

THE HEPWORTH WAKEFIELD

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2022

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:

Stuart Fletcher (appointed Interim Chair June 2021)
Andrew Haigh (resigned 31 December 2022)
Diane Howse
Nicholas Johnson (resigned 7 August 2021)
Priya Khanchandani
Steve Langan (appointed 1 July 2022)
Jane Madeley
Merran McCrae
Henry Meyric Hughes
Dame Magdalene Odundo
Alice Rawsthorn (resigned 1 June 2021)

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 – resigned May 2022)
Laura Smith	(Director of Collections & Exhibitions – appointed September 2022)
Katharine Knight	(Director of Business & Operations – resigned February 2022)
Vicci Kirkpatrick	(Interim Head of Finance – resigned May 2022)
David Bryan	(Director of Finance & Operations – appointed May 22)

COMPANY SECRETARY

Katharine Knight (Resigned February 2022)
Simon Wallis (Appointed February 2022)

REGISTERED OFFICE

Gallery Walk
Wakefield, WF1 5AW

BANKERS

The Co-operative Bank
8 Providence Street
Wakefield
West Yorkshire, WF1 3BG

SOLICITORS

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

The Hepworth Wakefield

OFFICERS AND PROFESSIONAL ADVISERS

Jordans Solicitors
18 King Street
Wakefield
WF1 2SQ

AUDITOR

Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 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 2022.

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

FOREWORD BY THE CHAIR

The Hepworth Wakefield reopened its doors following months of national lockdown on 21 May 2021, 10 years to the day from when the gallery first opened in 2011. To celebrate the 10th anniversary, we held the largest exhibition of Barbara Hepworth's work since the artist's death in 1975. It expanded across all our gallery spaces and garden to provide an in-depth exploration of the Wakefield-born artist's life, interests, work and legacy. Newly commissioned work from Tacita Dean and Veronica Ryan showed how Hepworth continues to be an influence on artists today and monumental sculptures by Hepworth, not seen together since the 1951 Festival of Britain, were reunited in our garden.


Barbara Hepworth: Art & Life was made possible by generous support from lead sponsors New Art Centre and Offer Waterman, a significant grant from The Headley Trust, support from Jay Franke & David Herro, with additional funding from the Henry Moore Foundation, The Porthmeor Fund and our 10th anniversary circle. I would also like to thank all the lending institutions and individuals for their patience as exhibition dates were amended and stretched as we managed our response to the global pandemic.

We are also extremely grateful for the support and flexibility given by our major funders Arts Council England and Wakefield Council during the challenging periods of enforced closure and while we worked to build back our programme and audience throughout 2021/22. A second grant from the government's Culture Recovery Fund was invaluable in supporting unavoidable costs when we were unable to generate income from our usual sources and helped us stage our important Hepworth exhibition which will go on to tour to three further venues around the UK, starting with the National Galleries of Scotland. I also want to give special thanks to all of our collection circle, contemporary circle, patrons and members for their ongoing support and for sticking with us when our usual offer was reduced or changed.

The search for our new Chair of the Board of Trustees was successful and we welcomed Steve Langan as our new Chair in June, 2022, ready to lead the gallery into its next decade. It has been an honour to be Interim Chair for The Hepworth Wakefield over the last year and I would like to thank my fellow board members for their trust, support, volunteered time and generosity in sharing their advice and experience. While it has been the most challenging period in the gallery's short history, I commend the staff and volunteers for their commitment, adaptability and continued pursuit of excellence and innovation. I have no doubt that The Hepworth Wakefield will emerge from the global pandemic more resilient than ever and will flourish further over the next 10 years.

Stuart Fletcher

Interim Chair of The Hepworth Wakefield

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The Hepworth Wakefield

TRUSTEES' REPORT

DIRECTOR'S REPORT

2021 marked the 10th anniversary of The Hepworth Wakefield and it was wonderful to receive so many warm wishes from visitors, supporters, artists and other partners we have worked with over the last decade. It also presented an opportunity to reflect on the impact of the gallery over the last 10 years.

Alongside presenting 10 years of exceptional art in the heart of Yorkshire, one of our greatest achievements is our learning and engagement work. This programme is one of the most extensive and high profile in the country, with over 40,000 participants each year in creative activities from early years, through every stage of school, including those who have dropped out of formal education, and on into adulthood. Our aim is to respond to the needs of our local community to deliver inclusive programmes that have lasting impact. We are very grateful to The Liz and Terry Bramall Foundation for their multi-year support of our family learning programme, which this year has included the development of a new outdoor resource to engage families with sculpture and the garden and the return of our drop-in creative workshops led by local artists. The Paul Hamlyn Foundation has supported many years of our work with young people who are not in education, training or employment to develop life skills so that they are able to fulfil their potential and find pathways back into work or education. This programme has continued throughout the year, with a number of the participants completing one-to-one mentoring and exhibiting their artwork.

We were delighted to be able to welcome schools back on-site this year, starting with 1,200 students from Leeds taking part in cultural experience days and creative workshops as part of *Burberry Inspire*. This secondary schools programme is delivered in partnership with Leeds Playhouse, Northern Ballet and Leeds Young Film and eight schools in West Yorkshire, with funding from the Burberry Foundation. Summer 2022 marks the culmination of this in-depth, four-year schools programme and we look forward to seeing the full impact of this project through research carried out by Kings College London.

Since establishing the gallery as an independent charity, we have strategically grown Wakefield's art collection, filling in historic gaps and maintaining the forward-thinking policy of nurturing contemporary talent that was forged in the 1930s. Over £62million of art has been added to the collection over the last decade, and all achieved through generous philanthropic gifts, bequests and fundraising. 2021/22 has been no exception:

In 2021/22, the Hepworth's collection was expanded to include artwork donated to Wakefield Council by Stefanie Heinze and work acquired through funding by Cecily Brown, a multi-media work by Alvaro Barrington, a large-scale pastel by Rachel Jones and a bronze sculpture by Dana Schutz, whose first solo exhibition in the UK was held at The Hepworth Wakefield in 2013. In accordance with the agreement in place with Wakefield Council, the art work is not recognised within the Hepworth's financial statements. We also secured funding from the Art Fund, Henry Moore Foundation and V&A Purchase Grant Fund to acquire a new ceramic vessel by Magdalene Odundo, which then immediately went on display at the prestigious Venice art biennale. Contemporary Art Society awarded us the Great Works award, enabling us to acquire a newly commissioned work from Mona Hatoum, *Electricified (Variable III)*. A large-scale sculpture by Phyllida Barlow was given jointly to The Hepworth and Leeds Art Gallery through the Cultural Gifts Scheme. We also managed to fundraise over £2m from a multitude of sources including from the National Heritage Memorial Fund, Art Fund, The Hepworth Estate, Henry Moore Foundation, Porthmeor Fund and a number of individuals to secure Ben Nicholson's masterpiece *White Relief (Quay d'Auteuil)*, 1935 for the collection. *Quay d'Auteuil*, one of the most important white reliefs by the British artist and is a superlative example of a genre of carved painting unique to Nicholson. It is of immense importance to the development of British Modernism, as well as being one of Nicholson's most important contributions to international modernism. We have also been working closely with the family of the late Jeffrey Sherwin, who built the best privately-owned collections of British Surrealism. The Sherwin Collection has now found its permanent home at The Hepworth Wakefield and will be on display for most of 2022. We are incredibly grateful to all of the donors, trusts and foundations and our contemporary and collection circles that have made these acquisitions possible. It is only through their generosity that we are able to ensure Wakefield's collection continues to be an important and accessible resource for our broad audiences.

