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Charity number: 271370

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Trustees' Report and Financial Statements
for the year ended 31 March 2016

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Trustees' Report for the year ended 31 March 2016

The Trustees of the charity (who are also directors of the Foundation for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Henry Moore Foundation for the year ended 31 March 2016. The Trustees confirm that the Annual Report and Financial Statements of the Foundation comply with the current statutory requirements, the requirements of the Foundation's governing document, the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective 1 January 2015 and the Companies Act 2006.

AIMS, OBJECTIVES AND ACTIVITIES

Henry Moore established his Foundation to encourage public appreciation of the visual arts, particularly sculpture and to preserve the artist's legacy.

The Foundation seeks to deliver this through the following aims:

- Deepen and broaden the understanding and appreciation of sculpture for new and established audiences, nationally and internationally;
- Lead the world in Moore expertise as guardians of his home and collections.
- Play a leading role in the study of sculpture
- Support the advancement of sculpture by giving financial support to exhibitions; publications; research and acquisitions;

The aims are achieved through activities initiated, undertaken and supported by the Foundation, at Henry Moore's former home, studios and gardens at Perry Green, Hertfordshire; The Henry Moore Institute in Leeds; across the UK, and internationally through its touring, loans and grants programmes. These projects and activities include collections and archives management, temporary exhibitions and displays; research and publications; education and workshops, and the awarding of grant-aid to other suitable enterprises.

Activities offered by the Foundation are available to members of the public and students. Entry to the Henry Moore Foundation at Perry Green, incorporating Moore's former home, Hoglands, his studios and sculpture gardens is by paid admission; pre-booked educational visits for school groups are free of charge. Entry to the Henry Moore Institute in Leeds city centre is free of charge.

The Foundation is registered as a charity (registration number 271370) and is not liable to UK taxation as it has no taxable activities. In the exercise of their powers, the Trustees have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011.

For a full account of the Foundation's activities, readers are referred to the Foundation website (www.henry-moore.org). The following notes record the chief elements in the Foundation's programme during the year with particular reference to the accompanying financial statements and in accordance with SORP 2015.

STRATEGIC REPORT

REVIEW OF ACTIVITIES

Capital Developments at Perry Green

The capital developments to improve the archive and visitor facilities at Perry Green, known as the Perry Green Masterplan, begun in late 2014-15, continued throughout the year. The aims of the project are:

- To store the entire Henry Moore archive altogether in appropriate environmentally controlled conditions in the Elmwood Archive building;
- To create a spacious visitor centre that includes ticketing, retail and catering facilities as well as an interpretation room, located in one building on the same side of the village road as the sculpture grounds and providing a single clear point of entry to the Henry Moore Foundation at Dane Tree House Visitor Centre which also serves as the headquarters of the Foundation;
- To increase the number of car parking spaces to meet the needs of visitor and business vehicles by extending the existing staff car park adjacent to Dane Tree House and a revised layout for The Hoops Inn car park which is shared by visitors to the Foundation.

The buildings have been designed by Hugh Broughton Architects and the landscaping is by The Landscape Agency; the mechanical and electrical design is by Harley Haddow; the main contractor is RG Carter and cgc projects Limited is the quantity surveyor for the project.

During the construction period, the Foundation's main administration offices were relocated to another building on the estate, the Aisled Barn, which was temporarily converted for the purpose.

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Photinia Security, the contractor for the works at The Hoops Inn car park, completed in May 2015 in time for the 2015 visitor season. RG Carter, the main contractor for Elmwood and Dane Tree House, continued construction work throughout 2015-16, handing over partial possession of these facilities in summer 2016 in time for the shortened visitor season. Staff moved into the new offices in May and the public areas were opened to resounding approval on 1 July 2016. Although the building is now open to the public, work continues behind the scenes to deliver the range of precise environmental conditions in each of the artwork and archive storage spaces. Practical Completion is anticipated in late 2016 and the move back of artefacts is planned for early 2017.

The conversion of the former visitor centre back to its previous residential use is planned in 2016-17.

The overall capital budget for this project is approximately £7m. The project is financed directly by the Foundation from funds that have been raised from the sale of duplicate works of art owned by the Foundation and its trading company.

The Capital project has been led by a member of the Executive, supported by a part time Project Manager and a professional team.

Henry Moore Collections & Exhibitions

With the Sheep Field Barn gallery closed for the completion of the Masterplan, the focus of Henry Moore Collections & Exhibitions was primarily on the planning and delivery of projects away from Perry Green and on preparations for the reopening of the gallery and the archive in 2017.

Henry Moore: Arte en la Calle, the touring exhibition begun in 2013 in collaboration with Fundación Bancaria 'la Caixa', travelled to five cities: Málaga (April – June 2015), Santander (July – September 2015), Burgos (September – October 2015), Pamplona (November 2015 – January 2016) and Santiago de Compostela (January – March 2016). A final extension of the tour to five more cities in 2016-17 was also agreed.

In the UK we organised two exhibitions focussing primarily on Moore's two-dimensional output. *Henry Moore: From Paper to Bronze*, at Waddesdon Manor, Aylesbury (June – October 2015), charted Moore's life and career through a selection of 100 drawings from the Foundation's collection. The display also included a cast of Moore's *King and Queen* 1952 (LH350) on loan from Sir Henry Keswick and some related plaster maquettes. The monumental bronze, *Hill Arches* 1973 (LH 636), was concurrently on display in the Manor's grounds. *Henry Moore and Photography* at Wolfson College, University of Cambridge (October 2015 – February 2016), explored Moore's use of photography both as a way of exploring sculptural form and as the starting point for new work through a selection of 20 photographs and 2 maquettes from the Foundation's collection. *Figure and Architecture: Henry Moore in the 1950s*, which had opened at Leeds Art Gallery in July 2014, continued through to February 2016.

At Perry Green, the 2015 visitor season offered a richer than usual outdoor display, as well as the loan of *Archer* 1965 (LH 536) from the Didrichsen Art Museum Helsinki, which was shown in the revamped Yellow Brick Studio. In the absence of an exhibition in the Sheep Field Barn gallery, the team concentrated on the conservation of collections and the improvement of display conditions across the estate. A full conservation survey of Hoglands and the studios was conducted in July 2015, following which conservation heating and ventilation were installed in Hoglands, as well as additional preventative measures, including black-out curtains and UV film on all windows. The rolling conservation programme of outdoor sculpture continued with the re-patination of *Large Reclining Figure* 1984 (LH 192b).

Due to a moratorium in place for the duration of the building project, there were no new short term loans to exhibitions. However, three new long loans were agreed: *Hill Arches* 1973 (LH 636) to the Fitzwilliam Museum, Cambridge; *Reclining Figure: Bunched* 1969 (LH 489a) to Aldeburgh Music; and *Large Interior Form* 1981-82 (LH 297b) to Skulpturenpark Waldfrieden, Wuppertal, Germany.

With the invaluable support of volunteers, the archive team continued to catalogue items on the bibliographic database, digitising correspondence and images, alongside handling a wide range of research and licensing enquiries. They also continued to plan the forthcoming return of the archive collection to its new home in Elmwood Archive in 2016.

Six 'drop-in' family workshops were offered at Perry Green during the 2015 season, and 2,505 school children visited free of charge. Henry Moore continued to be studied as part of the National Curriculum.

Works from the Foundation's collection continued to be added to eMuseum, the online public access version of The Museum System available through our website. A total 5,924 records of the Foundation's collection were made available online – 4,246 drawings, 865 sculptures, 750 graphic summaries, 10 tapestries and 53 textiles. Approximately 2,000 people visited the Foundation's eMuseum site each month. In preparation for the forthcoming launch of a new, improved version of eMuseum, a campaign of data cleaning and new photography was started to address outstanding editorial issues and gaps within the collection database. The collection's core digital assets at Perry Green grew to approximately 423,000 files, including artwork, exhibitions and biographical images.

Meetings of the Authentication Panel were held on 6 October 2015 and 19 April 2016.

