

PAINTINGS IN HOSPITALS

England & Wales · Charity number 1065963

Details

Other names	PIH
Status	Registered
Legal form	Charitable company
Company number	03450832
Registered	1997-11-20
Register	View on the Charity Commission register

Contact

Address	Earlsfield Business Centre Unit 11 9 Lydden Road Earlsfield London SW18 4LT
Phone	07722199901
Email	mail@paintingsinhospitals.org.uk
Website	www.paintingsinhospitals.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO USE ART AND CREATIVE ACTIVITIES TO IMPROVE THE HEALTH, WELL-BEING AND QUALITY OF LIFE OF PERSONS SUFFERING FROM ADDICTION, ILLNESS, INJURY, DISORDER OR DISABILITY INCLUDING (WITHOUT LIMITATION) ANY DISABILITY OR DISORDER ON THE AUTISTIC SPECTRUM IN ANY LOCATION OR ESTABLISHMENT WHERE ANY SUCH PERSON IS RESIDENT OR IN ATTENDANCE OR WHERE ANY SUCH PERSON IS IN RECEIPT OF TREATMENT, THERAPY, CONVALESCENCE, TRAINING, EDUCATION OR ASSISTANCE

Activities: PAINTINGS IN HOSPITALS USES EXCEPTIONAL ART AND CREATIVE ACTIVITIES TO IMPROVE THE HEALTH, WELLBEING AND QUALITY OF LIFE FOR PEOPLE WITH ILLNESS, INJURY, ADDICTION, AUTISM AND DISABILITY. OUR ACTIVITIES HELP TO REDUCE LEVELS OF SICKNESS, ANXIETY AND STRESS IN PATIENTS, SERVICES USERS, CARE STAFF AND THE PUBLIC.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- Northern Ireland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£489,333	£455,568	-	-
2024-03-31	£320,025	£443,589	-	-
2023-03-31	£363,138	£438,436	-	-
2022-03-31	£593,854	£426,365	£288,394	6
2020-12-31	£250,488	£366,964	-	-

Trustees

Name	Role	Appointed
Amy Brigid Ann Rentoul		2025-07-29
Dr Christopher John Bridgman		2025-07-29
Nicholas John Walker Gash		2025-07-29

PAINTINGS IN HOSPITALS

England & Wales - Charity number 1065963

Accounts

Company number: 3450832
Registered Charity number: 1065963 (England & Wales)

paintings in hospitals

**TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2025**

PAINTINGS IN HOSPITALS

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PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

Patrons	Lord Browne of Madingley Rt Rev'd and Rt Hon The Lord Chartres – resigned 4 December 2023 Dr Richard Cork Andrew Hochauser KC Roger Phillimore The Rt Rev'd and Rt Hon Dame Sarah Mullally DBE, Bishop of London
Artist Patrons	Ian Davenport Anita Klein – from 10 May 2024 Sir Antony Gormley OBE Maggi Hambling CBE Bridget Riley CH CBE
	Current Trustees Christopher Turner – Appointed 29 July 2025 Brigid Rentoul – Appointed 29 July 2025 Nicholas Gash – Appointed 29 July 2025
	Previous trustees Prof Jane Anderson CBE – resigned 29 July 2025 Stephen Crampton-Hayward – resigned 31 October 2024 Prof Mary E Black – resigned 10 September 2024 Jeanette Grose – resigned 8 April 2024 Prof Marion Lynch – resigned 29 July 2025 Robert Milburn – resigned 29 July 2025 Farha Quadri – resigned 29 July 2025 Patrick Bourne – resigned 29 July 2025 Amanda Pinto KC – resigned 29 July 2025 Catherine Vickery – resigned 29 July 2025
Company Secretary	Stephen Crampton-Hayward – appointed 4 November 2024 – resigned 29 July 2025 James Varley – appointed 29 July 2025
Company number	3450832
Charity number	1065963 (England and Wales)
Registered office	4 Verney House 1B Hollywood Road London SW10 9HS
Executive Director	Sandra Bruce-Gordon FRSA – until 11 December 2024 Stephen Crampton-Hayward – (interim) from 1 November 2024 until 29 July 2025 Chris Chaney – from 29 July 2025

PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

Independent examiner Emma Barty FCA CTA
HaesCooper & Associates Ltd
Unit A, Farriers Courtyard
Spelmonden Farm
Spelmonden Road
Goudhurst
TN17 1HE

Principal Bankers HSBC plc
London Bridge Branch
28 Borough High Street
London
SE1 1YB

Legal Advisors Withers
20 Old Bailey
London
EC4M 7AN

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The trustees (who are also directors of the company for the purposes of the Companies Act) present their report and the financial statements for the year ended 31 March 2025. The Reference and Administrative information on pages 1 and 2 form part of this report.

The trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and 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 (FRS 102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

Objectives and Activities

The objects of the Charity are to use art and creative activities to improve the health, well-being and quality of life of persons suffering from addiction, illness, injury, disorder, or disability, including (without limitation) any disability or disorder on the autistic spectrum in any location or establishment where any such person is resident or in attendance or where any such person is in receipt of treatment, therapy, convalescence, training, education, or assistance.

In setting Paintings in Hospitals' objectives and planning its activities, the trustees considered the Charity Commission's general guidance on public benefit as required in section 17 of the Charities Act 2011 and, in particular, its supplementary public benefit guidance on fee charging.

The work of Paintings in Hospitals is recognised by the Department of Health and Social Care, the Care Quality Commission (CQC), NHS England and NHS Wales. The charity's approach was based on a range of research and evidence, demonstrating the positive effects of displaying and creating visual arts in a wide range of health and social care settings.

The charity's objects are primarily achieved through our art loans programme, which exists to help create person-centred care spaces that encourage, enrich, and empower everyone who uses them. Experience over 65 years has allowed us to develop a unique collection of over 3,000 artworks. Its art ranges from paintings and drawings to sculptures and animations, some by the world's greatest artists. All types of health and social care sites can borrow art from the collection.

Structure, Governance and Management

Paintings in Hospitals was established by Trust Deed in 1959 and registered with the Charity Commission in May 1972. Our organisation is a charitable company, limited by guarantee and operates in accordance with its Articles of Association adopted on 16 October 1997 (as subsequently amended).

On 29 July 2025, the charity successfully transferred its business as a going concern to CWPLUS (registered charity number 1169897). This strategic move ensures continuity of services and strengthens the charity's ability to deliver its mission under the stewardship of CWPLUS. All assets, liabilities, and ongoing operations were transferred under a binding transfer agreement in accordance with applicable regulations, safeguarding the interests of beneficiaries and stakeholders.

Trustees

The Charity was chaired by Professor Jane Anderson CBE until 29 July when the transfer to CWPLUS took place. During the year, Stephen Crampton-Hayward was Vice Chair and Treasurer, but he stood down as a trustee and from these roles on 31 October 2024 prior to becoming Interim Executive Director on 1 November 2024. Following the merger with CWPLUS on 29 July the Board of Trustees was replaced by three CWPLUS trustees: Christopher Turner, Brigid Rentoul, and Nicholas Gash.

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Board Committees

During the year there were two committees: Finance & General Purpose, and Strategic Engagement. Each committee was chaired by a nominated trustee and has a mix of skills, and its own terms of reference which are reviewed annually and signed off by the Board. Fundraising was overseen by the Finance & General Purposes Committee and at Board level. The Committees were disbanded following the transfer to CWPLUS.

Risk Management

In the period prior to the transfer of its business to CWPLUS, the trustees regularly updated the risk register and risk management processes which comprised:

- Annual review of all strategic risks by the Board of Trustees
- The establishment of systems and procedures to mitigate those risks
- The implementation of procedures to minimise any potential impact on Paintings in Hospitals, should any of those risks materialise

This risk management work identified a relatively small number of key risks, but ongoing review resulted in improvements through the implementation of management and mitigation procedures and increased contingency planning. Both financial and non-financial risks were included in the register. The last Board review of the risk register was on 8 March 2025, but it was carefully considered in detail in the period leading up to the merger with CWPLUS.

The most significant risks identified by the Trustees relate to the charity's continuing viability in the face of:

1. Spending constraints imposed on the NHS by Government, which affect the ability to maintain and expand our artwork loan programme.
2. A significant tightening of philanthropic funding, particularly from trusts and foundations, which is being felt throughout the charity sector.
3. Increased costs following two years of high rates of inflation.

However, the transfer of its business activities to CWPLUS after the year end on 29 July 2025 has secured substantial support for the future of the charitable business activities.

Achievements and Performance

The Trustees measure success through the number of care partners the charity has, where it is working, who it is working with, and the number of engagements it has with patients and staff. To enable care sites and their service users to get the most from the artworks the charity offers creative activities that provide the knowledge and confidence to engage with visual art. These activities often involve service users choosing the artworks they want for display, giving them a say in their own care experiences and improving levels of wellbeing. At the end of March 2025 the charity had 98 live loans, with 151 care partners.

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Our Collection

At the end of March 2025, there were 3,126 artworks in our collection (2024: 3,403 artworks). Of these, some 1,859 were at the Earlsfield Business Centre or in external storage, many of which require funds for reframing and conservation. At the same date, there were 1,304 artworks on public display at either our showcase displays or our loan partner sites (2024: 1,608 artworks).

The trustees continued to address the effectiveness of the collection, making it fit for purpose in the post pandemic era. As described above, where they have found that an artwork has not been placed with a care partner or is unlikely to be so because it is for whatever reason unsuitable, they have been deaccessioned and sold to assist the charity's financial resilience. In total, 253 artworks were deaccessioned in the year to 31 March 2025 (2024: 84 artworks) and 412 further artworks have been deaccessioned since 1 April 2025.

Fundraising

The charity relies on the generosity of trusts, foundations, and individual donors to supplement its income from the artwork loan programme. In the year to 31 March 2025, we received grants of £57,692 (2024: £81,000) and donations of £146,781 (2024: £48,949).

Financial Review

Paintings in Hospitals ended the year with a surplus of £33,765 (2024: deficit of £124,434).

Income for the year was £489,333 (2023: £320,025). This includes £123,194 (2024: £27,780) of income recognised as a result reclassifying certain previously donated artworks, which were not valued in the accounts, as current asset investments.

In addition, as described above, the charity has embarked on a programme to deaccession and, in most cases sell, a number of artworks which have not been and are highly unlikely to be displayed in hospitals and other care settings. The total profit recognised in the year from such artwork sales was £222,528 (2024: £77,269).