The Hepworth Wakefield

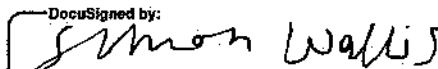
TRUSTEES' REPORT

The ambitious team at The Hepworth have achieved so many remarkable things since we opened ten years ago. We can all be hugely proud of what we've made happen and of the momentum that keeps building here in terms of artist and community engagement and urban regeneration on our wider site. We're excited to be a proven catalyst for enabling the positive change that culture brings and for being part of creating an inspiring and imaginative future for a district that has suffered much socio-economic deprivation over the decades. We've been very fortunate to have the steadfast investment of Arts Council England and Wakefield Council, who understand the clear return on investment they get from us via the many positive outcomes of our learning and exhibition programme, increased tourism, a nationally acclaimed high-profile institution for Wakefield, the well-being agenda, greater civic-pride and aspiration, urban regeneration and the good quality jobs we create. We've also benefitted from attracting so many generous trusts, foundations and philanthropic individuals to help us thrive sustainably by investing in the district. Fundamentally it's the quality and dedication of the artists we've worked with who have been key to our success and their generosity has been humbling.

I would like to thank all our artists, touring partners and lenders for their generosity and understanding as we re-scheduled and modified our exhibition programme as the covid situation rapidly changed.

I thank each 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 interim Chair, Stuart Fletcher for his support and guidance during such uncertain times.

Simon Wallis
Director of The Hepworth Wakefield

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The Hepworth Wakefield

TRUSTEES' REPORT

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, alongside The Hepworth Family Gift on permanent display.

Our 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 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.

Our work is enhanced through our Yorkshire Sculpture International partnership comprising The Hepworth Wakefield, Yorkshire Sculpture Park, The Henry Moore Institute and Leeds Art Gallery. Together we work to be recognised as one of the major world centres for the research, presentation and public understanding of sculpture. We use the legacy of Yorkshire born Barbara Hepworth and Henry Moore as the basis of our offer.

We are always clearly grounded in our area of expertise but actively respond to changing local and national agendas through new partnerships to ensure our work is consistently relevant to our audiences and the wider art world. Our work with major stakeholders WMDC and the Arts Council England is central to what we do and we aim to closely follow their priorities and agendas to successfully deliver mutually agreed strategic outcomes.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. We rely on grants and donations as well as income from charitable and trading activities through the subsidiary company. Affordability and access to the gallery and wider activities is important to us and is reflected in the pricing of entry to the gallery and offering free access to all residents of Wakefield District and those aged under 18.

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

The Hepworth Wakefield

TRUSTEES' REPORT

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

➤ **Be open**

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

➤ **Quality matters**

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

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

ACTIVITIES, ACHIEVEMENTS & PERFORMANCE IN 2021/22

'It's clear that The Hepworth has had an impact on Wakefield at many levels. In an area knocked hard by the loss of many traditional industries, David Chipperfield's riverside gallery has enriched the public realm and its success has clearly given the city a new confidence... it has opened new and wider horizons for its visitors and especially for its young women. And despite its national and international resonance, it remains just as firmly embedded in its place, in this part of Yorkshire, as the artist whose story it principally tells.'

Neil MacGregor, BBC Radio 4, March 2022

Exhibition Programme

The Hepworth Wakefield continues to develop a nationally and internationally recognised exhibition programme, which successfully combines major historical exhibitions with support for diverse contemporary artists, including new commissions. To mark our 10th anniversary in 2021, for the first time, we presented an exhibition that expanded across all 10 of our gallery spaces. It explored the many facets of Barbara Hepworth's extraordinary life and career and included contemporary commissions by Tacita Dean and Verónica Ryan that reflected on Hepworth's legacy and ongoing influence. The exhibition had 48,656 visitors.

Barbara Hepworth: Art & Life

21 May 2021 – 27 February 2022

Lead Sponsors: Offer Waterman and New Art Centre

The largest exhibition of Barbara Hepworth's work since the artist's death in 1975 presenting an in-depth view of the Wakefield-born artist's life, interests, work and legacy. It displayed some of Hepworth's most celebrated sculptures including the modern abstract carving that launched her career in the 1920s and 1930s, her iconic strung sculptures from later in her career. Key loans from national public collections were shown alongside works from private collections that have not been on public display since the 1970s, and rarely seen drawings, paintings and fabric designs. It will reveal how Hepworth's wide sphere of interests comprising music, dance, science, space exploration, politics and religion, as well as events in her personal life, influenced her work. *With generous support from The Headley Trust, Henry Moore Foundation, The Porthmeor Fund, David Herro & Jay Franke and the 10th anniversary circle: The Hepworth Estate, Stuart & Trish Fletcher, Alice Rawsthorn and those who wish to remain anonymous.*

Press coverage

The extensive international, national and local press campaign for the exhibition and book had the editorial value equivalent of over £41m with a total circulation of 2,378,772,657.

'Barbara Hepworth: Art and Life is an evocative celebration of Wakefield's local hero' - the i

'Barbara Hepworth changed the way we see the world' - The Telegraph

The Hepworth Wakefield

TRUSTEES' REPORT

'...this exhibition reveals, at almost every turn, Hepworth's overriding commitment to her work' -Observer, ****

'A sweeping show of 20th-century artist Barbara Hepworth's sculptural work brings her life-affirming vision into focus.' Wall Street Journal Magazine

'This is an unmissable exhibition' Aesthetica

Public Programme

In order to reduce the financial impact of the ongoing pandemic and potential future enforce closure, The Hepworth Wakefield decided to extend the run of *Barbara Hepworth: Art & Life* to nine months. While we knew this would present challenges to encouraging repeat visits from our local audiences, it enabled the largest possible audience to experience this important exhibition. To provide multiple reasons to visit during the exhibition run, we devised a programme of creative responses to Barbara Hepworth from a range of performers and artists:

7 August – Victoria Lucas: The Search

An audio installation created in response to Barbara Hepworth's 1934 *Mother & Child* sculpture in which the artist and her two sisters try to replicate the lost sound of their mother's laugh. First created in 2010 as part of the gallery's pre-opening programme. Lucas is an artist based in Sheffield.

4 September – Hepworth Brass Band: Rhythm of Light

A newly composed suite of music by Liz Lane celebrating the life and work of Barbara Hepworth and performed by Hepworth Brass Band. It comprised four movements – Landscape, Shadow cast by the sun, Pavan and Galliard, and Rhythm, dance and everything.

2 October – Olivia Louvel: The Artist Speaks

An audio-visual installation in the gallery based around a re-sounding of a 1961 recording of Barbara Hepworth's voice. Olivia Louvel is a French-born British composer and artist.

16 October – Surface Area Dance Theatre: Behind the face of a rock, throwing stones

A new dance performance giving an experiential understanding and knowledge of British Sign Language, D/deaf culture, Japanese culture and Butoh. Dancers wore Subpacs that translate sound into vibrations. Surface Area Dance Theatre CIC create a diverse range of artistic and socially engaged activities to build awareness and understanding of D/deaf culture, art and language through their work.

