
THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Trustees' Report and Financial Statements
for the year ended 31 March 2018

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

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Reference and Administrative Details of the Company, its Trustees and Advisers
for the year ended 31 March 2018

Trustees

Charles Asprey, (3)
Martin Barden (appointed 21 September 2017)
Nigel Carrington, (1) (2) (5)
Henry Channon, (1) (2)
Celia Olwen Clear, (1) (5)
William Thomas Edgerley, (1) (2)
Laure Genillard, (3) (resigned 13 June 2017)
Antony Griffiths, (4) (5)
Pamela Raynor, (1) (2) (appointed 21 September 2017)
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

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 (until 14 July 2017)
Head of Henry Moore Institute Programmes, Laurence Sillars (from 1 November 2017)
Head of Marketing & Enterprise, Augusta Barnes (until 16 May 2017)
Head of Marketing & Communications, Rebecca Land
Head of Enterprise, Clare Tomlinson (from 20 November 2017)

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

Investment Adviser

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

Solicitors

CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London, EC1A 4DD
Hewitsons LLP, Shakespeare House, 42 Newmarket Road, Cambridge, CB5 8EP

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Trustees' Report for the year ended 31 March 2018

The Trustees present their annual report together with the audited financial statements of the group and the company for the year 1 April 2017 to 31 March 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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 ambitions:

- Deepen and broaden the understanding and appreciation of sculpture for new and established audiences, nationally and internationally;
- Lead the world in Moore scholarship and act 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.

In shaping the objectives and planning the Foundation's activities, Trustees have considered the Charity Commission's guidance on public benefit. The Foundation relies on income from its quasi endowment, fees and charges as well as grants and donations to cover its running costs. Access to the programme is important and 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, with a range of concessionary tickets; pre-booked educational visits for school groups and access to the Henry Moore archive are free of charge. Entry to the Henry Moore Institute in Leeds city centre, including the library and pre-booked visits to the archive of sculptors' papers, is also 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.

GROUP 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 and designed by Hugh Broughton Architects, begun in late 2014-15, continued into 2016-17, with full Practical Completion in May 2017. The aims of the project were:

- 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 public highway 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.

The formal opening of the new facilities took place in April 2017 to great acclaim and coverage in the architectural and national media. The overall capital expenditure on this project was approximately £8m.

The conversion of the former visitor centre at Chestnuts cottage back to its previous residential use is planned in 2018-19. This was postponed while the main project works were being completed.

Henry Moore Collections & Exhibitions

2017-18 was once again a busy year for Henry Moore Collections & Exhibitions. An exhibition, *Becoming Henry Moore* was presented in the Sheep Field Barn Gallery at Henry Moore Studios & Gardens from April to October 2017. This was complimented by an extensive display of sculptures in the grounds plus the opening of the studios and Hoglands. Following its success in Perry Green, the exhibition travelled to the

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Trustees' Report (continued) for the year ended 31 March 2018

Henry Moore Institute in Leeds, where it continued to engage audiences through to February 2018.

The planning and delivery of national and international projects continued to be intensive and widespread. At the Kunstmuseet in Tønder, Denmark, from April to December 2017 the Foundation presented *Henry Moore: At the Border to the North* an exhibition exploring Moore's affinities with the Nordic art tradition. At the same time, across the border in nearby Seebüll, Germany, just a few miles from Tønder, a companion exhibition was presented: *Emil Nolde Meets Henry Moore* at the Emil und Ada Nolde Stiftung. This display of four bronzes marked the first time the work of another artist was shown at Nolde's former home. The three-way collaboration between the Foundation, Tønder and Seebüll was a notable international partnership.

Elsewhere in Germany, at the Landes-Stiftung Arp Museum Bahnhof Rolandseck, from May 2017 to January 2018, *Henry Moore: Vision, Creation, Obsession* was presented. This exhibition comprised an extensive range of sculpture, works on paper and studio material including monumental bronzes shown outdoors.

Numerous loans from the Foundation's collection were displayed in other exhibitions, notably for: the *Degas: A Passion for Perfection* exhibition at the Fitzwilliam Museum, Cambridge; *Sumer and the Modernist Paradigm* at Barcelona's Fundació Joan Miró; *From the Land: Henry Moore, Ewen Henderson & Other Artists* presented at The Collection, Lincoln; and to mark the return of Henry Moore's *Draped Seated Woman* to Canary Wharf, East London. Loaned works included sculptures, drawings, found objects and archival materials.

Care of the collections and Moore's home remained core to the Foundation's work. The new conservation heating system installed last year to improve the environmental and display conditions in Hoglands continued to be monitored and has worked well to maintain relative humidity in the house and further investigation is underway to ensure this and other conditions remain stable. An inventory, conservation assessment and deep clean of the house and its contents takes place annually.

Following the achievement of sustainable 'in band' temperature and humidity conditions in the new archive storage spaces, the archive team moved the materials from storage into the new facility. The recent operation was completed in March 2018 and the new Henry Moore archive has been fully open to researchers in April 2018. The process of cleaning and re-housing the film collection began in January 2018 and several of the Frank Farnham films from the collection have been digitised. Also in early 2018 the archive team unpacked, photographed and catalogued Henry Moore's honorary awards and gowns, on loan to the Foundation from the Moore family. Throughout the year, the team continued to add items to the bibliography database, digitise correspondence and images and handle a wide range of research and licensing enquiries.

Significant work has been carried out on the collections pages of the Foundation website, and 'behind the scenes' in documentation and collections management. Works by Henry Moore have continued to be added to eMuseum, the online public access version of The Museum System available through the Foundation's website. Over 9,400 artworks were available online by March 2018, and records for Henry Moore's Catalogue Raisonné have now been published up to 1949.

The Review Panel (replacing the Authentication Panel) met in April and October 2017. At these two meetings fourteen works were assessed and six previously unrecorded works were accepted for the Catalogue Raisonné. During the year, 151 research enquiries were processed plus numerous email enquiries answered.

Henry Moore continues to be studied as part of the National Curriculum and 1,925 school children visited Henry Moore Studios & Gardens at Perry Green free of charge. Additionally, 'drop-in' family workshops were offered during the season. For adult audiences, a series of evening talks were organised between May and September 2017 and a two-day symposium was held to coincide with *Becoming Henry Moore*, which attracted numerous international scholars.

Through these activities the Foundation continued to lead the world in Moore expertise, presenting programmes that deepen and broaden the understanding and appreciation of sculpture for new and established audiences, nationally and internationally.