Going concern

The trustees have prepared the financial statements on the going concern basis. Further details are set out in note 1.2 on page 11.

Future Plans

On 29 July 2025, the charity successfully transferred its business as a going concern to CWPLUS (registered charity number 1169897). This strategic move ensures continuity of services and strengthens the charity's ability to deliver its mission under the stewardship of CWPLUS. All assets, liabilities, and ongoing operations were transferred under a binding transfer agreement in accordance with applicable regulations, safeguarding the interests of beneficiaries and stakeholders.

Reserves

The aim of the trustees is to maintain a level of free, unrestricted reserves of around six months average annual expenditure that will enable Paintings in Hospitals to operate from a financial perspective with certainty and flexibility. At 31 March 2025 free unrestricted reserves (unrestricted funds less fixed assets) increased to a surplus of £153,437 (2024: surplus of £86,821).

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Patronage

The Trustees are particularly grateful to the unwavering support and guidance of all our Patrons. Patrons help raise awareness, expand national reach and advocate for all that charity does.

The trustees were deeply saddened to hear of the death of Dame Stephanie Shirley CH, Patron and benefactor of Paintings in Hospitals, on Saturday 9 August 2025.

Dame Stephanie was a great friend, generous funder and advocate of the work of Painting in Hospitals. It was an honour to have her as a Patron of the charity.

Statement of Trustees' responsibilities

This Trustees' report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The trustees (who are also the Directors of Paintings in Hospitals for the purposes of company law) are responsible for preparing a Trustees' annual report and accounts in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Company law requires the trustees to prepare financial statements for each financial year. Under that 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to select suitable accountancy policies and then apply them consistently;

- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and estimates that are both prudent and reasonable;
- 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 charity will continue in operation.

The trustees are responsible for keeping accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any one time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are also responsible for the maintenance and integrity of financial information, including that on the updated website.

This report was approved by the trustees on 17 December 2025 and signed on their behalf by



Brigid Rentoul, Trustee



Nicholas Gash, Trustee

PAINTINGS IN HOSPITALS

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF PAINTINGS IN HOSPITALS FOR THE YEAR ENDED 31 MARCH 2025

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2025.

Responsibilities and basis of report

As the trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no other concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


Emma Barty FCA CTA
HaesCooper & Associates Ltd
Unit A, Farriers Courtyard
Spelmonden Farm
Spelmonden Road
Goudhurst
TN17 1HE

17 December 2025

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2025

		<i>Restricted funds 2025</i>	<i>Unrestricted funds 2025</i>	<i>Total funds 2025</i>	<i>Total funds 2024</i>
	Notes	£	£	£	£
Income from:					
Donations, grants and legacies	2	3,038	300,769	303,807	216,140
Charitable activities	3	-	117,259	117,259	101,885
Investments		-	2,925	2,925	2,000
Other income	4	-	65,342	65,342	-
Total income		3,038	486,295	489,333	320,025
Expenditure on:					
Raising funds	5	-	39,637	39,637	57,485
Charitable activities	6	35,789	380,142	415,931	386,104
Total expenditure		35,789	417,779	455,568	443,589
Net expenditure before losses on investments	10	(32,751)	66,516	33,765	(123,564)
Net losses on investments	12	-	-	-	(870)
Net movement in funds		(32,751)	66,516	33,765	(124,434)
Reconciliation of funds:					
Total funds brought forward:		38,396	86,921	125,317	249,751
Total funds carried forward	18	5,645	153,437	159,082	125,317

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2025

	Notes	2025	2025	2024	2024
		£	£	£	£
Fixed Assets					
Tangible assets	10		313		875
Investments	11		-		-
			<u>313</u>		<u>875</u>
Current assets					
Current asset investments	13	187,795		64,600	
Debtors	14	43,302		79,936	
Cash at bank and in hand		97,316		182,578	
		<u>328,413</u>		<u>327,114</u>	
Creditors: amounts falling due within one year	15	(169,644)		(145,201)	
Net current assets			158,769		181,913
Creditors: amounts falling due in more than one year	16		-		(57,471)
Net assets			<u><u>159,082</u></u>		<u><u>125,317</u></u>
Charity funds					
Unrestricted funds			153,437		86,921
Restricted funds			<u>5,645</u>		<u>38,396</u>
Total funds			<u><u>159,082</u></u>		<u><u>125,317</u></u>

For the financial year ended 31 March 2025 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 17 December 2025 and signed on their behalf by:



Brigid Rentoul, Trustee



Nicholas Gash, Trustee

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Paintings in Hospitals 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 note(s).

The financial statements are presented in pounds sterling and rounded to the nearest pound.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The trustees have considered the charity's financial position, cash flow forecasts, and future plans, including the level of reserves and available funding.

On 29 July 2025, the charity successfully transferred its business as a going concern to CWPLUS (registered charity number 1169897). This strategic move ensures continuity of services and strengthens the charity's ability to deliver its mission under the stewardship of CWPLUS. All assets, liabilities, and ongoing operations were transferred under a binding transfer agreement in accordance with applicable regulations, safeguarding the interests of beneficiaries and stakeholders. Accordingly, the trustees consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Company status

Paintings in Hospitals is a charitable company limited by guarantee incorporated in England and Wales. The address of the registered office is 4 Verney House, 1B Hollywood Road, London, SW10 9HS. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1.4 Income

Income from donations, grants and legacies is recognised when the charity has entitlement to the income, it is probable it will be received and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions which must be met before the charity is entitled to the funds. Legacies are recognised following the grant of probate when the executor of the estate has communicated in writing both the amount and settlement date. Donated services are recognised in the period in which they are utilised and are measured at their estimated fair value. Donated paintings are included in incoming and outgoing resources at an estimate of their value.

Loan programme income is apportioned over the period of the rental agreements. Income received in advance is accounted for as deferred income.

Income from other trading activities relates to art print sales and gift shop sales and is accounted for in the period in which the charity is entitled to receipt.

Investment income is recognised when it is receivable.

1.5 Expenditure

Expenditure is recognised on an accruals basis as incurred. Expenditure has been classified under headings that aggregate all costs related to the category.

Direct costs are those costs which are directly attributable to the charity's activities. Wages and salaries are allocated to direct costs based on the estimate of time spent on charitable activities by staff members.

Support costs are those costs relating to functions which assist the work of the charity but do not directly relate to its activity. Support costs are allocated to charitable activities on the basis of direct costs.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged so as to write off the cost less their residual values over their expected useful lives at the following annual rates:

Furniture and fittings	-	25%	Straight line
Computer expenditure	-	33%	Straight line

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1.7 Current asset investments

Current asset investments comprise artworks held for sale and are carried at their estimated realisable value, based on historical experience of the sales prices achieved on previous sales relative to the insurance valuations of those artworks. When such artworks are sold, a profit or loss is recognised for the difference between the carrying value and the proceeds.

1.8 Financial Instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.9 Fund accounting

The unrestricted funds can be spent on any activity within the charity's overall objectives. Restricted funds are those subject to specific conditions imposed by the donors. Expenditure which meets these criteria is allocated to the fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.10 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

1.11 Pension contributions

The charity makes defined contributions into employee private pension schemes. Contributions are charged to the statement of financial activities as they become payable.

2 Income from donations, grants and legacies

	2025	2024
	£	£
Donations and grants	81,279	129,949
Previously donated artworks	222,528	77,269
Donated services	-	8,922
	<u>303,807</u>	<u>216,140</u>

Previously donated artworks represented the contribution from assets which were deaccessioned from the heritage loan collection and either sold in the year or held at the year end at 40% of their insurance value. £187,795 are carried forward as a current asset investment at the year-end (note 12), (2024: £64,400).

Donated services relate to the provision of IT software and consultancy services.

Donations and Grants Income for restricted funds was £3,038 (2024: £42,383).

PAINTINGS IN HOSPITALS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3	Income from charitable activities	2025	2024
		£	£
	Loan programme	104,741	95,780
	Other trading activities	12,519	6,105
		<u>117,259</u>	<u>101,885</u>
4	Other income		
	Museums, Exhibitions and Galleries Tax relief	<u>65,342</u>	<u>-</u>
5	Expenditure on raising funds	2025	2024
		£	£
	Costs of events	12,635	24,581
	Donations and grants	18,928	24,611
	Support costs (<i>Note 8</i>)	8,074	8,293
		<u>39,637</u>	<u>57,485</u>

Costs of events, donations and grants includes staff costs of £41,775 (2023: £27,862).

6	Expenditure on charitable activities				
		<i>Direct</i>	<i>Support</i>	<i>Total</i>	<i>Total</i>
		<i>costs</i>	<i>Costs</i>	<i>costs</i>	<i>costs</i>
		<i>2025</i>	<i>2025</i>	<i>2025</i>	<i>2024</i>
		£	£	£	£
	Projects and programmes	25,282	8,074	33,356	46,007
	Loan programme	310,128	60,557	370,685	330,814
	Trading expenses	7,853	4,037	11,890	9,283
		<u>343,262</u>	<u>72,668</u>	<u>415,930</u>	<u>386,104</u>
		<i>(Note 7)</i>	<i>(Note 8)</i>		

Expenditure on restricted funds in the comparative period was £26,584.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7	Direct costs	<i>Total</i> 2025 £	<i>Total</i> 2024 £
	Staff costs	106,835	98,333
	Freelance and consultancy costs	87,954	68,085
	Collection management	6,235	8,718
	Picture transport	21,768	42,247
	Cost of projects	761	16,066
	Premises expenses	52,419	49,793
	Office costs	4,312	1,918
	Travel and accommodation	8,265	4,012
	Marketing and IT	51,725	20,768
	Other costs	2,707	995
	Depreciation	281	542
		<u>343,262</u>	<u>311,477</u>
8	Support costs	<i>Total</i> 2025 £	<i>Total</i> 2024 £
	Staff costs	40,045	48,488
	Premises expenses	2,759	3,036
	Office costs	227	165
	Travel and accommodation	435	238
	Other costs	1,037	2,603
	Loan Interest	5,149	7,181
	Other interest paid	-	468
	Depreciation	281	542
	Bad debts	225	112
	Accountancy and consultancy fees	22,036	12,711
	<i>Governance costs:</i>		
	Legal and professional fees	8,550	966
	Independent examination fees	-	6,410
		<u>80,743</u>	<u>82,920</u>
	<i>Allocated to:</i>		
	Raising funds	8,074	8,293
	Charitable activities	<u>72,669</u>	<u>74,627</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

9 Staff costs

	2025	2024
	£	£
Wages and salaries	157,392	175,696
Social security costs	10,235	11,266
Pension costs	2,031	1,634
Recruitment costs	8,400	-
	<u>178,058</u>	<u>188,596</u>

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

	2025	2024
	No.	No.
Loan Programmes	1	1
Administrative	4	4
	<u>5</u>	<u>5</u>

No employee received remuneration amounting to more than £60,000 in either year.