19 February – Supriya Nagarajan: Mapping the Music

A sonice exploration of Barbara Hepworth's sculptures, which are mapped in 3D and translated into musical compositions that follow the rise and fall of their ridges and curves. The live performance featured vocals from composer and director Supriya Nagarajan, sound and music from sound artist Duncan Chapman, percussionist Delia Stevens and The Chroma Harp Duo.

Nwando Ebizie: The Garden of Circular Paths

An immersive sound work created as a guided journey through the art and life of Barbara Hepworth featuring composed music and field recordings from places in Yorkshire and Cornwall that were important to Hepworth.

Digital Content

The Hepworth Wakefield established two major digital partnerships to share the content from the exhibition as widely as possible:

Google Arts & Culture hosted a 'Meet Barbara Hepworth' online exhibition featuring stories about different facets of the artist's life and career. Google also worked with The Hepworth Wakefield to create a Barbara Hepworth 'Google Doodle' to launch the exhibition.

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TRUSTEES' REPORT

Bloomberg Connects app gave The Hepworth Wakefield the opportunity to create and host an audio guide for the exhibition. This was performed and edited by Leah Whitaker with extracts of Barbara Hepworth's own words and writing read by talented author and admirer of Hepworth's work, Olivia Laing.

Orlando Weeks: Something out of Nothing

Through funding from Bloomberg Philanthropies, The Hepworth Wakefield was able to commission Orlando Weeks to work with animator Marcus Armitage to create a short animated story inspired by Barbara Hepworth's life and work with a voiceover by Maxine Peake and original score created by Weeks and percussionist Luca Caruso.

Microsite – to accompany the exhibition, The Hepworth Wakefield created its first online microsite dedicated to the exhibition featuring short films, a timeline of the artist's life and detailed content of every section of the exhibition.

Short films were also made with Veronica Ryan and Tacita Dean talking about their commissioned interventions within the exhibition.

Learning Programme

Our Learning Programme promotes the enjoyment, appreciation and understanding of visual arts for the widest audience possible, many of whom have never previously visited a gallery or museum. In 2021 our main focus was building back the family programme. We devised new Explore & Draw packs for families and young people to meaningfully engage with the displays and garden in self directed, creative ways. Families have provided excellent feedback on the packs, with one saying: *'Brilliant activity kit – the best we have seen. My daughters were very engaged.'*

A bespoke Garden Play resource was developed by the Learning team together with children and staff from The Castle Nursery in Wakefield, artist and play specialist Steph Jefferies and architects Studio Polpo based in Sheffield. The bespoke resource was funded by The Liz & Terry Bramall Foundation and designed to encourage open-ended interaction and creativity as a family.

Although we were not able to go into schools to deliver projects such as *School Prints*, we were delighted to welcome school groups back on site for self-directed visits. In May, we hosted two full year groups from South Craven School and University Academy Keighley for cultural experience days at the gallery. Most of their *Burberry Inspire* experience had been delivered virtually so it was really rewarding to have them onsite.

The Hepworth Wakefield took part in Wakefield's *Festival of the Earth* in October 2021, securing funding from Wakefield Council to engage local young people from the Next Generation Youth and Community Project with nature on their doorstep. The young people worked with musicians Duncan Chapman and Supriya Nagarajan from Manasimitra, a Dewsbury artist collective to record and mix sounds collected in green spaces in Eastmoor – an area just beyond The Hepworth Wakefield. To illustrate their sounds, they collaborated with Wakefield-based artist Helen Thomas to turn sketches drawn on a walk to and in The Hepworth Wakefield Garden into an artwork for a gallery window which overlooks their local area. The audio-visual project was installed in the gallery and on the Bloomberg Connects app for visitors to enjoy.

Visitor Experience

We are committed to delivering inspiring engagement with all our visitors, through our team of friendly, knowledgeable and helpful staff. We were delighted to be awarded Gold by Visit England's Quality Assurance Scheme in 2021 – it is the highest accolade awarded to those who score highly in every area of the visitor experience. Our visitor survey data from 2021/22 reports that 90% of visitors are extremely likely to recommend THW. We were also awarded a Cool Brand Award for our originality, innovation, authenticity, desirability and responsibility, voted by an independent panel of 49 experts and influencers from a range of fields from technology to fashion and from beauty to health.

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People

We have continued to invest in the skills development of our people, particularly focusing on access and inclusion training.

Supporters

We would like to sincerely thank all our many generous supporters, including all our Members who stayed with us throughout the pandemic.

MAJOR DONORS

Art Fund
Bloomberg Philanthropies
Sophie Bowness
Burberry Foundation
Ronnie Duncan
Wendy Fisher and The Kirsh Foundation
Stuart and Trish Fletcher
The Headley Trust
Henry Moore Foundation
John Ellerman Foundation
Elie Khouri Art Foundation
The Liz and Terry Bramall Foundation
National Heritage Memorial Fund
John Oldham and Terry Bacon
Paul Hamlyn Foundation
Peter Dubens Family Foundation
Alexander V. Petalas
Griselda Pollock
The Roden Family
The Ronald Moody Trust
Gilbert and Pauline Ross
Tim Sayer and Annemarie Norton
Richard Schlagman
V&A Purchase Grant Fund
Alan Wilkinson
The Wolfson Foundation

SUPPORTERS

The Clore Duffield Foundation

The Hepworth Wakefield

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Contemporary Art Society
Creative Minds - South West Yorkshire NHS Foundation Trust
Paul and Alison Deighton
Eridge Trust
Christopher Gorman-Evans
The Hepworth Estate
Ofenheim Charitable Trust
Paul Mellon Centre for Studies in British Art
The Porthmeor Fund
Ptarmigan Trust
The Rowland St Oswald 1984 Charitable Trust
Alice Rawsthorn
Wakefield and District Health and Community Support

CORPORATE SUPPORTERS

New Art Centre
Offer Waterman
Grand Central Rail
SMH Jolliffe Cork
Jordans Solicitors
Mtec
Oulton Hall
Trinity Walk
Wilkes Group

THE COLLECTION CIRCLE

Jim and Ruth Grover
Jay Franke and David Herro
Gagosian
Clive and Virginia Lloyd

THE CONTEMPORARY CIRCLE

Carol Attack and Alex van Someren
Sir Michael Craig-Martin CBE RA
Thomas Dane Gallery
Emily King and Matthew Slotover
Christopher Kneale

The Hepworth Wakefield

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PATRONS

Sophie Bowness

Richard Donner

Wayne Ewart

Lady Polly Feversham

Stuart and Trish Fletcher

Colin Fine

Jane and Alan Foale

Sir Charles Forbes Adam Bt, OBE and Lady Rosalind Forbes Adam

Willoughby Gerrish and Daisy Bell

Andrew Haigh

Alexander and Hilary Hume

David Markham

Philip and Val Marsden

Debbie Melton

Mick and Simon

Terry Bacon

Jon and Helen Riddle

Ringo and Tanja Scheithauer

Karen Smith

Mark Storey and Carey Adina Karmel

Jonathan Straight

Emily Thomas

Sylvia Thompson

Peter Woods MBE and Francis Ryan

And all those who wish to remain anonymous.

Commercial Activity

Our trading subsidiary, Hepworth Wakefield Enterprises comprising the Shop, Café and Venue Hire businesses continued to generate sustainable streams of revenue for the Charity under the guidance of the Enterprises Board.