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 23.8 full time equivalent permanent employees, plus 9.4 full time equivalent casual employees for seven months of the year.

Henry Moore Institute

The Foundation fulfilled its remit as a centre for the study of sculpture at the Henry Moore Institute. A scholarly programme of exhibitions, events and publications was delivered, alongside hosting Visiting Research Fellows and working with higher and further education institutions; the Research Library was maintained and the collection developed and research was facilitated on the Leeds Museums and Galleries sculpture collections – which encompass sculpture, works on paper and the Henry Moore Institute Archive of Sculptors' Papers – through displays, events and Fellows' research. Partnerships were developed and new audiences fostered.

In the year, four exhibitions were presented in Galleries 1, 2 & 3, three in Gallery 4, five in the Library and two in Leeds Art Gallery's Sculpture Study Galleries. Of particular note were *Jiro Takamatsu: The Temperature of Sculpture*, *Becoming Henry Moore*, the first exhibition to be presented at both of the Foundation's locations; and *The Sculpture Collections*, which celebrated the Institute's partnership with Leeds Museums and Galleries, with over 200 works from the Leeds collections on display at the Institute and Leeds Art Gallery. As part of the legacy projects associated with the previous year's exhibitions, *The Body Extended: Sculpture and Prosthetics*, Bruce Lacey's kinetic assemblage *'Old Money Bags'* (1964) was toured to local schools.

Working with the Leeds Museums and Galleries sculpture collections, 40 sculptures, six works on paper and six individual archive

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collections were acquired, through donation and purchase. The Institute team facilitated the loan of six individual works, plus archival material, to museums in the UK and Europe, as well as loans to Institute displays. Researchers at all levels were actively encouraged to work with the collections.

The Research Programme included 13 conferences, symposia and gallery discussions, as well as 16 lectures, two film screenings, a performance of Henry Moore's play *Narayana* and Bhataryan and a book launch. Additionally, the staff team were active in speaking at museums, galleries and universities. The annual Academic Open Day introduced the Institute's activities to the academic community, and included a keynote lecture with artists, Hilary Lloyd and Jennifer Higgie. Throughout the year, academic liaison was actively maintained with the hosting of three two-year Post-doctoral Fellows, two based at British universities and one at the Institute. Five Visiting Research Fellows and one Senior Research Fellow spent four weeks in Leeds, and the Institute also hosted five interns working in the Library and Archive. Three issues of the Institute's journal, *Essays on Sculpture* were published, and an exhibition catalogue to accompany the Takamatsu show.

Through its 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 17.2 full time equivalent employees including gallery invigilators. In addition, the Foundation is grateful for the support of Leeds City Council in the form of three full time equivalent 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.

Yorkshire Sculpture International

The 'Yorkshire Sculpture Triangle', consisting of the Henry Moore Foundation, The Hepworth Wakefield, Yorkshire Sculpture Park and Leeds Museums & Galleries, secured £750,000 funding from Arts Council England's 'Ambition for Excellence' programme for a ground-breaking international sculpture partnership project: *Yorkshire Sculpture International*. This ambitious collaborative programme, the UK's largest event to celebrate sculpture, will take place from 22 June to 29 September 2019. It is anticipated that this will be the first in a series of sculpture triennials in Yorkshire.

The project is supported with financial and in kind resources from all four partners, and is overseen by a steering group consisting of senior representatives from each partner. The Foundation is the lead partner with responsibility for overseeing the management of the project and its finances and is the accountable body for funds received from ACE and other funding bodies. The Foundation employs all of the project personnel and is responsible for their supervision and development. The grant is performance related and income is recognised to the extent these requirements are met. These requirements include ensuring match funding is achieved. All income and expenditure for this project is restricted and any unspent income is carried forward in restricted funds.

The Yorkshire Sculpture International is a fixed term two year project that commenced in October 2017. At 31 March 2018, 2.6 full time equivalent employees were employed by the Foundation on fixed term contracts to deliver this project.

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 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.

Protection under the Act was sought for the objects listed below for the *Becoming Henry Moore* exhibition at Henry Moore Studios & Gardens, Perry Green 14 April – 22 October 2017 and at Henry Moore Institute, Leeds 30 November 2017 – 18 February 2018:

- Henry Moore, British; *Torso LH 47* (1927); Wood; 38.1 cm (height); Place of creation: UK; Lender reference number: 2011.5
- Pablo Picasso, Spanish; *Deux Baigneurs* (1921); Oil on canvas; 33 x 41 cm; Place of creation: France; Lender reference number: MP1990-8

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.

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Trustees' Report (continued) for the year ended 31 March 2018

Grants

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

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, exhibition catalogues, collections, commissions, publications, post-doctoral research 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 the year, Trustees approved grants to the value of £567,750 (2017: £464,150).