No remuneration, other benefits or reimbursed expenses were paid to the Trustees for the year ended 31 March 2025 (2024: none).

10 Net expenditure

	2025	2024
	£	£
This is stated after charging:		
Independent examiner's remuneration	1,800	3,320
Independent examiner's remuneration for accountancy services	-	3,090
Depreciation	562	1,084

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

11 Tangible fixed assets

	<i>Furniture</i>	<i>Equipment</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost			
At 1 April 2024	3,175	2,312	5,487
At 31 March 2025	3,175	2,312	5,487
Depreciation			
At 1 April 2024	2,552	2,062	4,612
Charge for the year	310	252	562
At 31 March 2025	2,862	2,312	5,174
Net book value			
At 31 March 2025	313	-	313
At 31 March 2024	623	252	875

12 Investments

	<i>2025</i>	<i>2024</i>
	<i>£</i>	<i>£</i>
Market Value		
At 1 April 2024	-	57,238
Disposals	-	(56,368)
Net losses on revaluation	-	(870)
At 31 March 2025	-	-

Investments were held in UK deposit funds or fixed interest bond funds.

13 Current asset investments

	<i>2025</i>	<i>2024</i>
	<i>£</i>	<i>£</i>
Artworks held for sale	187,795	64,600

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14 Debtors

	2025	2024
	£	£
Trade debtors	29,984	36,985
Prepayments and accrued income	6,357	35,011
Other debtors	6,960	7,940
	<u>43,302</u>	<u>79,936</u>

15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Rentals of paintings in advance	67,072	84,587
Cultural Impact Development loan	62,036	29,577
Accruals and other creditors	35,116	26,679
Taxation and social security	5,420	4,358
	<u>169,644</u>	<u>145,201</u>

Deferred income relates to income for loan programmes received in advance. The movement is as follows:

	2025	2024
	£	£
Deferred income brought forward	84,587	80,422
Released during the year	(58,916)	(80,422)
Arising in the current year	41,042	84,587
	<u>66,713</u>	<u>84,587</u>

16 Creditors: amounts falling due after one year

	2025	2024
	£	£
Cultural Impact Development loan	-	57,471
	<u>-</u>	<u>57,471</u>

The loan bears interest of 7.8% and was repaid in full in August 2025.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

17 Statement of funds

<i>Current year</i>	<i>Brought forward £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Other gains/ (losses) £</i>	<i>Carried forward £</i>
Unrestricted funds					
General fund	86,921	486,295	(419,779)	-	153,437
Restricted funds					
Jerwood Foundation	15,813	-	(10,168)	-	5,645
National Arts Collection	20,583	3,038	(23,621)	-	-
Finnis Scott	2,000	-	(2,000)	-	-
Total restricted funds	38,396	3,038	(35,789)	-	5,645
Total funds	125,317	489,333	(455,568)	-	159,082

The Jerwood Foundation awarded a grant of £10,000 each year for three years to conserve and frame artwork within the charity's collection. Significant artworks will be selected with prioritisation being on works that can be placed immediately within partner sites. £25,813 has been expensed in the year.

The National Arts Collection awarded a grant of £30,383 towards engaging a freelance Impact and Evaluation Consultant over a 15-month period to support staff. This Consultant began work in October 2023.

Finnis Scott awarded a grant of £2,000 to assist with the costs of the rationalisation of storage space. Work on this began in April 2024.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

17 Statement of funds (continued)

<i>Prior year</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Other gains/ (losses)</i>	<i>Carried forward</i>
	£	£	£	£	£
Unrestricted funds					
General fund	227,154	277,642	(417,005)	(870)	86,921
Restricted funds					
Burdett Trust	3,197	-	(3,197)	-	-
South Wales Care Homes	9,400	-	(9,400)	-	-
Jerwood Foundation	10,000	10,000	(4,187)	-	15,813
National Arts Collection	-	30,383	(9,800)	-	20,583
Finnis Scott	-	2,000	-	-	2,000
Total restricted funds	22,597	42,383	(26,584)	-	38,396
Total funds	249,751	320,025	(443,589)	(870)	125,317

Other gains and losses above relate to a loss on the revaluation of investments of £870

18 Analysis of net assets between funds

	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>	<i>Total funds</i>
	2025	2025	2025	2024
	£	£	£	£
Fixed assets	-	313	313	875
Current assets	5,645	322,768	328,413	327,114
Liabilities	-	(169,644)	(169,644)	(202,672)
	5,645	153,437	159,082	125,317

Total funds for 2024 included restricted funds of £38,396.

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19 Paintings

The charity's loan collection is not reflected in these accounts as, in the opinion of the Trustees it is a heritage asset and it is neither practical nor beneficial to reflect the true value of the collection. At 31 March 2025 the total collection, which includes lent, purchased and donated artworks, comprised 3,163 works of art. These are insured on a first loss basis for £2.5 million, although they would most likely realise less than this if sold on the open market. Movements on the number of artworks and insured values over the past 3 years are as follows:

	31 March		
	2025	2024	2023
Number of artworks	3,163	3,403	3,679
Insured value	£2.5m	£2.9m	£3.5m

20 Related party transactions

Related parties include the charity's trustees and key management personnel. The total employee benefits, including employer's National Insurance and pension contributions, paid to key management personnel during the year was £37,997 (2024: £59,943).

No remuneration or other benefits were paid to trustees during the year (2025: none). No trustees were reimbursed for expenses (2024: One trustee £490 travel expenses)

No donations were received from trustees (2024: donations from seven trustees £905).

21 Post Balance sheet event

On 29 July 2025, the charity successfully transferred its business as a going concern to CWPLUS (registered charity number 1169897). This strategic move ensures continuity of services and strengthens the charity's ability to deliver its mission under the stewardship of CWPLUS. All assets, liabilities, and ongoing operations were transferred under a binding transfer agreement in accordance with applicable regulations, safeguarding the interests of beneficiaries and stakeholders.

PAINTINGS IN HOSPITALS

England & Wales - Charity number 1065963

Accounts

Company number: 3450832
Registered Charity number: 1065963 (England & Wales)

paintings in hospitals

TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2024

PAINTINGS IN HOSPITALS

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PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2024

Patrons	Lord Browne of Madingley Rt Revd and Rt Hon The Lord Chartres – resigned 4 December 2023 Dr Richard Cork Andrew Hochhauser KC Roger Phillimore Dame Stephanie Shirley CH DBE The Rt Revd and Rt Hon Dame Sarah Mullally DBE, Bishop of London
Artist Patrons	Ian Davenport Anita Klein – from 10 May 2024 Sir Antony Gormley OBE Maggi Hambling CBE Bridget Riley CH CBE
Trustees	Prof Jane Anderson CBE - Chair Stephen Crampton-Hayward – resigned 31 October 2024 Prof Mary E Black – resigned 10 September 2024 Jeanette Grose – resigned 8 April 2024 Prof Marion Lynch Robert Milburn – Treasurer from 1 November 2024 Krishna Omkar – resigned 13 December 2023 Farha Quadri Patrick Bourne – appointed 13 December 2023 Amanda Pinto KC – appointed 13 December 2023 Catherine Vickery – appointed 13 December 2023
Company Secretary	Sandra Bruce-Gordon – resigned 4 November 2024 Stephen Crampton-Hayward – appointed 4 November 2024
Company number	3450832
Charity number	1065963 (England and Wales)
Registered office	North House 198 High Street Tonbridge Kent TN9 1BE
Executive Director	Sandra Bruce-Gordon FRSA – until 11 December 2024 Stephen Crampton-Hayward – Interim from 1 November 2024
Business address	Unit 11, Earlsfield Business Centre 9 Lydden Road London SW18 4LT

PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION *FOR THE YEAR ENDED 31 MARCH 2024*

Independent examiner	Samantha Wells FCA CTA Lindeyer Francis Ferguson Limited Chartered Accountants North House, 198 High Street Tonbridge Kent TN9 1BE
Principal Bankers	HSBC plc London Bridge Branch 28 Borough High Street London SE1 1YB
Legal Advisors	GQ Littler 21 Ironmonger Lane London EC2V 8EY

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees (who are also directors of the company for the purposes of the Companies Act) present their report and the financial statements of Paintings in Hospitals for the year ended 31 March 2024. The Reference and Administrative information on pages 1 and 2 forms part of this report.

The trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and 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 (FRS 102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

Objectives and Activities

The objects of the Charity are to use art and creative activities to improve the health, well-being and quality of life of persons suffering from addiction, illness, injury, disorder, or disability, including (without limitation) any disability or disorder on the autistic spectrum in any location or establishment where any such person is resident or in attendance or where any such person is in receipt of treatment, therapy, convalescence, training, education, or assistance.

In setting Paintings in Hospitals' objectives and planning its activities, the trustees have considered the Charity Commission's general guidance on public benefit as required in section 17 of the Charities Act 2011 and, in particular, its supplementary public benefit guidance on fee charging.

The work of Paintings in Hospitals is recognised by the Department of Health and Social Care, the Care Quality Commission (CQC), NHS England and NHS Wales. The charity's approach is based on a range of research and evidence, demonstrating the positive effects of displaying and creating visual arts in a wide range of health and social care settings.

Our charitable objects are primarily achieved through our art loans programme, which exists to help create person-centred care spaces that encourage, enrich and empower everyone who uses them. Experience over 65 years has allowed us to develop a unique collection of over 3,000 artworks. Our art ranges from paintings and drawings to sculptures and animations, some by the world's greatest artists. All types of health and social care sites can borrow art from our collection.

Structure, Governance and Management

Paintings in Hospitals was established by Trust Deed in 1959 and registered with the Charity Commission in May 1972. Our organisation is a charitable company, limited by guarantee and operates in accordance with its Articles of Association adopted on 16 October 1997 (as subsequently amended). The strategy and policies of the charity are agreed by the Board of Trustees and its operations are managed by the charity's Executive Director. Sandra Bruce Gordon stood down as Executive Director on 11 December 2024 and the trustees thank her for her service to the charity over nearly five years.

