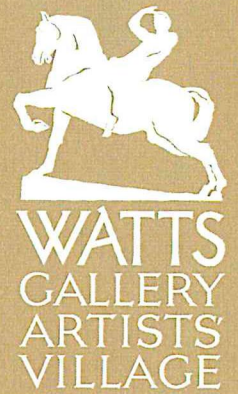


ANNUAL REPORT

2020-2021



Discovery | Authenticity | Community | Welcome | Art for All | Excellence

CONTENTS

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021.

The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

TRUSTEES

M V Stevens, Chair
T Adair
G Anson
M Baisly
M Bowcock, CBE
D Brice
A Burtenshaw
Professor R Dickens, CBE (resigned 20 December 2020)
I Goldsmith
R Napier, DL, CBE
Professor Dame M Odundo, OBE
Dr M A Rogers, CBE
Lady E Verey

AUDITORS

Azets Audit Services Limited
Statutory Auditors and Chartered Accountants
Ashcombe Court, Woolsack Way, Godalming,
Surrey GU7 1LQ

INVESTMENT ADVISORS

Baring Asset Management Limited (until 9 August 2021)
155 Bishopsgate, London EC2M 3XY

CCLA

Senator House, 85 Queen Victoria Street, London, EC4V 4ET

PATRON OF THE LIMNERSLEASE APPEAL

HRH The Prince of Wales

ARTS PATRON OF THE LIMNERSLEASE APPEAL

Sir Antony Gormley, OBE, RA

DIRECTOR

Allstair Burtenshaw

SENIOR MANAGEMENT TEAM

Matthew Carter Estates and Facilities Manager
Claire Griffin Head of Operations
Sarah James Head of Development
Sue Miller Head of Finance
Niharika Jain Head of Marketing and Communications (from 24 March 21)
Dr Cicely Robinson Brice Chief Curator
Kara Wescombe Blackman Head of Learning and Public Programming
Jo Wilks Head of Trading

Watts Gallery Trust is a company limited by guarantee (company number 06147572)

Registered Office: Watts Gallery, Down Lane, Compton, Surrey GU3 1DQ

Registered Charity Number: 313612

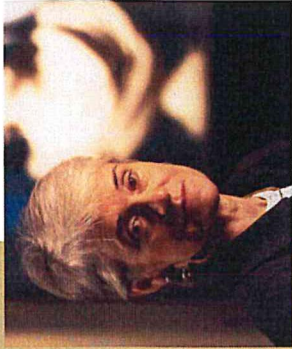
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Cover image
Art pack which was sent out to Art for All Community learning programme participants during lockdown.

Right
Goldfinch, Susan O'Byrne, part of the Artistic Aviary Exhibition.



CHAIR'S INTRODUCTION

My introduction to last year's report was written as the Gallery was reopening following its enforced closure during the first COVID-19 lockdown and it was hard to imagine, at that time, that further lengthy closures would happen. However, despite the challenge of both further closures, it is heartening to note that our financial results for the year ending 31 March 2021 are above expectations. This reflects not only the hard work of the management team and our staff and volunteers but also the assistance provided by a variety of emergency funding, whether from local and central government, Arts Council England and the National Lottery Heritage Fund, trusts and foundations, or individual philanthropy of all sizes. This and the annual funding from Surrey County Council to support Surrey children and families, enabled our community work to continue uninterrupted during a particularly challenging period for our organisation and so many in our society. I have been particularly heartened that so many core community programmes were able to take place digitally, via the distribution of individual workbooks to secure settings and via our community partners.

We also had the challenge of a small fire in the Studios at Lummerslease, the home of G F and Mary Watts, during the night of Friday 11 September 2020 with significant consequences. Our senior management and our Operations, Curatorial and Estate & Facilities teams were put to the test in one of the worst types of event that an arts establishment can experience. Our thanks go to everyone involved and particularly to the emergency services for their prompt response and to the team of conservation cleaners and conservators for their hard work in ensuring the preservation of our precious collection. You can read more about the recovery process in the spotlight section of this report.

I would like to particularly thank our Finance team for their herculean work on complex furlough arrangements throughout the entire financial year and to our Development team whose very significant fundraising efforts continued throughout the pandemic. However, all of our staff and volunteers are to be thanked for all they have done to support the organisation during a particularly difficult year.

My thanks also go to my fellow Trustees for their unwavering support and I would like to acknowledge the immense contribution made by Professor Rob Dickens CBE, who resigned in December 2020, and thank him for his service and support over many years, including the generous donations that make up the Rob Dickens Collection at Watts Gallery Trust – a lasting legacy for generations to come.

Finally, my sincere thanks go to our funders, lenders, donors and our visitors for their continuing support of Watts Gallery – Artists' Village during this year of unprecedented change and challenge.

MaryAnne Stevens
Chair, Watts Gallery Trust

Annual Report 2020 – 2021

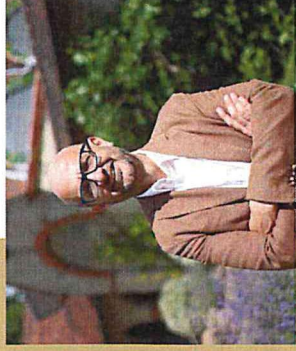


Photo by Lottie Morris

DIRECTOR'S INTRODUCTION

Like many other museums and galleries, while Watts Gallery's doors remained closed to visitors due to the COVID-19 pandemic during the early part of the financial year, its engine kept running in the background as ways were sought to ensure the Art for All ethos of our founders continued to make an impact during a period of national uncertainty none of us thought we would witness. The hard work, creativity and dedication of our Learning and Programmes team can be measured by their success in continuing to deliver activities to families, schools and young people (including young carers), and in their community and outreach programme. The team's tenacity in looking for new ways of delivering the Art for All learning programme resulted in the development of digital workshops and interactive guided tours while materials continued to be hand delivered by staff or posted out to programme participants where needed. You can read more about the team's work in the spotlight section of this report.

The digital development at Watts Gallery included the successful introduction by our Curatorial team of audio tours for our temporary exhibitions and our Historic Galleries and the expansion of online channels for our collection and our Contemporary Gallery. This innovation enabled wider accessibility for all not just during periods of forced closure but also as our doors reopened, sadly only temporarily, during the summer and autumn of 2020.

While many of our staff unfortunately had to be placed on the government's Coronavirus Job Retention Scheme, or work from home, our core Estate & Facilities team worked hard to keep our grounds and buildings in shape in preparation for our visitors' return. I hope that those of you who were able to visit during the summer and autumn of 2020 were able to appreciate the results of this enormous task, and I am confident you will continue to see the difference as you return in the future.

This financial year has been particularly challenging for our Trading team, who make such a significant contribution to our financial position. Our Tea Shop and Visitor Centre faced months of closure without income, although the team worked hard to promote our online shop which I am pleased to say has gone from strength to strength and saw some very good results, particularly from sales in our Contemporary Gallery. These works of art were, for the first time, available to purchase through our online shop. However, we were all delighted to see visitors return in the summer in good numbers with our Tea Shop remaining an ever-popular feature of Watts Gallery – Artists' Village.

The heart of Watts Gallery is the Art for All ethos of our founders, George Frederic Watts OM RA and Mary Seton Watts and the collections of their work. However, we would not be able to support their legacy of Art for All without the creativity, dynamism, hard work and dedication of the staff across the site of Watts Gallery – Artists' Village. This includes all those who work behind the scenes and in customer facing roles during our open periods, the incredible contribution of our volunteers, and the unwavering support of our Trustees, whose counsel during this difficult time has been invaluable.

Alistair Burtenshaw FRSA
Director, Watts Gallery Trust

Annual Report 2020 – 2021

OUR VISION & MISSION

OUR VISION

To be an international centre for engaging with mid-19th- to early-20th-century art, social history, craft, design and architecture, and the exploration of its relevance in our lives.

To provide an inspiring and enriching visitor experience that celebrates artistic excellence by partnering with practising artists and makers to explore the art and ideas of G F and Mary Watts, and how their values shape our vision for equality of opportunity through the arts.

To use inspiring and innovative ways to transform lives through art, inside and beyond Watts Gallery - Artists' Village.

To play a leading role in the international Artist's Studio Museum Network and to advocate with audiences worldwide for Watts Gallery - Artists' Village and the other unique places and spaces within the network that inspire artists.

OUR MISSION

To protect, enhance, and promote the legacy of G F and Mary Watts and the heritage of our site as one unique to the UK.

To invest in and celebrate the overall Artists' Village experience, the setting, buildings, collections, art and community.

To be a catalyst for inspiration, creativity and engagement.

To promote the relevance of the Watts' values and the Artists' Village in the context of the 19th century for the 21st century.

Image
Beyond the Waves, choreographed by Chris Pavla.
Photo by Callum Graham Robertson

TRUSTEES' REPORT

The structure of the Trustees' Report follows our organisational objectives:

- ENGAGE
- ENHANCE
- INSPIRE
- LEAD

LOOKING TO THE FUTURE
EXHIBITIONS

NEW AT THE ARTISTS' VILLAGE
OBJECTIVES FOR 2021 / 22



Image
Potter Josh Scheeman creating an instructional
video for our postal clay eubipacks.

ORGANISATIONAL OBJECTIVES

The organisational objectives for 2020/21 were formulated by the Four-Year Business Plan for 2018-22. Some objectives remain on-going due to their level of ambition and complexity and as a consequence of the enforced closure of Watts Gallery - Artists' Village during the pandemic. The objectives were categorised into four themes to provide structure and clarity behind their purpose.

ENGAGE

Provide a compelling indoor visitor experience centred around the original full-scale plaster model of Physical Energy and secure the final approvals necessary to install the new bronze cast of Physical Energy at Watts Gallery - Artists' Village following the exhibition. New interpretation exploring the history of Physical Energy was installed in the Sculpture Gallery in July 2020. Pre-commencement technical approval and planning permissions were obtained, together with meaningful commencement in February 2021, enabling a five-year window to conclude the project.

Deliver the second year of the two-year Collections Online Project to ensure collections are increasingly dynamic, engaging and accessible; this includes offering a further three Early Career Research fellowships, the migration of collections from Adlib to Axiell Collections, and the construction of a new online platform to host the collection for enhanced global access. Our second Collections Online Early Career Research Fellow (Historical and Biblical Themes) was significantly impacted by the pandemic as access to material on site was not possible, and the recruitment of the third research fellow was delayed. The migration of collections from Adlib to Axiell Collections was similarly delayed.

Deliver a year-round programme of arts engagement activities for schools, families, young people and adults, reaching an overall annual target of 30,000 learning and community engagement participations, developing online and blended learning engagement. This was partially achieved with 15,948 people participating in our programme of activities and events onsite or online, much of which was not of the scale originally expected due to COVID restrictions.

Build on existing community partnerships to deliver a blended remote, digital and online Learning Through Making programme to 200 vulnerable adults, children and young people in lower socio-economic groups, targeting key wards of deprivation and nurturing new partnerships for Syrian Refugees, Park Barn Centre for elderly people, Twister LGBTQIA+ youth group and Woking Women's Centre. We saw 860 participants in our community programmes (both digitally and by post). Our partnership community groups for 2020/21 were Adults; Park Barn, Woking Women's Centre, halow, HMP YO1 Bronzefield, HMP Send, DAISY and the local community; Youth Groups: User Voice, Surrey Young Carers and Surrey County Council Youth Services. Engagement was offered to HMP YO1 Feltham, Opportunities, the Star, Project and Syrian Refugees, however participation declined due to the groups' capacity during the pandemic. Participants worked with artists to co-produce designs and patterns for the Linmer Collection, a social enterprise and interpretation of the gallery collections, and exhibitions included conversational reflections and an animation.

Right
Artwork created by Art For All
Community Learning Programme
participants.

Widen the Make! family programme to include a year-round creative learning resource for local families, achieving 10,000 participations annually, developing independent learning activities, outdoor learning and digital learning participation.

Make Space activities were adapted to an online offer in response to the pandemic, with packs being sent to families via schools and also being available in the Visitor Centre when restrictions allowed. 7,606 people engaged with the family programme and the Make Space content was shared with local community groups who support families.

Achieve a target of 500 annual participations from young people through new blended online and onsite engagement to include the youth-led Art Forum advisory group for 14-18 year olds and creating a youth led film; cultivating a partnership with Godalming Sixth Form College to deliver a youth-led panel discussion for young people around Art, Environment and Activism; producing a new programme of Art Schools to increase engagement from young people; establishing a partnership with Guildford Sixth Form College leading to increased engagement from diverse young people with opportunities to complete Arts Awards onsite and remotely. Deliver and evaluate two audience development events targeted at 18-30-year-olds; develop the Make Festival as a platform for young people to learn about education and career progression routes in the Arts; award 60 Arts Awards.

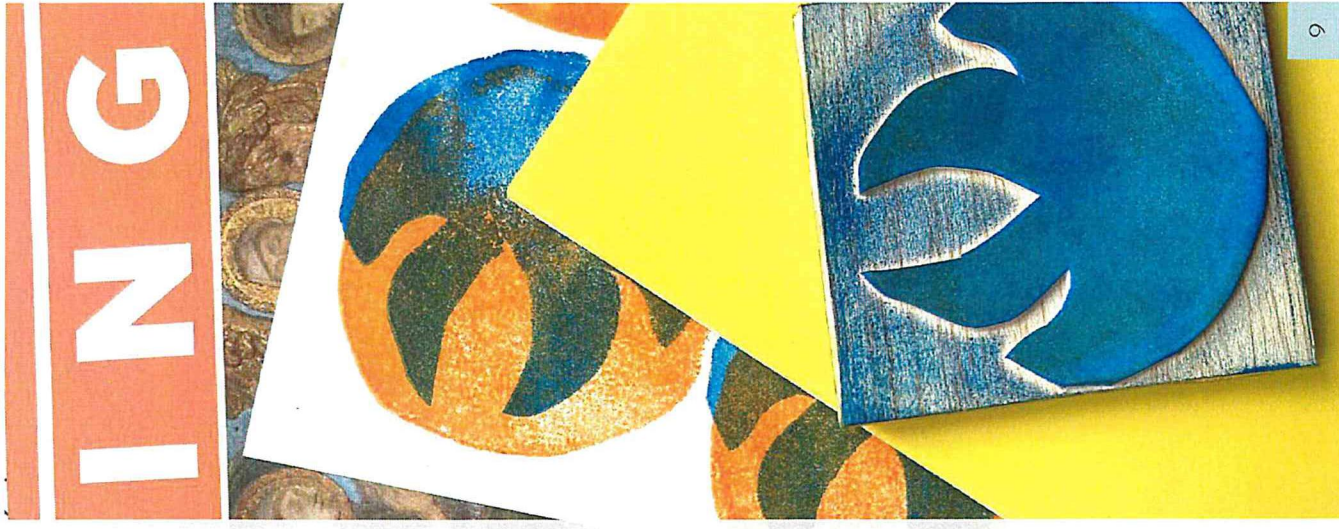
Despite the impact of the pandemic on our plans for educational groups, 1,471 participations were recorded of young people taking part in projects and activities including the ARTICulation Prize, Guildford College Art & Design Coursework Project, Art Awards courses and Art Club.