Fundraising

The Hepworth Wakefield has a dedicated team of staff within the Development Team that focus on generating external funding from established charitable trusts and foundations, corporate businesses and individuals. These funds contribute significantly to the running of the gallery including through support of exhibitions, provision of learning programmes and upkeep of the collection.

Garden

The Hepworth Wakefield Garden has matured beautifully and become an important part of civic life for residents of Wakefield. While the gallery remained closed in the spring, the team delivered an online Spring

The Hepworth Wakefield

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Flower Festival to share the spring flowers and gardening knowledge with an international online audience. A planting guide was created by Tom Stuart-Smith's team and is available to purchase providing detailed information about the garden and the plants.

FINANCIAL REVIEW

The consolidated statement of financial activities for 2021/22 shows a net surplus of funds for the year of £174,192. As a result, consolidated net assets within the statement of financial position are now £4,358,254.

The Hepworth Wakefield's main sources of income include funding from central government, through Arts Council England's National Portfolio, and service charge income from WMDC. Together, these sources comprised 29% of total consolidated income for the year.

The gallery continues to generate a significant proportion of its own income through trust grants, donations, and increasingly, through its earned income from ticket sales to non-WMDC visitors, retail, catering and commercial hire of rooms and spaces for events.

The cultural sector continues to experience the impact of a wider economic downturn, with public funding reduced and visitors becoming more cost conscious. However, The Hepworth Wakefield has secured renewed funding from WMDC and Arts Council and has been innovative and entrepreneurial in sustaining and increasing secondary spend from visitors.

Costs continue to be closely monitored to ensure that efficiencies are made when identified and 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, from which it 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 £2,206,121.

The policy of the charity is to hold reserves to cover 6 months operating costs which is currently estimated at £1,287,889. 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

In 2022/2023, The Hepworth Wakefield will be focused on:

- Re-building audiences post pandemic and national lock downs,
- Re-building the learning and public programme
- Finding new income streams to support financial resilience as we bid for our new NPO funding from Arts Council and renegotiate our SCA with Wakefield Council.
- We will continue to care for Wakefield's art collection and strategically develop it with acquisitions that are aligned with the collecting policy.

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- We will start capital projects to complete the vision for Wakefield Waterfront, including creating a Garden Workshop, restoring the much-missed playground and explore interventions that improve the environmental sustainability of The Hepworth Wakefield.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Board of trustees shall consist of between two and fifteen trustees. The trustees are appointed by the chair of the Board, who is appointed by a selection Board comprised of primary stakeholders, Arts Council England (ACE) and WMDC, the Local Authority partner, aided by independent panel members.

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

Induction and training of new trustees

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

Organisational structure

The Board of trustees meets four times a year. There are also three subcommittees with delegated authority, Finance and Performance (including Audit), Remuneration, and Collections and 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. 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.

Pay policy for senior staff

The directors consider the board of directors, who are the Trust's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. 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.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings and affordability. In view of the nature of the charity, the directors benchmark against pay levels in other galleries of a similar size run on a voluntary basis. If recruitment has proven difficult in the recent past a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Risk management

The trustees have a risk management strategy which comprises:

The Hepworth Wakefield

TRUSTEES' REPORT

- 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:

- The ongoing impact of Covid-19 pandemic on rebuilding audiences and delivering future business plans;
- The uncertainty around the timetable and programme for development of the wider waterfront site, including the opening of Tileyard North and reinstatement of the playground;
- The impact of the 'cost of living' crisis negatively affecting the return of audiences and related business plan.
- Changes in administration or strategic policy at major funders WMDC or ACE.

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.

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

AUDITOR

Saffery Champness LLP have indicated their willingness to be appointed 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.

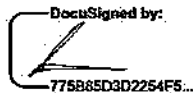
The Hepworth Wakefield

TRUSTEES' REPORT

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

DocuSigned by:

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Stuart Fletcher
Interim Chair

Date: 2023

23 January 2023 | 15:43:42 GMT

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 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 2022 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 2022 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.

We have nothing to report in this regard.

The Hepworth Wakefield

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

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; or
- 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 17, 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, 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

The Hepworth Wakefield

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

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.

Saffery Champness LLP

.....
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: 26 January 2023

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 2022

		Unrestricted funds 2022	Designated funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	137,264	-	200,922	338,186	620,187
Charitable activities	4	2,263,529	-	2,586,081	4,849,610	2,238,699
Other trading activities	5	1,047,674	-	-	1,047,674	819,452
Investments	6	17,656	-	-	17,656	17,481
Total income		3,466,123	-	2,787,003	6,253,126	3,695,819
Expenditure on:						
Raising funds	10	943,754	-	-	943,754	548,556
Charitable activities	11	2,334,337	-	3,007,522	5,341,859	2,388,435
Total expenditure		3,278,091	-	3,007,522	6,285,613	2,936,991
Taxation on other trading activities	14	-	-	-	-	-
Net gain on investments		39,679	-	-	39,679	148,054
Net income/(expenditure)		227,711	-	(220,519)	7,192	906,882
Transfer between funds	24	229,022	-	(229,022)	-	-
Other recognised gains and losses						
Actuarial gain / (loss) on defined benefit pension	27	167,000	-	-	167,000	(148,000)
Net movement in funds for the year		623,733	-	(449,541)	174,192	758,882
Reconciliation of funds						
Total funds brought forward	22-24	3,460,066	-	723,996	4,184,062	3,425,180
Total funds carried forward	22-24	4,083,799	-	274,455	4,358,254	4,184,062

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 £5,448,049 (2021: £3,404,324) and the net income resources were £204,116 (2021: £902,084 outgoing).

The Hepworth Wakefield

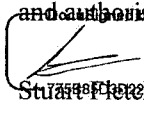
Company Registration No. 07113861

Registered Charity No. 1138117

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 March 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	15	1,880,647	2,057,425
Investments	16	1,258,052	960,314
		<u>3,138,699</u>	<u>3,017,739</u>
Current assets			
Stocks	17	165,356	139,019
Investments	18	1,320	1,320
Debtors	19	329,162	932,668
Cash at bank and in hand		1,863,583	1,304,516
		<u>2,359,421</u>	<u>2,377,523</u>
Liabilities			
Creditors: amounts falling due within one year	20	(824,866)	(767,200)
Net current assets		<u>1,534,555</u>	<u>1,610,323</u>
Total assets less current liabilities		<u>4,673,254</u>	<u>4,628,062</u>
Creditors: amounts falling due after more than one year			
Provisions for liabilities		-	-
Defined benefit pension scheme liability	27	(315,000)	(444,000)
Total net assets		<u>4,358,254</u>	<u>4,184,062</u>
The funds of the charity			
Unrestricted funds			
General funds	22	4,398,799	3,904,066
Pension reserve	22	(315,000)	(444,000)
		<u>4,083,799</u>	<u>3,460,066</u>
Designated funds	23	-	-
Restricted income funds	24	274,455	723,996
Total charity funds		<u>4,358,254</u>	<u>4,184,062</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 22 to 62 were approved by the Board of Trustees and authorised for issue on 23 January 2023 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 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	15	226,354	312,229
Investments	16	1,258,053	960,315
		<u>1,484,407</u>	<u>1,272,544</u>
Current assets			
Stocks	17	-	834
Investments	18	1,320	1,320
Debtors	19	455,087	1,085,549
Cash at bank and in hand		1,453,343	1,139,532
		<u>1,909,750</u>	<u>2,227,235</u>
Liabilities			
Creditors: amounts falling due within one year	20	(427,931)	(608,669)
Net current assets		<u>1,481,819</u>	<u>1,618,566</u>
Total assets less current liabilities		<u>2,966,226</u>	<u>2,891,110</u>
Creditors: amounts falling due in more than one year			
Provisions for liabilities		-	-
Defined benefit pension scheme liability	27	(315,000)	(444,000)
Net assets		<u>2,651,226</u>	<u>2,447,110</u>
Funds of the charity			
Unrestricted funds			
General reserve	22	2,691,771	2,167,114
Pension reserve	22	(315,000)	(444,000)
		<u>2,376,771</u>	<u>1,723,114</u>
Designated funds	23	-	-
Restricted income funds	24	274,455	723,996
Total charity funds		<u>2,651,226</u>	<u>2,447,110</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 gain for the year was £204,116 (2021: deficit £902,084).