Trustees

The Charity is chaired by Professor Jane Anderson CBE. During the year, Stephen Crampton-Hayward was Vice Chair and Treasurer but he stood down as a trustee and from these roles on 31 October 2024 prior to becoming Interim Executive Director on 1 November 2024. There were several other trustee changes during the year and up to the date of this report, as set out on page 1. There are currently seven trustees. New trustees are recruited through an open and inclusive process having regard to the skills required at the time of recruitment.

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Board Committees

During the year there were three committees: Finance and General Purposes, Strategic Engagement and Equality, Diversity and Inclusion (EDI). In April 2024 it was agreed that the work of the EDI Committee would be included within the work of the other committees and at Board, and the EDI Committee was disbanded. Each committee is chaired by a nominated trustee and has a mix of skills, and its own terms of reference which are reviewed annually and signed-off by the Board. Oversight of fundraising activity was led by our former trustee Jeanette Grose who worked with the Executive Director and the charity's Fundraiser until her resignation as a trustee in April 2024. Fundraising is now overseen by the Finance & General Purposes Committee and at Board level.

Risk Management

The trustees have a regularly updated risk register and risk management processes which comprise:

- Annual review of all strategic risks by the Board of Trustees
- The establishment of systems and procedures to mitigate those risks
- The implementation of procedures to minimise any potential impact on Paintings in Hospitals, should any of those risks materialise.

This risk management work has identified a relatively small number of key risks, but ongoing review has resulted in improvements through the implementation of management and mitigation procedures and increased contingency planning. Both financial and non-financial risks are included in the register. The risk register was last reviewed by the Board in June 2024.

The most significant risks identified by the Trustees relate to the Charity's continuing viability in the face of:

1. Spending constraints imposed on the NHS by Government, which affect our ability to maintain and expand our artwork loan programme.
2. A significant tightening of philanthropic funding, particularly from trusts and foundations, which is being felt throughout the charity sector.
3. Increased costs following two years of high rates of inflation.

The charity has a significant asset base in the form of the artwork collection, which can be applied in support of its viability if necessary. Recent work on the collection has identified artworks that have rarely or never been out on loan to partners and where the subject matter is not suitable in a health and wellbeing setting. These have been deaccessioned from the collection and many of them have been sold during the year and subsequently in order to support the charity's financial position.

Achievements and Performance

We measure our success through the numbers of care partners we have; where we are working; who we are working with and the number of engagements we have with patients and staff. To enable care sites and their service users to get the most from our artworks, we offer creative activities that provide the knowledge and confidence to engage with visual art. These activities often involve service users choosing the artworks they want for display, giving them a say in their own care experiences and improving levels of wellbeing. At the end of March 2024 we had 118 live loans, with 103 care partners.

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Our Collection

At the end of March 2024, there were 3,403 artworks in our collection (2023: 3,679 artworks). Of these, some 1,800 were at the Earlsfield Business Centre or in external storage, many of which require funds for reframing and conservation. At the same date, there were 1,608 artworks on public display at either our showcase displays or our loan partner sites (2023: 1,631 artworks).

We continue to address the effectiveness of the collection, making it fit for purpose in the post pandemic era. As described above, where we have found that an artwork has not been placed with a care partner or is unlikely to be so because it is for whatever reason unsuitable, we have deaccessioned and sold them to assist the charity's financial resilience. In total, 84 artworks were deaccessioned in the year to 31 March 2024 (2023: 7 artworks) and 253 further artworks have been deaccessioned since 1 April 2024.

Fundraising

The charity relies on the generosity of trusts, foundations and individual donors to supplement its income from the artwork loan programme. In the year to 31 March 2024, we received grants of £81,000 (2023: £60,289) and donations of £48,949 (2023: £104,726).

Sixty-fifth Anniversary Year

Sponsored by our Patron Dame Sarah Mullally DBE, Bishop of London, we hosted an anniversary event in the House of Lords in January 2024 attended by those Lords who have an interest in the arts and creative health, MPs, partners across the NHS, Public Health officials and policy makers. The evening was a great celebration of the contribution and success of Paintings in Hospitals and resulted in financial donations, introductions and offers of assistance.

Financial Review

Paintings in Hospitals ended the year with a deficit of £124,434 (2023: deficit of £38,643).

Income for the year was £320,025 (2023: £363,138). This includes £27,780 (2023: £40,400) of income recognised as a result reclassifying certain previously donated artworks, which were not valued in the accounts, as current asset investments.

In addition, as described above, the charity has embarked on a programme to deaccession and, in most cases sell, a number of artworks which have not been and are highly unlikely to be displayed in hospitals and other care settings. In November 2023 the charity sold by auction a bronze sculpture (Leonardo's Dog II) by Dame Elisabeth Frink which raised £170,000 and gave a profit of £50,000 over its book value. Further artworks to a value of £65,750 were sold during the year, realising a net loss of £511. The total profit recognised in the year from such artwork sales was £49,489 (2023: £32,800).

Going concern

The trustees have prepared the financial statements on the going concern basis. Further details of the uncertainties in this regard are set out in note 1.1 on page 11.

Future Plans

The trustees recognise that the charity faces significant financial difficulties in that the income from its loan programme is not sufficient to cover its core operating costs. In an environment where other sources of income are less dependable than in the past, this means that annual operating deficits are likely to continue, and artwork sales cannot be relied upon to support the overall financial position of the charity in the longer term. Accordingly, the trustees are exploring other avenues, including seeking a merger partner charity to take over the loan programme and collection.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Investment Policy

The trustees invest funds that are surplus to the immediate needs of the charity in a pooled deposit account with CCLA that provides a high level of capital security and a competitive yield. Previously such funds were held in investment accounts, with investment gains and losses taken through the Statement of Financial Activities to unrestricted reserves. At 31 March 2024, we held no such funds in investment accounts (2023: £57,238).

Reserves

The aim of the trustees is to maintain a level of free, unrestricted reserves of around six months average annual expenditure that will enable Paintings in Hospitals to operate from a financial perspective with certainty and flexibility. At 31 March 2024 free unrestricted reserves (unrestricted funds less fixed assets) reduced to a surplus of £86,046 (2023: surplus of £225,195). This was significantly below the target level and the trustees are taking actions to address the situation, as described above under Future Plans (see also note 1.1 on page 11).

Patronage

We are particularly grateful to the unwavering support and guidance of all our Patrons. Our Patrons help us raise awareness, expand our national reach and advocate for all that we do. The trustees wish to express their thanks to Lord Chartres who stood down as a Patron during the year and were pleased to welcome Anita Klein as an Artist Patron in May 2024.

Our Thanks

We are extremely pleased to have received grants and donations from a number of individuals, trusts and foundations during the year. It is through the continued support of these generous people, donors and funders that we are able to benefit those most in need, through our work.

We are very grateful again to the entire staff team for their devotion and hard work throughout 2023/24. We are also grateful to many of the health and social care partners that benefit directly from our programmes, and who, through evaluation and feedback, help us to refine and improve them.

Statement of Trustees' responsibilities

This Trustees' report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The trustees (who are also the Directors of Paintings in Hospitals for the purposes of company law) are responsible for preparing a Trustees' annual report and accounts in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Company law requires the trustees to prepare financial statements for each financial year. Under that 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

- select suitable accountancy policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and estimates that are both prudent and reasonable;
- 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 charity will continue in operation.

The trustees are responsible for keeping accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any one time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are also responsible for the maintenance and integrity of financial information, including that on the updated website.

This report was approved by the trustees on 27 March 2025 and signed on their behalf by:

Prof Jane Anderson CBE
Chair

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF PAINTINGS IN HOSPITALS
FOR THE YEAR ENDED 31 MARCH 2024

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

In my opinion, in order to enable a proper understanding of the accounts to be reached, attention should be drawn to note 1.1 regarding material uncertainties over going concern.

I have no other concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Samantha Wells FCA CTA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House, 198 High Street, Tonbridge, Kent, TN9 1BE

Dated: 27 March 2025.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2024

		Restricted funds 2024	Unrestricted funds 2024	Total funds 2024	Total funds 2023
	Notes	£	£	£	£
Income from:					
Donations, grants and legacies	2	42,383	173,757	216,140	256,895
Charitable activities	3	-	101,885	101,885	103,304
Investments		-	2,000	2,000	2,939
Total income		42,383	277,642	320,025	363,138
Expenditure on:					
Raising funds	4	-	57,485	57,485	39,772
Charitable activities	5	26,584	359,520	386,104	398,664
Total expenditure		26,584	417,005	443,589	438,436
Net expenditure before tax	9	15,799	(139,363)	(123,564)	(75,298)
Corporation tax credit	16	-	-	-	42,509
Net losses on investments	11	-	(870)	(870)	(5,854)
Net movement in funds		15,799	(140,233)	(124,434)	(38,643)
Reconciliation of funds:					
Total funds brought forward:		22,597	227,154	249,751	288,394
Total funds carried forward	16	38,396	86,921	125,317	249,751

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		875		1,959
Investments	11		-		57,238
			875		59,197
Current assets					
Current asset investments	12	64,600		222,200	
Debtors	13	79,936		134,167	
Cash at bank and in hand		182,578		43,160	
		327,114		399,527	
Creditors: amounts falling due within one year	14	(145,201)		(137,688)	
Total assets less current liabilities			181,913		261,839
Creditors: amounts falling due in more than one year	15		(57,471)		(71,285)
Net assets			125,317		249,751
Charity funds					
Unrestricted funds	16		86,921		227,154
Restricted funds	16		38,396		22,597
Total funds			125,317		249,751

For the financial year ended 31 March 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 27 March 2025 and signed on their behalf by:

.....
Prof Jane Anderson CBE
Chair

.....
Robert Milburn
Treasurer

Company registration number: 3450832

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Paintings in Hospitals 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 note(s).

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Going concern

In preparing the financial statements the trustees have prepared a forecast of expected cash flows for the period to the end of March 2026. This forecast has been compiled on the basis that the loan programme continues to generate a steady income stream and that further sales of deaccessioned artworks are achieved. It also assumes that the charity's cost base remains largely unchanged.