Maintain 40 Surrey school partnerships, producing remote and digital learning resources and delivering a deeper whole-school learning programme with at least one secondary school and one primary school, leading to Artsmark and continuing to partner with the charity Delight and Cultural Education Partnership, Culture Box Surrey, to deliver impact in local schools with high pupil premium.

Despite school closures, our digital and postal offer continued with 56 schools throughout the pandemic, and we continued our work in partnership with Delight and Culture Box Surrey, engaging 4,028 pupils over the year.

Offer two free Surrey Residents Days with a focus on attracting new audiences, particularly from diverse communities and areas of socio-economic deprivation. This objective was not able to be delivered due to the pandemic.

Partner with the University of Surrey to deliver guidebooks in five locally spoken languages and support for a funding application for translation of the 'Your Visit' information. This objective was cancelled as a result of the pandemic.



ENHANCE

Following staff, volunteer and audience feedback on outline concepts, deliver new site-wide interpretation of the outdoor heritage and landscape. The successful recruitment of a Curator of Landscape, funded by the John Ellerman Foundation, culminated in the creation of a Landscape Interpretation Plan in March 2021 which will be installed across the Watts Gallery 18-acre site, interpreting the buildings, site and history of the Artists' Village.

Develop a new visitor experience for delivery from 1 April 2021 that combines Limmerlease, Watts Studios and the surrounding grounds, informed by recent Visitor Experience Research and the completion of a new interpretation and visitor experience plan to be introduced across the entire Limmerlease site during 2021/22. The Operations Team led a significant recovery programme to prepare for the reopening of Limmerlease, now scheduled for 6 December 2021, together with the Curatorial and Estate & Facilities teams in particular.

Develop and implement a new volunteer strategy with the aim of diversifying the Trust's volunteer team and improving the welcome offered to visitors: this will involve updated policy frameworks, recruitment, training, recognition and retention via a supported volunteer scheme. The development of the volunteer strategy was put on hold due to the pandemic but will be delivered during 2021/22.

Deliver a new site-wide Quinquennial Review to inform long-term collections and maintenance requirements as part of an updated Estate Management Plan that includes all recent and near-term site projects and small-scale capital repairs together with a framework to ensure visitor experience and business continuity is maintained throughout small- and large-scale capital projects.

We have concentrated on ensuring the best climate control system, a crucial element of the Trust's ability to display treasured works of art, in place with a new contractor appointed in October 2020. An experienced controls company was commissioned to report on updating obsolete software and providing options on remote control systems and staff training.

Deliver small-scale capital enhancements to the Trading operations to increase profitability, including a new kitchen, the extension of the Tea Shop into the Old Kiln, a new visual identity to reveal the heritage of the building complemented by new furniture and menus, the development of the Cloister Office as an additional retail space, and enhancements to the Contemporary Gallery.

An upgrade of the kitchen dishwashing and storage areas was completed in July 2020 and work commenced, thanks to government funding from the Culture Recovery Fund (CRF), on improvements to the Tea Shop, including a new visual identity, and the development of the Cloister office space adjacent to the Shop for future use as a new book and print room. The Contemporary Gallery was not significantly enhanced, due to a reprioritisation of funds, however it was repainted throughout in March 2021.

Achieve £76,388 ticketed income from adult and family participations and £41,000 from groups and tours through a blended model of onsite and online engagement, working in partnership with organisations to attract new and more diverse audiences. This was not achieved due to the impact of the pandemic on income generating activities. However, 7,413 admissions were achieved generating £59,968. In addition, £11,077 of income was achieved from digital and postal programmes.

Complete the audience development strategy as per the four-year audience development plan and the recommendations of the Board Diversity and Inclusion Working Group. Ensure all Trustees and staff complete the additional annual survey question on socio-economic background and increase the profiling data held on the freelance and contractor workforce to 80% and the data held for the volunteer workforce to 50% by year end. Profiling data was held in 2020/21 for the Staff (100% Staff); Board (100%); Freelance and Contractors (81%); and active Volunteers (59%).

Annual Report 2020 - 2021

Respond to the delayed outcome of the 2019 Accreditation review and deliver year one of a five-year collection development plan, ensuring the collections become increasingly accessible and dynamic, facilitated by ongoing improvements to care, management and documentation as outlined in the plan.

While security and care of collections has been at the forefront of our work during 2020/21, the pandemic significantly impacted the Curatorial team's delivery of the 2019 Accreditation review year-one outcomes. However, during the closure of the Gallery our online collections accessibility increased significantly via online channels including Smartify, social media and web blogs. In March 2020 it was confirmed that our current accreditation award status had been automatically extended by twelve months and this date has since been further extended until 1 April 2022.

Deliver a social enterprise profit centre for the Trading Company and Art for All community learning programme participants from the online and onsite sale of work produced at Watts Gallery - Artists' Village. Participants worked with artists to co-produce designs and patterns for the Limner Collection - a homeware social enterprise. The Limner Collection, launched in June 2020, was sold through the Watts Gallery shop and online and took £300 of income.

Grow visitor numbers from communities within a mile to support the Place Making Partnerships Programme and develop the local community webpage to highlight partnerships with Compton Parish Council, Guildford Borough Council, The Surrey Hills to South Downs Community Rail Partnership, Surrey County Council, Surrey Hills Arts, Surrey Hills AONB and Visit Surrey and new Arts & Crafts trails developed by the Arts & Crafts Consortium for Surrey.

Whilst overall visitor numbers were hampered by the pandemic, the local community webpage was developed further during the year, highlighting the history of the village of Compton, local highlights and businesses operating within the parish. Further development will follow to highlight partnerships that support our work in the community.

Image
Artwork created by Art For All Community Learning
Programme participants.

Annual Report 2020 - 2021

INSPIRE

Deliver the 2020/21 temporary exhibitions *Unto This Last: Two Hundred Years of John Ruskin and Art and Action*, which evaluate the ongoing relevance and complexities of Victorian and Edwardian art and ideas – both in their own time and today, including dynamic and engaging contemporary responses to both exhibitions, including works by Spanish-US artist Jorge Otero-Palios (*Unto This Last: Two Hundred Years of John Ruskin*), and by contemporary artists and public programme participants (*Art and Action*) through cross-departmental co-ordination between the Curatorial, Learning & Public Programmes and Trading departments. *Unto This Last: Two Hundred Years of John Ruskin* first opened to the public on 10 March 2020, only to close just over a week later due to the pandemic. The exhibition reopened on 17 August 2020 for its remaining eleven weeks and ran until 1 November 2020.

The autumn exhibition, *Art & Action: making change in Victorian Britain*, opened on 17 November 2020 but was only able to be open for a total of three weeks due to the impact of the third national lockdown, reopening for a short time in the 2021/22 financial year.

Redisplay the Historic Galleries to include the portraiture collection, create a new Curatorial Highlights tour on Smartify, and publish a new book, edited by Brice Chief Curator Dr Cicely Robinson with Yale University Press to coincide with the exhibition Henry Scott Tuke. The Historic Galleries were rehung twice: the early years and portraiture sections were rehung in July 2020 to coincide with a new one-way route introduced following the reopening of the Gallery after the first lockdown. The sculptures of Aurora and Clytie were also re-sited. In November 2020 the social realist works were rehung to better align with the *Art & Action* exhibition. The new 'Highlights of the Historic Galleries' tour was created on Smartify to coincide with the July 2020 reopening, featuring new accessible interpretation and additional audio content. The publication of a book of essays with Yale University Press to coincide with the exhibition Henry Scott Tuke was postponed due to revisions to the exhibition programme resulting from pandemic related closures.

Partner with Woking Women's Centre to co-create audience-led interpretation of the De Morgan collection, with Broadwater Secondary School to create interpretation ahead of the installation of Physical Energy, and with disability groups to improve access to and interpretation of the permanent collection, temporary exhibitions, public programmes and estate. In 2020/21 we were unable to work with Broadwater School because of the pandemic. The work between artists and students from the school in the previous financial year was made into a film and we will continue to work with them in the lead up to the Sculpture exhibition *G F Watts: A Fragmented Legacy*, in the next financial year.

Woking Women's Centre, User Voice and halow worked with the De Morgan Curator, Sarah Hardy, to create community informed interpretation for the rehanging of the De Morgan Collection at Watts Gallery.

Community groups contributed to the My Watts project to create community informed interpretation of the Watts Gallery collection and exhibitions. Outcomes include written and recorded reflections, drawings and a co-produced animation.

The Curatorial team have created Display & Interpretation Accessibility Guidelines to ensure all displays and interpretation align with accessible industry standards.

Partner with artists, organisations and digital platforms to develop and strengthen engagement through the Watts at Home programme, working both with specific community programme partners and with wider global audiences, to enhance participation as part of a new organisation-wide digital strategy.

Digital engagement included live workshops for education and community groups, live talks and 'Conversations With ...' via video conference and on social media; pre-recorded courses and supporting downloadable packs. Over 4,289 people participated, contributing £7,905 to the income generating learning and events activities. This included engagement of 1,759 people through Instagram Live talks with artists.

Annual Report 2020 - 2021

Strengthen collection engagement with global audiences online and onsite via Smartify and other digital platforms to enhance exhibition and display interpretation and engagement as part of a new organisation-wide digital strategy.

During the year to March 2021, 4,700 unique users visited Smartify 61,070 times to discover more about the artworks in our collection. In the same period, the Curatorial team produced two bespoke audio tours to accompany the temporary exhibition programme with all audio content fully transcribed to increase user accessibility.

Develop a new website to increase income and engagement as part of a new organisation-wide digital strategy that includes a strengthened online shop and digital admissions offer. The development of a new website was postponed until 2021/22 as a consequence of the pandemic.

Extend the International Women's Day programme across the year through a series of high profile, targeted and measurable events that highlight the contribution of Mary Watts and women artists in the Compton Potters' Arts Guild, women in the arts, and the contribution of women to society through onsite programmes and digital channels.

This ambition was curtailed due to furloughed staff. However, the following talks were held digitally:

Contemporary Craft: Crafting Identities and Communities chaired by artist and academic Daniel Fountain with artists Raisa Kabir, Rose Schmits and Bisila Noha; *Great Thoughts: Mary Watts and Craft: Art, Action & Craft* with Sarah Corbett; Founder of the Craftivist Collective as well as the Suffragette Necklace workshop led by Tatty Devine.

Develop and strengthen the partnership with the Craft Council on the Make Festival season, with a focus on talent development, diverse artists and routes into the creative industries and explore new platforms for its delivery in response to COVID-19.

This ambition was curtailed due to furloughed staff. However, much work was undertaken to address diversity and talent development through our Artist Residency programme via which artists were invited to take part in talks, projects and community engagement. In addition, an advisory platform for artists was created during the pandemic. Of 26 contributors to the adult programme across the year, this included 18 artists from diverse backgrounds.

Image
Christmas Wreath Making 2019.

Annual Report 2020 - 2021



LEAD

Ensure that a 'Strong' Arts Council England Creative Case for Diversity rating is secured across all six themes during 2020/21 and that the Equality Action Plan objectives are delivered, including rigorous evaluation of the equality and inclusion programmes with a focus on exhibitions, collections, learning, public programmes, and marketing and communications to increase BAME audiences from 5% to 7% and people with disabilities from 3% to 7% by year end.

Arts Council England cancelled their detailed Creative Case rating for 2020/21, however their Annual Feedback for the year listed the Creative Case rating as 'Met' with 'little evidence in forward plan of diversity informing programme'. Whilst this is very disappointing it will act as a catalyst for further development of diversity-led programming.

Diversity was at the heart of the departmental planning processes, ensuring that the objectives outlined in the Equality Action Plan were met. Rigorous evaluation through onsite forms and online surveys allowed us to closely monitor the diversity of both our workforce and our audiences, and insights gained from this data has allowed us to identify barriers to visiting for certain groups.

Ensure a 4-star Creative Green certification rating for environmental sustainability and completion of the Arts Council England's and Julie's Bicycle Accelerator Programme working in partnership with the Courtyard Centre for the Arts to reduce transport emissions from car travel to rural sites.

The Creative Green certification for 2020/21 has yet to be secured as a result of the pandemic, which also caused the postponement of the Accelerator programme, which will continue during 2021/22.

Undertake a second Artist's Studio Museum Network members' survey to assess the impact of COVID-19. Together with the survey prior to the pandemic, the results will inform a plan to find points of commonality and ways of mutually supporting other institutions to reach out to wider and more diverse audiences in communities around the world. The Trust will issue quarterly e-newsletters, focussing on key themes, such as digital, to enhance areas of professional skills sharing.

The follow-up COVID-19 survey was conducted in January 2021. During 2020/21 the ASMN has continued to showcase digital resources, tours and exhibition listings on the ASMN website and has continued to deliver a quarterly e-newsletter to network members which included *The Impact Issue* (including the COVID-19 impact survey report, *The Unprecedented Issue*, *The Reopening Issue* and *The Innovation Issue*).

Develop and deliver a cross-organisational contemporary strategy aligned to the organisation's recent acceptance into the Contemporary Visual Arts Network South East (CVAN-SE), encompassing the contemporary Gallery programme, contemporary responses to the temporary exhibition programme, engagement with contemporary artists in the public programmes, site-specific and generic installations within the landscape, and the development of Artists' Editions and other commercial opportunities. The development of a cross-organisational contemporary strategy was postponed due to the pandemic but will be developed during 2021/22.

Ensure co-ordinated seasonal programme goals via Strategic Programming Board, chaired by the Director, with minuted outputs from focus groups used to support and inform specific seasonal audience development goals, key themes, interpretation treatment and desired outcomes, with a specific focus on people with disabilities, BAME audiences, and marginalised communities. The Strategic Programming Board did not take place during the pandemic but will be re-instituted in 2021/22 along with the new Community Forum.