In 2017-18 the Foundation awarded £70,000 to public collections for the acquisition, display or conservation of sculpture. These included the acquisition of Grinling Gibbons, *King David Panel*, c.1670 for Fairfax House (York Civic Trust) who successfully campaigned to save Grinling Gibbons' first-known artwork from international export and sale, to ensure permanent public access in its place of creation; towards an acquisition John Latham's *Firenze*, 1967 for Leeds Museums & Galleries; towards the re-display of medieval alabasters in the refurbished Nottingham Castle Museum and Art Gallery; Collections research and conservation of the *Umbrian Madonna*, National Museums Scotland. Grants totalling £345,100 were awarded to exhibitions, exhibition catalogues and commissions: amongst those supported were: Florence Peake and Tai Shani, *Andromedan Sad Girl*, Wysing Arts Centre, Cambridge; Martin Puryear, *Parasol Unit*, London; James Richards' exhibition, commissioned for the Venice Biennale in 2017, returned to Chapter, Cardiff for its UK premiere; *Andy Holden: Natural Selection* commissioned by Artangel London and shown at The Former Newington Library, London, Towner Art Gallery, Eastbourne, Leeds Art Gallery and Bristol Museum and Art Gallery; Catherine Story, *Shadow*, Peer UK, London; Lucy Skaer, KW Institute for Contemporary Art, Berlin; Lee Bul: *Visions*, Hayward Gallery, London; Richard Rezac *Address*, The Renaissance Society, University of Chicago; Seth Price, Institute of Contemporary Art, London; Rosemarie Castoro: *Focus at Infinity*, Museu d'Art Contemporani de Barcelona; Christo and Jeanne-Claude, Serpentine Galleries, London; Giuseppe Penone, Yorkshire Sculpture Park; Michael Sandle: *Monumental Rage*, Grosvenor Museum, Chester; *Rodin and the art of ancient Greece*, The British Museum, London; Trevor Paglen, *Orbital Reflector*, Nevada Museum of Art; Anthony McCall: *Solid Light Works*, The Hepworth Wakefield; Cornelia Parker, *11 Fountains*, Stichting Europese Culturele Hoofdstad Leeuwarden Fryslân; Holly Hendry in the Liverpool Biennial; Pavel Büchler, *Perfect Love*, *Information as Material*, York; Alison Wilding, De La Warr Pavilion, Bexhill-on-Sea; Mark Leckey, Kapwani Kiwanga, Tai Shani, Lubaina Himid and E.Jane, *Director's Programme: Glasgow International Festival of Visual Art*; Emma Hart, Fruitmarket Gallery, Edinburgh; Mike Nelson, *Protocinema*, New York; Cally Spooner, Swiss Institute, New York; Anna Barham, Site Gallery, Sheffield; Lucia Nogueira, 33rd Bienal de São Paulo; Research and Development (£20,900): to support Amy Gillette, *Reimagining the Font Canopy of St Peter Mancroft*, Norwich with new finds from the Philadelphia Museum of Art; Catilin Smith, *The Male Body in Hellenistic and Early Roman Athletic Art*; Dr Lara Pucci, *Sculpture Reproduction, Re-use, Revelation* at the British School at Rome; Publication Grants: On the Rock: The Acropolis Interviews - interviews with master marble carvers restoring the Parthenon and Propylaea, Soberscove Press; Geoffrey Clarke Sculptor: *A Catalogue Raisonné, Pangolin London & The Geoffrey Clarke Estate; Essays in Memory of Benedict Read*, The Public Monuments and Sculpture Association; *Public Sculpture of Edinburgh, Volume 2, The New Town, Leith and the Northern Suburbs*, The Public Monuments and Sculpture Association.

Although several of these and other projects will take place in 2018-19, the grant was awarded and hence accounted for in the 2017-18 financial year. With the exception of post-doctoral research fellowships and research and travel grants, the Foundation does not normally give grants to individuals; nor does it provide revenue expenditure.

Through the provision of financial support to these exhibitions, publications, research and acquisitions, the Foundation continued to deliver its objective to support the advancement of sculpture. All grants decisions are made by the Grants Committee and one officer administers the grants programme.

Marketing & Communications

The 2017-18 year has been characterised by a more joined up approach to Marketing & Communications at the Foundation's two venues, following a restructure of the department in summer 2017. With the same designer working across both sites, the brand's look and feel is fully established and new visitor photography has helped to animate the website.

Becoming Henry Moore attracted 21,500 visitors (paid admission) during the seven month open season at Henry Moore Studios & Gardens, which was a comparatively good result, but the target of 25,000 was not achieved due to long periods of roadworks on both the north and south approach roads to Perry Green, which made access very difficult for visitors. However, once customers had reached Henry Moore Studios & Gardens, customer satisfaction was very high with the new visitor centre. The *Becoming Henry Moore* exhibition toured to the Institute from November 2017 to February 2018, where it attracted almost 28,000 visitors (free admission) in its three month run, which made it the Institute's most popular exhibition to date.

Improvements to the website, to facilitate grant applications and case studies as well as finessing the What's On section, continued apace this year. The next phase of website development, to house the digital Catalogue Raisonné, was scoped out and the research and development phase completed in spring 2017, for implementation in the coming year.

The introduction of new European Union General Data Protection Regulations prompted a complete overhaul of marketing mailing lists to ensure GDPR compliance. To date, Foundation audiences continue to be engaged and the re-subscribe rate for email marketing was better than the reported sector average at around 30%. The marketing team continued to develop video content and more engaging social media posts, as these channels have become particularly important while mailing lists are re-established.

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Trustees' Report (continued) for the year ended 31 March 2018

Insight Days took place at Studios & Gardens (November 2017) and at the Institute (January 2018) to help increase awareness of the Foundation generally and the grants programme in particular. These events attracted attendees from a range of venues from major national institutions to small artist-led spaces, as well as artists, academics and curators.

A long running topical news story relating to Henry Moore's *'Draped Seated Woman'*, affectionately known as 'Old Flo', entered a new phase, as the sculpture was moved from Yorkshire Sculpture Park back to the London borough of Tower Hamlets. The Foundation worked with a range of stakeholders to cover the transition, releasing previously unseen archive footage of Moore siting the sculpture in 1962.

The permanent marketing, communications and events team consists of 3 full time equivalent employees, working across both sites.

Volunteers

The Foundation is grateful for the unstinting efforts of its volunteers who are involved in administrative and archival duties (11), 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 7,000 volunteer hours were provided during the year. If this time is conservatively valued at £12 per hour, the volunteer effort amounts to £84,000 in the period.

The Foundation also hosted five interns during the year in the archive and library at the Institute.

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

FINANCIAL REVIEW

Principal funding

The Foundation's principal funding comprises its investment income (see below) and to a lesser extent grants, exhibition, admissions and trading income.

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. The portfolio of investments is managed akin to an endowment, called a quasi-endowment, where the annual yield is set aside to provide revenue for the Foundation, topped up by the sale of assets as required. The sum allocated for operating resources, which has been set for the term of the five year plan (with annual RPI increases), continues to be monitored annually. Sufficient investment 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 months.

The charitable objects of the Foundation do not require the automatic avoidance of investment in any particular geography, sector or corporation. The Trustees take investment advice from Stanhope Consulting, a division of Stanhope Capital LLP and maintain a diversified portfolio so as not to expose the Foundation to undue financial risk. The Trustees expect that the fund managers with which the Foundation's assets are invested to behave with integrity, to be fully compliant with all regulatory requirements and to meet relevant codes of practice. In addition, investment managers are expected to take account, in their decision-making, of environmental, social and governance issues. The Royal Bank of Canada (Channel Islands) is custodian to the Foundation.

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 one fund without the prior approval of the Investment Committee.

As at 31 March 2018, the total capital market value of the Foundation's investment portfolio is £94,326,789 (2017: £93,665,801) representing a small increase in value of 0.7%. The value had been higher, at around £96 million earlier in the year and has subsequently bounced back to this level at July 2018. The total return generated for the year is £2,030,689 (2017: £16,235,776). Investment income rose by 13.5% to £2,774,617 (2017: £2,443,842). Investment managers' fees, specifically custodian and advisers fees, are £98,520 (2017: £47,220); the increased costs being due to the re-allocation of investment advisers fees from governance costs to investment costs. The Foundation is predominantly invested in pooled funds where fund managers' fees are netted off against the fund value.