The Hepworth Wakefield

Company Registration No. 07113861

Registered Charity No. 1138117

STATEMENT OF FINANCIAL POSITION 31 March 2022

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 22 to 62 were approved by the Board of Trustees and authorised for issue on 23 January 2023 | 15:43:42 GMT and are signed on its behalf by:

DocuSigned by:

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Stuart Fletcher

Interim Chair

The Hepworth Wakefield
STATEMENT OF CASH FLOWS
Year ended 31 March 2022

	Note	Group 2022 £	2021 £
Net cash flows from operating activities	29	813,218	1,147,179
Investing activities			
Returns on investments		17,656	17,481
Purchase of tangible fixed assets		(13,748)	(520,037)
Proceeds from sale of investments		474,777	47,117
Cash (released from) / reinvested within investment portfolio		(35,675)	5,230
Purchase of investments		(697,161)	(61,417)
Net cash used in investing activities		<u>(254,151)</u>	<u>(511,626)</u>
Increase in cash in the year		559,067	635,553
Cash and cash equivalents at the beginning of the year		1,305,836	670,283
Total cash and cash equivalents at the end of the year	29	<u><u>1,864,903</u></u>	<u><u>1,305,836</u></u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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 pages 6 and 7 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 22 to 62.

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 2022

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 2022 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 2022

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.

New artwork is typically acquired by The Hepworth by donation or funded acquisition. By donation, in which there is not transfer of monetary value, the artwork is given to WMDC to become part of the Council's collection. When artwork is acquired through funded acquisition, the funding and expense are included within the financial statements, but with the physical asset transferring to WMDC.

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.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

1. ACCOUNTING POLICIES *(continued)*

IMPAIRMENT OF FIXED ASSETS *(continued)*

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

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

INVESTMENTS

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

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

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

STOCK

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

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

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

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

CASH AND CASH EQUIVALENTS

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

FINANCIAL INSTRUMENTS

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

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

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

Basic financial assets

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

1. ACCOUNTING POLICIES (*continued*)

FINANCIAL INSTRUMENTS (*continued*)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

GIFTS IN KIND

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

FOREIGN CURRENCY

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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

I. 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 2022

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.

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 2022

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Trust grants received & Individual Giving	122,248	200,922	323,170	187,578	400,079	587,657
Gallery box donations	2,224	-	2,224	2,874	-	2,874
Other donations	6,423	-	6,423	22,912	-	22,912
Patrons	6,369	-	6,369	6,744	-	6,744
	<u>137,264</u>	<u>200,922</u>	<u>338,186</u>	<u>220,108</u>	<u>400,079</u>	<u>620,187</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Wakefield Council service charge income	875,000	-	875,000	1,000,000	-	1,000,000
Arts Council England NPO funding	920,774	-	920,774	922,773	259,726	1,182,499
Partnership income	100,800	-	100,800	16,000	-	16,000
Workshops, tours and talks income	3,725	-	3,725	25,213	-	25,213
Admission Entry	298,230	-	298,230			
Education income	-	-	-	235	-	235
Funded Acquisitions	-	2,586,081	2,586,081	3,252	-	3,252
Sponsorship	65,000	-	65,000	500	11,000	11,500
	<u>2,263,529</u>	<u>2,586,081</u>	<u>4,849,610</u>	<u>1,967,973</u>	<u>270,726</u>	<u>2,238,699</u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

5. INCOME EARNED FROM OTHER ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Car park income	71,246	-	71,246	18,825	-	18,825
Corporate partnership Income	8,000	-	8,000	-	-	-
Event income	10,939	-	10,939	4,682	-	4,682
Membership	53,326	-	53,326	9,942	-	9,942
Other income	29,957	-	29,957	36,550	-	36,550
Trading income	832,089	-	832,089	342,255	-	342,255
Coronavirus Job Retention Scheme grant income	39,113	-	39,113	366,778	-	366,778
Museums Galleries & Exhibitions Tax Relief	1,532	-	1,532	29,697	-	29,697
Garden Trust income	1,472	-	1,472	10,723	-	10,723
	<u>1,047,674</u>	<u>-</u>	<u>1,047,674</u>	<u>819,452</u>	<u>-</u>	<u>819,452</u>

6. INVESTMENT INCOME

All of the group's investment income of £17,656 (2021: £17,481) arises from a) money held in interest bearing deposit accounts of £nil (2021: £4) and b) money held in a corporate bond portfolio of £17,656 (2021: £17,477).

7. DEFERRED INCOME

Group	1 April 2021 £	Deferred £	Released £	31 March 2022 £
Other deferred income	<u>3,734</u>	<u>39,344</u>	<u>(43,058)</u>	<u>-</u>

Charity	1 April 2021 £	Deferred £	Released £	31 March 2022 £
Other deferred income	<u>3,403</u>	<u>-</u>	<u>(3,403)</u>	<u>-</u>

The deferred income balance at 1 April 2021 relates to booking income received before 1 April 2021 which relates to the financial period of the year ended 31 March 2022.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

8. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2022 No.	2021 No.
Average number of persons employed:		
Collections and exhibitions	8	7
Learning	13	17
Visitor services	25	31
Marketing	2	3
Management and administration	9	11
Development	3	4
Trading subsidiary	23	15
Premises	8	6
	<hr/> 91	<hr/> 94
	<hr/>	<hr/>
	2022 No.	2021 No.
Average number of FTE employed:		
Collections and exhibitions	6	6
Learning	5	6
Visitor services	13	14
Marketing	2	3
Management and administration	8	9
Development	2	2
Trading subsidiary	11	6
Premises	5	4
	<hr/> 52	<hr/> 50
	<hr/>	<hr/>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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

	2022 £	2021 £
Staff costs during the year:		
Wages and salaries	1,338,414	1,324,722
Social security costs	97,989	99,446
Pension costs	130,765	98,300
Recruitment and temporary staff costs	6,421	10,023
Other staff costs	1,502	21,620
Staff training and expenses	165	8,491
	<u>1,575,256</u>	<u>1,562,602</u>

In the current year a settlement was paid to one (2021: nil) employees of £6,000 (2021: £nil).

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

	2022 No.	2021 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 £11,350 (2021: £11,639).

VOLUNTEERS

In the year a significant saving to the charity was the invaluable assistance received from volunteers. During the year a total of 59 volunteers offered their services and the resulting savings from this are estimated to be in the region of £13,029, equivalent to 0.7 full time members of staff. In the prior year, due to the gallery closure and Covid restrictions there was no assistance received from volunteers.