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Through these activities the Foundation continued to lead the world in Moore expertise, presenting programmes that deepened and broadened the understanding and appreciation of sculpture for new and established audiences, nationally and internationally. Care of the collections and Moore's home continued as core to our work.

The permanent Henry Moore Collections & Exhibitions team, including archive, conservation and technical personnel, and the estate/security team managing the 72 acres at Perry Green, together consists of 21 full time equivalent employees.

Henry Moore Institute

The Henry Moore Institute fulfilled its remit as a centre for the study of sculpture. We delivered a scholarly programme of exhibitions, events and publications; hosted Visiting Research Fellows and worked with higher and further education institutions; managed and facilitated research on the Leeds Museums and Galleries sculpture collection, which encompasses sculpture, works on paper and the Henry Moore Institute Archive of Sculptors' Papers; maintained and developed our Research Library; and developed partnerships and fostered new audiences.

In the period, four exhibitions were presented in Galleries 1, 2 & 3, two commissioning new sculpture; three in Gallery 4; two in the Upper Sculpture Study Gallery, one dedicated to a new archival acquisition, while the Henry Moore display from the Foundation's collection continued from the previous year. We continued to develop touring partnerships, this year working with Museum Dhondt-Dhaenens (Belgium) and Musashino Art University and Museum (Japan) to present our exhibitions internationally. In addition we worked with the Yorkshire Sculpture Triangle on the exhibition *Caro in Yorkshire*, presenting a sculpture by the artist outside the Institute building. External funding from foundations in the USA, Austria and Romania supported individual exhibitions, with additional support from artists' representatives enabling publications. We produced publications to accompany the exhibitions *Carol Bove/Carlo Scarpa*, *Paul Neagu: Palpable Sculpture* and *A Lesson in Sculpture with John Latham*, and published three issues of our journal *Essays on Sculpture*, two of which related to programmed exhibitions.

During the year we presented ten conferences, symposia and gallery discussions, fifteen lectures, one film screening, one performance, one book launch and two discussions at external venues, as well as speaking at museums, galleries and universities. Our Annual Academic Open Day introduced our activities to the academic community, and included a keynote lecture with the sculptor Alison Wilding. Throughout the year we maintained active academic liaison and hosted three two-year Post-doctoral Fellows, two based at British universities and one at the Institute. Five Visiting Research Fellows, from the USA, New Zealand, Bangladesh and the UK, and one Senior Research Fellow spent four weeks at the Institute, based in the Research Library. The Library continued to develop the Artists' File collection of ephemera and presented three displays from the Special Collections, as well as acquiring 868 books, eight DVDs, twenty-four sound recordings, thirty journal titles.

Working with the Leeds Museums and Galleries sculpture collection we presented one eighteen-month display across the sculpture galleries of Leeds Art Gallery. In the period covered we acquired for the collection, through donation and purchase, six sculptures, one work on paper, seven individual archive collections and one addition to an existing archival collection. We facilitated the loan of 105 individual works plus archival material to museums in the UK and Europe. Researchers at all levels were actively encouraged to work with the collections.

Through the activities at the Institute the Foundation continued to play a leading role in the study of sculpture; helping to deepen and broaden the understanding and appreciation of sculpture for new and established audiences, both nationally and internationally.

The permanent team at the Henry Moore Institute consists of 12 full time equivalent employees. In addition, the Foundation is grateful for the support of Leeds City Council in the form of three employees who are on the payroll of the Council and who are engaged to look after the Leeds sculpture and archive collections which are under the day to day care of the Foundation.

Immunity from Seizure

The Henry Moore Foundation, which includes the Henry Moore Institute, received Approved Status from the Department of Culture Media and Sport under Part 6, Section 136 of the Tribunals, Courts and Enforcement Act 2007 (Protection of Cultural Objects on Loan) on 4 September 2008.

The Foundation's exhibition programme, both at Perry Green and venues worldwide, draws on the collections gifted to it by Henry Moore, which have been augmented subsequently by gifts and acquisitions. In order to fulfil its exhibition programme the Foundation borrows work on a regular basis from institutions and private lenders in the UK and abroad. All lenders are requested to complete a Loan Form in order to satisfy due diligence procedures in accordance with the Foundation's ethical loans policy. Information on the provenance of the work is requested and the lenders are required to declare that they acquired the works by legitimate means, have legal ownership and are unaware of any third party claims. The Foundation also holds information on its database on all works by Henry Moore and provenance information is frequently updated on this system. The Catalogue Raisonné also provides a useful resource for curators to confirm the legitimacy of works. Once the Loan Form is completed by the lender it is kept on file in case of a future audit. All paper trails in the form of

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letters and emails are kept on file relating to provenance and ownership requests. The Curator is responsible for researching the provenance of the works at the beginning of the loans process and the Registrar is responsible for ensuring the Loan Form is satisfactorily completed by the lender.

There are no items to report under the regulations for Immunity from Seizure for the programmes at Henry Moore Studios & Gardens, Perry Green or the Henry Moore Institute, Leeds during this period.

Training is provided on Immunity from Seizure to relevant members of staff as required. The Foundation's due diligence policy and procedures continues to be implemented and the ethical loans policy adhered to through its exhibition programme, both when incoming loans are requested for exhibition and through its acquisition policy. The ethical loans policy was updated in 2016.

Grants

The Foundation maintained its policy throughout the year of awarding grants to a wide range of projects and organisations with a strong sculptural component. This included exhibitions, collections, commissions, publications, fellowships, research and development, and conferences. As the largest grant-making artist-endowed foundation in Europe, the Foundation's grants play an increasingly significant role in today's challenging climate of funding for the visual arts. In 2015-16 the Trustees approved grants to the value of £517,850 (2014-15: £535,175). (The sums stated in note 8 of these financial statements include brought forward and carried forward details and hence do not correlate directly to the grants approved in the year).

In 2015-16 the Foundation awarded nearly £30,000 to public collections for the acquisition, display or conservation of sculpture. These included the acquisition of Barbara Hepworth's *Two Forms (Orkney)* 1967 for The Pier Arts Centre, Stromness and Antonio Colicci's *The Vision of San Francesco of Paola* 1725 for the Fitzwilliam Museum, Cambridge. Amongst exhibitions supported were *British Art Show 8* (touring); *Rose English: A Premonition of the Act* (Camden Arts Centre, London); *Kenneth Armitage Centenary* (Victoria Art Gallery, Bath and Leeds Art Gallery); *Concerning Concrete Poetry* (Badischer Kunstverein e.V, Karlsruhe); *Anthea Hamilton Reimagines Kettle's Yard* (The Hepworth Wakefield), and *Dan Flavin, It is what it is and it ain't nothing else* (Ikon Gallery, Birmingham).

In the wider field of sculpture scholarship, the Foundation awarded four consecutive annual grants to Art UK (formerly The Public Catalogue Foundation) to continue work on the cataloguing of sculpture in UK public collections.

Although several of these and other projects take place in the year 2016-17, the grant was awarded and hence accounted in the 2015-16 financial year. With the exception of fellowships, the Foundation does not normally give grants to individuals; nor does it provide revenue expenditure.

Through the provision of financial support to exhibitions, publications, research and acquisitions, the Foundation continued to deliver its objective to support the advancement of sculpture.

Grants decisions are made by the Grants Committee and one officer administers the grants programme.

Marketing & Communications

Marketing activity has continued at both sites to encourage engagement with new and existing audiences. In addition three major developments were led by the marketing & communications team in the year:

- a re-branding to coincide with the opening of the new visitor facilities at Perry Green in summer 2016, with a new brand mark, new name for the Hertfordshire site, 'Henry Moore Studios & Gardens' and accompanying new tone of voice;
- the first Foundation-wide audience research project was undertaken to inform engagement of new and existing audiences;
- a new website due to be launched (phase 1) in autumn 2016.

During the construction period of the Master plan at Perry Green, a relatively modest marketing campaign was undertaken for the 2015 season. Increased focus was able to be given to the development of digital activities, not only through the design and delivery of the new website, but also in terms of social media activity and social media advertising, which resulted in considerably deeper reach and engagement.