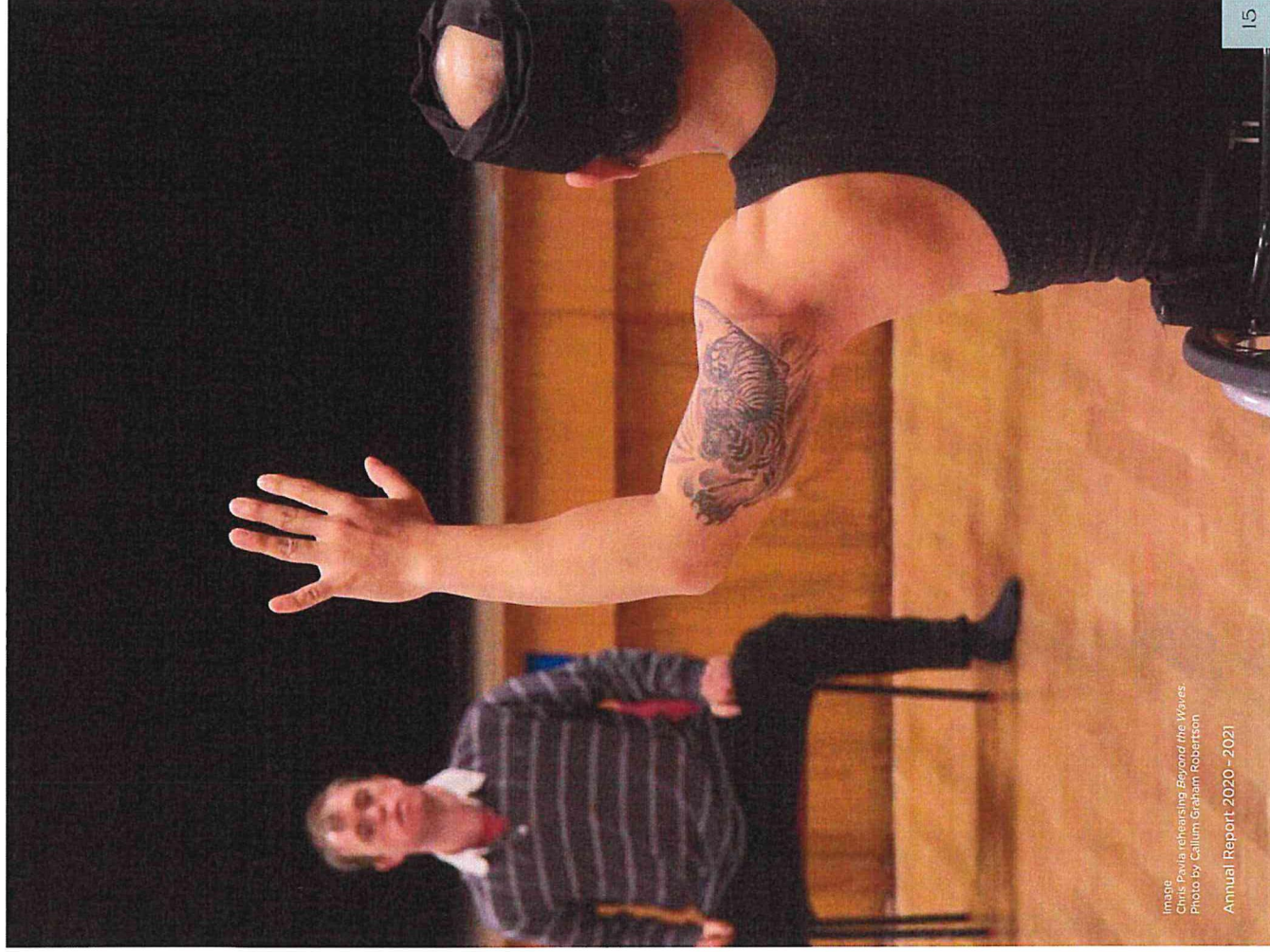


Image
Chris Paula rehearsing *Beyond the Waves*.
Photo by Callum Graham Robertson

UNTO THIS LAST: TWO HUNDRED YEARS OF JOHN RUSKIN

Travelling to Watts Gallery from the Yale Centre for British Art, *Unto This Last: Two Hundred Years of John Ruskin* first opened to the public at the end of the last financial year, only to close just over a week later due to COVID-19. Thankfully, all lenders agreed to an eleven-week extension and the exhibition reopened to the public on 17 August 2020 (closing on 1 November 2020). The exhibition was guest curated by three PhD candidates in the History of Art department at Yale University with Professor Tim Barringer, Paul Mellon Chair of Art History at Yale University.

Two centuries after his birth, this exhibition examined Ruskin's legacy as a social reformer, ecological thinker, and educator. Featuring major loans from the Yale Center for British Art, Beinecke Rare Book and Manuscript Library, and Yale University Library collections, much of the material had never been shown in the UK before. The exhibition looked at how Ruskin's aesthetic, social and political theories spread globally, to the United States, Japan, Russia and India.

As Watts Gallery's first trans-Atlantic temporary exhibition, *Unto This Last* also featured important work by Spanish New York-based contemporary artist Jorge Otero-Palacios, whose luminous series *The Ethics of Dust* resulted from a sustained engagement with Ruskin's work.

The autumn exhibition, *Art & Action: making change in Victorian Britain*, opened at Watts Gallery on 17 November 2020. Watts Gallery worked with Guest Curator, Dr Chloe Ward, Senior Lecturer in the History of British Art at Queen Mary, University of London. The exhibition formed part of the AHRC sponsored project 'From Protest to Propaganda: A History of Activist Art in Britain, 1845–1918'.

Exploring how artists sought not only to comment on social problems but to use their art to actively help solve them, *Art & Action: making change in Victorian Britain* explored the nineteenth-century origins of art activism.

The Curatorial department produced two bespoke audio tours 'Unto This Last' and 'Art and Action' which accompanied the temporary exhibition programme, featuring a range of speakers and with all audio content fully transcribed, to increase user accessibility. The Curatorial team also produced a 'Watts at Home' audio tour whilst the galleries were closed featuring members of the team sharing their personal highlights, drawing on their expertise and research from across the collections. A 'Highlights of the Historic Galleries' was also created in order to showcase highlights of the redisplayed Historic Galleries and encourage a one-way system route throughout the four gallery spaces.

Right
John Ruskin, *Study of an Oak Leaf*, undated, pen and brown ink with watercolor over graphite, heightened with gouache and gum on paper, Yale Center for British Art, Paul Mellon Collection.



WATTS CONTEMPORARY GALLERY PROGRAMME

The usual programming rhythm of six contemporary exhibitions each year was heavily impacted by the pandemic. Three exhibitions took place in a year that saw the gallery closed to the public for over eight months. The Contemporary Gallery was closed due to the national lockdown until 26 April 2020 and then affected by two further periods of closure due to national lockdowns which continued through to the end of the financial year (closed from 5 November to 1 December 2020 and again from 20 December 2020 to beyond the end of the financial year). This was a challenging year both financially and operationally with rearranging programmed exhibitions and being unable to showcase as many artists as we would normally through our programme.

During this extraordinary period a contemporary art category was added to our online shop platform and for the first time we sold our full contemporary exhibitions offer online. Whilst commission sales were down by 24% compared to the income budget and overall contribution was down by 42%, there was much to celebrate.

Towards the end of the last financial year we opened an exhibition by Norman Ackroyd CBE RA - one of Britain's foremost contemporary etchers and leading landscape artist and printmakers. Scheduled to end on 29 April 2020, its enforced closure due to the national lockdown required a move onto an online presentation and selling platform. An extension until 27 September 2020 saw the reintroduction of onsite visits from 6 July 2020 when the gallery reopened.

Etching the Archipelago presented 40 aquatint etchings - including a number of new prints - inspired by Norman's expeditions to the edge of the British Archipelago over almost 50 years - from St Kilda's UNESCO World Heritage Site to Clear Island, the most southerly point of Ireland - the exhibition affirms Ackroyd's status as "a master in the medium".

Commission sales for the exhibition were up 64% on budget with 80% of these sales made in this financial year. A total of 35 etchings were sold with a quarter of these sold online. The exhibition was featured in *The Guardian's* '30 great exhibitions to catch as art returns' and received warm praise from our audiences including 'Wish I was in the Western Isles ... this is a fine substitute'. The exhibition achieved a reach of 100,267 across Facebook, Twitter and Instagram from February to September 2020. During the first lockdown our Instagram calls to visit the online shop for Ackroyd Etchings were our 7th most engaged with.

Following its success last year, a new group ceramics show opened on 1 October 2020, featuring work by nine women ceramicists - all new to Watts Contemporary - including Irena Sibriljns, Agalis Manessi and Elizabeth Renton.

As we were unable to hold a private view due to the restrictions imposed as a result of the pandemic, we planned a series of weekly features on our social media channels, including Instagram takeover days by some of the ceramicists. The show performed well on social media with significant reach and engagement across Facebook, Twitter and Instagram. A highlight was ceramicist Janine Roper's spotlight: this post specifically had a reach of 12,937 and was our highest reaching organic (non-sponsored) post of 2020. The exhibition ran for four weeks, shorter than planned, to enable our annual printmaking exhibition to be installed on schedule but achieved commission sales 27% above budget with 101 pieces sold.

In Print was installed and ready to open on 5 November 2020 - the day the gallery had to close due to the second national lockdown. The theme 20/20 Vision celebrated the work of 20 printmakers, with over 100 limited edition prints, as the year 2020 came to an end. This is twice the number of printmakers usually featured in this annual show as we were keen to support more printmakers in such a challenging year.

Due to the enforced closure, the exhibition was made available for sale on our online shop and a video of the show produced to help with social media promotion and sales. Sadly, the exhibition was only open to the public for just over two weeks in December and remained closed to the end of this financial year due to the pandemic.

STUDIOS FIRE & CONSERVATION WORK

On a September evening in 2020, the Gallery faced one of its biggest challenges as the result of an electrical fire at the entrance of Watts Studios. Housed in the then fully restored east wing of Limmerslease, the home of G F and Mary Watts, the Studios is a museum space displaying over 150 objects including oil paintings, sculpture, architectural friezes, works of art on paper, personal letters, diaries, sketchbooks and Compton Pottery. The Gallery's Collections Manager, Emma Coburn, ACR, recalls events of that night.

'On the evening of Friday 11 September, 2020, I received that call that we all prepare for but hope we don't receive as Guildford Fire Service responded to an electrical fire on the ground floor lift shaft at the entrance of Watts Studios, at Watts Gallery - Artists' Village. Within thirty minutes of receiving the call, I arrived on site to be faced with eight fire engines and an ambulance. The Watts Gallery team met up with the Red Watch Commander from Guildford Fire Service, who thankfully was the lead that evening. I say thankfully as, in my role of Collections Manager, I had been working with Guildford Fire Service on familiarisation of our buildings just the week before. The immediate information exchange was frantic.

The Fire Service needed to know about the building, the utility services, the location of everything relating to gas, electricity and water and we are immensely fortunate that the fire was localised and limited to an electrical component located in the lift shaft within the modern extension to the Studios. The cladding was removed to quickly identify and isolate the source of the fire, which was extinguished with very limited amounts of water. Smoke extraction became the next priority. After three hours on site, the Fire Service left with our heartfelt gratitude.

Smoke had permeated through the whole building leaving a fine residue on all surfaces, the impact of which would now dominate our work for the next year. Following the incident and knowing the structure of the building was safe, our immediate attention turned to those objects owned by Watts Gallery Trust and those on loan from other institutions and private lenders. Within 24 hours, a full conservation assessment had taken place throughout the building and each individual object had been inspected with a conservation treatment plan proposed. We began communicating with our lenders, immediately reporting the incident itself and reassuring them that the objects within our care were safe and secure.

Smoke had permeated throughout the building, leaving its mark on everything. The relief was immense that the damage could have been so much worse. However, in many ways, the real work began the following Monday morning with calls to and meetings with insurers, loss adjusters and contractors and quoting for conservation and decontaminating. Within two weeks, we had formulated a practical plan for the full conservation clean of the Studios' collections and the subsequent preparation for cleaning, decontamination and re-decoration of the building itself.

In many ways it was good that Watts Studio had not yet re-opened following the period of closure during lockdown in spring and summer of 2020. Whilst we had planned to re-open in April 2021, the impact of this incident created challenges as well as opportunities for the future.

We appointed four paintings conservators to create a specialist on site team, each conservator had a space in which to work safely within the Covid-19 guidance on the twenty-seven oil paintings on display. Alongside this, we worked with other specialists on site, working within the space safely. Specialist contractors joined us to complete conservation cleaning of the furniture, fixtures and fittings in Limmerslease, including fireplaces; decorative screens and sculptural busts; to decant our library collections ready to clean; to conduct specialist conservation cleaning of the decorative ceiling panels in Limmerslease and Aldershot Chapel Frieze panels in the Studios. The remaining objects (sculpture, ceramics, works on paper and books) would be conserved offsite by other specialists in their field and we engaged with a transport and art storage agent to transport all works.

The team at Watts Gallery - Artists' Village remain extremely grateful to everyone who attended on the night of the incident, especially to Guildford Fire Brigade for their quick response and to all those who have supported us since.

Image Selection of works created by the Compton Potters' Art Guild.

AUDIENCE DEVELOPMENT

This has been an exceptional year for Watts Gallery Trust in terms of its audiences. The Covid restrictions and social distancing measures had an undisputable impact on our onsite visitors, both in terms of visitor numbers and audience diversity. Whilst conversely our online reach, through our digital channels, grew considerably, reaching new audiences.

We continue to use Audience Finder to collect profiling data and feedback from visitors providing valuable insights that inform future plans. This year, 240 surveys were conducted online post-visit during our autumn open period from September - December. We introduced for the first time a shortened version of the visitor survey specifically for participants of the Learning & Events programme, and in partnership with the Audience Agency carried out a survey of our digital audience which received 858 responses from 1 December - 31 March.

NET PROMOTER SCORE

- Net Promoter Score +13 Year-on-Year increase to 79/100

TEMPORARY EXHIBITION

- 49% said the Temporary Exhibition was their main motivation to visit

WELCOME

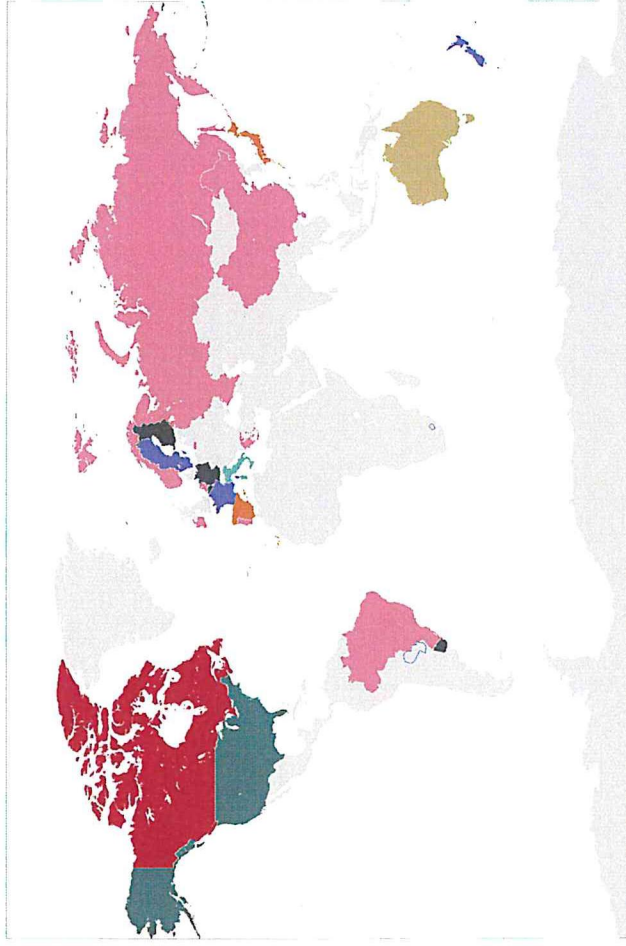
- 96% rated their Welcome as either Very Good or Good

OVERALL EXPERIENCE

- 7% Year-on-Year increase in visitors rating their overall experience Very Good to 65%

The pandemic has driven a shift in our onsite visitor profile and behaviours. We have seen an increase in our core art focused audience with the temporary exhibition becoming the main motivation for 49% of visitors this year, compared to 20% last year, whilst attending an event declined as a motivator from 22% in 2019/20 to 1% in 2020/21, which reflects the shift of the events programme to digital platforms. We have seen an increase in the age profile of our audience with a 9% year on year increase in the 65+ age group, and a 100% increase in the number of people visiting as part of a couple with corresponding decreases in groups of five or more.