Financial Analysis

At the year end the Foundation holds Total Funds of £118,894,509 (2017: £120,450,589), of which:

- £94,326,789 (2017: £93,665,801) is held in investments and managed as a quasi-endowment;
- £18,157,357 (2017: £18,503,958) is held in property, heritage and other tangible assets; and
- £6,410,363 (2017: £8,280,830) is in net current assets.

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The level of cash in hand has reduced following the completion of Perry Green Masterplan capital project and reduced cash flow requirements.

The Total Funds include Restricted funds of £393,888 (2017: £8,632) which is the net balance of the Yorkshire Sculpture International project. The final balance of a European Rural Development Programme grant awarded in 2013 was utilised against the depreciation charge within the year; this balance is now zero.

The volatility in the investment portfolio towards the year end is reflected in the unrealised net losses on listed investments which stands at (£645,408) (2017: gains of £13,839,154).

The year saw incoming resources increase to £4,382,749 (2017: £3,606,212), which is due to additional investment income (£331,526) and Yorkshire Sculpture International grant income (£460,000). Charitable income earned from activities fell by 3% primarily due to a fall in exhibition and other income offset by increased admissions at Henry Moore Studios & Gardens. Trading income increased by 4.8% due to sales of Works of Art offsetting the reduction in licensing income.

Expenditure also increased to £5,293,421 (2017: £4,569,699), largely due to the staffing costs for a full seven months open season at Studios & Gardens (2016-17 was a short four months open season due to the capital works); and the cost of the Takamatsu exhibition at the Institute.

The Perry Green Masterplan was completed in the year and total expenditure on the project came to £8,167,047. This sum being included within Land and Buildings assets.

The Foundation was grateful to receive a sum of £460,000 as part payment of a grant from Arts Council England for Yorkshire Sculpture International; and £152,258 from Leeds City Council as a contribution towards the upkeep of their sculpture collections and archive of artists' papers, and 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 £113,014,243 (2017: £112,970,789) 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 £94,326,789 (2017: £93,665,801);
- a capital reserve fund representing the net book value of fixed assets held by the Foundation amounting to £16,626,940 (2017: £16,964,909);
- a heritage asset fund of £1,530,417 (2017: £1,530,417) to protect purchased artworks;
- other designated funds totalling £530,097 (2017: £809,662) set aside by the Trustees for specific projects, including Masterplan 'wrap up', 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 (2017: £173,349), this leaves a balance of £5,313,029 (2017: £7,297,819) as the Foundation's general reserve.

The Trustees aim to maintain general funds at a level and with such liquidity as to enable twelve to eighteen months of unrestricted charitable expenditure to be undertaken at any time. The current net requirement for the annual operating costs is £3.5 million; the general reserve of £5,313,029 provides liquidity at the higher level, which is considered appropriate given the uncertainty of the investment markets in the coming period with the departure of the United Kingdom from the European Union.

Information on Fundraising Practices

The Foundation does not currently rely on fundraising as a major source of income nor does it employ or engage professional fundraisers. The Foundation does not currently receive funding from the public or make applications to, other trusts and foundations. The Foundation engages with a range of public funders including Arts Council England, Leeds City Council, Wakefield Council, and from Leeds Beckett University. As a result the Foundation is not registered with the Fundraising Regulator however should fundraising activities increase in the future, the Foundation will review this and is committed to avoiding any intrusive fundraising approaches and will never apply undue pressure to donate.

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 may cause volatility in the markets. Trustees have sought to minimise this risk by spreading the Foundation's investments over a broad strategic asset base, across a number of funds and across a global range. Trustees also engage an investment adviser to monitor

THE HENRY MOORE FOUNDATION

(A company limited by guarantee)

Trustees' Report (continued)

for the year ended 31 March 2018

these funds on a regular basis.

The display of artworks in the open air, as Moore desired, presents security risks for the Foundation. Such risks are mitigated by the installation of a three tiered security system, plus a team of security personnel to patrol the grounds and monitor equipment.

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 significantly upgraded heating, ventilation and air conditioning plant at both sites and ensuring that maintenance contracts are in place for this equipment and the associated building management systems. In addition, free-standing monitoring devices (TinyTaq) provide backup data that is assessed regularly by operations and registrarial personnel.

Going Concern

The Foundation has substantial resources to continue in operational existence for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements.

Pensions

The Foundation has a long-standing Group Personal Pension Plan in place for all eligible permanent employees. Auto-enrolment has been in place since April 2015 to include all eligible employees who do not join the existing scheme. These employees are auto-enrolled with the National Employment Savings Trust (NEST), where, in 2017-18, the Foundation paid 1% of a member's salary into the scheme to match the 1% employee contribution (under government legislation, this increased to 2% from April 2018 and is set to increase to 3% from April 2019).

Employees on permanent contracts are invited to join the Group Personal Pension Plan with Scottish Widows, where the sum equivalent to 12.5% of a member's salary is paid into the scheme by the Foundation on a monthly basis and members of the scheme are required to contribute a minimum of 5% of their salary. Members are offered the opportunity to take advantage of a 'salary sacrifice' arrangement in respect of their contributions. The majority of eligible permanent employees have chosen to opt for the Scottish Widows scheme.

The total pension cost to the Foundation for the year was £152,183 (2017: £155,362).

STRATEGIC REVIEW AND FUTURE PLANS

Five Year Strategic Plan

In February 2016, the executive developed a detailed five year plan, which was approved by the Board and has since provided the guiding principles and key objectives for the Foundation's development. This plan has determined the strategic direction of the organisation during the year considered here. Central to the plan was the Foundation's continued aim to work to establish a more balanced financial model, which places less reliance on its quasi-endowment with the aim of making the organisation more resilient and, therefore, more sustainable in the longer-term. The conclusion of capital developments at Perry Green allows the Foundation to be better placed to welcome visitors to Henry Moore's former home, studios and gardens, where much improved facilities enhance the experience and afford a more comprehensive understanding of Henry Moore and his work. These improvements have been very well received by visitors and have been developed to contribute to the organisation's wider business model.

During the year in question, the Foundation continued with its ambitious programme of loans of Henry Moore works for national and international monographic and group exhibitions. Following the completion of the new, state of the art, archive facility, the vast and unique collection of material relating to Henry Moore's life has been installed and has since been made available to enhance scholarship concerning the artist's life and work. Continued research into the work and life of Henry Moore remains a strategic priority for the Foundation.