On this basis, the forecast shows sufficient cash headroom throughout the forecast period. However, this headroom is reliant on the continuing receipt of annual tax credits from HMRC under the Museums and Galleries Exhibition Tax Relief provisions. If such tax credits are not received, the trustees will need to take other actions including accelerating the sale of artworks and making cost savings so as to maintain sufficient liquidity. Given the charity's significant asset base in the form of the artwork collection, the trustees are satisfied that these actions are achievable and that the charity can remain solvent throughout the forecast period. Accordingly, the trustees have continued to adopt the going concern basis of accounting.

Although tax credits have been received in respect of prior years, no further such amounts have been recognised in these financial statements because, despite a filing having been made with HMRC, the charity has not yet been notified whether and if so when the payment will be received.

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1.2 Company status

Paintings in Hospitals is a charitable company limited by guarantee incorporated in England and Wales. The address of the registered office is North House, 198 High Street, Tonbridge, Kent, TN9 1BE. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Income

Income from donations, grants and legacies is recognised when the charity has entitlement to the income, it is probable it will be received and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions which must be met before the charity is entitled to the funds. Legacies are recognised following the grant of probate when the executor of the estate has communicated in writing both the amount and settlement date. Donated services are recognised in the period in which they are utilised and are measured at their estimated fair value. Donated paintings are included in incoming and outgoing resources at an estimate of their value.

Loan programme income is apportioned over the period of the rental agreements. Income received in advance is accounted for as deferred income.

Income from other trading activities relates to art print sales and gift shop sales and is accounted for in the period in which the charity is entitled to receipt.

Investment income is recognised when it is receivable.

1.4 Expenditure

Expenditure is recognised on an accruals basis as incurred. Expenditure has been classified under headings that aggregate all costs related to the category.

Direct costs are those costs which are directly attributable to the charity's activities. Wages and salaries are allocated to direct costs based on the estimate of time spent on charitable activities by staff members.

Support costs are those costs relating to functions which assist the work of the charity but do not directly relate to its activity. Support costs are allocated to charitable activities on the basis of direct costs.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged so as to write off the cost less their residual values over their expected useful lives at the following annual rates:

Furniture and fittings	-	25%	Straight line
Computer expenditure	-	33%	Straight line

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1.6 Current asset investments

Current asset investments comprise artworks held for sale and are carried at their estimated realisable value, based on historical experience of the sales prices achieved on previous sales relative to the insurance valuations of those artworks. When such artworks are sold, a profit or loss is recognised for the difference between the carrying value and the proceeds.

1.7 Financial Instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.8 Fund accounting

The unrestricted funds can be spent on any activity within the charity's overall objectives. Restricted funds are those subject to specific conditions imposed by the donors. Expenditure which meets these criteria is allocated to the fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.9 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 Pension contributions

The charity makes defined contributions into employee private pension schemes. Contributions are charged to the statement of financial activities as they become payable.

2	Income from donations, grants and legacies	2024 £	2023 £
	Donations and grants	129,949	165,015
	Previously donated artworks	77,269	73,200
	Donated services	8,922	18,680
		216,140	256,895

Previously donated artworks valued at £27,780 (2023: £40,400) have been recognised during the year as a result of having been identified as available for sale and no longer part of the charity's collection. During the year 84 artworks were sold at auction at a profit of £49,489 (2023: seven at a profit of £32,800), leaving £64,600 carried as current asset investments at the year end (note 12) (2023: £222,200).

Donated services relate to the provision of IT software and consultancy services.

Income for restricted funds in the comparative period was £53,896.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3	Income from charitable activities	2024 £	2023 £
	Loan programme	95,780	98,319
	Other trading activities	6,105	4,985
		<u>101,885</u>	<u>103,304</u>

4	Expenditure on raising funds	2024 £	2023 £
	Costs of events	24,581	14,803
	Donations and grants	24,611	16,278
	Support costs (Note 7)	8,293	8,691
		<u>57,485</u>	<u>39,772</u>

Costs of events, donations and grants includes staff costs of £41,775 (2023: £27,862).

5	Expenditure on charitable activities	Direct costs 2024 £	Support Costs 2024 £	Total costs 2024 £	Total costs 2023 £
	Projects and programmes	37,715	8,292	46,007	43,235
	Loan programme	268,625	62,189	330,814	346,947
	Trading expenses	5,137	4,146	9,283	8,482
		<u>311,477</u>	<u>74,627</u>	<u>386,104</u>	<u>398,664</u>
		(Note 6)	(Note 7)		

Expenditure on restricted funds in the comparative period was £59,625.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6	Direct costs	<i>Total</i> 2024 £	<i>Total</i> 2023 £
	Staff costs	98,333	101,251
	Freelance and consultancy costs	68,085	97,460
	Collection management	8,718	6,098
	Picture transport	42,247	12,362
	Cost of projects	16,066	16,757
	Premises expenses	49,793	49,340
	Office costs	1,918	7,253
	Travel and accommodation	4,012	5,813
	Marketing and IT	20,768	20,128
	Other costs	995	3,440
	Depreciation	542	542
		<u>311,477</u>	<u>320,444</u>
7	Support costs	<i>Total</i> 2024 £	<i>Total</i> 2023 £
	Staff costs	48,488	38,697
	Premises expenses	3,036	3,046
	Office costs	165	840
	Travel and accommodation	238	4,086
	Other costs	2,603	8,513
	Loan Interest	7,181	9,200
	Other interest paid	468	-
	Depreciation	542	542
	Bad debts	112	2,952
	Accountancy and consultancy fees	12,711	13,573
	Governance costs:		
	Legal and professional fees	966	149
	Independent examination fees	6,410	5,313
		<u>82,920</u>	<u>86,911</u>
	Allocated to:		
	Raising funds	8,293	8,691
	Charitable activities	<u>74,627</u>	<u>78,220</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8 Staff costs

	2024	2023
	£	£
Wages and salaries	175,696	156,824
Social security costs	11,266	9,390
Pension costs	1,634	1,596
	<u>188,596</u>	<u>167,810</u>

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

	2024	2023
	No.	No.
Loan Programmes	1	1
Administrative	4	4
	<u>5</u>	<u>5</u>

No employee received remuneration amounting to more than £60,000 in either year.

No remuneration, other benefits or reimbursed expenses were paid to the Trustees for the year ended 31 March 2024 (2023: none).

Included in the above are settlement payments of £7,406 for one employee (2023: £nil).

9 Net expenditure

	2024	2023
	£	£
This is stated after charging:		
Independent examiner's remuneration	3,320	2,350
Independent examiner's remuneration for accountancy services	3,090	2,963
Depreciation	<u>1,084</u>	<u>1,083</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10 Tangible fixed assets

	<i>Furniture</i> £	<i>Equipment</i> £	<i>Total</i> £
Cost			
At 1 April 2023	3,175	2,312	5,487
At 31 March 2024	<u>3,175</u>	<u>2,312</u>	<u>5,487</u>
Depreciation			
At 1 April 2023	2,238	1,290	3,528
Charge for the year	314	770	1,084
At 31 March 2024	<u>2,552</u>	<u>2,060</u>	<u>4,612</u>
Net book value			
At 31 March 2024	<u>623</u>	<u>252</u>	<u>875</u>
At 31 March 2023	<u>937</u>	<u>1,022</u>	<u>1,959</u>

11 Investments

	2024 £	2023 £
Market Value		
At 1 April 2023	57,238	63,092
Disposals	(56,368)	-
Net losses on revaluation	(870)	(5,854)
At 31 March 2024	<u>-</u>	<u>57,238</u>

Investments were held in UK deposit funds or fixed interest bond funds.

12 Current asset investments

	2024 £	2023 £
Artworks held for sale	<u>64,600</u>	<u>222,200</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13 Debtors

	2024 £	2023 £
Trade debtors	36,985	66,575
Prepayments and accrued income	35,011	17,471
Other debtors	7,940	50,121
	<u>79,936</u>	<u>134,167</u>

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Rentals of paintings in advance	84,587	80,422
Cultural Impact Development loan	29,577	30,326
Accruals and other creditors	26,679	22,819
Taxation and social security	4,358	4,121
	<u>145,201</u>	<u>137,688</u>

Deferred income relates to income for loan programmes received in advance. The movement is as follows:

	2024 £	2023 £
Deferred income brought forward	80,422	82,197
Released during the year	(80,422)	(82,197)
Arising in the current year	84,587	80,422
	<u>84,587</u>	<u>80,422</u>

15 Creditors: amounts falling due after one year

	2024 £	2023 £
Cultural Impact Development loan	57,471	71,285
	<u>57,471</u>	<u>71,285</u>

The loan bears interest of 7.8% and is for a term of 5 years, with repayments having commenced in May 2022. The loan is unsecured.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16 Statement of funds

<i>Current year</i>	<i>Brought forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Other gains/ (losses)</i> £	<i>Carried forward</i> £
Unrestricted funds					
General fund	227,154	277,642	(417,005)	(870)	86,921
Restricted funds					
Burdett Trust	3,197	-	(3,197)	-	-
South Wales Care Home Project	9,400	-	(9,400)	-	-
Jerwood Foundation	10,000	10,000	(4,187)	-	15,813
National Arts Collection	-	30,383	(9,800)	-	20,583
Finnis Scott	-	2,000	-	-	2,000
Total restricted funds	22,597	42,383	(26,584)	-	38,396
Total funds	249,751	320,025	(443,589)	(870)	125,317

Other gains and losses above relate to a loss on the revaluation of investments of £870.

Funding was received for the Burdett Trust Project which is to improve nurses mental health and wellbeing through online learning. £3,197 has been expensed in the year and the project is now complete.

The South Wales Care Home Project aimed to provide long term artwork loans and associated activities to three care home or community settings across South Wales. Do to a resurgence of Covid-19 in the latter half of 2021 the project was postponed and was delivered in the Summer of 2023.

The Jerwood Foundation awarded a grant of £10,000 each year for two years to conserve and frame artwork within the charity's collection. Significant artworks will be selected with prioritisation being on works that can be placed immediately within partner sites. £4,187 has been expensed in the year.

The National Arts Collection awarded a grant of £30,383 towards engaging a freelance Impact and Evaluation Consultant over a 15 month period to support staff. This Consultant began work in October 2023 at a cost of £9,800 for the year.