The programme at the Institute has proved attractive to a range of national critics during the year and new contacts have been established with a number of online outlets. PR activity for our Hertfordshire site has been mostly reactive during the capital development project. Henry Moore: Back to a Land at Yorkshire Sculpture Park garnered widespread national media coverage. Topical stories, such as Moore at Columbia University and the fate of *Draped Seated Woman 1957-58* (LH 428), affectionately known as 'Old Flo', in Tower Hamlets have kept Moore in the news and the La Caixa exhibition has provided continued international exposure.

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Collaborative initiatives have continued to add value to marketing and communications activities. The Foundation has partnered with local tourism initiative Visit Herts, designed to actively encourage visitors to the region; as one of the leading cultural venues in the county, Henry Moore Studios & Gardens has featured prominently in their marketing output. The Yorkshire Sculpture Triangle's Caro in Yorkshire campaign featured the Institute in an extensive advertising and print campaign and PR activity resulted in 141 articles in national broadsheet, broadcast, regional, consumer, specialist and online media throughout 2015.

The findings of the audience research, informed by both quantitative and qualitative data, has highlighted a distinct lack of awareness of both Foundation venues within the culture market. Key audience segments have been identified and these will be incorporated across all marketing channels from 2016 onwards, with messaging tailored to their tastes.

Through these activities the Foundation continued to reach new and established audiences, nationally and internationally.

The permanent marketing, communications and events team consists of 4 full time equivalent employees.

Volunteers

The Foundation is grateful for the unstinting efforts of its volunteers who are involved in administrative and archival duties (8), as gardeners (12) and in guiding schools and groups around Henry Moore's studios and grounds at Perry Green (35). It is estimated that approximately 6,000 volunteer hours were provided during the year. If this time is conservatively valued at £10 per hour, the volunteer effort amounts to £60,000 in the period.

The Foundation also hosted three interns throughout the year in the administration and communications teams.

Volunteers and interns receive an induction and training; they are also required to enter into a formal signed agreement with the Foundation.

FINANCIAL REVIEW

Investments

The aims of the Foundation are long term and historically its income is mainly derived from investments provided from the assets left by its founder. The Foundation therefore invests the funds so as to protect its real value against inflation and to furnish an annual income at least sufficient to fulfil the charitable objectives. To this end the Foundation maintains a diverse portfolio investing with a number of fund managers with different investment styles and asset spread in order to ensure the maximum return with the minimum of risk and/or volatility across the portfolio as a whole. Trustees manage the portfolio of investments akin to an endowment, allocating annually a percentage of the average value of the funds to provide revenue for the Foundation. While this percentage is set for the duration of the current five year plan (with annual RPI increases), it continues to be monitored annually. Sufficient investments assets need to be maintained in order to provide income for the annual operating costs of the Foundation. The Foundation aims to maintain a cash pool, or general reserve, equivalent to running costs of approximately twelve to eighteen months.

In April 2015 the Foundation appointed Stanhope Consulting as investment advisers and Royal Bank of Canada (Channel Islands) as custodian. The strategic asset allocation was reviewed during the year to re-invest an increased proportion of assets into income yielding equities, across a broad spread of funds to minimise risk, and to move holdings from segregated funds into pooled funds to reduce management costs. The review led to significant re-investment of the portfolio during the year, incurring some losses and trading levies, however long term benefits are anticipated.

The Foundation's investment objective is to achieve RPI + 4% per annum over the long term. The strategic asset allocation percentage targets are: equities 65%; bonds 15%; and alternatives 20%. The portfolio will only invest in funds and not in individual securities. No more than 15% of the portfolio may be held in any single fund without the prior consent of Trustees.

The total capital market value of the Foundation's investment portfolio stands at £82,578,393 (2015: £84,219,046) representing a small decrease in value of 1.9%. This is indicative of the extensive re-investment of the portfolio during the year, but a discernible improvement has been noted in the six months following the year end.

The short term impact of the changes in the portfolio is also noted in the total return generated for the year of £1,544,383 (2015: £8,807,593); however investment income is up at £2,107,344 (2015: £1,322,888). Investment managers' fees, excluding dealing levies, are £175,292 representing 11.3% of the total return (2015: £1,094,801 representing 12.4% of the total return). The reduction in fees is in part due to how charges are levied in different funds; over the year the Foundation re-invested in pooled funds where managers' fees are netted off against the fund value, rather than in segregated funds where managers' fees are itemised and charged separately.

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Financial Analysis

At the year end the Foundation holds Total Funds of £107,574,922 (2015: £106,495,306), of which:

- £82,571,807 (2015: £84,212,460) is held in investments and managed as a quasi-endowment;
- £17,501,528 (2015: £12,717,060) is held in property, heritage and other tangible assets; and
- £ 7,501,587 (2015: £9,565,786) is in net current assets.

The level of cash in hand is currently higher than would normally be required due to cash flow requirements for the Perry Green Masterplan capital project.

The Total Funds include Restricted funds of £82,448 (2015: £2,858,539) consisting of the balance of funds remaining for joint projects with the Yorkshire Sculpture Triangle (£61,578); and the balance of a European Rural Development Programme grant (£20,870) awarded in 2013 which is being written down against the depreciation charge of the part funded capital items purchased. The Restricted fund relating to the Perry Green Masterplan (resulting from sale of the gift of a work of art donated by HMF Enterprises specifically for the capital project), has been spent down to zero in the year.

Ongoing capital costs in relation to the Masterplan (£5,133,036) have been capitalised in the year, bringing the total expenditure on Assets under Construction to £6,307,605.

The year saw increased income of £6,197,219 (2015: £2,427,435). In addition to the £784,456 (59%) increase in investment income referred to above, the increases in trading and charitable income streams include the proceeds of sales of works of art by the Foundation (£1,739,552) and a gift of the proceeds of sales of work by the trading company (£1,485,187) to finance the Perry Green Masterplan. Gift Aid on admissions is £3,005 (2015: £11,363) due to the restricted visitor season at Perry Green while construction work was in progress.

The growth in income is accompanied by a decrease in expenditure of £4,729,934 (2015: £5,954,889). This decrease is largely due to the reduction in stated investment fund managers' fees. Expenditure remained largely consistent across other charitable expenditure, apart from an increase in marketing expenditure for the development of the new website and a decrease in programme costs at Perry Green due to suspension of the exhibition programme during the Masterplan construction period.

The Foundation is grateful to receive a grant of £151,500 from Leeds City Council as a contribution towards the upkeep of their buildings, specifically the mezzanine and sculpture study galleries, run by the Foundation as part of the Henry Moore Institute in Leeds city centre.

Designated Funds and Reserves Policy

The Trustees have reviewed the Foundation's reserves policy and have resolved to retain as designated funds amounts representing those assets set aside for specific purposes, with the balance as an unrestricted general reserve. The designated funds totalling £101,469,064 comprise the following:

- an investment fund represented by the Foundation's investment portfolio which is treated as an Endowment Fund for operational purposes and which is relied upon to produce a return sufficient to meet at least the projected annual expenditure of the Foundation. The balance in this fund is £82,571,807 (2015: £80,931,460);
- a capital reserve fund representing the net book value of fixed assets held by the Foundation amounting to £15,888,105 (2015: £9,899,672);
- a heritage asset fund of £1,530,417 (2015: £1,530,417) to protect (purchased) artworks;
- other designated funds totalling £1,478,735 (2015: £634,501) set aside by the Trustees for specific projects, including Masterplan, the Henry Moore Purchase Reserve Fund and other specified activities scheduled for delivery in the next 12 - 18 months.

After setting aside the HMF Enterprises' operating reserve of £173,349 (2015: £173,349), this leaves a balance of £5,850,061 (2015: £10,467,368) as the Foundation's general reserve.

The Trustees aim to maintain general funds at a level and with such liquidity as to enable at least twelve months of unrestricted charitable expenditure to be undertaken at any time and, additionally in this year, funds to complete the Masterplan capital project. This would require a general fund of a minimum of £4.5 million. The general reserve (£5,863,961) is sufficient to cover this requirement, therefore Trustees intend to maintain the current level of general funds.