The Henry Moore Institute in Leeds underwent a reorganisation of its staff structure that has made it more able to deliver the wider objectives of the forward plan. Strategic and operational management of the Institute is now more balanced and unified with the Studios and Gardens model in Perry Green, and efforts have continued to bring the two sides of the Foundation closer together.

The importance of partnership working continues to develop, particularly in Yorkshire, where organisations concerned with sculpture have developed their collaborative work and have been successful in fundraising for a piloted international sculpture project to which Arts Council England made a significant Ambitions for Excellence award. The Institute has continued to encourage and facilitate research into the history and practice of sculpture through exhibitions, conferences, lectures and publications. The partnerships with Leeds City Council, centred on Leeds Art Gallery and its collections continues to be a priority but will be reviewed in due course.

The grants programme will continue to support visual arts institutions and organisations whose projects are aligned with the Foundation's charitable objectives.

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

THE HENRY MOORE FOUNDATION

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Trustees' Report (continued)

for the year ended 31 March 2018

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. It is a registered charity number 271370.

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 required. All committees operate within agreed Terms of Reference. 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 public advertisement and exploiting the broad range of contacts of the Trustees and the Executive to ensure the maintenance of the necessary mix of skills. The Trustees' Skills Audit was reviewed this year prior to the recruitment of new trustees in 2017.

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 its taxable profits are paid under Deed of Covenant to the charity annually. Details of HMF Enterprises Limited and its activities are summarised in note 3 of these financial statements. Celia 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 two new trustees in September 2017: Pamela Raynor, a finance professional with experience across several commercial sectors including retail, fast-moving consumer goods, financial services and the media; and Martin Barden, a marketing and communications professional in the cultural sector, specialising in commercial and philanthropic revenue generation.

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.

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

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Trustees' Report (continued)
for the year ended 31 March 2018

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 auditors

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

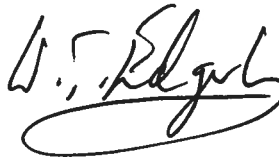
- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable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

This report was approved by the Trustees, on 20 September 2018 and signed on their behalf by:


Nigel Carrington
Chairman, Board of Trustees

WILLIAM EDGERLEY

Trustee



THE HENRY MOORE FOUNDATION
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Independent Auditors' Report to the Members of The Henry Moore Foundation

Opinion

We have audited the financial statements of The Henry Moore Foundation (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 March 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

THE HENRY MOORE FOUNDATION
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Independent Auditors' Report to the Members of The Henry Moore Foundation

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

- the parent charitable company has not kept adequate and sufficient 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.

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 opinions we have formed.



Judith Coplowe (Senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
5 October 2018

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 2018

	Note	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations, grants and legacies	2	460,000	-	460,000	-
Trading activities	3	-	299,802	299,802	285,986
Investments	4	-	2,866,505	2,866,505	2,534,979
Charitable activities	5	-	756,442	756,442	785,247
TOTAL INCOME		460,000	3,922,749	4,382,749	3,606,212
EXPENDITURE ON:					
Trading and raising funds	6	-	301,436	301,436	171,305
Charitable activities	7	74,744	4,917,241	4,991,985	4,398,394
TOTAL EXPENDITURE		74,744	5,218,677	5,293,421	4,569,699
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		385,256	(1,295,928)	(910,672)	(963,487)
Net (losses)/gains on investments	6	-	(645,408)	(645,408)	13,839,154
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		385,256	(1,941,336)	(1,556,080)	12,875,667
NET MOVEMENT IN FUNDS		385,256	(1,941,336)	(1,556,080)	12,875,667
RECONCILIATION OF FUNDS:					
Total funds brought forward		8,632	120,441,957	120,450,589	107,574,922
TOTAL FUNDS CARRIED FORWARD		393,888	118,500,621	118,894,509	120,450,589

The notes on pages 17 to 32 form part of these financial statements.


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

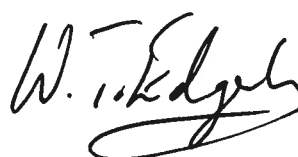
Consolidated Balance Sheet
as at 31 March 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		16,626,940		16,973,541
Heritage assets	15		1,530,417		1,530,417
Investments	14		94,326,789		93,665,801
			<u>112,484,146</u>		<u>112,169,759</u>
CURRENT ASSETS					
Stocks	16	37,364		35,968	
Debtors	17	599,891		626,139	
Cash at bank and in hand		6,802,756		8,635,006	
		<u>7,440,011</u>		<u>9,297,113</u>	
CREDITORS: amounts falling due within one year	18	<u>(1,029,648)</u>		<u>(1,016,283)</u>	
NET CURRENT ASSETS			<u>6,410,363</u>		<u>8,280,830</u>
NET ASSETS			<u>118,894,509</u>		<u>120,450,589</u>
CHARITY FUNDS					
Restricted funds	22		393,888		8,632
Unrestricted funds	22		118,500,621		120,441,957
TOTAL FUNDS			<u>118,894,509</u>		<u>120,450,589</u>

The financial statements were approved and authorised for issue by the Trustees on 20 September 2018 and signed on their behalf, by:

WILLIAM EDGERLEY


Nigel Carrington
Chairman


Trustee

The notes on pages 17 to 32 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 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		16,626,940		16,973,541
Heritage assets	15		1,530,417		1,530,417
Investments	14		94,333,375		93,672,387
			<u>112,490,732</u>		<u>112,176,345</u>
CURRENT ASSETS					
Debtors	17	729,184		879,549	
Cash at bank and in hand		6,515,727		8,224,267	
		<u>7,244,911</u>		<u>9,103,816</u>	
CREDITORS: amounts falling due within one year	18	(1,014,483)		(1,002,921)	
NET CURRENT ASSETS			<u>6,230,428</u>		<u>8,100,895</u>
NET ASSETS			<u>118,721,160</u>		<u>120,277,240</u>
CHARITY FUNDS					
Restricted funds	22		393,888		8,632
Unrestricted funds	22		118,327,272		120,268,608
TOTAL FUNDS			<u>118,721,160</u>		<u>120,277,240</u>

The financial statements were approved and authorised for issue by the Trustees on 20 September 2018 and signed on their behalf, by:


Nigel Carrington
Chairman



Trustee

The notes on pages 17 to 32 form part of these financial statements.