Finnis Scott awarded a grant of £2,000 to assist with the costs of the rationalisation of storage space. Work on this began in April 2024 so no costs were incurred in the financial year.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16 Statement of funds (continued)

<i>Prior year</i>	<i>Brought forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Other gains/ (losses)</i> £	<i>Carried forward</i> £
Unrestricted funds					
General fund	260,158	309,152	(378,811)	36,655	227,154
Restricted funds					
Burdett Trust	11,612	-	(8,415)	-	3,197
OASIS Project	7,224	-	(7,224)	-	-
South Wales Care Homes	9,400	-	-	-	9,400
Art Meets Book	-	43,986	(43,986)	-	-
Jerwood Foundation	-	10,000	-	-	10,000
Total restricted funds	28,236	53,986	(59,625)	-	22,597
Total funds	288,394	363,138	(438,436)	36,655	249,751

Other gains and losses above relates to a claim for a tax credit for the Museums and Galleries Exhibition Tax Relief of £42,509 for the year ended 31 March 2022 and a loss on the revaluation of investments of £5,854.

17 Analysis of net assets between funds

	<i>Restricted funds</i> <i>2024</i> £	<i>Unrestricted funds</i> <i>2024</i> £	<i>Total funds</i> <i>2024</i> £	<i>Total funds</i> <i>2023</i> £
Fixed assets	-	875	875	59,197
Current assets	38,396	288,718	327,114	399,527
Liabilities	-	(202,672)	(202,672)	(208,973)
	38,396	86,921	125,317	249,751

Total funds for 2023 included restricted funds of £22,597.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

18 Paintings

The charity's loan collection is not reflected in these accounts as, in the opinion of the Trustees, it is neither practical nor beneficial to reflect the true value of the collection. At 31 March 2024 the total collection, which includes lent, purchased and donated artworks, comprised 3,403 works of art. These are insured on a first loss basis for £2.9 million, although they would most likely realise less than this if sold on the open market. Movements on the number of artworks and insured values over the past 5 years are as follows:

	2024	31 March 2023	2022	31 December 2020	2019
Number of artworks	3,403	3,679	3,691	3,730	3,857
Insured value	£2.9m	£3.5m	£3.6m	£3.8m	£4.0m

19 Related party transactions

The charity's key management personnel are the trustees and the Executive Director. Total employee benefits, including employer's pension contributions and employer's National Insurance, in respect of key management personnel were £59,943 (2023: £62,427). No employee benefits are payable to the trustees.

One trustee was paid £490 for travel expenses (2023: £3,000 for freelance work and £1,831 for travel.) Donations of £905 were received from seven trustees (2023: £Nil) and £790 from the Executive Director (2023: £Nil.)

There are no further related party transactions to disclose.

PAINTINGS IN HOSPITALS

England & Wales - Charity number 1065963

Accounts

Company number: 3450832
Registered Charity number: 1065963 (England & Wales)

paintings in hospitals

TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2023

PAINTINGS IN HOSPITALS

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PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

Royal Patron	The former Prince of Wales
Patrons	Lord Browne of Madingley Rt Revd and Rt Hon The Lord Chartres Dr Richard Cork Andrew Hochhauser KC Roger Phillimore Dame Stephanie Shirley CH DBE The Rt Revd and Rt Hon Dame Sarah Mullally DBE, Bishop of London
Artist Patrons	Ian Davenport Sir Antony Gormley OBE Maggi Hambling CBE Bridget Riley CH CBE
Trustees	Andrew Hochhauser KC – Chair (resigned 31 January 2023) Prof Jane Anderson CBE (appointed 7 December 2022 - Chair from 1 February 2023) Stephen Crampton-Hayward – Treasurer and Vice Chair Prof Mary E Black David Cleaton-Roberts (resigned 26 October 2022) Jeanette Grose Prof Marion Lynch Robert Milburn Krishna Omkar Farha Quadri Tim Reeve (resigned 26 October 2022)
Company number	3450832
Charity number	1065963 (England and Wales)
Registered office	North House 198 High Street Tonbridge Kent TN9 1BE
Executive Director	Sandra Bruce-Gordon FRSA
Business address	Unit 11, Earlsfield Business Centre 9 Lydden Road London SW18 4LT

PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

Independent examiner	Samantha Wells FCA CTA Lindeyer Francis Ferguson Limited Chartered Accountants North House, 198 High Street Tonbridge Kent TN9 1BE
Principal Bankers	HSBC plc London Bridge Branch 28 Borough High Street London SE1 1YB
Legal Advisors	GQ Littler 21 Ironmonger Lane London EC2V 8EY J P C Law Omni House, 252 Belsize Road, London NW6 4BT

The trustees (who are also directors of the company for the purposes of the Companies Act) present their report and the financial statements of Paintings in Hospitals for the year ended 31 March 2023. The Reference and Administrative information on page 1 forms part of this report.

The trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and 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 (FRS 102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

Objectives and Activities

The objects of the Charity are to use art and creative activities to improve the health, well-being and quality of life of persons suffering from addiction, illness, injury, disorder, or disability, including (without limitation) any disability or disorder on the autistic spectrum in any location or establishment where any such person is resident or in attendance or where any such person is in receipt of treatment, therapy, convalescence, training, education, or assistance.

The charity's three-year business plan has the following objectives:

1. To support the design and implementation of high-quality arts interventions.
2. To work toward the development of public awareness of the benefits for health through engaging with the arts.
3. To identify and remove barriers to accessing the arts, including among older adults, people with mental ill health, people of lower socioeconomic status, members of ethnic or other minorities, people with a health condition or disability and people living in geographically isolated areas.
4. To facilitate the development of partnerships and partner working between the health, social care, and arts sectors.
5. To develop training, resources and guidelines that support collaboration between the arts and health sectors.
6. To incorporate evidence on the health benefits of the arts into relevant policy documents.

In setting Paintings in Hospitals' objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit as required in section 17 of the Charities Act 2011 and, in particular, its supplementary public benefit guidance on fee charging.

The work of Paintings in Hospitals is recognised by the Department of Health and Social Care, the Care Quality Commission (CQC), NHS England and NHS Wales. Paintings in Hospitals is the Health Partner of the Arts Council Collection and works with a number of national galleries and museums. The charity's approach is based on a range of research and evidence, demonstrating the positive effects of displaying and creating visual arts in a wide range of health and social care settings.

Our charitable objects are primarily achieved through our art loans programme, which exists to help create person-centred care spaces that encourage, enrich and empower everyone who uses them. Over 60 years of experience has allowed us to develop a unique collection of over 3,000 artworks. Our art ranges from paintings and drawings to sculptures and animations, some by the world's greatest artists. All types of health and social care sites can borrow art from our collection.

To enable care sites and their service users to get the most from our artworks, we offer creative activities that provide the knowledge and confidence to engage with visual art. These activities often involve service users choosing the artworks they want for display, giving them a say in their own care experiences and improving levels of wellbeing.

We measure our success through the numbers of care partners we have; where we are working; who we are working with and the number of engagements with patients and staff we have.

This in turn feeds into our Theory of Change and Impact Development Plan agreed with Nesta in August 2022. We measure Business Plan performance through financial and non-financial objectives these include:

- Implementing and resourcing our digital strategy
- Digitising our collection
- Offering high quality engagement activities
- The amount of income received from our Loan programme
- The amount of income received from grants and donations

Structure, Governance and Management

Paintings in Hospitals was established by Trust Deed in 1959 and registered with the Charity Commission in May 1972. Our organisation is a charitable company, limited by guarantee and operates in accordance with its articles of association adopted on 24 April 2019. The strategy and policies of the charity are agreed by the Board of Trustees and its operations are managed by the charity's Executive Director.

Trustees

The Charity was Chaired by Andrew Hochhauser KC who stood down and resigned at the end of January 2023. The Board of Trustees embarked on a full recruitment process to identify his successor and Professor Jane Anderson CBE was appointed in December 2022 and commenced the Chair role on 1 February 2023. Stephen Crampton-Hayward is Vice Chair and Treasurer. There are currently eight Trustees. Two Trustees, David Cleaton-Roberts and Tim Reeve, resigned in October 2022.

There are three committees; Finance and General Purposes, Strategic Engagement and Equality, Diversity and Inclusion. Each is Chaired by a nominated trustee and has a mix of skills, and its own Terms of Reference which are reviewed annually and signed-off by the Board. Oversight of fundraising activity is led by our Trustee Jeanette Grose who works with the Executive Director and the charity's Fundraiser. Quarterly fundraising reports are tabled at Board meetings.

Risk Management and Fraud

The trustees have a regularly updated Risk Register and risk management processes which comprise:

- Annual review of all strategic risks by the full Board of Trustees
- The establishment of systems and procedures to mitigate those risks
- The implementation of procedures to minimise any potential impact on Paintings in Hospitals, should any of those risks materialise.

This risk management work has identified a relatively small number of key risks, but ongoing review has resulted in improvements through the implementation of management and mitigation procedures and

increased contingency planning. Both financial and non-financial risks are included in the register. The risk register was last reviewed by the Board in September 2023.

The three most significant risks identified are as follows:

1. Failure to achieve the financial performance levels set out in the Business Plan, which could put at risk the future viability of the charity. To mitigate against this risk the trustees review performance on a quarterly basis and are actively seeking to diversify the charity's sources of income. The charity also has a significant asset base (in the form of the collection) which could be applied in support of its viability if necessary. Recent work on the collection has identified that some artworks have never been out on loan to partners and the subject matter is not suitable in a health and wellbeing setting. We have now identified a 'working collection', those artworks that underpin our charitable objectives. The remainder of the artworks have been identified as potential sale items and several have been sold subsequently.
2. The loss of key members of staff which would cause dislocation to the charity's operations in the short and medium term while suitable replacements were found. The charity has recently carried out a restructure of its workforce with a view to improving morale and motivation and is in the process of recruiting a number of new or enhanced roles.
3. The inherent risk of working within the NHS environment at the current time given the strains on the sector from the coronavirus pandemic, budget constraints and resourcing and the current general economic environment. Given its objectives, the charity tolerates this risk but seeks to monitor the situation and respond appropriately to any changes, both adverse and favourable.