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Risk management

The Trustees review the major financial and non financial risks to the Foundation to ensure that steps have been taken both to minimise the risk and to provide the Foundation, its staff and visitors with appropriate insurance or physical protection against any unavoidable risks. The risk analysis is undertaken at least annually and key actions resulting from the analysis are included in the five year plan.

One of the principal risks is to inflation-proof and maintain the value of the quasi-endowment and to derive a consistent income stream to finance the annual operating costs of the Foundation. This is particularly challenging when political and economic uncertainty in the wider world causes volatility in the markets. Trustees have sought to minimise this risk by spreading the Foundation's investments over a wide asset base.

A further risk is the potential failure of the environmental controls in the art stores and galleries. This risk has been managed by the installation of upgraded heating, ventilation and air conditioning plant at both sites within the last two years and ensuring that maintenance contracts are in place for this equipment and the associated building management systems. In addition, free-standing monitoring devices (TinyTags) provide backup data that is assessed regularly by operations and registrarial personnel.

Poor broadband infrastructure continues at Perry Green, placing the digital business development of the Foundation at risk. Despite employing all communications networks available in Perry Green, electronic communications and digital services for visitors and users remain a challenge. The Foundation's website and email exchange are now housed off-site to help improve speeds for users. In the meantime, the Foundation has joined forces with the local community to lobby providers to speed up the installation of superfast fibre broadband.

Pensions

The Foundation had a long-standing Group Personal Pension Plan in place for all eligible permanent employees. Auto-enrolment was introduced from April 2015 to include all fixed term and seasonal employees, so all employees of the Henry Moore Foundation are now offered a workplace pension scheme. All employees are auto-enrolled with the National Employment Savings Trust (NEST), where, in 2015/16, the Foundation paid a sum equivalent to 1% of members' salary on a monthly basis and members of the scheme were required to contribute 1% of their salary. (This contribution increases to 2% for both parties from April 2016).

Employees on permanent contracts are invited to join the Group Personal Pension Plan with Scottish Widows, brokered by JLT Benefit Solutions Ltd. where the sum equivalent to 12.5% of members' salary is paid into the scheme by the Foundation on a monthly basis and members of the scheme are required to contribute 5% of their salary. Permanent employees are offered the opportunity of taking advantage of 'salary sacrifice' in respect of their pension contributions.

The majority of eligible permanent employees have chosen to opt for the Group Personal Pension Plan with Scottish Widows. The majority of eligible fixed term and seasonal employees are auto-enrolled into the NEST scheme with a few choosing to opt out. The cost to the Foundation of pension for the year was £144,558 (2015: £144,528).

Key financial performance indicators

Trustees have set targets for the performance of the investment portfolio and engage Stanhope Consulting to advise on the delivery of the investment strategy. Performance of the strategy is monitored quarterly by Trustees and the signed agreement with Stanhope Consulting sets out procedures to address actions where these may be required between committee meetings.

A five year plan has been approved by Trustees and within this context, the Executive sets a programme of activities which aim to deliver the organisation's charitable, artistic, financial and legal objectives. Prior to the commencement of each financial year the annual budget is drawn up and approved by Trustees; performance is monitored through monthly management accounts. Delivery of the programme of activities and monitoring of the budget is delegated to the appropriate heads of teams, who report quarterly through the Executive to the Trustee Board.

FUTURE PLANS

With a new Director in post from July of 2015; the completion of major capital works at the Foundation's Perry Green site; a rebranding exercise; the development of a new website; and an investment in detailed audience analysis, the organisation is well placed to begin the next phase of its development. As a whole, the Foundation will work to improve levels of audience awareness and engagement, and will continue to inform its policies and procedures in relation to audience perceptions. The Foundation will work to establish a more balanced financial model, which places less reliance on its quasi-endowment and makes the organisation more resilient and therefore, more sustainable in the longer-term. Improvements at Perry Green will allow the Foundation to be better placed to welcome visitors to Henry Moore's former home, studios and gardens, where much improved facilities will enhance the experience and afford a more comprehensive understanding of Henry Moore and his work. These improvements should also contribute to the organisation's wider business model.

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The Foundation will continue with its ambitious programme of loaning works for national and international exhibitions on Henry Moore and related subjects. The next year will also see the operational completion of a new, state of the art, archive facility that will greatly enhance the field of scholarship concerned with the study of the artist's life and work, making several hundred thousand items available for consultation.

The Henry Moore Institute in Leeds will continue to encourage and facilitate research into the history and practice of sculpture through exhibitions, conferences, lectures and publications. Partnerships between the Foundation and other organisations in the Yorkshire area concerned with the furtherance of sculpture will be enhanced, as will the relationship with Leeds City Council, centred on Leeds Art Gallery and its collections.

The grants programme will continue to support visual arts institutions and organisations whose projects are aligned with the Foundation's charitable objectives. The Grants Committee will continue to monitor the needs of the sector and offer support where it can have most benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

The Board of Trustees is appointed by majority agreement of the existing Trustees and meets quarterly to review the Foundation's activities and strategy. Four sub committees oversee specific areas of the Foundation's work: Finance & General Purposes Committee, Investment Committee, Grants Committee and Collections Committee; and a fifth sub Committee, Nominations Committee, meets as needed. Terms of Reference were agreed for all committees in 2015. Trustees are appointed to the sub committees as shown in the Trustees' listing. All sub committees generally meet quarterly or as required throughout the year and all report to the Board. Day to day management of the Foundation is undertaken by an executive team of paid officers.

Nigel Carrington, Vice Chancellor of University of the Arts London, is chairman of the Board of Trustees. He was appointed to the position for a term of five years at the AGM in November 2014.

The Board of Trustees keeps under review the skills required of the Board. When necessary the Board seeks new Trustees by exploiting the broad range of contacts of the Trustees and the Executive to ensure the maintenance of the necessary mix of skills. A Trustees' Skills Audit was undertaken within the last 24 months.

The induction of new Trustees is designed to give them a proper understanding of all aspects of the work of the Foundation. It includes meetings with the Director, Chief Operating Officer and Board Members, covering the programme and exhibitions policy and plans, grant making process, major projects and capital developments, powers and responsibilities of the Trustee Board and the sub committees. The welcome pack includes a copy of the Memorandum and Articles of Association, previous annual reports and accounts, the Annual Review and copies of relevant Charity Commission guidance as well as other relevant material.

The Henry Moore Foundation has a wholly owned trading subsidiary company, HMF Enterprises Limited (Company Number 1262112), and the majority if not all of the profit from its undertakings are paid under Gift Aid to the charity annually. Details of HMF Enterprises Limited and its activities are summarised in note 3 of these financial statements. Cella Clear and William Edgerley, both Trustees of the Henry Moore Foundation, also serve as Directors of the HMF Enterprises Board along with three other Directors.

The Foundation welcomed a new Director in July 2015: Godfrey Worsdale, formerly Director of BALTIC Centre for Contemporary Art, Gateshead.

Pay policy for senior staff

The pay and remuneration of the Foundation's key management personnel is considered by the Finance & General Purposes Committee and approved by the Board of Trustees. These arrangements are informed by achievements of the individuals in post and benchmarking against similar posts in comparable out-of-London organisations in the wider cultural, academic and charity spheres. The Foundation undertakes a salary benchmarking exercise approximately every three years.