For the first time a Digital Audiences survey has given us insights into our online audience. Our online reach is wide, with 11% of respondents being international. This online audience also showed greater diversity in terms of disability with 11% identifying as disabled compared to 6% of onsite visitors.



INTERNATIONAL DIGITAL AUDIENCE



WATTS AT HOME

As the museum closed its doors in March 2020, the Learning & Public Programmes team quickly adapted to delivering programmes digitally and from home. Having planned that in future we would start thinking about different kinds of digital programming, we were unprepared for how quickly we would need to get up to speed with the latest technology and work out the logistics of delivering our programmes remotely and from our homes. However, we surprised ourselves with what we could do and how welcome our activities would be for a public stuck at home and for whom creativity would provide the perfect antidote to their isolation.

The Make Space, usually delivered to families on Sundays and during school holidays, moved to an online creative offer with artist films, activities and downloadable resources for children to do at home. Our Watts Tots early years programme came to life online through bedtime stories based on art from the collections created and delivered by storyteller Olivia Armstrong, and Schools and Community Groups were keen to receive their weekly creative workshops which were delivered postally and via Zoom. In addition, our programme of Artist Talks and History of Art courses were adapted online, enabling for the first time, international participants and speakers to engage with our programme.

With artists lacking much needed work and our exhibitions having so few visitors due to closures, we continued our programme of artist projects. This included Drawing Our Future, a programme delivered as part of our Art & Action: making change in Victorian Britain programme, in partnership with Queen Mary University. Led by artist Lily Ash Sakula and Woking Women's Centre for women with experience of the criminal justice system, HMP / YO1 Bronzezfield, User Voice (Surrey County Council's Youth Support Group) and the hallow project for adults with learning disabilities - Lily led creative workshops with the Learning Team via Zoom and through postal activities. The result was an animated film, using the drawings and audio recordings of participants who give their interpretation of the art and ideas in the exhibition in a contemporary context.

In addition, residents in the local area of Park Barn received creative packs with food parcels created by artist Becki Kenning. The packs contained images of birds - inspired by the Watts Collections and Ruskin Drawings exhibition, as well as paper, pens and the tools to create a bird feeder with bird seed to fill it. The drawings were sent back to the Learning Team and collated into a colouring book, Flock Together, which every participant received.

We celebrated the artwork and achievements of the Community programme participants and launched the Limner Collection, a social enterprise of products co-produced by participants and artists together. Drawings, paintings and prints made during the digital and postal workshops were brought together in collaborative designs and sold in the Watts Shop and Online. A digital celebration also accompanied the launch.

The Limmerslease woodland became a new exhibition space, with 250 wooden birds made by pupils in Surrey primary schools supported by our partnership organisation, Delight, in a colourful installation. In partnership with Surrey Hills Arts, artist Liz K Miller installed the Forest Listening Project in the Limmerslease woodland, accompanied by digital audio on the app Smartify, while Deborah Davies installed Belonging in the prominent Lady Verrey Oak Tree, providing an artistic backdrop for the Watts Teashop while the gallery remained closed.



The year saw the development, rehearsal and filming of Beyond The Waves. The series of three solo dances is a collaboration between choreographer Chris Pavia, Watts Gallery Trust and DAISY (Disability Arts in Surrey) with mentoring support and dance artists from Stoppap Dance Company. Chris explored the dynamics of energy and movement seen in the full and partial sculptures by G F Watts and the resulting film of the dances will be displayed at Watts Gallery in Summer 2022 along with accompanying teachers' resources that explore dance and sculpture.

We are grateful for our vibrant community partnerships with whom we have worked collaboratively during this challenging time. Surrey Arts, Woking Women's Support Centre, HMP Send and the Michael Varah Memorial Fund, The Hive (formerly the Park Barn Centre), Disabilities in the Arts Surrey, halow, User Voice, HMP YO1 Bronzezfield and many other community support organisations, charities and schools all continued to provide vital support to our community and contribute creatively to Watts at Home.

This past year has reaffirmed the value of creativity in people's lives whether seeing and talking about art and ideas or making art and expressing ideas through creativity and it continues to remind us of the Art for All vision of G F and Mary Watts, who saw that art could bring together a community and give hope and aspiration for the future.

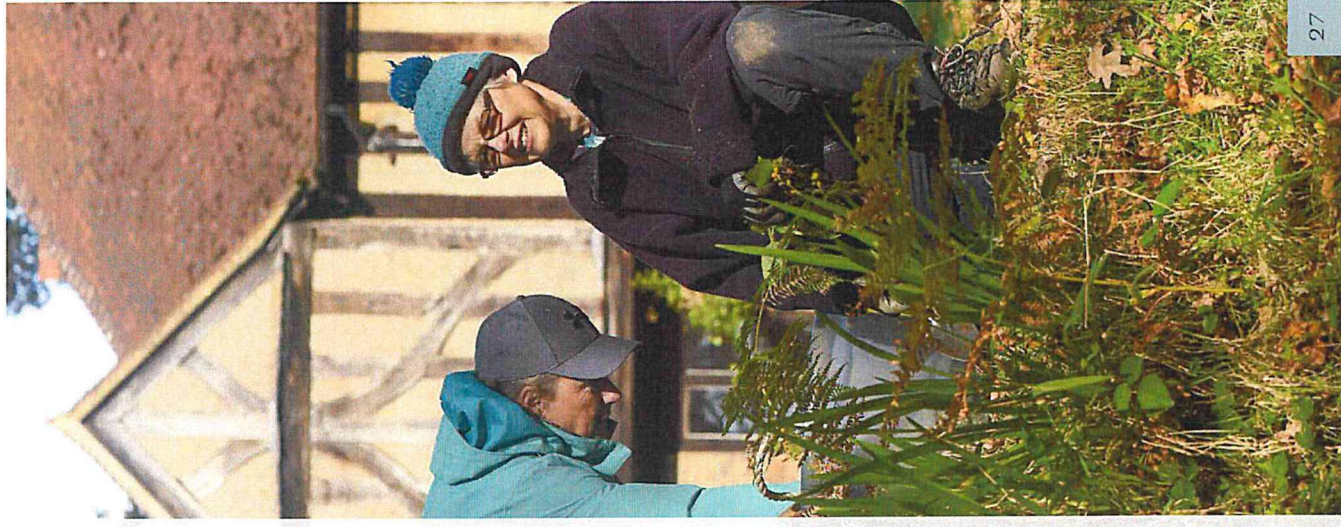
During the financial year, Watts Gallery also commissioned a new report from the University of Surrey on the Economic and Social Impact of the Arts in Theatre, together with The Lightbox and Yvonne Arnaud Theatre, which acted as a vital piece of advocacy for the role played by arts institutions in Surrey.

Image
Colouring book co-created with Art For All
Community Learning Programme participants.

LOOKING TO THE FUTURE

INCLUSIVITY & RELEVANCE

- Recruiting and appointing ten people to join the Watts Community Forum in May 2021:
 - Over the next 12 months, holding forum meetings in June, September and November 2021 and February 2022.
 - Following each forum meeting with a report, totalling four reports a year. Each report will reflect the group's discussions and recommendations.
 - Carefully considering reports at every executive and board meeting; discussions and recommendations will be evidenced in board papers. This will be cascaded to the executive and the relevant staff members. Providing clear evidence by 1 September 2021.
- Ensuring that the board and workforce more closely reflect our community by increasing the following:
 - Significantly increasing percentage of male employees from 17% with a plan developed and delivered during next NPO Business Plan period (2023-2027) with appropriate progress registered in 2021-22 and in each subsequent year.
 - Increasing percentage of Asian/Asian British staff from 1% to 5% in 2021-22 with a further increase of 5% in 2022-23; increasing percentage of Black/Black British staff from 1% to 3% in 2021-22 with a further increase of 1% in 2022-23; increasing percentage of Mixed/Multi Ethnic staff from 0% to 2% in 2021-22 with a further increase of 1% in 2022-23; increasing percentage of Other Ethnic staff from 0% to 1% in 2021-22 with a further increase of 1% in 2022-23; increasing Asian/Asian British board representation from 0% to 8% in 2021-22, maintaining Black/Black British board representation at 8% in 2021-22 and increasing total non-white board representation from 8% to 24% by 2022-23.
 - Increasing percentage of board representation from the 25-34 age range from 0% to 8%, and 35-44 from 0% to 8% with at least one of the above appointments made each year from 2021-22.
 - Increasing percentage of disabled staff from 11% to 13%, with a further increase of 1% in 2022-23 and increase percentage of disabled board representation from 0% to 8% in 2021-22.
- Implementing any changes to the 2018 Recruitment Policy as part of a review by the board and staff Diversity and Inclusion working groups, and to ensure effective roll-out to the executive by Q3 of 2021-22.
- Fully embedding the Equality, Diversity & Dignity at Work Policy in all aspects of employment, including individual standards of behaviour, training and development, appraisal, pay, promotion and leaving our organisation by running a series of annual discussion groups for all staff by Q3 of 2021-22.
- Continuing unconscious bias and anti-racism training for the board, staff and volunteers in Q3 of 2021-22.
- Reviewing and discussing by the executive and the board the action points following each quarterly meeting of the Staff Diversity & Inclusion Working Group.
- Scoring 'strong' in all six Creative Case for Diversity themes by 2021-22 (currently 'met' in four themes and 'strong' in two themes).



- Establishing a Contemporary Art Working Group including staff from the curatorial, learning, and commercial teams in Q1 of 2021-22.
- Launching a new Contemporary Art Strategy by Q3 of 2021-22 to align all contemporary responses with our creative and cultural programmes including evidencing an increase in the number of creative practitioners and cultural workers from diverse backgrounds to reflect our community by 31 March 2022. Including:
 - Gender: increasing percentage of male creative practitioners and cultural workers from 17% to 50% by the end of the next NPO Business Plan period (2023-2027) with appropriate progress registered each year.
 - Ethnicity: increasing percentage of Asian/Asian British creative practitioners and cultural workers from 3% to 7% with a further increase of 5% in 2022-23; increasing percentage of Black/Black British creative practitioners and cultural workers from 3% to 4%; increasing percentage of Other Ethnic creative practitioners and cultural workers from 0% to 1% with a further increase of 1% in 2022-23.
- Celebrating and displaying the work made by the artist participants from underserved communities who take part in our community engagement and outreach programme in G F and Mary Watts's former home and studio Limmerslease, in the landscape, and in any other appropriate locations.
- Selling work made by the artist participants from underserved communities who take part in our community engagement and outreach programme in the Shop.

Image
Gardening Volunteers.
Photo by Andy Newbold Photography.

DYNAMISM

- **Increasing access to great art for everyone:**
 - Installing Audio Visual and digital streaming equipment to support both digital and onsite creative and cultural programmes by 30 June 2021.
 - Launching a new website by Q4 of 2021-22. Earned income will be at the heart of the new website, with a digital shop front for admissions, shop and commercial gallery, and a platform to market inspiring, innovative cultural and creative programmes in digital and onsite formats. It will also enable us to build a back catalogue of valuable content (exhibition tours, public events, courses, and publications) to generate income, and free-at-the-point-of-use content to engage new audiences and extend our reach.
 - Scoping a fully integrated CRM system to enable an enhanced organisation-wide system linking all business units, including pre-booking, timed ticketing, donations, and Gift Aid confirmation, scanning and access control as well as GDPR compliance enhancements. It will link to tills and to our SAGE finance system, as well as audience insight linked to Audience Finder.
- **Outdoor Engagement:**
 - Installing chestnut rail fencing, gates, and landscape interpretation by Q1 of 2021-22 to define the boundary of our site; this is the first step to increasing admission income by discouraging unticketed access.
 - Installing Bench 1, a raised timber amphitheatre in the woodland at Watts Gallery - Artists' Village by Q1 of 2021-22. Designed by Paloma Gormley and Practice Architecture, Bench 1 will seat 70 people for outdoor creative and cultural programmes.
 - Installing covered outdoor seating by Q1 of 2021-22 to enable us to make the most of our outdoor spaces throughout the year.
- **Financial sustainability:**
 - Creating a cohesive, compelling visitor offer of Limmerslease (house, studios, and gardens) by 1 July 2021. This will offer an historic context to G F and Mary Watts 'working at home' and it will explore their life, art, and practice in the nineteenth and early twentieth centuries.
 - Increasing the admission price to Watts Gallery - Artists' Village to accompany the reopening of Limmerslease by 1 July 2021.
 - Rebranding the Tea Shop, and refurbishing this important commercial space including new tables, chairs, serving counter, crockery, staff uniforms and outdoor furniture, and 'telling the story' interpretation by Q1 of 2021-22.
 - Converting office space adjoining the shop into additional retail space (+11%) by Q1 of 2021-22.
- Undertake a governance review by Cause 4 to inform board best practice in the recruitment of trustees as we move forward, and to consider the governance workload for executive and trustees by reviewing the number, nature and roles of the board's sub-committees and implement those findings deemed appropriate during Q1 of 2021-22.
- Offering an Employee Assistance Programme (EAP) to improve the health and wellbeing of our workforce. The EAP offers counsellors from a range of ethnic, cultural, and disciplinary backgrounds within the British Association for Counselling and Psychotherapy's ethical framework of good practice. It also offers financial guidance and advice, legal advice, and advice on medical and health related issues. The support is offered 24/7 and it is confidential and free of charge to staff and their immediate family.

- Conducting an analysis of current digital skills and associated training requirements and implement by Q3 of 2021-22.
- Complete staff salary banding exercise, initiated prior to the pandemic, and make recommendations to the board for implementation from the start of 2022-23.
- All permanent roles are advertised via Creative Access, of which Watts Gallery Trust is an existing Employer Partner, or other appropriate diversity-led recruitment agencies.
- Recruiting new Head of Marketing and Communications and new Senior Marketing Officer with high level digital and social media skills to fill existing vacancies and updating current Marketing Strategist role (0.2 FTE) to focus on audience data as Audience, Research & Brand Strategist.
- Maintaining the 2020-21 Net Promoter Score of 79 (66 in 2019-20 and 70 in 2018-19) with 82% of visitors saying they will positively recommend Watts Gallery - Artists' Village to others (72% in 2019-20 and in 2018-19).
- Culminating in 2022, the Collections Online project research outcomes delivered by the four Early Career Researchers (see Collections, below) will be accompanied by a programme of substantial digital investment, which will transform the presentation and accessibility of Watts Gallery - Artists' Village's collection online. Through the creation of a live link between the in-house collections database and the online platform, the latest research and interpretation can be made instantly available to audiences worldwide.