Achievements and Performance

We partnered with social enterprise Better and collaborated on the Art Meets Book project, designed to bring art exhibitions and workshops to communities in London and the West Midlands via local libraries. The project was supported using public funding by the National Lottery through Arts Council England. By bringing art into the heart of these communities, the Art Meets Book project was designed to improve the health and wellbeing of local people adversely affected by the Covid-19 pandemic. Art Meets Book aims to increase equity of access to art and to use art therapeutically to maximise wellbeing, provide new experiences, and stimulate open discussions. The project successfully engaged 49 participants most of whom were from diverse ethnic backgrounds. Many had not previously visited an art gallery or museum, an experience shared by people from disadvantaged socio-economic backgrounds. The project also met participants' need for social connections and friendships and contributed to relieving isolation. Siting the project in libraries facilitated engagement for the targeted groups, as these were seen as safe and accessible places. The project also engaged with 23 primary school children. A co-production approach from the Painting in Hospitals's project leads and storyteller was essential in making the children feel supported and valued, as was the public display in the library at the end of the project of their artworks and feedback.

The OASIS project was created to ease social isolation and loneliness at home by connecting participants with new art, creative activities, and communities of like-minded people. Beginning in early 2022, the OASIS project aimed to place meaningful artworks, specially produced by artists for individuals, directly into people's homes and to enable eligible participants to make new social connections through a range of guided conversations and group activities. Initially launched in the Guildford and Waverley area,

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

OASIS is a way for people battling with social isolation and loneliness to get together to explore new creative and cultural experiences, while lending a supportive ear or offering advice to others experiencing similar struggles. The OASIS pilot project also aimed to enrich the lives of people with life-limiting conditions through art and creative engagement, in a unique partnership between Paintings in Hospitals and Sue Ryder. It involved pairing befriending volunteers with remote day patients. Participants reported that the sessions had improved their mood & feelings at the time. Participants were facing some existential issues potentially affecting them deeply emotionally. Engagement in the process gave them some space to take their minds off this, and although this was temporary, it provided a welcome relief: *'Doing something different, gave me a chance to concentrate and try something new. Time flew by and conversation flowed easily whilst we were working.'*

Our I'm Fine Project designed to improve nurses' mental health and wellbeing through images, online learning, and a comprehensive learning resource publication completed in 2022 with our Trustee Marion Lynch who led the project and our Executive Director invited to present the outcomes from the project to the International Congress of Nurses in Montreal in July 2023.

In January 2023 the charity published the book 'Lifting the Clouds' this marked the work of the outgoing Chair Andrew Hochhauser KC and showcased works from the collection together with statements of the impact to individuals from our work. Compiled by our Executive Director and with a Foreword by our Patron Dr Richard Cork, art historian and art critic, it is now being widely used to recruit new friends and supporters.

We also commissioned a short film 'Power of a Painting' again showcasing the charity's work and in particular our new engagement activities. The film features participants from our projects and there are contributions from artists Anita Klein and Sue Arrowsmith. The film was shortlisted for the 'Best Charity Film – Small' category at the 2023 Third Sector Awards.

Our Collection

At the end of March 2023, there were 3,679 artworks in our Collection. Of these, some 1,500 were at the Earlsfield Business Centre or in external storage, many of which require funds for reframing and conservation. At the end of March 2023, there were 1,631 artworks on public display at either our showcase displays or our loan partner sites (2022: 2,195 artworks).

Project Felicitous continues aiming to address the effectiveness of the collection, making it fit for purpose in a new modern post pandemic era. Where we have found that an artwork has not been placed with a care partner or is unlikely to be so because it is for whatever reason unsuitable, we have begun to sell the works to assist the charity's financial resilience. Sotheby's and Bonhams have provided strong advice as to placing work and its possible value. In total, 23 further artworks were deaccessioned in the year to 31 March 2023 and 77 further artworks have been deaccessioned since 1 April 2023.

Communications and public engagement

As the team now has additional capacity in marcomms with a digital marketing and communications assistant who commenced in June 2023, we have increased our social media output as well as our online web content and PR. As a result, our social media following is now 3,900 followers on Instagram, 4,800 followers on Facebook and 12,600 followers on X (formerly Twitter.)

Fundraising

In 2023 we became a charity partner of eBay, and our shop went live. Our merchandise includes prints that were given to the charity for sale, and these include works by Chloe Cheese, Peter Blake, John

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Hoyland and Norman Ackroyd. Some of our deaccessioned artwork is also featured and we will be developing or merchandise range to include cards. We are delighted to have received permissions to use artwork from our collection by the artists.

In support of Paintings in Hospitals, much-loved and revered artist Anita Klein has created a specially designed artwork, a limited edition of 30 prints which show 'Women on the Beach' a beautiful story and a reflection upon those special moments in life that make memories. All proceeds from the sale will be given to the charity. Anita Klein exhibits her paintings and prints regularly with Eames Fine Art London and has her work in public collections including the British Museum, Victoria and Albert Museum and Arts Council England.

Financial Results

Paintings in Hospitals ended the year with a deficit of £38,643 (2022 15 months: surplus of £187,584).

Income for the year was £363,138 (2022 15 months: £593,854). This includes £40,400 (2022: £262,500) of income recognised as a result reclassifying certain previously donated artworks, which were not valued in the accounts, as current asset investments. Subsequent to this, seven artworks were sold at auction raising £85,500 in total and it is the Trustees intention that further such sales will take place over future years. The charity also benefited from a tax credit of £42,509 (2022: £25,478) under the Museums and Galleries Exhibition Tax Relief provisions.

As described above, the charity has embarked on a programme to deaccession and, in most cases sell, a number of artworks which have not been and are highly unlikely to be displayed in hospitals and other care settings. This includes selling all our sculptures as these cannot be displayed safely and cost-effectively, and in November 2023 we sold at auction a sculpture by Dame Elisabeth Frink for £170,000. The sculpture was carried in our balance sheet at 31 March 2023 at £120,000 and the profit on sale of £50,000 will be included in the accounts for the year to 31 March 2024. We are grateful to our Patron Dame Stephanie Shirley who gifted the sculpture to us in 2012 and to Prior's Court School, Thatcham, Berkshire in whose care it has been since then. The funds raised from this and the sale of other artworks will help ensure the sustainability of the charity for the foreseeable future.

Investment Policy

The trustees invested funds that are surplus to the immediate needs of the charity in investments that generate reasonable rates of return whilst minimising the risk of loss. Investment gains and losses are taken through the Statement of Financial Activities to unrestricted reserves. At 31 March 2023, our investments had a market value of £57,238 (2022: £63,092).

We are proud that the charity uses ethical investment vehicles. For any future changes to our investments, such as moving to a new service, the charity would assess the social, environmental, and ethical considerations of the investing organisation as well as the likely returns.

Reserves

The aim of the trustees is to maintain a level of free, unrestricted reserves of or around six months average annual expenditure that will enable Paintings in Hospitals to operate from a financial perspective with certainty and flexibility. At 31 March 2023 free unrestricted reserves (unrestricted funds less fixed assets) decreased to a surplus of £225,195 (2022: surplus of £258,841). The charity's cash position decreased by 68% to £43,160 (2022: £136,541).

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Business Plan

Our three-year business plan authored in 2020 and agreed by the Board of Trustees in December of that year set out clearly the challenges facing the charity; the biggest of those was accepted as being a lack of funding and therefore poor financial resilience and sustainability with the knock-on effect that the charity did not have the capacity to deliver on opportunities and turn weaknesses into strengths. Written at the time of the first lock down the charity considered the severe health, social, economic and political consequences of the pandemic which highlighted flaws in systems and thinking, and the strengths in our communities and creativity. The business plan also took into consideration the need to maintain relevance and to emerge stronger and more fit for purpose. In reviewing the progress of the plan in years one and two we recognise like all good plans, ours has changed and developed and sometimes the objectives have been delivered in different ways as we reacted or were proactive to changes in situations internal and external. We have made significant progress toward delivery of our new objectives combined with a robust evaluation of projects, we are now in an excellent position to realign the charity to continue to deliver impact from visual art on health and wellbeing. As we approach our 65th Anniversary in 2024 there is a renewed sense of purpose as we use our learning from the last three years to drive the charity forward.

Patronage

We are particularly grateful to the unwavering support and guidance of all our Patrons. Our Patrons help us raise awareness, expand our national reach and advocate for all that we do. Our thanks go to Edmund de Waal CBE who stood down as an Artist Patron during the year, and we were pleased to welcome our out-going Chair, Andrew Hochhauser, as a Patron from February 2023.

Our Thanks

We are extremely pleased to have received grants and donations from a number of individuals, trusts and foundations during the year. It is through the continued support of these generous people, donors and funders that we are able to benefit those most in need, through our work.

We are very grateful again to the entire staff team for their devotion and hard work throughout 2022/23. We are also grateful to many of the health and social care partners that benefit directly from our programmes, and who, through evaluation and feedback, help us to refine and improve them.

Statement of Trustees' responsibilities

This Trustees' report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The trustees (who are also the Directors of Paintings in Hospitals for the purposes of company law) are responsible for preparing a Trustees' annual report and accounts in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Company law requires the trustees to prepare financial statements for each financial year. Under that 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

- select suitable accountancy policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and estimates that are both prudent and reasonable;
- 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 charity will continue in operation.

The trustees are responsible for keeping accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any one time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are also responsible for the maintenance and integrity of financial information, including that on the updated website.

This report was approved by the trustees on 13 December 2023 and signed on their behalf by:

Prof Jane Anderson CBE
Chair

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF PAINTINGS IN HOSPITALS
FOR THE YEAR ENDED 31 MARCH 2023

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Samantha Wells FCA CTA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent TN9 1BE

Dated: 18 December 2023

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2023

		Restricted funds	Unrestricted funds	Total funds	Total funds
		Year ended 31 March 2023	Year ended 31 March 2023	Year ended 31 March 2023	Period ended 31 March 2022
Notes		£	£	£	£
Income from:					
Donations, grants and legacies	2	53,986	202,909	256,895	424,331
Charitable activities	3	-	103,304	103,304	142,391
Other trading activities	4	-	-	-	24,888
Investments		-	2,939	2,939	2,244
Total income		53,986	309,152	363,138	593,854
Expenditure on:					
Raising funds	5	-	39,772	39,772	24,671
Charitable activities	6	59,625	339,039	398,664	401,694
Total expenditure		59,625	378,811	438,436	426,365
Net (expenditure)/income before tax	10	(5,639)	(69,659)	(75,298)	167,489
Corporation tax credit	17	-	42,509	42,509	25,478
Net losses on investments	12	-	(5,854)	(5,854)	(5,383)
Net movement in funds		(5,639)	(33,004)	(38,643)	187,584
Reconciliation of funds:					
Total funds brought forward:		28,236	260,158	288,394	100,810
Total funds carried forward	17	22,597	227,154	249,751	288,394

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		1,959		1,317
Investments	12		57,238		63,092
			<u>59,197</u>		<u>64,409</u>
Current assets					
Current asset investments	13	222,200		234,500	
Debtors	14	134,167		79,749	
Cash at bank and in hand		43,160		136,541	
		<u>399,527</u>		<u>450,790</u>	
Creditors: amounts falling due within one year	15	(137,688)		(125,041)	
Total assets less current liabilities			261,839		325,749
Creditors: amounts falling due in more than one year	16		(71,285)		(101,764)
Net assets			<u>249,751</u>		<u>288,394</u>
Charity funds					
Unrestricted funds	17		227,154		260,158
Restricted funds	17		22,597		28,236
Total funds			<u>249,751</u>		<u>288,394</u>

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 13 December 2023 and signed on their behalf by:

.....
Prof Jane Anderson CBE
Chair

.....
Stephen Crampton-Hayward
Treasurer

Company registration number: 3450832

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Paintings in Hospitals 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 note(s).