AUDITOR

A resolution proposing that Peters Elworthy & Moore be re appointed as auditors of the company will be put to the Annual General Meeting.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Trustees' Report (continued)
for the year ended 31 March 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Henry Moore Foundation for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

This report was approved by the Trustees on 24 November 2016 and signed on their behalf by:



Nigel Carrington
Chairman, Board of Trustees



David Wilson
Trustee and Chairman, Finance & General Purposes Committee

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Trustees
for the year ended 31 March 2016

Trustees

Charles Asprey, (3)
Nigel Carrington, (1) (2) (5)
Henry Channon, (1) (2)
Celia Olwen Clear, (1) (5)
William Thomas Edgerley, (1) (2)
Laure Genillard, (3)
Antony Griffiths, (4)
Dr David Wilson FSA, (1) (2) (5)
Dr Anne Wagner, (3) (4)
Peter Wienand MVO, (4) (5)

Committee Membership:

(1) Finance & General Purposes Committee, incorporating Remunerations Committee
(2) Investments Committee (3) Grants Committee
(4) Collections Committee (5) Nominations Committee

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

**Reference and Administrative Details of the Charity and Advisers
for the year ended 31 March 2016**

Company registered number

01255762

Charity registered number

271370

Registered office

Dane Tree House, Perry Green, Much Hadham, Hertfordshire, SG10 6EE

Company secretary

Ian Parker

Website

www.henry-moore.org

Executive

Director, Godfrey Worsdale OBE
Chief Operating Officer, Lesley Wake
Head of Henry Moore Collections & Exhibitions, Sebastiano Barassi
Head of Sculpture Studies, Lisa Le Feuvre
Head of Marketing & Enterprise, Augusta Barnes
Head of Communications, Rebecca Land

Independent auditors

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

Bankers

Lloyds Bank PLC, 23 North Street, Bishop's Stortford, Hertfordshire, CM23 2LN

Royal London Cash Management, 55 Gracechurch Street, London, EC3V 0UF

Royal Bank of Canada (Channel Islands) Limited, PO Box 194, 19-21 Broad Street, St Helier, Jersey, JE1 8PB

Solicitors

CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London, EC1A 4DD

Investment Adviser

Stanhope Consulting, a division of Stanhope Capital LLP, 35 Portman Square, London, W1H 6LR

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Henry Moore Foundation

We have audited the financial statements of The Henry Moore Foundation for the year ended 31 March 2016 which comprise the group Statement of financial activities, the group and company Balance sheets, the group statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Unqualified opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Henry Moore Foundation

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records, 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.



Judith Coplowe (Senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
8 December 2016

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Consolidated Statement of Financial Activities
(incorporating Income and Expenditure account)
for the year ended 31 March 2016

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:					
Donations	2	-	3,005	3,005	11,363
Other trading activities	3	-	1,556,580	1,556,580	92,307
Investments	4	-	2,205,213	2,205,213	1,413,223
Charitable activities	5	-	2,432,421	2,432,421	910,542
TOTAL INCOME		-	6,197,219	6,197,219	2,427,435
EXPENDITURE ON:					
Raising funds	6	-	246,685	246,685	1,284,943
Charitable activities	7	12,238	4,471,011	4,483,249	4,669,946
TOTAL EXPENDITURE		12,238	4,717,696	4,729,934	5,954,889
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		(12,238)	1,479,523	1,467,285	(3,527,454)
Net (losses)/gains on investments	6	-	(387,669)	(387,669)	8,579,507
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(12,238)	1,091,854	1,079,616	5,052,053
Transfers between Funds	20	(2,763,853)	2,763,853	-	-
NET INCOME / (EXPENDITURE)		(2,776,091)	3,855,707	1,079,616	5,052,053
NET MOVEMENT IN FUNDS		(2,776,091)	3,855,707	1,079,616	5,052,053
RECONCILIATION OF FUNDS:					
Total funds at 1 April 2015		2,858,539	103,636,767	106,495,306	101,443,253
		82,448	107,492,474	107,574,922	106,495,306
TOTAL FUNDS AT 31 MARCH 2016					

All activities relate to continuing operations.

The notes on pages 18 to 34 form part of these financial statements.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)
Registered number: 01255762

**Consolidated Balance Sheet
as at 31 March 2016**

	Note	£	2016 £	£	As restated 2015 £
FIXED ASSETS					
Tangible assets	13		15,971,111		11,186,643
Heritage assets	15		1,530,417		1,530,417
Investments	14		82,571,807		84,212,460
			<u>100,073,335</u>		<u>96,929,520</u>
CURRENT ASSETS					
Stocks	17	34,418		32,728	
Debtors	18	680,106		427,523	
Cash at bank and in hand		8,122,040		10,238,330	
			<u>8,836,564</u>	<u>10,698,581</u>	
CREDITORS: amounts falling due within one year	19	(1,334,977)		(1,132,795)	
NET CURRENT ASSETS			<u>7,501,587</u>		<u>9,565,786</u>
NET ASSETS			<u>107,574,922</u>		<u>106,495,306</u>
CHARITY FUNDS					
Restricted funds	20		82,448		2,858,539
Unrestricted funds	20		107,492,474		103,636,767
TOTAL FUNDS			<u>107,574,922</u>		<u>106,495,306</u>

The financial statements were approved and authorised for issue by the Trustees on 24 November 2016 and signed on their behalf, by:


Nigel Carrington
Chairman

The notes on pages 18 to 34 form part of these financial statements.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)
Registered number: 01255762

Company Balance Sheet
as at 31 March 2016

	Note	£	2016 £	£	As restated 2015 £
FIXED ASSETS					
Tangible assets	13		15,971,111		11,186,643
Heritage assets	15		1,530,417		1,530,417
Investments	14		82,578,393		84,219,046
			<u>100,079,921</u>		<u>96,936,106</u>
CURRENT ASSETS					
Debtors	18	708,900		415,404	
Cash at bank and in hand		7,944,425		10,231,983	
			<u>8,653,325</u>	<u>10,647,387</u>	
CREDITORS: amounts falling due within one year	19	(1,331,673)		(1,261,535)	
NET CURRENT ASSETS			<u>7,321,652</u>		<u>9,385,852</u>
NET ASSETS			<u><u>107,401,573</u></u>		<u><u>106,321,958</u></u>
CHARITY FUNDS					
Restricted funds	20		82,448		2,858,539
Unrestricted funds	20		107,319,125		103,463,419
TOTAL FUNDS			<u><u>107,401,573</u></u>		<u><u>106,321,958</u></u>

The financial statements were approved and authorised for issue by the Trustees on 24 November 2016 and signed on their behalf, by:


Nigel Carrington
Chairman

The notes on pages 18 to 34 form part of these financial statements.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Consolidated Statement of Cash Flows
for the year ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	22	(1,210,830)	(4,683,855)
Cash flows from investing activities:			
Dividends, interest and rents from investments		524,062	1,322,885
Investment managers fees paid		188,977	1,095,280
Purchase of property, plant and equipment		(5,148,325)	(546,241)
Net withdrawal from investments		1,064,007	8,393,115
Realised proceeds		2,465,819	(65,764)
Net cash (used in)/provided by investing activities		(905,460)	10,199,275
Change in cash and cash equivalents in the year		(2,116,290)	5,515,420
Cash and cash equivalents brought forward		10,238,330	4,722,910
Cash and cash equivalents carried forward	23	8,122,040	10,238,330

The notes on pages 18 to 3 form part of these financial statements.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

**Notes to the Financial Statements
for the year ended 31 March 2016**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND ASSESSMENT OF GOING CONCERN

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

The Henry Moore Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating the liability from multi-year grant commitments (see note 8 for more information). With respect to the next reporting period, 2016-17, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absences arising from employee entitlement of the parent charity to paid annual leave. The initial liability was for £13,738. No other restatements were required. The reconciliation of net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

In accordance with FRS 102, a reconciliation of opening balances is provided here:

Reconciliation of reported net income	£	
Net income/(expenditure) as previously stated for the year ended 31 March 2015	(3,526,976)	
Short term compensated balances	(478)	
Adjustment for gains/(losses) on investments now treated as a component of net income	8,579,507	
Net income as restated as at 31 March 2015	5,052,053	
	01 April 2014	31 March 2015
	£	£
Reconciliation of funds and balances		
Fund balances as previously stated	101,456,513	106,509,044
Short term compensated balances	(13,260)	(13,738)
Fund balances as restated	101,443,253	106,495,306

1.3 COMPANY STATUS

The Foundation is a company limited by guarantee. The members of the company are the Trustees named on page 10. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2016

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

Voluntary income includes grants and donations received in addition to gift aid donations for admissions.