AMBITION & QUALITY

- Evaluation framework:
 - o Creating a framework template by Q1 of 2021-22.
 - o Establishing an evaluation hub and briefing all staff on how to use and where to find data and evaluation by Q2 of 2021-22.
 - o Once the annual business plan is agreed, working with each team to translate this into the evaluation framework template, and offering ongoing support to ensure evaluation is happening as per timings in evaluation framework.
- Collections:
 - o Launching the recruitment of the third of four Collection Online Early Research Fellows in summer 2021, to undertake a six-month placement from October 2021 to March 2022. This research will be supported by a programme of digital investment to prepare the digital records in order to share them online.
 - o Conducting a review of the accessibility of the display and interpretation of the collection and temporary exhibitions in Q3 of 2021-22 following the review of Curatorial Display and Interpretation Accessibility Guidelines.
- Temporary Exhibitions:
 - o Working with the Senior Management Team, conducting a review of the selection criteria, passporting system and exhibition programming themes in order to ensure diversity of this programme in terms of remit, process, and partnerships for Collections & Exhibitions Committee and Board approval.
- Physical Energy Project:
 - o Launching a consultation in Q1 of 2021-22 with a series of facilitated conversations including board and executive coaching and in-depth one-to-one conversations with academics and experts. The learning from these sessions will inform the wider public consultation, which will include groups from the African diaspora, our local community, staff, volunteers and artists of colour.
- Establishing partnerships with other councils whose counties fall within our target area of a one-hour drive from Watts Gallery - Artists' Village: this includes Hampshire, West Sussex and Berkshire.
- With plans underway for the display of the new bronze cast of Physical Energy in Compton, we will work with a specialist to undertake a consultation with our community in order to critically re-examine the sculpture's multiple histories and explore what Physical Energy might mean today.
- As part of the Physical Energy consultation process, we will also seek advice from national creative and cultural agencies including ACE and Art Fund, and from other museums which have sought to challenge established narratives and welcome new perspectives.

- Ensuring that the visitors to Watts Gallery - Artists' Village more closely reflect our community by increasing the following by 31 March 2022:
 - o Age: at least a two-percentage point improvement in percentage of visitors from these age groups: under 16s, 16 - 24, 25 - 34, 35 - 44 and 45 - 54.
 - o Gender: at least a five-percentage point improvement in male visitors.
 - o Ethnicity: at least a one-percentage point increase in other ethnic and mixed + multi-ethnic categories and at least a three-percentage point improvement in Asian + Asian British and Black / Black British categories.
 - o Disability: at least a three-percentage improvement in disabled visitors.

ENVIRONMENTAL RESPONSIBILITY

- Comparing data collected in 2020-21 with previous years, we will review the aims and objectives of Watts Gallery Trust's Environmental Sustainability Policy in 2021-22.
- Using Julie's Bicycle's Creative Green Tools, we will continue to measure and record the units of energy and water consumed at Watts Gallery - Artists' Village, and how much of our waste is recycled and goes to landfill in 2021-22. The results will be published in the 2021-22 annual report, published online in December 2022.
- **Reducing energy consumption:**
 - o Implementing a 'Switch It Off' campaign to all staff office areas and evidencing a 10% increase in devices being switched off overnight.
 - o Contracting a recognised renewable or green tariff utility provider when energy accounts come up for renewal and considering these against cost.
 - o Upgrading lighting in all gallery spaces to extend usage of LED bulbs.
- **Reducing use of water:**
 - o Creating benchmark data for current usage from 1 April 2021, to enable reduction targets to be in place for 2022-23.
 - o Review of efficacy of current water storage / usage, to ensure maximum efficacy and any resultant enhancements required can be budgeted for appropriately.
- **Reducing waste:**
 - o Using a materials catalogue across the organisation to encourage redeployment of materials across all departments.
 - o Partnering with local community networks to always offer materials before disposal by publishing a contact list of community groups to contact.
 - o Investigate the opportunities for on-site composting to divert food waste.
 - o Identifying the greatest waste item from each area of the site and develop reduction strategies for each item.
- **Reducing car travel:**
 - o Promote the two new walking routes from Guildford and Farncombe stations produced during 2020-21 by the Surrey Hills to South Downs Community Rail Partnership that Watts Gallery Trust joined in 2020-21, bus routes, cycle routes, secure car-pooling apps / websites, and North Downs Way access to Watts Gallery - Artists' Village with the North Downs Way Trail Manager.
 - o Inclusion of questions on visitor mode of transport, vehicle fuel type, emissions (where feasible) on the audience surveys to create a benchmark in 2021-22 for future target setting in 2022-23.
 - o Travel expenses form amended in liaison with finance department from 1 April 2021 to enable carbon emissions data to be calculated with end-of-year summary of all staff expensed transportation to provide a benchmark for 2021-22 to ensure reductions targets can be implemented in 2022-23.
 - o Annual staff survey of average days on-site, mode of usual daily commute and distance to create a benchmark for 2021-22 to ensure reductions targets can be implemented in 2022-23.

- **Utilising the woodland:**
 - o Creating ten or more micro-climates including hedgehog homes, insect hotels, additional beehives, and natural log piles by 31 March 2022.
 - o Installing relevant on-site interpretation including plant labels and interpretation panels.
 - o Creating the 'Green Watts' programme to engage our audiences with environmental sustainability and actions which Watts Gallery - Artists' Village is implementing to mitigate our environmental impact.
- **Influence, Education and Advocacy:**
 - o Ensuring robust discussion and decision making during the existing board Environmental Sustainability standing agenda item, with a summary of the debate and all decisions recorded in the minutes and actions delivered.
 - o Ensuring that responses to the survey to establish understanding of our current programme, actions that can be implemented and feedback is received from the board, staff and volunteers and is collated and fed back to the Environmental Sustainability Working Group and then, with recommendations, to the board by 31 March 2022.
 - o Sending at least 26 bulletins to staff and 12 bulletins to volunteers from the Chair of the Staff Environmental Sustainability Working Group.
 - o Inviting the board, staff and volunteers to attend two online training sessions during 2021-22.
 - o Conducting one peer organisational visit to Creative Green member organisation with a higher rating to garner strategic guidance and tactical actions that can be implemented at Watts Gallery - Artists' Village.
 - o Including Environmental Sustainability Policy and Action Plan in the staff handbook and highlighting this policy and plan in all staff inductions.
 - o Including environmental responsibilities in all new starter's roles by 31 March 2022.
 - o Ensuring that the staff and volunteer feedback surveys are written, distributed and feedback collated by 31 March 2022.
 - o Giving an environmental sustainability update in weekly staff meetings and quarterly volunteer meetings.

Image
Forest Listening, An audio visual installation, Liz Miller,
in association Surrey Hills Arts.

SUPPORTERS

We are extremely grateful to all our generous supporters including, but not limited to, the following organisations and individuals for their particularly significant support:

BENEFACTORS, TRUSTS AND FOUNDATIONS

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Satterthwaite
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Desna Greenhow

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Henry & Julia Pearson
Jemima Pitman
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John Beale
John Nicoll
Jonathan & Sarah Bayliss
Julia Palca & Nick Stevenson
Lady Toulson CBE DL
Lord Margdale of Islay
& Charlie Barton
Mark & Priscilla Austen
Martin Beisly
MaryAnne Stevens &
John Myerscough
Merula Frankel
Michael & Jenny Henderson
Mounzer Nazha
Nick & Marilynne Morgan
Pardita Hunt OBE DL &
Gilles Gergaud
Peter and Alex Brown
Peter & Marie-Claire Wilson
Peter & Sally Cadbury
Philip & Rosalind Lawson
Professor Roland Mayer &
David Munro
Richard & Annabel Stigoe
Richard & Patricia Holden
Ron & Jane Cork
Rupert & Robin Hambro
Smith Greenfield
Stephen C. Egging
William & Bridget Biddell
LEARNING PARTNERS
Disability Arts in Surrey
(DAISY)
Delight Charity
halow
HMP Bronzefield
Varah Memorial Fund
HMP/YOI Feltham

Stop Gap Dance
Surrey Arts
Surrey Hills Arts
Surrey Young Carers
Surrey Youth Support
Services – User Voice
The Campaign
for Drawing
The Royal Drawing School
OPPORTUNITIES
Surrey Heath Early Onset
Dementia
Park Barn Food Bank
Amber
Burbank Children's Home
Bloomin'Arts.
The Hive (Formally Park
Barn Centre)
Woking Women's
Support Centre

Watts Gallery Trust would like to take this opportunity to thank all those who have generously supported the organisation's work this year and in recent years.
Watts Gallery Trust would like to take this opportunity to thank all those who have generously supported the organisation's work this year and in recent years.

GOVERNANCE

STRUCTURE

Watts Gallery Trust was established and registered as a charity in 1905. In 2008 it was incorporated as a company limited by guarantee. Operation of The Tea Shop, Shop, Watts Contemporary Gallery and venue hire is carried out through its wholly owned subsidiary, Watts Gallery Trading Ltd. The charity is controlled by its governing document, a deed of trust, and constitutes a company, limited by guarantee, as defined by the Companies Act 2006.

The Trust is governed by a board of Trustees who are also directors of the Company. The Trustees, who meet at least four times a year, are responsible for the objectives and the strategy of the charity and are in overall control of its management and administration. Certain management and essentially all operational functions are delegated to the Director and Senior Management Team.

TRUSTEES

The Trustees are recruited so that there is a balance of skills, qualifications and experience maintained in order to ensure that the Trust and its property are managed efficiently and knowledgeably.

When a vacancy occurs, a profile of the new Trustee is agreed, and suitable candidates identified depending upon the expertise required. Two representative Trustees are nominated by the Directors of the National Portrait Gallery and the National Gallery respectively after due consultation with the Chair of Watts Gallery Trustees. All new Trustees are given a full induction including a copy of the Charity Commission's booklet, 'Trustee of Charitable Trust Guide', on the responsibilities of a Trustee and a file of essential information including policies and procedures.

Each new Trustee is appointed for an initial term of five years and may then be re-elected for further periods of five years. The Chair is appointed at the first meeting in each year until the following year.

This year Cause4 was commissioned by the Chair of Trustees and Director to undertake a governance review, the findings of which will be presented to trustees for consideration during the next financial year.

REMUNERATION POLICY

Watts Gallery Trust is committed to paying staff a fair salary that is competitive within similar sized organisations in the not-for-profit sector locally and is proportionate to the complexity and responsibilities of each role. Remuneration levels are linked to a regular and objective system of performance appraisal and are benchmarked against comparable roles.

The Trustees, with recommendations from the Finance and Buildings Committee, approve any annual percentage increases for staff. When determining salaries under normal conditions, the Trustees take account of a number of factors including whether the proposed salaries are affordable within planned budgets, the need to retain suitably qualified and experienced staff and the relative responsibilities of each post. As a consequence of the pandemic an organisation-wide salary freeze was put in place during this financial year. In addition, as a condition of receiving Culture Recovery Fund Round 1 funding from 12 October 2020 and Culture Recovery Fund Round 2 funding from 29 March 2021, the organisation agreed that it would exercise pay restraint where legally possible to do so for at least 18 months from each of these two dates and a pay freeze for all senior employees until at least 29 September 2022.

The Director of Watts Gallery Trust is also a Trustee. The Director is eligible for a bonus, which is determined by an assessment of performance and achievement of delivery targets carried out by the Chair and Deputy Chair of the Trustees. This is reviewed and confirmed by the Finance and Buildings Committee.

PUBLIC BENEFIT

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the organisation's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

FINANCIAL REVIEW

The Charity's unrestricted funds showed a surplus of £146,105 after a transfer of £440,000 to the Designated Fund (versus a surplus of £43,850 in 2019/20). Watts Gallery Trust secured £31,747 from the Museum and Gallery Exhibitions Tax Relief, a creative tax relief introduced by the government. It is designed to support organisations to create, and tour public exhibitions through the recovery of some of their costs.

The pandemic had a very significant impact on the Charity, with Watts Gallery - Artists' Village closed for nine months of the year and admissions of 7,413 against a pre-pandemic target of 41,000. The Trading Company made a loss of £22,894 as a consequence of the pandemic which, under the extremely difficult circumstances, was a positive outcome.

A total of £1.9m was received from donations out of which £372k related to government support during the financial year in response to the pandemic, including £282k claimed through the Job Retention Scheme, £81k in government grants and £9k via the Eat Out to Help Out programme.

2020/21 was the third year of statutory funding – £101,840 from Arts Council England as a National Portfolio Organisation, and £100,000 from Surrey County Council towards learning and outreach work in the county.

The Charity's financial strategy aims to reduce reliance on fundraising and to increase earned unrestricted funding.

INVESTMENT POLICY

Watts Gallery Trust seeks to produce the best financial return commensurate with an acceptable level of risk. The investment objective for the reserves is to generate a return in excess of inflation over the long term whilst generating an annual income to support the ongoing activities of Watts Gallery - Artists' Village. Investment management was undertaken by Barings Asset Management. The performance of the portfolio is regularly reviewed by the Finance and Buildings Committee. Investment income for the year was £232,683, a decrease on the previous year (2019/20: £282,773), due to the impact of the global pandemic on investment returns.

The value of the investment portfolio increased by 3% during the year following the 15% decrease in value in March 2020.

RESERVES

Watts Gallery Trust holds four categories of funds: Restricted Funds, Endowment Funds and Unrestricted Funds including Designated Funds.

At 31 March 2021 Watts Gallery Trust had total funds of £40,110,066 (£39,287,457 in 2019/20) of which £2,014,533 was unrestricted funds, £9,929,536 was held in restricted funds and £28,165,997 was endowment funds.

The Unrestricted Fund of £2,014,533 is made up of £1136,290 in freehold land, buildings and tangible assets, £440,000 in a designated fund and £438,243 of free reserves (2019/20: £336,704), which are available to support the Watts Gallery Trust's annual operating expenses. The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation and have established a policy whereby unrestricted funds not committed or invested in tangible assets should be between three to six months of expenditure to ensure continued financial security and to provide for contingencies. The Trustees are committed to increasing the levels of free reserves over the coming years. The Designated Fund has been established to support the future work of the charity.

Restricted funds are donations received by the charity where the purpose for which they can be used is determined by the donor, by the wording of an appeal for the funds or by a decision of the Trustees. Most of the charity's restricted funds relate to the Hope, Saving the Studios and Limmerlease projects, these funds being represented mainly by the capital investments in the refurbished Gallery and House. Two other restricted funds of note are The Chapel Restoration Fund which was set up for the preservation and restoration of the Grade I listed Watts Chapel and Grade II* listed cemetery and the Physical Energy Fund which was set up to site a posthumous cast of Watts's iconic sculpture, Physical Energy, in Compton.

Endowment funds are used primarily to generate income to support the Gallery's costs, including the conservation of the collection, and the Trustees are seeking to increase the size of the Endowment to improve the Gallery's future financial security. Endowments are either Permanent, which cannot be spent, or Expendable. The Permanent Endowments total £27,487,381 (£26,940,867 19/20) which includes the value of the permanent collection of art works (£22,790,776) and the Expendable Endowments total £678,616 (19/20: £600,138).

The Funds are explained in detail in Note 22 to the Accounts.

RISK MANAGEMENT

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. A comprehensive risk register, including risks to reputation, income and visitors is updated regularly and reviewed by the Director and Senior Management team. The Risk Register is reviewed quarterly by the Finance and Buildings Committee, and annually by the Trustee Board.