THE HENRY MOORE FOUNDATION
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Consolidated Statement of Cash Flows
for the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	24	(3,125,658)	(3,285,937)
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,866,505	2,534,979
Purchase of tangible fixed assets		(266,701)	(1,637,530)
Net (investment in)/drawdown from investment portfolio		(1,306,396)	2,901,454
Net cash provided by investing activities		1,293,408	3,798,903
Change in cash and cash equivalents in the year		(1,832,250)	512,966
Cash and cash equivalents brought forward		8,635,006	8,122,040
Cash and cash equivalents carried forward	25	6,802,756	8,635,006

The notes on pages 17 to 32 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 2018

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 loss for the year for the company only was £1,556,080 (2017 - profit £12,875,667).

1.2 COMPANY STATUS

The Foundation is a company limited by guarantee. The members of the company are the Trustees named on page 1. 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.

1.3 GOING CONCERN

The trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

1.4 INCOME

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 admissions, 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.

Restricted grant income is recognised when the Foundation has entitlement to it, the receipt is probable and the amount can be reliably measured. Any unspent balance is carried forward in restricted funds.

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.

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2018

1. ACCOUNTING POLICIES (continued)

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. Termination payments are recognised as soon as there is a legal obligation committing the charity to that expenditure.

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.

1.9 PENSIONS

The Foundation operates two defined contribution pension schemes. The assets of both schemes are held in separate trustee-administered funds.

1.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £3,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Freehold land is not depreciated. 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:

Freehold buildings	-	over 50 to 75 years
Long term leasehold property	-	over the period of the lease
Major plant and machinery	-	over 15 years
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

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2018

1. ACCOUNTING POLICIES (continued)

1.11 HERITAGE ASSETS

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.

The Foundation owns certain assets that are not considered to form part of the core heritage assets and these are held for sale.

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 £3,000 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

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Consolidated statement of financial activities.

1.14 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid 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.

1.16 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.17 FINANCIAL INSTRUMENTS

The company 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.

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**Notes to the Financial Statements
for the year ended 31 March 2018**

1. ACCOUNTING POLICIES (continued)

1.18 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are :

- Depreciation on fixed assets
- Fair value of investments
- Grants accrued payable in more than one year
- Fair value of fixed assets

2. INCOME FROM DONATIONS, GRANTS AND LEGACIES

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Yorkshire Sculpture International (note 22)	460,000	-	460,000	-

During the year the Foundation received £375,000 from Arts Council England, £60,000 from Wakefield Council, and £25,000 from Leeds Beckett University.

3. TRADING INCOME - HMF ENTERPRISES LIMITED

The Henry Moore Foundation owns 100% of the ordinary share capital of HMF Enterprises Limited, a provider of retail, event and catering services to The Henry Moore Foundation. 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:

	2018 £	2017 £
Retail sales, event and licensing income	225,842	285,986
Sales of Works of Art from stock	73,960	-
Cost of sales	(102,131)	(43,556)
	<u>197,671</u>	<u>242,430</u>
Administrative expenses	(109,136)	(80,529)
	<u>88,535</u>	<u>161,901</u>
Net profit	88,535	161,901
Net assets brought forward	179,935	179,935
Gift aid distribution	(88,535)	(161,901)
	<u>179,935</u>	<u>179,935</u>
Net assets carried forward	<u>179,935</u>	<u>179,935</u>

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4. INVESTMENT INCOME

	2018 £	2017 £
Bank interest	38,481	40,297
Investment income	2,774,617	2,443,842
Property income	53,407	50,840
Total	2,866,505	2,534,979

In 2017 and 2018 all investment income was unrestricted.

5. CHARITABLE INCOME

	2018 £	2017 £
Catalogue sales and publication Income - HM Institute	13,629	10,299
Exhibition income	211,516	312,211
Other income	133,669	222,017
Contributions from Leeds City Council	152,258	152,258
Admissions income	245,370	83,024
Sales of Works of Art	-	5,438
Total	756,442	785,247

In the 2017 and 2018 all charitable 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.

Investment management fees include fees paid to the investment managers and investment advisors. Other fees are charged directly to the investment funds.

	2018 £	2017 £
Income from listed investments	2,774,617	2,443,842
Unrealised gains on investment properties	-	2,129,706
Unrealised (losses)/gains on listed investments	(640,270)	11,307,514
Realised (losses) on listed investments	(5,138)	401,934
Fees to investment managers	(98,520)	(47,220)
Positive total return for the year	2,030,689	16,235,776

See Note 14 for further details of the investment funds.

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Notes to the Financial Statements
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RAISING FUNDS

	2018 £	2017 £
Investment management fees	98,520	47,220
Subsidiary staff costs	113,851	79,385
Subsidiary other costs	89,065	44,700
	<u>301,436</u>	<u>171,305</u>

In 2017 and 2018 all expenditure was from unrestricted funds.

In 2017 investment advisor fees were included in governance costs.

7. ANALYSIS OF CHARITABLE EXPENDITURE BY ACTIVITIES

	Direct costs 2018 £	Grant funding of activities 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Grants	-	567,750	131,286	699,036	566,988
Curatorial and exhibitions (Perry Green)	817,658	-	395,849	1,213,507	1,204,325
Sculpture studies (HMI)	1,012,446	-	509,854	1,522,300	1,320,149
Estate and visitor services (Perry Green)	758,380	-	470,064	1,228,444	1,058,659
Marketing	260,869	-	67,829	328,698	248,273
	<u>2,849,353</u>	<u>567,750</u>	<u>1,574,882</u>	<u>4,991,985</u>	<u>4,398,394</u>
Total 2018	<u>2,849,353</u>	<u>567,750</u>	<u>1,574,882</u>	<u>4,991,985</u>	<u>4,398,394</u>
Total 2017	<u>2,565,774</u>	<u>424,276</u>	<u>1,408,344</u>	<u>4,398,394</u>	

8. GRANTS

	No of grants	2018 £	No of grants	2017 £
Exhibitions and New Projects	70	408,795	53	254,576
Collections	5	63,500	5	32,955
Conferences, Publications and Workshops	8	21,500	14	31,500
Fellowships	2	42,000	9	48,250
Research	6	20,900	8	13,450
	<u>91</u>	<u>556,695</u>	<u>89</u>	<u>380,731</u>
Total Paid in the year	91	556,695	89	380,731
Amount brought forward		(405,645)		(362,100)
Amount carried forward (note 18)		416,700		405,645
Support Costs allocated		131,346		142,712
		<u>699,096</u>		<u>566,988</u>

In 2017 and 2018 all expenditure was from unrestricted funds.