Income from other trading activities comprises the income earned by the subsidiary company. Standard deposits received in relation to weddings and events are recognised on receipt whilst the remaining balance is deferred until the wedding or event has been held.

Investment income is recognised on a receivable basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the Bank.

Income from charitable activities includes sale of publications and catalogues. Income received in relation to exhibitions is recognised at the commencement of the exhibition.

Works of Art income is recognised on a receivable basis.

Performance related grant income is recognised in the period received but where the related services have not been performed by the period end, the balance is carried forward as deferred income.

1.5 VOLUNTEERS AND DONATED SERVICES AND FACILITIES

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustee's annual report.

1.6 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

Costs of generating funds are those costs incurred in attracting voluntary income, those incurred in trading activities that raise funds, and income from investments.

Charitable activities include expenditure associated with the staging of exhibitions, educational and research programmes and include both the direct costs and support costs relating to these activities.

Support costs include governance costs and central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation.

Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Foundation.

1.7 INVESTMENT MANAGEMENT FEES

Investment fees are taken by fund managers net of income reinvested in the portfolio. Where this can be accurately measured, investment income and management fees are grossed up within the Statement of Financial Activities. If these cannot be reliably measured, investment income is recognised net of the management fee.

1.8 IRRECOVERABLE VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2016

1. ACCOUNTING POLICIES (continued)

1.9 PENSIONS

The Foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Foundation in an independently administered fund.

1.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	-	2% straight line basis
Long term leasehold property	-	over the period of the lease
Fixtures, fittings, plant & machinery	-	20% straight line basis
Motor vehicles	-	25% straight line basis
Computer equipment	-	33% straight line
Assets under construction	-	Depreciated once brought into use

1.11 WORKS OF ART

The Foundation's works of art comprise assets of artistic and historical importance held to advance the Foundation's core objectives and, through public access, contribute to the nation's culture and education.

Prior to the financial year 2007/08, reliable cost information is not available and conventional valuation approaches lack sufficient reliability, with the cost of providing such information unaffordable and unmanageable, and deemed to outweigh the benefits of the users. Accordingly these assets are not capitalised in the balance sheet.

Works of art in excess of the capitalisation threshold of £1,000 acquired since 1 April 2008 have been capitalised at acquisition value, and treated as non depreciable heritage assets in the balance sheet. A description of the collections and their management in the year are given in Note 15.

1.12 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.13 INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of financial activities includes the combined net gains and losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries are valued at cost.

1.14 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.15 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2016

1. ACCOUNTING POLICIES (continued)

1.16 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.17 FINANCIAL INSTRUMENTS

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. INCOME FROM DONATIONS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Gift Aid on admissions	-	3,005	3,005	11,363

In the year ended 31 March 2015, all income was unrestricted.

3. TRADING INCOME - HMF ENTERPRISES LIMITED

A summary of the results of the subsidiary undertaking, HMF Enterprises Limited is set out below:

Audited financial statements will be filed with the Registrar of Companies.

Profit and loss account:

	2016 £	2015 £
Retail sales	60,921	92,307
Wedding income	13,505	-
Sales of Works of Art from stock	1,482,154	-
Cost of sales	(66,453)	(119,438)
	<u>1,490,127</u>	<u>(27,131)</u>
Administrative expenses	(4,940)	(9,698)
Charitable donation	(1,485,187)	-
Interest payable	-	(390)
	<u>-</u>	<u>(37,219)</u>
Net (loss)/profit	-	8,840
Tax on ordinary activities	-	(28,379)
(Loss)/profit for the year	-	208,314
Net assets brought forward	<u>179,935</u>	<u>179,935</u>
Net assets carried forward	<u>179,935</u>	<u>179,935</u>

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

**Notes to the Financial Statements
for the year ended 31 March 2016**

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	52,405	52,405	44,990
Investment income	2,107,344	2,107,344	1,322,888
Property income	45,464	45,464	45,345
	<u>2,205,213</u>	<u>2,205,213</u>	<u>1,413,223</u>

In the year ended 31 March 2015, all income was unrestricted.

5. CHARITABLE INCOME

	2016 £	2015 £
Catalogue sales and publication income - HM Institute	13,955	17,147
Exhibition income	315,215	489,437
Other income	167,538	134,931
Unrestricted grants from Leeds City Council	151,500	150,000
Admissions income	44,661	119,027
Sales of Works of Art	1,739,552	-
	<u>2,432,421</u>	<u>910,542</u>

In the year ended 31 March 2015, all income was unrestricted.

6. INVESTMENT RETURNS

Investments are managed on a total return basis and the total return for the year is set out below.

In the year the Foundation changed its Investment strategy and as a result the method of fees being charged has changed to being charged within the individual funds rather than being charged directly.

	2016 £	2015 £
Income from listed investments	2,107,344	1,322,888
Unrealised gains on investment assets	2,078,152	8,513,744
Realised gain/(losses) on foreign exchange hedging	251,735	(648,269)
Realised (losses)/gains on investment assets	(2,717,556)	714,032
Fees to investment managers	(175,292)	(1,094,801)
	<u>1,544,383</u>	<u>8,807,593</u>

Positive total return for the year

See Note 14 for further details of the investment funds.

RAISING FUNDS

	2016 £	2015 £
Investment management fees	175,292	1,094,801
Trading and other expenses	71,393	190,142
	<u>246,685</u>	<u>1,284,943</u>

In the year ended 31 March 2015, all expenditure is unrestricted.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2016

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Direct costs 2016 £	Grant funding of activities 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Grants	-	490,741	121,846	612,587	534,868
Curatorial and exhibitions (Perry Green)	559,465	-	721,584	1,281,049	1,561,237
Sculpture studies (HMI)	588,770	-	599,757	1,188,527	1,251,289
Estate and visitor services (Perry Green)	631,186	-	372,103	1,003,289	1,017,047
Marketing	125,906	-	271,891	397,797	207,525
Masterplan expenditure	-	-	-	-	97,980
Total	1,905,327	490,741	2,087,181	4,483,249	4,669,946

8. GRANTS

	No of grants	2016 £	No of grants	2015 £
Exhibitions and New Projects	58	195,861	71	382,813
Collections	8	60,000	8	45,000
Conferences, Publications and Workshops	13	24,000	19	40,085
Fellowships	4	64,500	12	65,250
Research	10	162,850	8	55,175
Total Paid in the year	93	507,211	118	588,323
Amount brought forward		345,630		177,544
Amount carried forward (other creditors - note 19)		(362,100)		(345,630)
Support Costs allocated		121,846		114,631
		612,587		534,868

All expenditure is unrestricted.

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**Notes to the Financial Statements
for the year ended 31 March 2016**

9. DIRECT COSTS

	Curatorial and exhibitions £	Sculpture studies (HMI) £	Estate and visitors £
Other	125,069	46,899	54,915
Wages and salaries	416,652	463,512	432,668
National insurance	8,804	37,296	61,142
Pension cost	8,940	41,063	82,461
	<u>559,465</u>	<u>588,770</u>	<u>631,186</u>
	<u><u>559,465</u></u>	<u><u>588,770</u></u>	<u><u>631,186</u></u>
	Marketing and communications £	Total 2016 £	Total 2015 £
Other	6,615	233,498	983,431
Wages and salaries	99,258	1,412,090	1,421,732
National insurance	7,964	115,206	109,806
Pension cost	12,069	144,533	145,006
	<u>125,906</u>	<u>1,905,327</u>	<u>2,659,975</u>
	<u><u>125,906</u></u>	<u><u>1,905,327</u></u>	<u><u>2,659,975</u></u>