Watts Gallery Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Watts Gallery Trust for the purposes of company law) are responsible for preparing the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 of its income resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees of the charity on 30.11.2024 and signed on its behalf by:


.....
A Burtenshaw
Trustee


.....
M V Stevens
Trustee

Independent Auditor's Report to the Members of Watts Gallery Trust

Opinion

We have audited the financial statements of Watts Gallery Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law (United Kingdom Generally Accepted Accounting Practices).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable parent company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Watts Gallery Trust

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 Chair's Foreword and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's Foreword and Trustees' 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 group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the Strategic Report.

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

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent 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 Statement of Trustees' Responsibilities (set out on page 41), the trustees 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 charitable parent 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 charitable parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Watts Gallery Trust

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

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

Based on our understanding of the charitable parent company and industry, we identified that the physical risk of non-compliance with laws and regulations related to breaches of health and safety and employee laws and regulations. We also obtained an understanding of the legal and regulatory frameworks that the charitable parent company operates in, focusing on those that had a direct effect on material figures and disclosures in the financial statements, the main regulations considered in this context included the UK Companies Act 2006 and the Charities Act 2011.

We evaluated the incentives and opportunities for fraud in the financial statements, including, but not limited to, the risk of override of controls and designed procedures in response to these risks as follows;

- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias, and;
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the risk of not detecting a material misstatement due to fraud is higher than one resulting from error as fraudulent misstatements may involve deliberate concealment.

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 auditor's report.

Independent Auditor's Report to the Members of Watts Gallery Trust

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
 Sharon Ward BSc FCA CF (Senior Statutory Auditor)
 For and on behalf of Azets Audit Services Limited, Statutory Auditor

Ashcombe Court
 Woolsack Way
 Godalming
 Surrey
 GU7 1LQ

Date:.....

Watts Gallery Trust

Consolidated Statement of Financial Activities for the Year Ended 31 March
2021
(Including Consolidated Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Income and Endowments from:					
Donations	2	1,729,413	202,962	-	1,932,375
Trading activities	3	345,471	-	-	345,471
Investment income	4	290,401	-	10,945	301,346
Other income	5	369,858	1,643	-	371,501
Total income		2,735,143	204,605	10,945	2,950,693
Expenditure on:					
Raising funds and trading costs	6	(656,878)	-	-	(656,878)
Charitable activities	7	(1,523,919)	(700,351)	-	(2,224,270)
Total expenditure		(2,180,797)	(700,351)	-	(2,881,148)
Gains/(losses) on investment assets		12	107,258	614,047	721,317
Net income/(expenditure)		554,358	(388,488)	624,992	790,862
Other recognised gains and losses					
Other gains/losses		31,747	-	-	31,747
Net movement in funds		586,105	(388,488)	624,992	822,609
Reconciliation of funds					
Total funds brought forward		1,428,428	10,318,024	27,541,005	39,287,457
Total funds carried forward	22	2,014,533	9,929,536	28,165,997	40,110,066

Day to day operations of the Gallery are accounted for within the unrestricted fund. Net income within the unrestricted fund of £554,358, compared to the net income seen last year of £18,151, per the 2020 Statement of Financial Activities overleaf.

The income and related expenditure on capital projects is raised and recognised within the restricted funds. A deficit of £388,488 on the restricted funds has occurred in the year due to significant costs being recognised on projects for which the income was secured and recognised in prior years.

A transfer of £440,000 was made from Unrestricted General Funds to Unrestricted Designated Funds set aside for the Website, Digital and IT Fund, Covid Fund, Buildings and Estate Maintenance Fund and Future Sustainability Fund.

Watts Gallery Trust

Consolidated Statement of Financial Activities for the Year Ended 31 March
2020
(Including Consolidated Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Income and Endowments from:					
Donations	2	947,831	915,482	-	1,863,313
Trading activities	3	1,202,962	-	-	1,202,962
Investment income	4	342,870	-	12,409	355,279
Total income		2,493,663	915,482	12,409	3,421,554
Expenditure on:					
Raising funds and trading costs	6	(920,712)	-	-	(920,712)
Charitable activities	7	(1,554,810)	(665,923)	-	(2,220,733)
Total expenditure		(2,475,522)	(665,923)	-	(3,141,445)
Gains/(losses) on investment assets		10	(152,364)	(886,274)	(1,038,628)
Net income/(expenditure)		18,151	97,195	(873,865)	(758,519)
Other recognised gains and losses					
Other gains/losses		25,699	-	-	25,699
Net movement in funds		43,850	97,195	(873,865)	(732,820)
Reconciliation of funds					
Total funds brought forward		1,384,578	10,220,829	28,414,870	40,020,277
Total funds carried forward	22	1,428,428	10,318,024	27,541,005	39,287,457


All of the group's activities derive from continuing operations during the above two periods. The funds breakdown for 2020 is shown in note 22.


Watts Gallery Trust

(Registration number: 06147572)
Consolidated Balance Sheet as at 31 March 2021

	2021 £	2020 £
Fixed assets		
Tangible assets - Land and buildings	7,686,645	7,825,443
Tangible assets - Plant and equipment	394,059	560,235
Heritage assets - Collection	22,765,564	22,765,564
Investment properties	763,840	763,840
Shares in group undertakings and participating interests	6,183,024	5,472,570
Listed investments	37,793,132	37,387,652
Current assets		
Stocks	103,790	101,795
Debtors	242,162	226,151
Cash - restricted	1,623,093	1,702,474
Cash - unrestricted	390,264	230,643
Cash - designated	440,000	-
Creditors: Amounts falling due within one year	2,799,309	2,261,063
Net current assets	(252,242)	(224,458)
Total assets less current liabilities	2,547,067	2,036,605
Creditors: Amounts falling due after more than one year	40,340,199	39,424,257
Net assets	(230,133)	(136,800)
Funds of the group:		
Endowment funds	28,165,997	27,541,005
Restricted funds	9,929,536	10,318,024
Unrestricted income funds		
General funds	1,574,533	1,428,428
Designated funds	440,000	-
Total unrestricted funds	2,014,533	1,428,428
Total funds	40,110,066	39,287,457

The financial statements on pages 46 to 77 were approved by the trustees, and authorised for issue on 30.11.2021, and signed on their behalf by:


A Burtenshaw
Trustee



M V Stevens
Trustee


Watts Gallery Trust

(Registration number: 06147572)
Balance Sheet as at 31 March 2021

	2021 £	2020 £
Fixed assets		
Tangible assets - Land and buildings	7,686,645	7,825,443
Tangible assets - Plant and equipment	300,617	525,717
Heritage assets - Collection	22,765,564	22,765,564
Investment properties	763,840	763,840
Shares in group undertakings and participating interests	6,183,024	5,472,570
Listed investments	37,699,691	37,353,135
Current assets		
Debtors	353,365	470,740
Cash - restricted	1,623,093	1,702,474
Cash - unrestricted	367,089	86,986
Cash - designated	440,000	-
Creditors: Amounts falling due within one year	2,783,547	2,260,200
Net current assets	(217,076)	(192,676)
Total assets less current liabilities	2,566,471	2,067,524
Creditors: Amounts falling due after more than one year	40,266,162	39,420,659
Net assets	(136,800)	(136,800)
Funds of the charity:		
Endowment funds	40,129,362	39,283,859
Restricted funds	28,165,997	27,541,005
Unrestricted income funds		
General funds	1,593,829	1,424,830
Designated funds	440,000	-
Total unrestricted funds	2,033,829	1,424,830
Total funds	40,129,362	39,283,859

The financial statements on pages 46 to 77 were approved by the trustees, and authorised for issue on 30.11.2021 and signed on their behalf by:


A Burtenshaw
Trustee


M V Stevens
Trustee

Consolidated Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income/(expenditure)		822,609	(732,820)
Adjustments to cash flows from non-cash items			
Depreciation	9	391,653	383,074
Investment income	4	(301,346)	(355,279)
(Gain)/loss on investments	15	(721,315)	1,038,628
		191,601	333,603
Working capital adjustments			
Increase in stocks		(1,995)	(18,968)
(Increase)/decrease in debtors	16	(16,011)	38,740
Increase/(decrease) in creditors	17	21,117	(81,837)
Net cash flows from operating activities		194,712	271,538
Cash flows from investing activities			
Interest receivable and similar income	4	863	3,656
Purchase of tangible fixed assets	13	(86,679)	(56,046)
Purchase of investments	15	(528,416)	(230,041)
Sale of investments	15	539,277	147,211
Income from fixed asset investments	4	300,483	351,623
Net cash flows from investing activities		225,528	216,403
Cash flows from financing activities			
Value of new loans obtained during the period	18	100,000	-
Net increase in cash and cash equivalents		520,240	487,941
Cash and cash equivalents at 1 April		1,933,117	1,445,176
Cash and cash equivalents at 31 March		2,453,357	1,933,117

All of the cash flows are derived from continuing operations during the above two periods.

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

Watts Gallery Trust is a company limited by guarantee, incorporated in England. The registered office is Watts Gallery Trust, Down Lane, Compton, Guildford, Surrey, GU3 1DQ. The nature of the charity's operations is set out in the Report by the Trustees.

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), the Charities Act 2011 and the Companies Act 2006.

Basis of preparation

Watts Gallery Trust 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 notes.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertaking drawn up to 31 March 2021.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. For the financial year ending 31 March 2021 the charity made a surplus of £608,999 (2020 - surplus of £41,693) on unrestricted funds related to the Gallery's operating activities and a surplus of £236,504 (2020 - deficit of £776,670) on restricted and endowment funds related to specific projects or purposes. This results in a net surplus of £845,503 for the financial year (2020 - deficit of £734,977).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiary, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

Notes to the Financial Statements for the Year Ended 31 March 2021

Going concern

The trustees have considered the likely and ongoing effects on the group of the current Covid-19 outbreak and remain confident that the group will have sufficient resources to enable the group to continue as a going concern for the foreseeable future. The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

Income and endowments

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

Donated goods are recognised as income, provided the above conditions are met, at their estimated fair value.

Voluntary donations are recognised in the period in which they are received.

Income from trading activities is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The point of recognition is on the date that goods are provided to customers or the period over which services are provided.

Investment income is recognised based on the date the group is entitled to the income.

Grants receivable

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are in relation to the Coronavirus Job Retention Scheme and other Council grants.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Donated services

Donated services are included as income at value to the charity and as resources expended at the same value.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Notes to the Financial Statements for the Year Ended 31 March 2021

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are allocated against the respective activity concerned. Costs are apportioned to various cost centres and funds based on management's best estimates of expenditure incurred for each.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Heritage assets

Watts Gallery Trust has a collection of heritage assets which is held in support of the Gallery's primary objective of increasing knowledge, understanding and appreciation of George Frederic Watts and Mary Saton Watts.

A very significant proportion of these assets are inalienable. The collection comprises of over 250 paintings and over 800 drawings by G F Watts as well as over 500 pieces of sculpture, many by G F Watts and the remaining plaster casts (anonymous) from his studio. There are many items of Compton pottery including pieces by Mary Watts herself. In addition, there is a large archive including the Rob Dickens collection of photographs. A very significant proportion of the collection is available to view via a collections management database.

Additions to the collection are made by purchase or donation. Purchases are initially recorded at cost and donations at their estimated value. Heritage assets are periodically revalued in line with insurance valuations carried out by external valuers and based on commercial markets. The Trustees do not believe that obtaining more frequent valuations would warrant the utilisation of charitable resources.

The heritage assets are represented by a permanent endowment fund, which has been fully invested in the collection.

The assets are deemed to have an indeterminate life and a high residual value and therefore the Trustees do not consider it appropriate to charge depreciation. Although the non depreciation of this asset is not in accordance with the Companies Act 2006, the Trustees believe that this departure is necessary in order to provide a true and fair view.

Notes to the Financial Statements for the Year Ended 31 March 2021

Tangible fixed assets

All classes of tangible fixed assets are recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	2% on cost
Computers, fixtures & fittings	10%-33% on cost
Motor vehicles	15% on cost
Plant & equipment	10% on cost

Investment properties

Investment property is shown at the most recent market valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to the statement of financial activities. Valuations are considered periodically by the Trustees.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) basis of valuation.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Notes to the Financial Statements for the Year Ended 31 March 2021

Creditors and provisions

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pensions and other post retirement obligations

Contributions payable by the Group to an individual's personal pension scheme are charged to the statement of financial activities in the period to which they relate.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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

The Group 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.

Change of company name

With effect from 19 November 2021, the name of the company was changed from Watts Gallery to Watts Gallery Trust.

Summary of significant judgements and key accounting estimates

The significant judgements and sources of key accounting estimates that have been applied in the preparation of these financial statements relate to the valuations of heritage assets and investment property. Further details can be found in the accounting policies for these assets. These have been deemed appropriate and consistently applied to all the years presented.

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Income from donations	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations;				
Patrons and Friends	97,320	-	97,320	109,427
Donations	1,028,278	139,836	1,168,114	1,479,721
Gift aid reclaimed	43,121	-	43,121	74,165
Grants, including capital grants;				
Surrey County Council	100,000	-	100,000	100,000
Arts Council - National Portfolio Organisations	101,840	-	101,840	100,000
Arts Council - Culture Recovery Fund Round 1	358,854	63,126	421,980	-
	<u>1,729,413</u>	<u>202,962</u>	<u>1,932,375</u>	<u>1,863,313</u>

3 Income from trading activities

	Unrestricted funds £	Total 2021 £	Total 2020 £
Trading income:			
Admissions	52,079	52,079	186,372
Tours of Gallery	197	197	25,315
Sales of goods and services	275,804	275,804	933,242
Learning, events and other income	17,391	17,391	58,033
	<u>345,471</u>	<u>345,471</u>	<u>1,202,962</u>

4 Investment income

	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income from dividends:				
Dividends receivable from listed investments	221,738	10,945	232,683	282,773
Interest receivable and similar income;				
Interest receivable	863	-	863	3,656
Income from rents	67,800	-	67,800	68,850
	<u>290,401</u>	<u>10,945</u>	<u>301,346</u>	<u>355,279</u>

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

5 Other income	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Government grants including furlough income	369,858	1,643	371,501	
6 Expenditure on raising funds and trading costs				
Direct costs				
Costs of generating donations	141,156	141,156	128,347	
Costs of trading activities	504,436	504,436	784,987	
Investment management costs	11,286	11,286	7,378	
	<u>656,878</u>	<u>656,878</u>	<u>920,712</u>	

a) Costs of generating donations

	Unrestricted funds £	Total 2021 £	Total 2020 £
Staff Costs	138,051	138,051	123,997
Patrons and Friends costs	3,105	3,105	4,350
	<u>141,156</u>	<u>141,156</u>	<u>128,347</u>

b) Costs of trading activities

	Unrestricted funds £	Total 2021 £	Total 2020 £
Trading subsidiary staff costs	361,746	361,746	411,035
Trading subsidiary costs	142,690	142,690	373,952
	<u>504,436</u>	<u>504,436</u>	<u>784,987</u>

Notes to the Financial Statements for the Year Ended 31 March 2021

Notes to the Financial Statements for the Year Ended 31 March 2021

c) Investment management costs

	Unrestricted funds £	Total 2021 £	Total 2020 £
Investment management costs; Administration of the investments	11,286	11,286	7,378
	<u>11,286</u>	<u>11,286</u>	<u>7,378</u>

7 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2021 £	Total 2020 £
Maintaining Watts Gallery and its collection	1,757,624	133,610	1,891,234	1,823,731
Great Studio Project	85,873	10,000	95,873	102,231
Limmerslease Project	1,101	10,000	11,101	2,705
Chapel Restoration Fund	35,213	150	35,363	89,723
Physical Energy Fund	160,699	30,000	190,699	202,343
	<u>2,040,510</u>	<u>183,760</u>	<u>2,224,270</u>	<u>2,220,733</u>

£1,523,919 (2020 - £1,554,810) of the above expenditure was attributable to unrestricted funds and £700,351 (2020 - £665,923) to restricted funds.