THE HENRY MOORE FOUNDATION
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Notes to the Financial Statements
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9. DIRECT COSTS

	Direct costs £	Staff costs £	2018 £	2017 £
Curatorial and exhibitions (Perry Green)	119,784	697,874	817,658	845,623
Sculpture studies (HMI)	380,574	631,872	1,012,446	848,780
Estate and visitor services (Perry Green)	513,432	244,948	758,380	667,457
Marketing	105,198	155,671	260,869	203,194
Total	1,118,988	1,730,365	2,849,353	2,565,774

In 2018 £74,743 (2017 - £73,816) of expenditure was from restricted funds and £2,649,130 (2017 - £2,491,958) from unrestricted funds.

10. SUPPORT AND GOVERNANCE COSTS

	General support costs £	Staff costs £	Governance £	2018 £	2017 £
Grants	16,221	109,072	5,993	131,286	142,712
Curatorial and exhibitions (Perry Green)	360,888	-	34,961	395,849	358,702
Sculpture studies (HMI)	480,886	-	28,968	509,854	471,369
Estate and visitor services (Perry Green)	453,083	-	16,981	470,064	391,202
Marketing	54,843	-	12,986	67,829	44,359
Total	1,365,921	109,072	99,889	1,574,882	1,408,344

In 2017 and 2018 all expenditure was from unrestricted funds.

Allocation of governance costs

	2018 £	2017 £
Wages and salaries	30,307	28,245
Operational costs	48,418	51,379
Legal & professional fees	-	50,002
Audit fees	15,857	15,997
Trustee expenses and insurance	5,307	4,527
	99,889	150,150

Allocated in proportion to other costs

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**Notes to the Financial Statements
for the year ended 31 March 2018**

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charitable group	613,302	478,806
Auditor's remuneration - Audit	17,100	16,600
Auditor's remuneration - Non-audit	-	1,000
	<u>630,402</u>	<u>496,406</u>

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

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,695,019	1,575,443
National insurance	136,392	126,450
Other pension costs	152,183	155,362
	<u>1,983,594</u>	<u>1,857,255</u>

During the year the Foundation made termination payments totalling £44,705 following a restructuring.

The average number of persons employed by the company during the year was as follows:

	2018 No.	2017 No.
Curatorial	37	26
HMI Programme	26	16
Establishment	11	6
Estate	6	7
Marketing	4	3
	<u>84</u>	<u>58</u>

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	1	2
In the band £ 80,001 - £ 90,000	1	1
In the band £ 120,001 - £ 130,000	1	1

The key management personnel of the charity comprise the Director, Chief Operating Officer, Head of HMI Programmes, Head of Research and Head of Marketing and Communication (2017 - 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's national insurance and pension contributions of key management personnel were £486,370 (2017 - £497,242).

Whilst the trustees are the legal directors of the charity and its subsidiary, they do not consider themselves part of the day-to-day management and are therefore not included as key management personnel. None of the trustees received any remuneration or benefits during the year.

8 Trustees either received reimbursement of expenses or had expenses paid direct by the charity amounting to £2,061 in the current year (2017 - 6 Trustees - £1,349).

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**Notes to the Financial Statements
for the year ended 31 March 2018**

13. TANGIBLE FIXED ASSETS

GROUP AND COMPANY	Land and buildings £	Long term leasehold property £	Other fixed assets £	Total £
COST				
At 1 April 2017	21,775,192	1,159,606	424,139	23,358,937
Additions	250,846	-	15,855	266,701
At 31 March 2018	<u>22,026,038</u>	<u>1,159,606</u>	<u>439,994</u>	<u>23,625,638</u>
DEPRECIATION				
At 1 April 2017	5,070,491	960,521	354,384	6,385,396
Charge for the year	538,003	25,183	50,116	613,302
At 31 March 2018	<u>5,608,494</u>	<u>985,704</u>	<u>404,500</u>	<u>6,998,698</u>
NET BOOK VALUE				
At 31 March 2018	<u>16,417,544</u>	<u>173,902</u>	<u>35,494</u>	<u>16,626,940</u>
At 31 March 2017	<u>16,704,701</u>	<u>199,085</u>	<u>69,755</u>	<u>16,973,541</u>

Tangible fixed assets are held in designated funds (see note 22) (2017 - designated and restricted).

14. FIXED ASSET INVESTMENTS

	2018 Market Value £	2018 Cost £	2017 Market Value £	2017 Cost £
Investment property	2,286,000	384,612	2,286,000	384,612
Listed investments	91,563,786	80,245,358	91,208,622	77,947,476
Uninvested Cash	477,003	477,003	171,179	171,179
Total for Group	<u>94,326,789</u>	<u>81,106,973</u>	<u>93,665,801</u>	<u>78,503,267</u>
Investment in subsidiary undertaking	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>
Total for Foundation	<u>94,333,375</u>	<u>81,113,559</u>	<u>93,672,387</u>	<u>78,509,853</u>

MOVEMENT ON INVESTMENT PROPERTIES

	2018 £	2017 £
Market value at beginning of year	2,286,000	-
Transfers from fixed assets	-	156,294
Net gain / (loss) on revaluation	-	2,129,706
Market value at end of year	<u>2,286,000</u>	<u>2,286,000</u>

VALUATION

All investment properties are carried at their fair value.

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**Notes to the Financial Statements
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FIXED ASSET INVESTMENTS (CONTINUED)

MOVEMENT ON LISTED INVESTMENTS

	2018 £	2017 £
Market value at beginning of year		
Additions in year	91,208,622	82,408,413
Disposals in year - sale proceeds	9,200,011	90,645
(Loss)/gain on disposal	(8,199,439)	(2,999,884)
	(5,138)	401,934
Net (loss)/gain on revaluation	(640,270)	11,307,514
Market value at end of year	<u>91,563,786</u>	<u>91,208,622</u>

VALUATION

All listed 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.