10. SUPPORT AND GOVERNANCE COSTS

	Governance £	Grants £	Curatorial and exhibition £	Sculpture studies (HMI) £
Other Support Costs	117,752	113,476	671,796	558,339
Wages and salaries	23,060	-	-	-
Employers NI	1,707	-	-	-
Pension Costs	1,793	-	-	-
	<u>144,312</u>	<u>113,476</u>	<u>671,796</u>	<u>558,339</u>
	<u><u>144,312</u></u>	<u><u>113,476</u></u>	<u><u>671,796</u></u>	<u><u>558,339</u></u>
	Estate and visitors £	Marketing and communications £	Total 2016 £	Total 2015 £
Other Support Costs	346,416	252,842	2,060,621	1,566,539
Wages and salaries	-	-	23,060	19,317
Employers NI	-	-	1,707	1,862
Pension Costs	-	-	1,793	2,016
	<u>346,416</u>	<u>252,842</u>	<u>2,087,181</u>	<u>1,589,734</u>
	<u><u>346,416</u></u>	<u><u>252,842</u></u>	<u><u>2,087,181</u></u>	<u><u>1,589,734</u></u>

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Notes to the Financial Statements
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10. SUPPORT AND GOVERNANCE COSTS (CONTINUED)

Allocation of governance costs

	2016 £	2015 £
Grants	8,370	5,380
Curatorial and exhibitions	49,788	39,443
Sculpture studies (HMI)	41,418	29,151
Estate and visitors	25,687	19,594
Marketing and communications	19,049	14,310
Masterplan expenditure	-	2,202
	<u>144,312</u>	<u>110,080</u>

Allocated based on proportion of other costs

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	363,857	388,509
Auditor's remuneration - Audit	16,150	15,750
Auditor's remuneration - Non-audit	950	1,880
	<u>380,957</u>	<u>406,139</u>

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12. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,450,808	1,436,472
Social security costs	115,584	110,854
Other pension costs	144,558	144,528
	<u>1,710,950</u>	<u>1,691,854</u>

The average number of employees during the year was as follows:

	2016 No.	2015 No.
Curatorial	23	22
HMI Programme	17	15
Establishment	6	6
Estate	6	6
Marketing	3	3
	<u>55</u>	<u>52</u>

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £ 60,001 - £ 70,000	1	1
In the band £ 80,001 - £ 90,000	2	1
In the band £ 110,001 - £ 120,000	0	1
	<u>3</u>	<u>3</u>

All of the higher paid employees above have rights accruing to them under the Foundation's money purchase pension scheme. The contributions in the year in respect of these employees totalled £27,262 (2015 - £35,611).

The key management personnel of the charity comprise the Trustees, Director, Chief Operating Officer, Head of Sculpture Studies, Head of Collections and Exhibitions, Head of Marketing and Enterprise and Head of Communications. The total employment benefits including employer pension contributions of key management personnel were £418,499 (2015 - £412,703).

None of the trustees received any remuneration or benefits during the year.

4 Trustees received reimbursement of expenses amounting to £766 in the current year, (2015 - 7 Trustees - £1,652).

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Notes to the Financial Statements
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13. TANGIBLE FIXED ASSETS

	Land and buildings £	Long term leasehold property £	Assets under construction £	Other fixed assets £	Total £
GROUP AND COMPANY					
COST					
At 1 April 2015	14,243,603	1,159,606	1,174,569	379,916	16,957,694
Additions	-	-	5,133,036	15,289	5,148,325
At 31 March 2016	14,243,603	1,159,606	6,307,605	395,205	22,106,019
DEPRECIATION					
At 1 April 2015	4,601,598	910,155	-	259,298	5,771,051
Charge for the year	282,526	25,183	-	56,148	363,857
At 31 March 2016	4,884,124	935,338	-	315,446	6,134,908
NET BOOK VALUE					
At 31 March 2016	9,359,479	224,268	6,307,605	79,759	15,971,111
At 31 March 2015	9,642,005	249,451	1,174,569	120,618	11,186,643

Tangible fixed assets are held in combination of restricted and designated funds (see note 21).

14. FIXED ASSET INVESTMENTS

	2016 Market Value £	2016 Cost £	2015 Market Value £	2015 Cost £
Total listed investments	82,408,413	80,330,263	77,643,423	62,768,628
Uninvested Cash	163,394	163,398	6,569,037	6,569,037
Total for Group	82,571,807	80,493,661	84,212,460	69,337,665
Investment in subsidiary undertaking	6,586	6,586	6,586	6,586
Total for Foundation	82,578,393	80,500,247	84,219,046	69,344,251

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Notes to the Financial Statements
for the year ended 31 March 2016

14. FIXED ASSET INVESTMENTS (CONTINUED)

MOVEMENT ON LISTED INVESTMENTS

	2016 £	2015 £
Market value at beginning of year	77,643,423	77,501,994
Additions in year	101,912,544	14,112,504
Disposals in year - sale proceeds	(96,508,150)	(22,625,851)
Gain on disposal	(2,717,556)	714,033
Net gain / (loss) on revaluation (2015: after management fees charged directly to funds)	2,078,152	7,940,743
Market value at end of year	<u>82,408,413</u>	<u>77,643,423</u>

VALUATION

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The objectives of the funds held by The Henry Moore Foundation are to provide long term growth by investing in a portfolio of other authorised funds, worldwide equities, fixed interest stocks, cash and money market instruments.

The investment managers will take a fundamental and value driven approach to the portfolio allocation, dependant on the relevant attractions of the world equity, fixed interest and currency markets. The fund will take an aggressive view of the stock market weightings in the portfolio, when compared to a neutral world market capitalisation.

The fund has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price, foreign currency and interest rate risk. The policies are reviewed for managing these risks in order to follow and achieve the investment objective.

INVESTMENT RISK MANAGEMENT POLICY

The Trustees of the Henry Moore Foundation have adopted an investment policy whose purpose is to generate, in a risk-aware manner, both growth in capital and income to enable the Foundation to fulfil its charitable objects. The significance of the portfolio to the longer-term financial sustainability of the Foundation is considered in the Financial Review, Investment Policy and Performance sections of the Trustees' Annual Report.

The Trustees' investment objective is to achieve a return of RPI+4% p.a. over the long term. To that end they have chosen to adopt a multi-asset strategy via a portfolio of funds which comprises a suitable mix of cash, fixed interest, of UK and international equity, property as well of those seeking absolute returns. The funds are managed by specialist managers in their respective fields. Stanhope Consulting, a division of Stanhope Capital LLP, is responsible for advising the Foundation's Finance Committee on strategy, manager selection and tactical asset allocation. The Committee approves any recommendations before they are implemented by Stanhope Consulting and executed by RBC, Jersey, the custodian/administrator.

By maintaining a diversified portfolio and by receiving specialist advice, the Trustees anticipate that the longer-term financial objects of the Foundation will be fulfilled. At the same time, the consistent generation of income on an annual basis should assist the Trustees in meeting the Foundation's shorter-term commitments and should reduce the reliance on the realisation of capital gains to fund liabilities. Risks – credit, interest rate, cash flow, currency and counter-party – are kept under continuous review so as not to endanger the longer-term financial viability of the Foundation. In addition, The Foundation's policy is to retain twelve months' operating funds as cash alongside its investment portfolio.

All investments are carried at their fair value. Funds are valued either on a single- priced or bid basis. Asset sales and purchases are recognised at the transaction value on the trade date. There are no borrowings and exposure to unlisted securities and derivatives within selected funds are thought not to be of a material nature.

THE HENRY MOORE FOUNDATION
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**Notes to the Financial Statements
for the year ended 31 March 2016**

15. CHARITY HERITAGE ASSETS

GROUP AND COMPANY COST VALUE	Heritage assets £	Total £
At 31 March 2016	1,530,417	1,530,417
At 31 March 2015	1,530,417	1,530,417

CHARITY HERITAGE ASSETS

FIVE YEAR FINANCIAL SUMMARY OF HERITAGE ASSET TRANSACTIONS

	2015/16 £	2014/15 £	2013/14 £	2012/13 £	2011/12 £
Works of art acquired	-	-	-	16,222	563,900

HERITAGE ASSET MANAGEMENT POLICY

The Henry Moore Foundation holds in trust a major collection of the artist's sculpture, drawings, graphics and textiles, as well as a vast photography and letter archive, and library relating to Moore's life and work. National and International standards in the care of its collection are followed with every endeavour to protect and safeguard the collection in its care for future generations. The Foundation acts in accordance with the Museums Association Code of Ethics, ensuring appropriate standards of care and security for all items, DCMS Due Diligence guidelines, ICOM Code of Ethics for museum and BSI PAS197:2009: Code of Practice for Cultural Collections Management in balancing the care of its collection with access and education.