£101,840 (2020 - £100,000) of the above expenditure was attributable to Arts Council (National Portfolio Organisations) funding (unrestricted - £101,840, restricted - £Nil).

£379,782 (2020 - £Nil) of the above expenditure was attributable to Arts Council (Culture Recovery Fund Round 1) funding (unrestricted - £316,656, restricted £63,126).

8 Analysis of support costs

Support costs allocated to charitable activities

	Governance costs £	Other support costs £	Total 2021 £	Total 2020 £
Maintaining Watts Gallery and its collection	13,365	120,245	133,610	161,276
Great Studio Project	-	10,000	10,000	15,000
Limmerslease Project	-	10,000	10,000	-
Chapel Restoration Fund	150	-	150	20,000
Physical Energy Fund	-	30,000	30,000	35,758
	<u>13,515</u>	<u>170,245</u>	<u>183,760</u>	<u>232,034</u>

Governance costs

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Audit fees				
Audit of the financial statements	9,450	-	9,450	9,150
Under/(over) accrual of prior year audit fee	-	-	-	(100)
Accountancy and legal fees	3,915	150	4,065	10,034
	<u>13,365</u>	<u>150</u>	<u>13,515</u>	<u>19,084</u>

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

Other support costs

	Unrestricted funds		Total 2021 £	Total 2020 £
	General £	Restricted funds £		
Project management	-	50,000	50,000	70,000
Office expenses	50,091	660	50,751	66,412
Telephone	18,608	-	18,608	16,922
Insurances	38,758	-	38,758	38,808
Sundries	10,951	900	11,851	12,293
Travel & subsistence	277	-	277	8,516
	<u>118,685</u>	<u>51,560</u>	<u>170,245</u>	<u>212,951</u>

9 Net incoming/outgoing resources

Net incoming / outgoing resources for the year include:

	2021 £	2020 £
Audit fees	9,450	9,150
Under/(over) accrual of prior year audit fee	-	(100)
Depreciation of fixed assets	<u>391,653</u>	<u>383,074</u>

10 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

	2021 £	2020 £
A Burtenshaw	41	2,918
A Burtenshaw received remuneration of £103,077 (2020: £105,664) during the year.	-	181
Legal authority has been obtained to employ and remunerate Mr A Burtenshaw at a market rate as Director of the Charity.	120	206
During the year expenses of the following nature were paid to 1 (2020: 1) trustee:	<u>161</u>	<u>3,305</u>
Travel and subsistence		
Entertaining		
Sundry		

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

11 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Wages and salaries	1,254,501	1,269,458
Social security costs	97,802	100,551
Pension costs	<u>27,582</u>	<u>29,767</u>
	<u>1,379,885</u>	<u>1,399,776</u>

The monthly average number of persons (including senior management team) employed by the group during the year was as follows:

	2021 No	2020 No
Tea shop	18	18
Shop	11	12
Commercial gallery	1	-
Management	2	2
Curatorial	8	8
Learning	12	12
Marketing and fundraising	9	9
Finance, estates and administration	<u>12</u>	<u>11</u>
	<u>73</u>	<u>72</u>

The staff full time equivalents were 48 this year (2020: 51).

One employee received emoluments of more than £60,000 during the year (2020: One). The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£100,001 - £110,000	1	1

The total employee benefits of the key management personnel of the group were £197,722 (2020 - £192,277). There was an organisation wide pay freeze during the year. The slight increase in key management pay was additional days worked by the Part time Head of Finance due to the additional workload created by the Pandemic.

12 Taxation

The company is a registered charity and is therefore exempt from taxation. Tax relief recognised in the year represents claims submitted prior to the year end for Museums and Galleries Exhibition tax relief.

Notes to the Financial Statements for the Year Ended 31 March 2021

Group	Land and buildings £	Plant & equipment £	Total £
13 Tangible fixed assets			
Cost			
At 1 April 2020	8,884,624	2,493,335	11,377,959
Additions	-	86,679	86,679
At 31 March 2021	8,884,624	2,580,014	11,464,638
Depreciation			
At 1 April 2020	1,059,181	1,933,100	2,992,281
Charge for the year	138,798	252,855	391,653
At 31 March 2021	1,197,979	2,185,955	3,383,934
Net book value			
At 31 March 2021	7,686,645	394,059	8,080,704
At 31 March 2020	7,825,443	560,235	8,385,678
Charity			
Cost			
At 1 April 2020	8,884,624	2,369,096	11,253,720
Additions	-	14,996	14,996
At 31 March 2021	8,884,624	2,384,092	11,268,716
Depreciation			
At 1 April 2020	1,059,181	1,843,379	2,902,560
Charge for the year	138,798	240,096	378,894
At 31 March 2021	1,197,979	2,083,475	3,281,454
Net book value			
At 31 March 2021	7,686,645	300,617	7,987,262
At 31 March 2020	7,825,443	525,717	8,351,160

Notes to the Financial Statements for the Year Ended 31 March 2021

Group and Charity	2021 £	2020 £	2019 £	2018 £	Total £
14 Heritage assets					
Cost					
At 1 April 2020					22,765,564
Depreciation					
At 31 March 2021					-
Net book value					22,765,564
At 31 March 2021					
Summary of transactions					
Purchases and additions					
Heritage assets				13,000	99,350
Revaluations					
Heritage assets were last revalued in 2012 by Christie's at current auction estimates.					

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

15 Fixed asset investments	
Group	
Investment properties	Investment properties
	£
Cost or Valuation	763,840
At 1 April 2020	
Provision	
At 31 March 2021	
Net book value	763,840
At 31 March 2021	
At 31 March 2020	

Investment properties were valued by Batcheller Monkhouse in the year ended 31 March 2005. In subsequent years the values have been considered against market conditions by the Trustees and the costs of further improvements have been added.

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

Listed investments	Listed investments
	£
Cost or Valuation	5,472,570
At 1 April 2020	721,315
Revaluation	528,416
Additions	(539,277)
Disposals	
At 31 March 2021	6,183,024
Net book value	6,183,024
At 31 March 2021	
At 31 March 2020	5,472,570
Charity	
Investment properties	Investment properties
	£
Cost or Valuation	763,840
At 1 April 2020	
Provision	
At 31 March 2021	
Net book value	763,840
At 31 March 2021	
At 31 March 2020	763,840

Investment properties were valued by Batcheller Monkhouse in the year ended 31 March 2005. In subsequent years the values have been considered against market conditions by the Trustees and the costs of further improvements have been added.

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2020	1	1
At 31 March 2021	1	1
Net book value		
At 31 March 2021	1	1
At 31 March 2020	1	1

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
			2021	2020
Subsidiary undertakings				
Watts Gallery Trading Limited	England and Wales	Ordinary	100%	100%
				Gift shop and tea shop

The company registration number of Watts Gallery Trading Limited is 07184982. The registered office address is:

Down Lane
Compton
Guildford
Surrey
GU3 1DQ

The loss for the period of Watts Gallery Trading Limited was £22,894 and the aggregate amount of capital and reserves at the end of the period was (£19,295).

The loss for the year for Watts Gallery Trading Limited is stated after making a provision for the donation payable to Watts Gallery Trust of £Nil (2020 - £155,000).

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

Listed investments

	2021 £	2020 £	Charity 2021 £	Charity 2020 £	Listed investments £
Cost or Valuation					
At 1 April 2020					5,472,570
Revaluation		2,241	463	463	721,315
Additions		-	-	-	528,416
Disposals		26,777	23,317	26,777	(539,277)
At 31 March 2021		197,133	203,465	196,503	6,183,024
Net book value					
At 31 March 2021		226,151	353,365	470,740	6,183,024
At 31 March 2020		242,162	203,465	196,503	5,472,570

16 Debtors

	2021 £	2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	463	2,241	463	1,483
Due from group undertakings	-	-	126,120	245,977
Prepayments	23,317	26,777	23,317	26,777
Other debtors	218,382	197,133	203,465	196,503
	242,162	226,151	353,365	470,740

17 Creditors: amounts falling due within one year

	2021 £	2020 £	Charity 2021 £	Charity 2020 £
Bank loans	6,667	-	-	-
Trade creditors	106,694	98,097	99,484	89,134
Other taxation and social security	49,450	22,117	49,450	22,117
Other creditors	16,967	20,746	14,848	18,245
Accruals	72,464	83,498	53,294	63,180
	252,242	224,458	217,076	192,676

Notes to the Financial Statements for the Year Ended 31 March 2021

18 Creditors: amounts falling due after one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	93,333	-	-	-
Other loans	136,800	136,800	136,800	136,800
	<u>230,133</u>	<u>136,800</u>	<u>136,800</u>	<u>136,800</u>

Included in bank loans is a £100,000 (2020 - £Nil) Coronavirus Business Interruption Loan with a nominal interest rate of 2.21% per annum. A one year holiday payment ends December 2021. The loan term is 5 years to November 2026.

Included in other loans is £136,800 (2020 - £136,800) secured on the Charity bank account. The repayment date is 15 May 2024. No interest is charged on the loan unless the Charity fails to make any payment due under the agreement, in which case interest is charged at 7% from the date of non-payment to the date of repayment.

19 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Within one year	13,318	895	13,318	895
In two to five years	54,991	3,580	54,991	3,580
	<u>68,309</u>	<u>4,475</u>	<u>68,309</u>	<u>4,475</u>

20 Charity status

The Charity is a company limited by guarantee and consequently does not have share capital.

21 Contingent liabilities

The Trustees of the National Heritage Memorial Fund hold a charge, by way of legal mortgage over The Great Studio, Limmerslease, as a continuing security for all monies, obligations and liabilities under the Grant Contract.

The Council of the Borough of Guildford hold a second charge, by way of legal mortgage, over The Great Studio, Limmerslease as a continuing security for non-repayable loans recognised as donations in 2017.

Surrey County Council holds a charge, by way of a legal mortgage, over the property known as Limmerslease. The charge acts as continuing security for a grant repayable under certain circumstances and was agreed as a condition of the donation to the Charity in 2017.

Notes to the Financial Statements for the Year Ended 31 March 2021

22 Funds

Restricted funds

Gallery Restoration fund - This fund represents the investment in the restored Watts Gallery building following the Hope project. The ongoing non-cash cost is the depreciation of the restored assets.

Limmerslease and Great Studio Funds - These funds were established to acquire and preserve the Watts' home and studios and consist of the acquisition costs and investment made in those properties, in addition to an element of cash.

Other - These funds are for the support of the learning programmes at Watts Gallery - Artists' Village and other further development projects. These funds all consist of cash.

Graham Robertson Trust Fund - This fund is invested in the Pottery Building.

Chapel Restoration Fund - This fund has been established for the preservation and restoration of the Watts Chapel and Cemetery. This fund consists of cash.

Physical Energy Fund - This fund has been established to site a posthumous cast of Watts' iconic sculpture Physical Energy in Compton including appropriate landscaping and interpretation. This fund currently consists of cash.

Endowment funds

The Collection - This fund represents the value of the Watts Gallery collection of heritage assets. This is a permanent endowment fund and represents paintings and other collection items.

Mrs M S Watts Will Trust Fund - This fund was set up through the will of Mary Watts and is now part of the permanent endowment which provides ongoing financial support for the Watts Gallery Trust. The fund is represented by investments and cash and only the income generated by the assets can be spent. The capital in this fund can never be spent.

Watts Gallery Permanent Endowment Fund - This is a permanent endowment fund to generate income to help provide financial security for the Gallery's future. The fund is represented by investments and cash and only the income generated by the assets can be spent. The capital in this fund can never be spent.

Catalyst Endowment - This is a permanent endowment fund which was established with the generosity of the Heritage Lottery Fund and a number of private donors. This fund generates income to help provide financial security for the Gallery's future. The fund is represented by investments and cash and only the income generated by the assets can be spent. The capital in this fund can never be spent.

Watts Gallery Expendable Endowment Fund - This is an expendable endowment fund consisting of quoted investments and cash. The income from the fund helps to provide financial security for the gallery's future.

G F Watts Book Fund - This expendable fund was established to support the Watts Gallery - Artists' Village archive and consists of quoted investments and cash. Both the capital and income can be spent.