TRUSTEES' REMUNERATION

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

Expenses of £685 (2021: £Nil) were paid to two (2021: £nil) 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 £289,152 (2021: £322,289), 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 2022

10. EXPENDITURE ON RAISING FUNDS

Unrestricted Funds

	Staff costs	Direct costs	Overhead costs	Depreciation costs	Marketing costs	Governance costs	Total 2022	Total 2021
	£	£	£	£	£	£	£	£
Cost of raising funds	94,458	56,508	64,194	6,945	11,175	3,664	236,944	194,572
Fundraising trading	277,620	356,516	42,091	4,800	5,382	5,700	692,109	353,984
Garden Trust	-	5,068	-	9,633	-	-	14,701	-
Total	372,078	418,092	106,285	21,378	16,557	9,364	943,754	548,556

Restricted

	Staff costs	Direct costs	Overhead costs	Depreciation costs	Marketing costs	Governance costs	Total 2022	Total 2021
	£	£	£	£	£	£	£	£
Cost of raising funds	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

11. EXPENDITURE ON CHARITABLE ACTIVITIES

Unrestricted funds	Staff Costs £	Direct costs £	Overhead costs £	Depreciation costs £	Marketing costs £	Governance costs £	Total 2022 £	Total 2021 £
Collections and exhibitions	285,730	32,221	198,095	24,299	39,094	12,819	592,258	452,111
Learning	310,308	31,428	58,427	23,620	38,001	12,461	474,245	482,797
Visitor services	462,158	153,556	287,588	33,982	54,672	17,927	1,009,883	794,120
Public Programme	57,865	19,226	39,326	4,254	6,844	2,245	129,760	83,538
Garden	31,449	-	10,532	82,093	1,817	2,300	128,191	222,177
Total	1,147,510	236,431	593,968	168,248	140,428	47,752	2,334,337	2,034,743

Restricted funds	Staff costs £	Direct costs £	Overhead costs £	Marketing costs £	Depreciation costs £	Governance costs £	Total 2022 £	Total 2021 £
Collections and exhibitions	44,745	2,663,663	26,500	-	-	-	2,734,908	240,656
Learning	10,924	75,304	159,886	-	-	-	246,114	104,036
Visitor services	-	-	26,500	-	-	-	26,500	-
Public Programme	-	-	-	-	-	-	-	1,000
Garden	-	-	-	-	-	-	-	8,000
Total	55,669	2,738,967	212,886	-	-	-	3,007,522	353,692

Shared and support costs totalling £2,839,407 (2021: £2,186,565) 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.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

12. GOVERNANCE COSTS

	2022 £	2021 £
Legal and Professional fees	18,066	5,949
Audit and Accountancy fees	39,050	29,050
	<u>57,116</u>	<u>34,999</u>

13. NET INCOME/EXPENDITURE FOR THE YEAR

This is stated after charging:

	2022 £	2021 £
Depreciation	190,526	145,236
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	14,500	13,300
Fees payable to the company's auditor for the audit of the subsidiary's annual financial statements	4,700	4,300
Tax compliance services	3,000	3,190
Accountancy services	4,285	3,500
	<u></u>	<u></u>

14. TAXATION

	2022 £	2021 £
United Kingdom corporation tax at 19% (2021: 19%)	-	-
	<u></u>	<u></u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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 equipment	Leasehold land and buildings	Total
Cost	£	£	£	£	£	£	£	£	£
At 1 April 2021	-	179,040	128,762	169,373	1,641,584	69,805	359,507	188,509	2,736,580
Additions	-	-	8,060	-	-	5,652	-	-	13,712
Disposals	-	(56,296)	-	-	-	(37,847)	(138,328)	-	(232,471)
At 31 March 2022	-	122,744	136,822	169,373	1,641,584	37,610	221,179	188,509	2,517,821
Accumulated depreciation									
At 1 April 2021	-	119,341	62,289	10,248	67,880	66,416	296,431	56,550	679,155
Charge for the year	-	23,700	23,439	9,663	82,093	1,714	40,492	9,425	190,526
Disposals	-	(56,082)	-	-	-	(37,847)	(138,578)	-	(232,507)
At 31 March 2022	-	86,959	85,728	19,911	149,973	30,283	198,345	65,975	637,174
Net book value									
At 31 March 2022	-	35,785	51,094	149,462	1,491,611	7,327	22,834	122,534	1,880,647
At 31 March 2021	-	59,699	66,473	159,125	1,573,704	3,389	63,076	131,959	2,057,425

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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 2021	-	169,065	123,727	54,731	352,566	188,449	888,538
Additions	-	-	8,060	-	-	-	8,060
Disposals	-	(56,296)	-	(28,735)	(134,936)	-	(219,967)
At 31 March 2022	-	112,769	131,787	25,996	217,630	188,449	676,631
Accumulated depreciation							
At 1 April 2021	-	112,284	60,266	54,731	292,478	56,550	576,309
Charge for the year	-	21,909	23,115	-	39,521	9,425	93,970
Disposals	-	(56,082)	-	(28,735)	(135,185)	-	(220,002)
At 31 March 2022	-	78,111	83,381	25,996	196,814	65,975	450,277
Net book value							
At 31 March 2022	-	34,658	48,406	-	20,816	122,474	226,354
At 31 March 2021	-	56,781	63,461	-	60,088	131,899	312,229

All tangible fixed assets were used for charitable purposes.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

16. INVESTMENTS HELD AS FIXED ASSETS

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Investment in subsidiary	-	1	-	1
Listed investments	1,258,052	1,258,053	960,314	960,314
Listed investments	2022 Investments £	2022 Cash £	2021 Investments £	2021 Cash £
Market value brought forward at 1 April 2021	942,658	17,656	780,304	22,886
Add: additions to investments at cost	697,161	-	61,417	-
Disposals at carrying value	(474,777)	-	(47,117)	-
Movement in cash	-	35,675	-	(5,230)
Revaluation	39,679	-	148,054	-
Market value as at 31 March 2022	1,204,721	53,331	942,658	17,656

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 2022

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 2022 is summarised below:

	2022 £	2021 £
Turnover	762,206	342,255
Cost of sales	(357,116)	(117,794)
Gross profit	405,090	224,461
Administrative expenses	(334,992)	(236,192)
Profit on ordinary activities for the financial period	70,098	(11,731)
Profit retained for the financial period	70,098	(11,731)

The aggregate of the assets, liabilities and funds was:

	2022 £	2021 £
Assets	281,387	331,026
Liabilities	(215,014)	(334,751)
	66,373	(3,725)
Represented by:		
Called up share capital	1	1
Profit and loss account	66,372	(3,726)
Shareholder's funds	66,373	(3,725)

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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

The income and expenditure of The Hepworth Wakefield Garden Trust Limited for the period ended 31 March 2022 is summarised below:

	2022 £
Total funds brought forward	(337,312)
Total income and endowments	42,871
Total expenditure	(142,893)
Total funds carried forward	<u>(437,334)</u>

The aggregate of the assets, liabilities and funds was:

	2022 £
Assets	2,003,742
Liabilities	<u>(2,441,076)</u>
Represented by:	
Unrestricted funds	<u>(437,334)</u>

17. STOCKS

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Goods for resale	165,356	-	139,019	834