16. PRINCIPAL SUBSIDIARY

Company name	Holding	Percentage Shareholding	Nature of business
HMF Enterprises Limited	1,000 £1 ordinary shares	100	Commercial activities

A summary of the results of the subsidiary entity for the year ended 31 March 2016 is shown in Note 3.

17. STOCKS

	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
Finished goods	34,418	32,728	-	-

18. DEBTORS

	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	83,882	105,383	83,716	103,819
Amounts owed by group undertakings	-	-	45,848	-
VAT repayable	163,487	56,041	163,354	56,041
Other debtors and prepayments	432,737	266,099	415,982	255,544
	680,106	427,523	708,900	415,404

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Notes to the Financial Statements
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19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	210,245	204,641	210,041	200,929
Grants committed (see note 8)	362,100	345,630	362,100	345,630
Amounts owed to group undertakings	-	-	-	136,801
Other taxation and social security	33,275	29,594	33,275	29,095
Deferred income	85,111	216,472	85,111	216,472
Other creditors	396	19,851	396	19,851
Accruals	643,850	316,607	640,750	312,757
	1,334,977	1,132,795	1,331,673	1,261,535

Deferred income represents exhibition income and event deposits received in advance.

	GROUP	COMPANY
	£	£
DEFERRED INCOME		
Deferred income at 1 April 2015	216,472	216,472
Resources deferred during the year	85,111	85,111
Amounts released from previous years	(216,472)	(216,472)
Deferred income at 31 March 2016	85,111	85,111

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for the year ended 31 March 2016

20. STATEMENT OF FUNDS

	As restated Brought Forward £	Incoming resources £	Resources Expended £	Transfers In/out £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
Heritage Asset Fund	1,530,417	-	-	-	-	1,530,417
Investment Fund	80,931,460	-	-	2,028,016	(387,669)	82,571,807
Capital Reserve Fund	9,899,672	-	-	5,988,433	-	15,888,105
Other Designated Funds	634,501	1,739,552	(109,146)	(786,172)	-	1,478,735
	<u>92,996,050</u>	<u>1,739,552</u>	<u>(109,146)</u>	<u>7,230,277</u>	<u>(387,669)</u>	<u>101,469,064</u>
GENERAL FUNDS						
Charity reserves	10,467,368	2,901,087	(4,537,157)	(2,981,237)	-	5,850,061
HMF Enterprises Limited	173,349	1,556,580	(71,393)	(1,485,187)	-	173,349
	<u>10,640,717</u>	<u>4,457,667</u>	<u>(4,608,550)</u>	<u>(4,466,424)</u>	<u>-</u>	<u>6,023,410</u>
Total Unrestricted funds	<u>103,636,767</u>	<u>6,197,219</u>	<u>(4,717,696)</u>	<u>2,763,853</u>	<u>(387,669)</u>	<u>107,492,474</u>
RESTRICTED FUNDS						
Rural Development Programme grant	33,108	-	(12,238)	-	-	20,870
Masterplan	2,825,431	-	-	(2,825,431)	-	-
Yorkshire Sculpture Triangle	-	-	-	61,578	-	61,578
	<u>2,858,539</u>	<u>-</u>	<u>(12,238)</u>	<u>(2,763,853)</u>	<u>-</u>	<u>82,448</u>
Total of funds	<u>106,495,306</u>	<u>6,197,219</u>	<u>(4,729,934)</u>	<u>-</u>	<u>(387,669)</u>	<u>107,574,922</u>

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Notes to the Financial Statements
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20. STATEMENT OF FUNDS (continued)

Designated funds

Investment fund -

The charity's main source of income is from its investments. The designated fund represents investments set aside to protect future income streams. The Trustees allocate annually a percentage of the average value of the investments to provide revenue. Included within the investment fund are unrealised gains of £2,078,150 (2015 - £8,513,744).

There is a transfer into the investment fund representing the net movement in investments in the period.

Capital reserve fund -

The charity's fixed assets are its core assets used for operational purposes. A separate fund has been established to protect these assets where not represented by other funds. The transfer out of this fund represents the net movement of additions and depreciation during the year.

Heritage asset fund -

The charity's works of art are core to its charitable objectives. A separate fund has been established to protect these assets where not represented by other funds.

Other designated funds -

These represent sums set aside for various projects including capital expenditure.

The transfer between the charity reserves and HMF Enterprises Limited represents a paid gift aid amount.

Restricted funds

Rural Development Programme grant -

This represents a grant received for capital projects less depreciation on the project expenditure which is charged to this fund.

Masterplan -

This represents the sales proceeds of the asset donated to the Foundation by HMF Enterprises Limited prior to its sale. The fund is restricted for use on the capital developments at Perry Green.

The transfer between the charity reserves and Masterplan represents expenditure incurred to date.

Other restricted funds -

These represent sums received to help fund particular exhibitions.

SUMMARY OF FUNDS

	As restated Brought Forward £	Incoming resources £	Resources Expended £	Transfers In/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	92,996,050	1,739,552	(109,146)	7,230,277	(387,669)	101,469,064
General funds	10,640,717	4,457,667	(4,608,550)	(4,466,424)	-	6,023,410
	<u>103,636,767</u>	<u>6,197,219</u>	<u>(4,717,696)</u>	<u>2,763,853</u>	<u>(387,669)</u>	<u>107,492,474</u>
Restricted funds	2,858,539	-	(12,238)	(2,763,853)	-	82,448
	<u>106,495,306</u>	<u>6,197,219</u>	<u>(4,729,934)</u>	<u>-</u>	<u>(387,669)</u>	<u>107,574,922</u>

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Notes to the Financial Statements
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	20,870	15,950,241	15,971,111	11,186,643
Fixed asset investments	-	82,571,807	82,571,807	84,212,460
Heritage assets	-	1,530,417	1,530,417	1,530,417
Current assets	61,578	8,774,986	8,836,564	10,698,581
Creditors due within one year	-	(1,334,977)	(1,334,977)	(1,119,057)
	<u>82,448</u>	<u>107,492,474</u>	<u>107,574,922</u>	<u>106,495,306</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	1,079,616	5,052,053
Adjustment for:		
Depreciation charges	363,857	388,509
Unrealised losses on investments	(2,078,150)	(8,513,744)
Dividends, interest and rents from investments	(524,062)	(1,322,885)
(Increase)/decrease in stocks	(1,690)	51,293
Increase in debtors	(252,583)	(151,577)
Increase/(decrease) in creditors	202,182	(187,504)
Net cash used in operating activities	<u>(1,210,830)</u>	<u>(4,683,855)</u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	8,122,040	10,238,330
Total	<u>8,122,040</u>	<u>10,238,330</u>

24. CAPITAL COMMITMENTS

At 31 March 2016 the group and company had capital commitments as follows:

	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>726,685</u>	<u>5,436,138</u>	<u>726,685</u>	<u>5,436,138</u>

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25. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the Foundation to the fund and amounted to £144,558 (2015 - £144,528).

Contributions totalling £18,335 (2015 - £19,851) were payable to the fund at the balance sheet date and are included in creditors.

26. RELATED PARTY TRANSACTIONS

The Foundation receives a deed of covenant from its subsidiary, HMF Enterprises Limited, at the year end. The deed of covenant in the year amounted to £1,485,187 (2015 - £Nil). In addition, there are a number of recharges totalling £39,121 (2015 - £15,310) to the subsidiary for costs paid by the Charity.

As at 31 March 2016 £45,848 (2015 - creditor £136,801) remained outstanding.

27. CONTROLLING PARTY

There is no controlling party. The charitable company is controlled by the trustees, who are listed on page 10, as a body.