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

Group	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers gains/(losses) £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Watts Gallery	1,428,428	2,735,143	(2,180,797)	(440,000)	31,759	1,574,533
Designated						
Watts Gallery	-	-	-	440,000	-	440,000
Total unrestricted funds	<u>1,428,428</u>	<u>2,735,143</u>	<u>(2,180,797)</u>	<u>-</u>	<u>31,759</u>	<u>2,014,533</u>
Restricted funds						
Gallery Restoration Fund	4,147,506	-	(259,603)	-	-	3,887,903
Graham Robertson Trust Fund	75,642	-	-	-	-	75,642
Other	108,828	119,769	(107,712)	-	-	120,885
Great Studio Project	3,068,225	-	(95,873)	-	107,258	3,079,610
Limnerslease Chapel	1,955,824	-	(11,101)	-	-	1,944,723
Restoration Fund	50,028	84,336	(35,363)	-	-	99,001
Physical Energy Fund	911,971	500	(190,699)	-	-	721,772
Total restricted funds	<u>10,318,024</u>	<u>204,605</u>	<u>(700,351)</u>	<u>-</u>	<u>107,258</u>	<u>9,929,536</u>
Endowment funds						
Permanent						
Mrs M S Watts Will Trust	367,894	-	-	-	47,462	415,356
Watts Gallery Permanent Endowment Collection	2,850,133	-	-	-	375,006	3,225,139
Catalyst Endowment	932,064	10,945	-	-	113,101	1,056,110
	<u>26,940,867</u>	<u>10,945</u>	<u>-</u>	<u>-</u>	<u>535,569</u>	<u>27,487,381</u>

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers gains/(losses) £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Expendable						
G F Watts Book Fund	3,937	-	-	-	-	3,937
Watts Gallery Expendable Endowment	596,201	-	-	-	78,478	674,679
	<u>600,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,478</u>	<u>678,616</u>
Total endowment funds	<u>27,541,005</u>	<u>10,945</u>	<u>-</u>	<u>-</u>	<u>614,047</u>	<u>28,165,997</u>
Total funds	<u>39,287,457</u>	<u>2,950,693</u>	<u>(2,881,148)</u>	<u>-</u>	<u>753,064</u>	<u>40,110,066</u>

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
Unrestricted funds					
<i>General</i>					
Watts Gallery	1,384,578	2,493,663	(2,475,522)	25,709	1,428,428
Restricted funds					
Gallery Restoration Fund	4,406,724	-	(259,218)	-	4,147,506
Graham Robertson Trust Fund	75,642	-	-	-	75,642
Other	19,231	99,300	(9,703)	-	108,828
Great Studio Project	3,322,820	-	(102,231)	(152,364)	3,068,225
Limmerslease	1,948,529	10,000	(2,705)	-	1,955,824
Chapel Restoration Fund	76,881	62,870	(89,723)	-	50,028
Physical Energy Fund	371,002	743,312	(202,343)	-	911,971
Total restricted funds	10,220,829	915,482	(665,923)	(152,364)	10,318,024
Endowment funds					
<i>Permanent</i>					
Mrs M S Watts Will Trust	436,186	-	-	(68,292)	367,894
Watts Gallery Permanent Endowment	3,389,551	-	-	(539,418)	2,850,133
Collection	22,790,776	-	-	-	22,790,776
Catalyst Endowment	1,083,481	12,409	-	(163,826)	932,064
	27,699,994	12,409	-	(771,536)	26,940,867
<i>Expendable</i>					
G F Watts Book Fund	3,937	-	-	-	3,937
Watts Gallery Expendable Endowment	710,939	-	-	(114,738)	596,201
	714,876	-	-	(114,738)	600,138
Total endowment funds	28,414,870	12,409	-	(886,274)	27,541,005
Total funds	40,020,277	3,421,554	(3,141,445)	(1,012,929)	39,287,457

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

Charity	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers gains/(losses) £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds						
<i>General</i>						
Watts Gallery	1,424,830	2,254,594	(1,677,354)	(440,000)	31,759	1,593,829
<i>Designated</i>						
Watts Gallery	-	-	-	440,000	-	440,000
Total Unrestricted funds	1,424,830	2,254,594	(1,677,354)	-	31,759	2,033,829
Restricted funds						
Gallery Restoration Fund	4,147,506	-	(259,603)	-	-	3,887,903
Graham Robertson Trust Fund	75,642	-	-	-	-	75,642
Other	108,828	119,769	(107,712)	-	-	120,885
Great Studios Project	3,068,225	-	(95,873)	-	107,258	3,079,610
Limmerslease	1,955,824	-	(11,101)	-	-	1,944,723
Chapel Restoration Fund	50,028	84,336	(35,363)	-	-	99,001
Physical Energy Fund	911,971	500	(190,699)	-	-	721,772
Total restricted funds	10,318,024	204,605	(700,351)	-	107,258	9,929,536
Endowment funds						

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Permanent						
Mrs M S Watts Will Trust	367,894	-	-	-	47,462	415,356
Watts Gallery Permanent Endowment	2,850,133	-	-	-	375,006	3,225,139
Collection Catalyst Endowment	22,790,776	-	-	-	-	22,790,776
	932,064	10,945	-	-	113,101	1,056,110
	26,940,867	10,945	-	-	535,569	27,487,381
Expendable						
GF Watts Book Fund	3,937	-	-	-	-	3,937
Watts Gallery Expendable Endowment	596,201	-	-	-	78,478	674,679
	600,138	-	-	-	78,478	678,616
Total endowment funds	27,541,005	10,945	-	-	614,047	28,165,997
Total funds	39,283,859	2,470,144	(2,377,705)	-	753,064	40,129,362

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General/					
Watts Gallery	1,383,137	1,715,421	(1,699,437)	25,709	1,424,830
Restricted funds					
Gallery Restoration Fund	4,406,724	-	(259,218)	-	4,147,506
Graham Robertson Trust Fund	75,642	-	-	-	75,642
Other	19,231	99,300	(9,703)	-	108,828
Great Studios Project	3,322,820	-	(102,231)	(152,364)	3,068,225
Limmerslease	1,948,529	10,000	(2,705)	-	1,955,824
Chapel Restoration Fund	76,881	62,870	(89,723)	-	50,028
Physical Energy Fund	371,002	743,312	(202,343)	-	911,971
Total restricted funds	10,220,829	915,482	(665,923)	(152,364)	10,318,024
Endowment funds					
Permanent					
Mrs M S Watts Will Trust	436,186	-	-	(68,292)	367,894
Watts Gallery Permanent Endowment	3,369,551	-	-	(539,418)	2,850,133
Collection Catalyst Endowment	22,790,776	-	-	-	22,790,776
	1,083,481	12,409	-	(163,826)	932,064
	27,699,994	12,409	-	(771,536)	26,940,867

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

Expendable	Balance at 1 April 2019	Incoming resources	Resources expended	Other recognised gains/(losses)	Balance at 31 March 2020
	£	£	£	£	£
GF Watts Book Fund	3,937	-	-	-	3,937
Watts Gallery Expendable Endowment	710,939	-	-	(1,14,738)	596,201
	714,876	-	-	(1,14,738)	600,138
Total endowment funds	28,414,870	12,409	-	(886,274)	27,541,005
Total funds	40,018,836	2,643,312	(2,365,360)	(1,012,929)	39,283,859

The funds are represented by a mix of assets, primarily property and artwork, as disclosed further in note 23.

Transfers

A transfer of £440,000 was made from Unrestricted General Funds to Unrestricted Designated Funds set aside for the following purposes:

- Website, Digital and IT Fund - to replace IT equipment and improve digital access and engagement
- Covid Fund - to cover operating costs and reduced income streams due to the ongoing effects of the pandemic
- Buildings and Estate Maintenance Fund - to support the ongoing development, conservation and maintenance of the estate
- Future Sustainability Fund - to support strategic commercial initiatives and improve the future financial sustainability of the organisation

Watts Gallery Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

23 Analysis of net assets between funds

Group	Unrestricted funds		Restricted funds	Endowment funds		Total funds
	General	Designated		Permanent		
	£	£	£	£	£	£
Tangible fixed assets	448,092	-	7,632,612	-	8,080,704	
Heritage assets	-	-	-	22,765,564	22,765,564	
Fixed asset investments	688,199	-	995,058	5,263,608	6,946,864	
Current assets	736,214	440,000	1,486,270	136,825	2,799,309	
Current liabilities	(204,638)	-	(47,604)	-	(252,242)	
Creditors over 1 year	(93,333)	-	(136,800)	-	(230,133)	
Total net assets	1,574,533	440,000	9,929,536	28,165,997	40,110,066	

Charity

	Unrestricted funds		Restricted funds	Endowment funds		Total funds
	General	Designated		Permanent		
	£	£	£	£	£	£
Tangible fixed assets	354,650	-	7,632,612	-	7,987,262	
Heritage assets	-	-	-	22,765,564	22,765,564	
Fixed asset investments	688,199	-	995,058	5,263,608	6,946,865	
Current assets	720,452	440,000	1,486,270	136,825	2,783,547	
Current liabilities	(169,472)	-	(47,604)	-	(217,076)	
Creditors over 1 year	-	-	(136,800)	-	(136,800)	
Total net assets	1,593,829	440,000	9,929,536	28,165,997	40,129,362	

24 Related party transactions

During the year the group made the following related party transactions:

Trustees and organisations in which trustees have a controlling interest

During the year, the Group received donations from Trustees and organisations in which trustees have a controlling interest, without conditions attached, totalling £185,020 (2020 - £829,532). At the balance sheet date the amount due to/from Trustees and organisations in which trustees have a controlling interest was £Nil (2020 - £Nil).

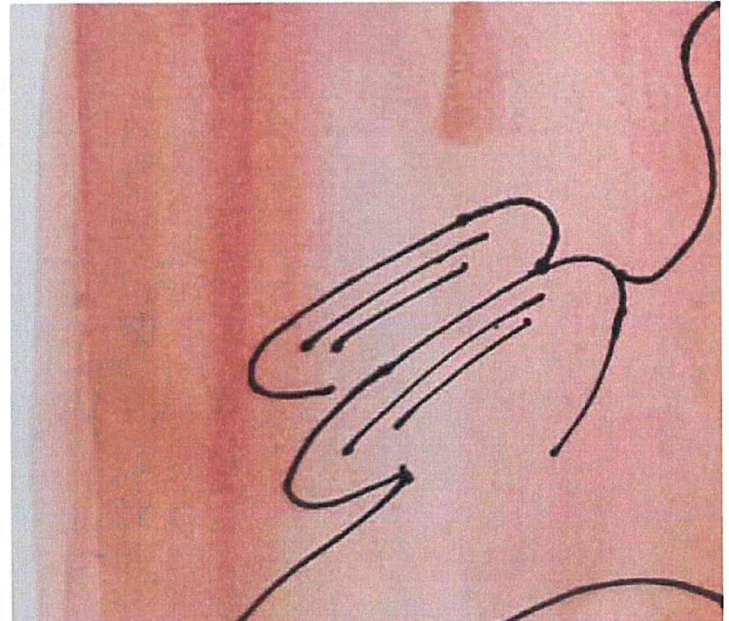
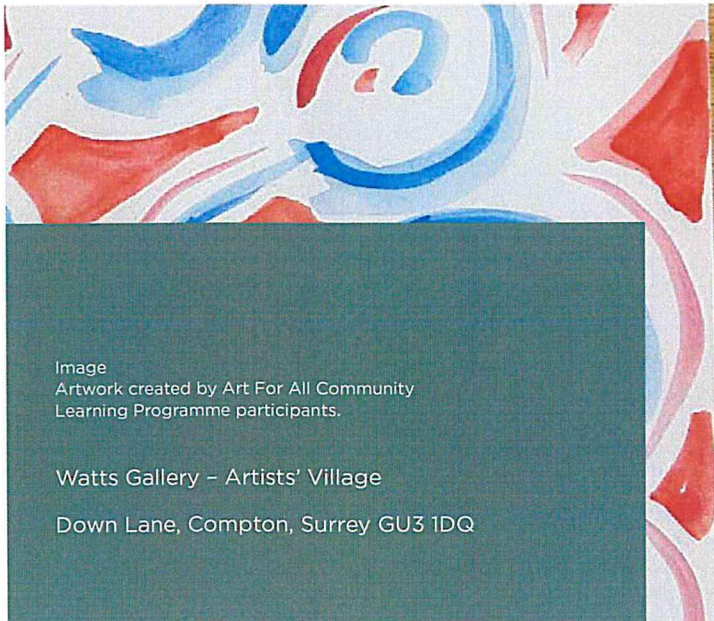
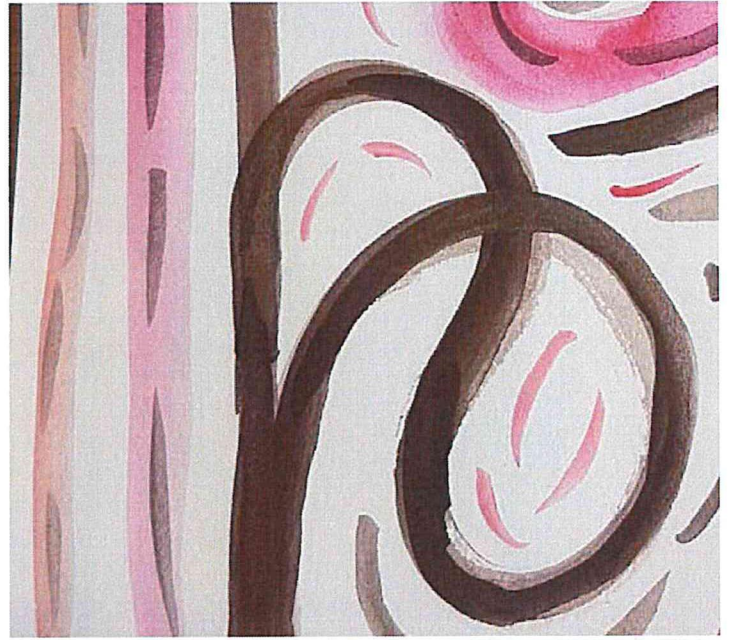
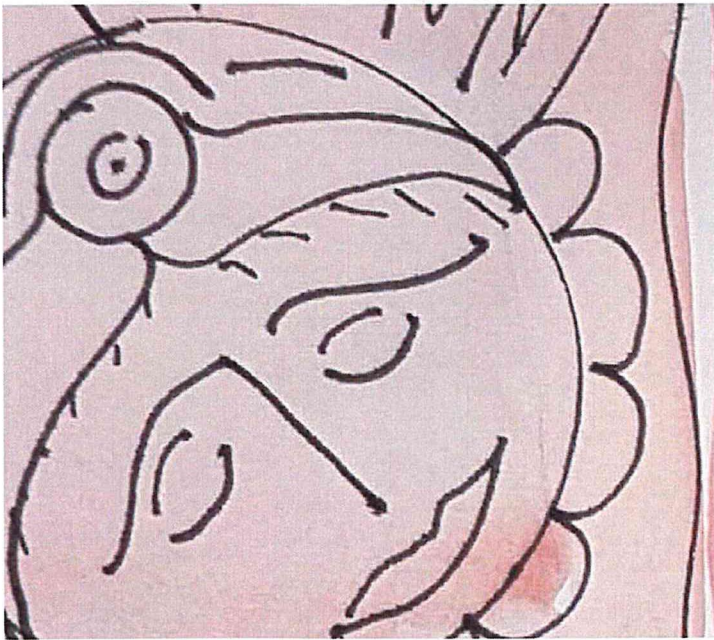
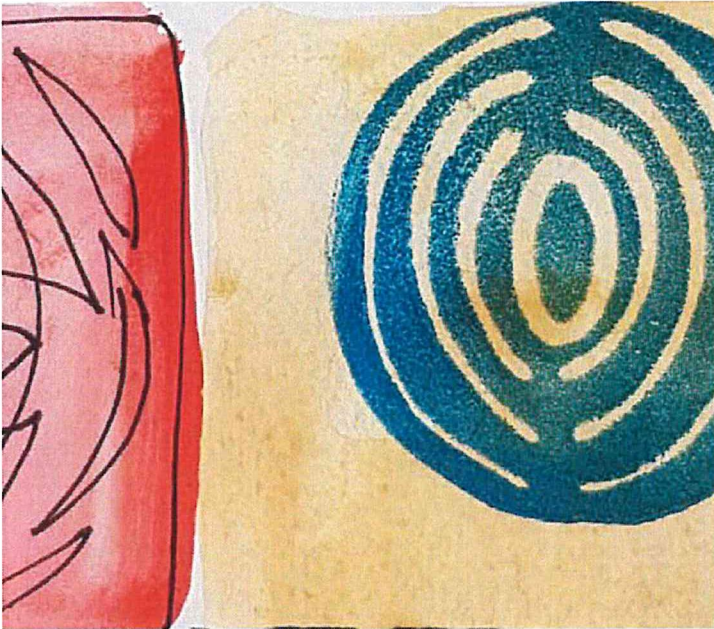


Image
Artwork created by Art For All Community
Learning Programme participants.

Watts Gallery - Artists' Village
Down Lane, Compton, Surrey GU3 1DQ