



SNAPSHOT – 06

YORKSHIRE SCULPTURE PARK



YSP.ORG.UK

Yorkshire Sculpture Park (YSP) is the leading international centre for modern and contemporary sculpture which celebrated its 40th anniversary in 2017.

It is an independent charitable trust (number 1067908) and registered museum situated in the 500-acre, 18th-century Bretton Hall estate in West Yorkshire. Founded in 1977 by Executive Director Peter Murray, YSP was the first sculpture park in the UK, and is the largest of its kind in Europe.

Photo: Nigel Homer

HOW DID YOU FIRST HEAR ABOUT MGETR?

When we first heard about MGETR it was an unknown quantity, it was at a briefing session hosted by Charity Finance Group in Leeds, and there was some skepticism in the room about it from a lot of charities that don't pay corporation tax, and don't do an annual return.

Arts Council England and the Museums Association organised regional seminars where someone from the Creative Industries Tax Relief team came and briefed us about it; firming up the details with the accurate information. In January of 2020, it was mentioned with uncertainty at another session from Charity Finance Group, so there's still a lack of awareness out there.

There probably needs to be a more consistent programme of support.

WHAT HAS YOUR EXPERIENCE OF MGETR BEEN?

Our first claim was for about £119,000, for the financial year 2017–2019. The way we dealt with it was to do as much as we could ourselves. We did have some specialist support through our auditors who were very experienced in Tax Reliefs.

Someone from another branch of our accountants came up from Birmingham and ran through some difficulties and scenarios specific to our organisation. Overall our bill for this help may have reached something in the region of £8000, however, balanced with a gain of the amount we claimed as a result of that advice of which was around £20000, in the first year alone, you can see it was worth it.

Waiting and not submitting in the first year was beneficial. This gave us time to research and have a good dialogue with our auditors and HMRC. It is worth being really careful and considered about the approach to the claims, and we had time — two years after the end of the financial year the activity took place, and this enabled us to get it right.

So we would recommend to anyone else not to rush at year end, but withhold until you can get it right, within the deadline, especially if you have exhibitions that overlap the end of one financial year and go into another, as most of ours do.

Even with the very good support we have had, we do still find it quite complex, and refer regularly to the sample template that our auditors put together. They have put in formulas that then link up to the software that you have to use for Corporation Tax returns and MGETR claims, which uses a form of tagging called IXBRL. Then at my end I run a series of Excel spreadsheets, that then link up to the template from our auditors, that then links up to the claim form.

Compared to a city centre museum that might have four exhibitions in a year, we have 20 in a year — from mini-exhibitions, a number of different galleries, a new installation, even just one new sculpture could count as an exhibition for MGETR.

So we have to have quite a tailored approach. We started with a list of 20 exhibitions, then we whittled it down, excluding the selling exhibitions that we have in the small upstairs gallery, and any other exclusions.

DOES CLAIMING MGETR HAVE AN IMPACT ON CURATORIAL DECISIONS?

I think in future it's going to be down to curators to be mindful of what could eliminate a claim. This Tax Relief is quite new, in our timescales, so the decisions for shows we have claimed for so far were all made long before MGETR was introduced. A lot of our recent shows have been within the European Economic Area, so they were eligible, but we have had work that came from the USA and Japan. We haven't really had anything so far that would have been eliminated, but we did have work installed that was effectively treated as two separate exhibitions, for tax purposes. One set of the work was indoors, and so we could claim back VAT on any of the relevant costs, (because YSP is on the Section 33A list of museums that can claim back VAT) whereas the outdoor work we can't claim the VAT, it's just taken as part of the full cost. The outdoor part of the show included some living material, so that part of it wasn't eligible for the MGETR claim. These are some of the complexities that you're dealing with, with our kind of operation. The living matter being excluded is the one you hear most about, for example the Spencer Tunick

in Hull, the leeches at Thackray Museum, and it can seem as if HMRC is not very consistent in how it treats this exclusion. The main things to consider are — is it key to the work, or incidental, and then talk to HMRC and make your case.

As for the digital exclusion, what does it actually mean? Along with many other museums, we use plasma screens to show archival documentaries of artists in their studios, for example, as well as artists films, and video artists like Bill Viola. I think we are going to think about these things more and more as we are planning our programme.

WHAT ADVICE WOULD YOU GIVE ORGANISATIONS NEW TO MGETR?

Take your time to make sure you claim all that you can — there is a danger of under-claiming if you are not au fait with the Tax Relief. Seriously consider paying for professional advice if your exhibition programme is complex and at a reasonably large scale. All of our claims have gone through easily — if you are not sure on a matter of eligibility, talk to HMRC, make the argument, make the case. If you need help with any technical matters, speak to HMRC. Maybe get a tax accountant onto your Board.

If Arts Council England could roll out a beginners guide, and a template even, take-up could be increased. The advice and support we got from our accountants was invaluable, but not everyone can afford it or is on our scale. The smaller accountants probably don't know enough about it, and they could probably use some support from people like the Charity Finance Group in Leeds.

WHAT HAS THE IMPACT OF MGETR BEEN FOR YOU?

Our first three claims will all be in the same region of £119,000, but this year's will definitely be much less, maybe in the region of £50,000, entirely down to COVID-19. Our current show will be extended to February 2022, taking it outside the eligibility period for MGETR, so we will lose maybe 40% of the claim we were going to make if there is no adjustment to the rules. The impact of MGETR so far has been a real bonus, we hope it continues and if the rate of relief is doubled, that would go some way to compensating for the financial impact of COVID-19.

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