18. INVESTMENTS

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Current asset investment held in cash	1,320	1,320	1,320	1,320

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

19. DEBTORS

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Amounts falling due within one year:				
Trade debtors	85,424	50,887	42,234	29,289
Amount owed by subsidiaries	-	181,166	-	504,339
Other debtors	79,434	61,180	2,083	506
Prepayments and accrued income	164,304	161,854	657,310	654,966
VAT debtor	-	-	231,041	(103,551)
	<u>329,162</u>	<u>455,087</u>	<u>932,668</u>	<u>1,085,549</u>

20. CREDITORS: Amounts falling due within one year

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Trade creditors	182,933	156,621	228,238	200,310
Other creditors	9,590	9,590	393,376	34,217
Amounts due to group companies	-	-	-	239,362
Other taxes and social security	27,089	27,089	25,071	25,071
Accruals and deferred income	118,780	109,914	120,515	109,709
VAT creditor	486,474	124,717	-	-
	<u>824,866</u>	<u>427,931</u>	<u>767,200</u>	<u>608,669</u>

21. FINANCIAL INSTRUMENTS

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>156,359</u>	<u>119,372</u>	<u>656,020</u>	<u>643,075</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>290,273</u>	<u>255,098</u>	<u>322,201</u>	<u>283,467</u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

22. MOVEMENT IN UNRESTRICTED FUNDS

Unrestricted funds comprise the following:

Group	1 April 2021	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2022
	£	£	£	£	£	£	£
General unrestricted funds	3,904,066	3,451,123	(3,225,091)	39,679	229,022	-	4,398,799
Pension reserve	(444,000)	15,000	(53,000)	-	-	167,000	(315,000)
Total unrestricted funds	3,460,066	3,466,123	(3,278,091)	39,679	229,022	167,000	4,083,799
Charity	1 April 2021	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2022
	£	£	£	£	£	£	£
General unrestricted funds	2,167,114	2,646,045	(2,390,089)	39,679	229,022	-	2,691,771
Pension reserve	(444,000)	15,000	(53,000)	-	-	167,000	(315,000)
Total unrestricted funds	1,723,114	2,661,045	(2,443,089)	39,679	229,022	167,000	2,376,771

PRIOR YEAR 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

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

PRIOR YEAR MOVEMENT IN UNRESTRICTED FUNDS *(continued)*

Unrestricted funds comprise the following:

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

23. MOVEMENT IN DESIGNATED FUNDS

Designated funds comprise the following:

Group	1 April 2021	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2022
	£	£	£	£	£	£	£
Designated funds	-	-	-	-	-	-	-

Charity	1 April 2021	Income	Expenditure	Net gains / (losses) on investments	Transfers	Actuarial gain/(loss)	31 March 2022
	£	£	£	£	£	£	£
Designated funds	-	-	-	-	-	-	-

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

23. MOVEMENT IN DESIGNATED FUNDS *(continued)*

PRIOR YEAR 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)	-	-
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)	-	-

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 (2021: £Nil) and the transfer made from unrestricted funds in the current year was £nil (2021: £1,458,470) with attributed revenue expenditure of £nil (2021: £nil). There was a redesignation of funds within funds during the prior year with the trustees agreeing to release deferred income into unrestricted funds.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

24. MOVEMENT IN RESTRICTED FUNDS

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

Group	1 April 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £
Arts Council Museums Resilience	(7,405)	-	-	7,405	-
Learning: other programme costs	214,697	119,000	(108,307)	(118,026)	107,364
Learning: Integrated Youth Programme	75,046	-	(75,304)	258	-
Learning: Dementia Project	967	-	-	(967)	-
Learning: School Prints	1,447	-	-	(1,447)	-
Collection Conservation	8,823	-	-	(8,823)	-
Exhibition - Sheila Hicks	63,244	37,177	(44,177)	(41,244)	15,000
Learning: Gallery Enrichment Pilot Programme	53,202	-	(41,303)	(11,899)	-
Exhibitions - Hepworth 2021	39,200	-	(34,200)	(5,000)	-
Acquisitions	5,000	-	-	(5,000)	-
Collections & Exhibitions	123,000	27,000	(100,000)	(5,145)	44,855
Art Fund Ceramics Project	30,000	-	-	(184)	29,816
Exhibitions - Hepworth Research Network	1,278	-	(300)	(978)	-
Arts Council Catalyst: Match Funding	16	-	-	(16)	-
Learning - wellbeing related	8,935	-	-	(8,935)	-
The Hepworth Prize for Sculpture	3,620	-	-	(3,620)	-
Iniva: Future Collect	-	17,745	(17,745)	-	-
Gott Collection	13,106	-	-	(13,106)	-
Learning - Dementia Café	9,000	-	-	(9,000)	-
Learning: Imagine Better Futures Project	2,359	-	-	(2,359)	-
Le Grand Depart – Thomas Houseago	936	-	-	(936)	-
Exhibition - Hannah Starkey	77,525	-	(105)	-	77,420
Special acquisitions	-	2,586,081	(2,586,081)	-	-
	<u>723,996</u>	<u>2,787,003</u>	<u>(3,007,522)</u>	<u>(229,022)</u>	<u>274,455</u>

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

24. MOVEMENT IN RESTRICTED FUNDS *(continued)*

Charity	1 April 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £
Arts Council Museums Resilience	(7,405)	-	-	7,405	-
Learning: other programme costs	214,697	119,000	(108,307)	(118,026)	107,364
Learning: Integrated Youth Programme	75,046	-	(75,304)	258	-
Learning: Dementia Project	967	-	-	(967)	-
Learning: School Prints	1,447	-	-	(1,447)	-
Collection Conservation	8,823	-	-	(8,823)	-
Exhibition - Sheila Hicks	63,244	37,177	(44,177)	(41,244)	15,000
Learning: Gallery Enrichment Pilot Programme	53,202	-	(41,303)	(11,899)	-
Exhibitions - Hepworth 2021	39,200	-	(34,200)	(5,000)	-
Acquisitions	5,000	-	-	(5,000)	-
Collections & Exhibitions	123,000	27,000	(100,000)	(5,145)	44,855
Art Fund Ceramics Project	30,000	-	-	(184)	29,816
Exhibitions - Hepworth Research Network	1,278	-	(300)	(978)	-
Arts Council Catalyst: Match Funding	16	-	-	(16)	-
Learning - wellbeing related	8,935	-	-	(8,935)	-
The Hepworth Prize for Sculpture	3,620	-	-	(3,620)	-
Iniva: Future Collect	-	17,745	(17,745)	-	-
Gott Collection	13,106	-	-	(13,106)	-
Learning - Dementia Café	9,000	-	-	(9,000)	-
Learning: Imagine Better Futures Project	2,359	-	-	(2,359)	-
Le Grand Depart – Thomas Houseago	936	-	-	(936)	-
Exhibition - Hannah Starkey	77,525	-	(105)	-	77,420
Special acquisitions	-	2,586,081	(2,586,081)	-	-
	<u>723,996</u>	<u>2,787,003</u>	<u>(3,007,522)</u>	<u>(229,022)</u>	<u>274,455</u>

Restricted funds as at 31 March 2022 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

Funds transferred in the year relate to now completed funded programmes of activity.

The major funds are considered below:

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

Exhibitions – funds received towards the costs of exhibitions in 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.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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 launched in October 2022.