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Notes to the Financial Statements
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15. CHARITY HERITAGE ASSETS

GROUP AND COMPANY COST VALUE	Heritage assets £	Total £
At 31 March 2018	1,530,417	1,530,417
At 31 March 2017	1,530,417	1,530,417

CHARITY HERITAGE ASSETS

FIVE YEAR FINANCIAL SUMMARY OF HERITAGE ASSET TRANSACTIONS

	2017/18 £	2016/17 £	2014/15 £	2014/15 £	2013/14 £
Works of art acquired	-	-	-	-	-
Proceeds	-	5,438	1,739,552	-	-

HERITAGE ASSET MANAGEMENT POLICY

The Henry Moore Foundation holds 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. STOCKS

	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Finished goods	37,364	35,968	-	-

17. DEBTORS

	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	367,708	208,689	367,014	205,805
Amounts owed by group undertakings	-	-	131,947	257,662
VAT repayable	-	77,141	-	77,141
Other debtors and prepayments	232,183	340,309	230,223	338,941
	599,891	626,139	729,184	879,549

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

	GROUP		COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	152,597	279,608	150,883	278,929
Grants committed (see note 7)	416,700	405,645	416,700	405,645
Other taxation and social security	48,163	32,710	47,578	32,125
Deferred income	216,575	114,627	206,732	105,529
Other creditors	14,471	56,957	18,926	56,957
Accruals	181,142	126,736	173,664	123,736
	1,029,648	1,016,283	1,014,483	1,002,921

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

	GROUP		COMPANY	
	£	£	£	£
DEFERRED INCOME				
Deferred income at 1 April 2017	114,627	85,111	105,529	85,111
Resources deferred during the year	216,575	114,627	206,732	105,529
Amounts released from previous years	(114,627)	(85,111)	(105,529)	(85,111)
Deferred income at 31 March 2018	216,575	114,627	206,732	105,529

19. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the Foundation to the schemes and amounted to £152,183 (2017 - £155,362).

Contributions totalling £18,926 (2017 - £18,667) were payable to the schemes at the balance sheet date and are included in creditors.

20. 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 £88,535 (2016 - £161,901). In addition, there are a number of recharges totalling £122,202 (2017 - £84,187) to the subsidiary for costs paid by the Charity.

As at 31 March 2018 a debtor of £131,947 (2017 - £257,662) remained outstanding.

21. CONTROLLING PARTY

There is no controlling party. The charitable company is controlled by the trustees, who are listed on page 1, as a body.

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Notes to the Financial Statements
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22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
DESIGNATED FUNDS						
Heritage asset Fund	1,530,417	-	-	-	-	1,530,417
Investment Fund	93,665,801	-	-	1,306,396	(645,408)	94,326,789
Capital Reserve Fund	16,964,909	-	-	(337,969)	-	16,626,940
Other Designated Funds	809,662	89,727	(153,862)	(215,430)	-	530,097
	<u>112,970,789</u>	<u>89,727</u>	<u>(153,862)</u>	<u>752,997</u>	<u>(645,408)</u>	<u>113,014,243</u>
GENERAL FUNDS						
Charity reserves	7,297,819	3,533,220	(4,853,548)	(664,462)	-	5,313,029
HMF Enterprises Limited	173,349	299,802	(211,267)	(88,535)	-	173,349
	<u>7,471,168</u>	<u>3,833,022</u>	<u>(5,064,815)</u>	<u>(752,997)</u>	<u>-</u>	<u>5,486,378</u>
Total Unrestricted funds	<u>120,441,957</u>	<u>3,922,749</u>	<u>(5,218,677)</u>	<u>-</u>	<u>(645,408)</u>	<u>118,500,621</u>
RESTRICTED FUNDS						
Yorkshire Sculpture International	-	460,000	(66,112)	-	-	393,888
Rural Development Programme grant	8,632	-	(8,632)	-	-	-
	<u>8,632</u>	<u>460,000</u>	<u>(74,744)</u>	<u>-</u>	<u>-</u>	<u>393,888</u>
Total of funds	<u>120,450,589</u>	<u>4,382,749</u>	<u>(5,293,421)</u>	<u>-</u>	<u>(645,408)</u>	<u>118,894,509</u>

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22. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
DESIGNATED FUNDS						
Heritage asset Fund	1,530,417	-	-	-	-	1,530,417
Investment Fund	82,571,807	-	-	(2,745,160)	13,839,154	93,665,801
Capital Reserve Fund	15,888,105	-	-	1,076,804	-	16,964,909
Other Designated Funds	1,478,735	-	(46,889)	(622,184)	-	809,662
	<u>101,469,064</u>	<u>-</u>	<u>(46,889)</u>	<u>(2,290,540)</u>	<u>13,839,154</u>	<u>112,970,789</u>
GENERAL FUNDS						
Charity reserves	5,850,061	3,320,226	(4,396,041)	2,523,573	-	7,297,819
HMF Enterprises Limited	173,349	285,986	(52,953)	(233,033)	-	173,349
	<u>6,023,410</u>	<u>3,606,212</u>	<u>(4,448,994)</u>	<u>2,290,540</u>	<u>-</u>	<u>7,471,168</u>
Total Unrestricted funds	<u>107,492,474</u>	<u>3,606,212</u>	<u>(4,495,883)</u>	<u>-</u>	<u>13,839,154</u>	<u>120,441,957</u>
RESTRICTED FUNDS						
Yorkshire Sculpture International	20,870	-	(12,238)	-	-	8,632
Rural Development Programme grant	61,578	-	(61,578)	-	-	-
Total of funds	<u>107,574,922</u>	<u>3,606,212</u>	<u>(4,569,699)</u>	<u>-</u>	<u>13,839,154</u>	<u>120,450,589</u>

THE HENRY MOORE FOUNDATION
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Notes to the Financial Statements
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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	16,626,940	16,626,940
Fixed asset investments	-	94,326,789	94,326,789
Heritage assets	-	1,530,417	1,530,417
Current assets	393,888	7,046,123	7,440,011
Creditors due within one year	-	(1,029,648)	(1,029,648)
	<u>393,888</u>	<u>118,500,621</u>	<u>118,894,509</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	8,632	16,964,909	16,973,541
Fixed asset investments	-	93,665,801	93,665,801
Heritage assets	-	1,530,417	1,530,417
Current assets	-	9,297,113	9,297,113
Creditors due within one year	-	(1,016,283)	(1,016,283)
	<u>8,632</u>	<u>120,441,957</u>	<u>120,450,589</u>

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

	GROUP 2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,556,080)	12,875,667
Adjustment for:		
Depreciation charges	613,302	478,806
Gains/(losses) on investments	645,408	(13,839,154)
Dividends, interest and rents from investments	(2,866,505)	(2,534,979)
Increase in stocks	(1,396)	(1,550)
Decrease in debtors	26,248	53,967
Increase/(decrease) in creditors	13,365	(318,694)
Net cash used in operating activities	<u>(3,125,658)</u>	<u>(3,285,937)</u>

THE HENRY MOORE FOUNDATION
(A company limited by guarantee)

Notes to the Financial Statements
for the year ended 31 March 2018

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP	
	2018	2017
	£	£
Cash in hand	6,802,756	8,635,006
Total	6,802,756	8,635,006