset investments	-	-	960,314	960,314	803,189
Stocks	139,019	-	-	139,019	143,876
Investments	1,320	-	-	1,320	275,316
Debtors	681,495	-	251,173	932,668	1,028,854
Cash at bank and in hand	1,762,391	-	(457,875)	1,304,516	394,968
Creditors: amounts falling due within one year	(737,584)	-	(29,616)	(767,200)	(625,647)
Defined benefit pension scheme liability	(444,000)	-	-	(444,000)	(278,000)
At 31 March 2021	3,460,066	-	723,996	4,184,062	3,425,181

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2021 £	31 March 2020
Tangible fixed assets	312,229	-	-	312,229	1,674,749
Fixed asset investments	1	-	960,314	960,315	803,190
Stocks	834	-	-	834	751
Investments	1,320	-	-	1,320	275,317
Debtors	834,376	-	251,173	1,085,549	1,121,841
Cash at bank and in hand	1,597,407	-	(457,875)	1,139,532	336,833
Creditors: amounts falling due within one year	(579,053)	-	(29,616)	(608,669)	(585,488)
Defined benefit pension scheme liability	(444,000)	-	-	(444,000)	(278,000)
At 31 March 2021	1,723,114	-	723,996	2,447,110	3,349,192

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

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

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2020 £	31 March 2019 £
Tangible fixed assets	188,508	-	1,486,241	1,674,749	893,481
Investments	3	803,187	-	803,190	1,473,704
Stocks	751	-	-	751	502
Investments	371	-	274,946	275,317	274,946
Debtors	394,631	400,000	327,210	1,121,841	1,170,900
Cash at bank and in hand	58,813	255,283	22,739	336,835	462,710
Creditors: amounts falling due within one year	(365,077)	-	(220,412)	(585,489)	(495,527)
Defined benefit pension scheme liability	(278,000)	-	-	(278,000)	(244,000)
At 31 March 2020	-	1,458,470	1,890,724	3,347,194	3,536,716

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 2021

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 £80,930 (2020: £65,835). As at 31 March 2021, contributions of £1,930 (2020: £19,616) 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 2021 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:

	2021 %	2020 %
Key assumptions:		
Discount rate	2.1	2.30
Expected rate of salary increases	2.6	1.80
Expected rate of increase for future pension increases	2.6	1.80
Expected rate of increase for deferred pensioners	N/A	N/A
Rate of inflation	3.05	3.05

Mortality assumptions:

The assumed life expectations on retirement at age 65 are:

	2021 years	2020 years
Retiring today:		
Males	21.9	21.8
Females	22.6	22.5
Retiring in 20 years:		
Males	24.7	24.6
Females	25.8	25.7

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

27. PENSION SCHEMES *(continued)*

Amounts recognised in the statement of financial activities:

	2021 £	2020 £
Current service cost	12,000	32,000
Net interest on defined benefit liability/(asset)	6,000	6,000
	<u> </u>	<u> </u>
Total costs	18,000	38,000
	<u> </u>	<u> </u>

Amounts taken to other comprehensive income

	2021 £	2020 £
Actual return on scheme assets	130,000	(51,000)
	<u> </u>	<u> </u>

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

	2021 £	2020 £
Present value of defined benefit obligations	(1,157,000)	(835,000)
Fair value of scheme assets	713,000	557,000
	<u> </u>	<u> </u>
Total liability recognised	(444,000)	(278,000)
	<u> </u>	<u> </u>

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
At 1 April 2020	557,000	(835,000)	(278,000)
Benefits paid	(1,000)	1,000	-
Employer contributions	18,000	-	18,000
Participant contributions	9,000	(9,000)	-
Current service cost	-	(30,000)	(30,000)
Interest income/(expense)	13,000	(19,000)	(6,000)
Re-measurement gains/(losses)	117,000	-	117,000
Actuarial losses		(265,000)	(265,000)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2021	713,000	(1,157,000)	(444,000)
	<u> </u>	<u> </u>	<u> </u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

27. PENSION SCHEMES *(continued)*

The fair value of the plan assets was:

	Fair value of assets	Fair value of assets
	2021	2020
	£	£
Equity instruments	563,000	431,675
Property	29,000	25,065
Government bonds	64,000	53,472
Corporate bonds	34,000	28,407
Cash	9,000	10,583
Other	14,000	7,798
	<u>713,000</u>	<u>557,000</u>

The returns on plan assets was:

	Fair value of assets	Fair value of assets
	2021	2020
	£	£
Interest income	13,000	15,000
Return on plan assets less interest income	117,000	(66,000)
	<u>130,000</u>	<u>(51,000)</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:

	2021	2020
	£	£
a) The remuneration of key management personnel, who are members of the executive team is as follows:		
Aggregate compensation	322,289	323,316
b) Other related parties		
Purchase of from Museums Association (David Liddiment, former Chairman of the Trustees)	-	1,740

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

28. RELATED PARTY TRANSACTIONS (*continued*)

Wakefield Metropolitan Borough Council:		
Service Concession agreement income	1,000,000	1,125,000
Services and goods purchased	46,304	49,560
Purchases and transfers from The Hepworth Wakefield Enterprises Ltd	61,150	8,645
Recharge of costs to The Hepworth Wakefield Enterprises Ltd	263,357	199,449
Gift aid payment from The Hepworth Wakefield Enterprises Ltd	67,982	110,080
Donations and patron subscription from Stuart Fletcher, Interim Chair	10,000	455
Donations from Earl & Countess of Harewoods' Charitable Trust (Diane Howse was a Trustee in 2020/21)	1,000	-
Patron subscription from Andrew Haigh, Trustee	480	190
Circle subscription, Alice Rawsthorn, Chair of Trustees	10,000	2,500
Purchases from Wakefield Theatre Trust (Peter Box was a Trustee in 2019/20)	-	126
Purchases from Yorkshire Sculpture Park (Peter Box was a Trustee in 2019/20)	-	180
Membership from Priya Khanchandani, Trustee	36	-
Membership from Richard Warburton, Trustee	36	-
A Rawsthorn Recruitment Costs	392	-

At 31 March 2021 related party transactions outstanding with non-group organisation were £nil (2020: Nil) within creditors and £Nil within debtors. Related party balances with group companies were £239,362 within creditors (2020: £nil) and £504,339 within debtors (2020: £118,609).

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

	2021	Group 2020
	£	£
Net movement in funds	758,882	(233,186)
Investment income	(17,481)	(31,986)
(Gains) / losses on investments	(148,054)	108,400
Investment fees charged to portfolio	-	(52)
Depreciation charge	145,236	131,381
Defined benefit pension schemes	166,000	34,000
Decrease in stocks	4,857	25,628
Decrease in debtors	96,186	88,609
Increase in creditors	141,553	54,171
	<u>1,147,179</u>	<u>176,965</u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

	Group 2021 £	2020 £
Cash and cash equivalents:		
Cash equivalents - investments	1,320	275,316
Cash at bank and in hand	1,304,516	394,966
	<hr/>	<hr/>
	1,305,836	670,282
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