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

Iniva: Future Collect – funding received for the salary costs of a trainee curator.

Special Acquisitions – funding received for the purchase of artwork for the collection.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

24. MOVEMENT IN RESTRICTED FUNDS *(continued)*

PRIOR YEAR MOVEMENT IN RESTRICTED FUNDS

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

Group	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 Départ – 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>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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)	-	-
	<u>1,890,724</u>	<u>665,305</u>	<u>(348,192)</u>	<u>(1,483,841)</u>	<u>723,996</u>

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. The major funds are considered below:

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

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

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

Learning: Integrated Youth Programme – funds received from Paul Hamlyn Foundation to enable the running

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

25. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

Group	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2022 £	31 March 2021
Tangible fixed assets	1,880,647	-	-	1,880,647	2,057,425
Fixed asset investments	1,258,052	-	-	1,258,052	960,314
Stocks	165,356	-	-	165,356	139,019
Investments	1,320	-	-	1,320	1,320
Debtors	296,744	-	32,418	329,162	932,668
Cash at bank and in hand	1,621,546	-	242,037	1,863,583	1,304,516
Creditors: amounts falling due within one year	(824,866)	-	-	(824,866)	(767,200)
Defined benefit pension scheme liability	(315,000)	-	-	(315,000)	(444,000)
At 31 March 2022	4,083,799	-	274,455	4,358,254	4,184,062

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	31 March 2022 £	31 March 2021
Tangible fixed assets	226,354	-	-	226,354	312,229
Fixed asset investments	1,258,053	-	-	1,258,053	960,315
Stocks	-	-	-	-	834
Investments	1,320	-	-	1,320	1,320
Debtors	422,669	-	32,418	455,087	1,085,549
Cash at bank and in hand	1,211,306	-	242,037	1,453,343	1,139,532
Creditors: amounts falling due within one year	(427,931)	-	-	(427,931)	(608,669)
Defined benefit pension scheme liability	(315,000)	-	-	(315,000)	(444,000)
At 31 March 2022	2,376,771	-	274,455	2,651,226	2,447,110

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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 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
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

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 2022

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 £77,765 (2021: £80,930). As at 31 March 2022, contributions of £9,741 (2021: £9,560) 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 2022 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:

	2022 %	2021 %
Key assumptions:		
Discount rate	2.7	2.1
Expected rate of salary increases	2.9	2.6
Expected rate of increase for future pension increases	2.9	2.6
Rate of inflation	4.15	3.85

Mortality assumptions:

The assumed life expectations on retirement at age 65 are:

	2022 years	2021 years
Retiring today:		
Males	21.8	21.9
Females	25.7	24.7
Retiring in 20 years:		
Males	22.5	22.6
Females	25.7	25.8

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

27. PENSION SCHEMES *(continued)*

Amounts recognised in the statement of financial activities:

	2022 £	2021 £
Current service cost	45,000	12,000
Net interest on defined benefit liability	9,000	6,000
	<u> </u>	<u> </u>
Total costs	54,000	18,000
	<u> </u>	<u> </u>

Amounts taken to other comprehensive income

	2022 £	2021 £
Actual return on scheme assets	77,000	130,000
	<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:

	2022 £	2021 £
Present value of defined benefit obligations	(1,129,000)	(1,157,000)
Fair value of scheme assets	814,000	713,000
	<u> </u>	<u> </u>
Total liability recognised	(315,000)	(444,000)
	<u> </u>	<u> </u>

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
At 1 April 2021	713,000	(1,157,000)	(444,000)
Benefits paid	(1,000)	1,000	-
Employer contributions	16,000	-	16,000
Participant contributions	9,000	(9,000)	-
Current service cost	-	(45,000)	(45,000)
Interest income/(expense)	15,000	(24,000)	(9,000)
Re-measurement gains/(losses)	62,000	-	62,000
Actuarial gains/(losses)	-	105,000	105,000
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2022	814,000	(1,129,000)	(315,000)
	<u> </u>	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

27. PENSION SCHEMES *(continued)*

The fair value of the plan assets was:

	Fair value of assets	Fair value of assets
	2022	2021
	£	£
Equity instruments	649,000	569,000
Property	33,000	27,000
Government bonds	60,000	59,000
Corporate bonds	39,000	33,000
Cash	24,000	14,000
Other	9,000	11,000
	<u>814,000</u>	<u>713,000</u>

The returns on plan assets was:

	Fair value of assets	Fair value of assets
	2022	2021
	£	£
Interest income	15,000	13,000
Return on plan assets less interest income	62,000	117,000
	<u>77,000</u>	<u>130,000</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.

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

28. RELATED PARTY TRANSACTIONS

The following related party transactions took place in the year:

	2022 £	2021 £
a) The remuneration of key management personnel, who are members of the executive team is as follows:		
Aggregate compensation	311,578	322,289
b) Other related parties		
Wakefield Metropolitan Borough Council:		
Service Concession agreement income		
Grant income	875,000	1,000,000
Income for use of car park	14,203	-
Services and goods purchased	11,500	-
	24,695	46,304
Purchases and transfers from The Hepworth Wakefield Enterprises Ltd	-	61,150
Recharge of costs to The Hepworth Wakefield Enterprises Ltd	270,112	263,357
Recharge of costs to The Hepworth Wakefield Garden Trust	31,449	-
Gift aid payment from The Hepworth Wakefield Enterprises Ltd	-	67,982
Donations and patron subscription from Stuart Fletcher, Interim Chair	20,480	10,000
Purchase of Magdelene Odundo's, Trustee, art work for Wakefield Council's collection	80,000	-
Donations from Earl & Countess of Harewoods' Charitable Trust (Diane Howse was a Trustee in 2020/21)	500	1,000
Donation from Henry Meyric Hughes, Trustee	50	-
Donations from Edwina Sassoon, Trustee	500	-
Patron subscription from Andrew Haigh, Trustee	480	480
Circle subscription, Alice Rawsthorn, Chair of Trustees	-	10,000
Membership from Priya Khanchandani, Trustee	-	36
Membership from Richard Warburton, Trustee	36	36
Membership from Merran McCrae, Trustee	137	-
A Rawsthorn Recruitment Costs	-	392

At 31 March 2022 related party transactions outstanding with non-group organisation were £Nil (2021: Nil) within creditors and £Nil within debtors. Related party balances with group companies were £Nil within creditors (2021: £239,362) and £181,166 within debtors (2021: £504,339).

The Hepworth Wakefield

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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

	Group	
	2022	2021
	£	£
Net movement in funds	174,192	758,882
Investment income	(17,656)	(17,481)
(Gains) / losses on investments	(39,679)	(148,054)
Depreciation charge	190,526	145,236
Defined benefit pension schemes (gains)/losses	(167,000)	148,000
Defined benefit pension schemes finance cost	38,000	18,000
(Increase)/Decrease in stocks	(26,337)	4,857
Decrease in debtors	603,506	96,186
Increase in creditors	57,666	141,553
	<u>813,218</u>	<u>1,147,179</u>

	Group	
	2022	2021
	£	£
Cash and cash equivalents:		
Cash equivalents - investments	1,320	1,320
Cash at bank and in hand	1,863,583	1,304,516
	<u>1,864,903</u>	<u>1,305,836</u>

30. CAPITAL COMMITMENTS

At year end there were capital commitments of £56,112 (2021: £nil) being assets contracted for, but not provided in the financial statements.