The financial statements are presented in pounds sterling and rounded to the nearest pound.

In preparing the financial statements the trustees have prepared an in-depth analysis of cashflow. This forecasts income and expenditure on a monthly basis. As such it shows that the charity is financially secure in the short to medium term. In addition the Trustees have agreed the sale of artworks which have never been used for the charitable purposes and which are assessed as unlikely to do so; this has become a significant income stream for the charity. The financial targets within the Business Plan for year 2 have been met and the core activity of loaning work for exhibition continues to be steady with new enquiries coming in. We therefore have continued to adopt the going concern basis of accounting.

The comparative amounts in the financial statements are for the 15 month period to the 31st March 2022.

1.2 Company status

Paintings in Hospitals is a charitable company limited by guarantee incorporated in England and Wales. The address of the registered office is North House, 198 High Street, Tonbridge, Kent, TN9 1BE. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1.3 Income

Income from donations, grants and legacies is recognised when the charity has entitlement to the income, it is probable it will be received and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions which must be met before the charity is entitled to the funds. Legacies are recognised following the grant of probate when the executor of the estate has communicated in writing both the amount and settlement date. Donated services are recognised in the period in which they are utilised and are measured at their estimated fair value.

Income from loan programmes is apportioned over the period of the rental agreements. Income received in advance is accounted for as deferred income.

Donated paintings are included in incoming and outgoing resources at an estimate of their value.

Income from other trading activities relates to fundraising, Patrons Circle art print sales and gift shop sales. Fundraising income and art print sales are accounted for in the period in which the charity is entitled to receipt.

Investment income is recognised when it is receivable.

1.4 Expenditure

Expenditure is recognised on an accruals basis as incurred. Expenditure has been classified under headings that aggregate all costs related to the category.

Direct costs are those costs which are directly attributable to the charity's activities. Wages and salaries are allocated to direct costs based on the estimate of time spent on charitable activities by staff members.

Support costs are those costs relating to functions which assist the work of the charity but do not directly relate to its activity. Support costs are allocated to charitable activities on the basis of direct costs.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged so as to write off the cost less their residual values over their expected useful lives at the following annual rates:

Furniture and fittings	-	25%	Straight line
Computer expenditure	-	33%	Straight line

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1.6 Current asset investments

Current asset investments comprise artworks held for sale and are carried at their estimated realisable value, based on historical experience of the sales prices achieved on previous sales relative to the insurance valuations of those artworks.

1.7 Financial Instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.8 Fund accounting

The unrestricted funds can be spent on any activity within the charity's overall objectives. Restricted funds are those subject to specific conditions imposed by the donors. Expenditure which meets these criteria is allocated to the fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.9 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 Pension contributions

The charity makes defined contributions into employee private pension schemes. Contributions are charged to the statement of financial activities as they become payable.

2	Income from donations, grants and legacies	2023 £	2022 £
	Donations and grants	165,015	150,866
	Previously donated artworks	73,200	262,500
	Donated services	18,680	10,965
		<u>256,895</u>	<u>424,331</u>

Previously donated artworks valued at £40,400 have been recognised during the year as a result of having been identified as available for sale and no longer part of the charity's collection. During the year seven of the artworks were sold at auction at a profit of £32,800, leaving £222,200 carried as current asset investments at the year end (note 13).

Donated services relate to the provision of IT software and consultancy services.

Income for restricted funds in the comparative period was £39,400.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3	Income from charitable activities	2023 £	2022 £
	Loan programme	98,319	129,186
	Gift shop sales	4,985	13,205
		<u>103,304</u>	<u>142,391</u>
4	Other trading activities	2023 £	2022 £
	Fundraising events and Patrons Circle	-	24,888
		<u>-</u>	<u>24,888</u>
5	Expenditure on raising funds	2023 £	2022 £
	Costs of events	14,803	7,337
	Donations and grants	16,278	9,251
	Support costs (Note 8)	8,691	8,083
		<u>39,772</u>	<u>24,671</u>

Costs of events, donations and grants includes staff costs of £27,862 (2022: £12,596).

6	Expenditure on charitable activities	<i>Direct costs 2023 £</i>	<i>Support Costs 2023 £</i>	<i>Total costs 2023 £</i>	<i>Total costs 2022 £</i>
	Projects and programmes	34,544	8,691	43,235	21,793
	Loan programme	281,764	65,183	346,947	371,329
	Trading expenses	4,136	4,346	8,482	8,572
		<u>320,444</u>	<u>78,220</u>	<u>398,664</u>	<u>401,694</u>
		(Note 7)	(Note 8)		

Expenditure on restricted funds in the comparative period was £11,164.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7	Direct costs	<i>Total</i> 2023 £	<i>Total</i> 2022 £
	Staff costs	101,251	170,045
	Freelance and consultancy costs	97,460	55,128
	Volunteer expenses	-	21
	Collection management	6,098	13,891
	Picture transport	12,362	18,021
	Cost of projects	16,757	-
	Premises expenses	49,340	62,748
	Office costs	7,253	2,774
	Travel and accommodation	5,813	1,848
	Marketing and IT	20,128	30,092
	Other costs	3,440	984
	Depreciation	542	344
		<u>320,444</u>	<u>355,896</u>
8	Support costs	<i>Total</i> 2023 £	<i>Total</i> 2022 £
	Staff costs	38,697	27,291
	Volunteer expenses	-	1
	Premises expenses	3,046	3,303
	Office costs	840	173
	Travel and accommodation	4,086	109
	Other costs	8,513	3,939
	Loan Interest	9,200	3,726
	Depreciation	542	344
	Bad debts	2,952	5,770
	Accountancy and consultancy fees	13,573	4,681
	<i>Governance costs:</i>		
	Legal and professional fees	149	799
	Independent examination fees	5,313	3,745
		<u>86,911</u>	<u>53,881</u>
	<i>Allocated to:</i>		
	Raising funds	8,691	8,083
	Charitable activities	<u>78,220</u>	<u>45,798</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9 Staff costs

	2023	2022
	£	£
Wages and salaries	156,824	196,220
Social security costs	9,390	11,335
Pension costs	1,596	2,377
	<u>167,810</u>	<u>209,932</u>

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

	2023	2022
	No.	No.
Loan Programmes	1	3
Administrative	4	3
	<u>5</u>	<u>6</u>

No employee received remuneration amounting to more than £60,000 in either year.

No remuneration, other benefits or reimbursed expenses were paid to the Trustees for the year ended 31 March 2023 (2022: none).

10 Net expenditure

	2023	2022
	£	£
This is stated after charging:		
Independent examiner's remuneration	2,350	2,245
Independent examiner's remuneration for accountancy services	2,963	1,500
Depreciation	<u>1,083</u>	<u>687</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets

	<i>Furniture</i> £	<i>Equipment</i> £	<i>Total</i> £
Cost			
At 1 April 2022	1,925	1,837	3,762
Additions in the year	1,250	475	1,725
At 31 March 2023	<u>3,175</u>	<u>2,312</u>	<u>5,487</u>
Depreciation			
At 1 April 2022	1,925	520	2,445
Charge for the year	313	770	1,083
At 31 March 2023	<u>2,238</u>	<u>1,290</u>	<u>3,528</u>
Net book value			
At 31 March 2023	<u>937</u>	<u>1,022</u>	<u>1,959</u>
At 31 March 2022	<u>-</u>	<u>1,317</u>	<u>1,317</u>

12 Investments

	<i>2023</i> £	<i>2022</i> £
Market Value		
At 1 April 2022	63,092	107,924
Disposals	-	(39,449)
Net losses on revaluation	(5,854)	(5,383)
At 31 March 2023	<u>57,238</u>	<u>63,092</u>

Investments are held in UK deposit funds or fixed interest bond funds.

13 Current asset investments

	<i>2023</i> £	<i>2022</i> £
Artworks held for sale	<u>222,200</u>	<u>234,500</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14 Debtors

	2023 £	2022 £
Trade debtors	66,575	41,788
Prepayments and accrued income	17,471	6,633
Other debtors	50,121	31,328
	<u>134,167</u>	<u>79,749</u>

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Rentals of paintings in advance	80,422	82,197
Nesta Cultural Impact Development loan	30,326	25,736
Accruals and other creditors	22,819	14,291
Taxation and social security	4,121	2,817
	<u>137,688</u>	<u>125,041</u>

Deferred income relates to income for loan programmes received in advance. The movement is as follows:

	2023 £	2022 £
Deferred income brought forward	82,197	95,408
Released during the year	(82,197)	(95,408)
Arising in the current year	80,422	82,197
Deferred income carried forward	<u>80,422</u>	<u>82,197</u>

16 Creditors: amounts falling due after one year

	2023 £	2022 £
Nesta Cultural Impact Development loan	71,285	101,764
	<u>71,285</u>	<u>101,764</u>

The loan bears interest of 7.8% and is for a term of 5 years, with repayments having commenced in May 2022. The loan is unsecured.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17 Statement of funds

<i>Current year</i>	<i>Brought forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Other gains/ (losses)</i> £	<i>Carried forward</i> £
Unrestricted funds					
General fund	260,158	309,152	(378,811)	36,655	227,154
Restricted funds					
Burdett Trust	11,612	-	(8,415)	-	3,197
OASIS Project	7,224	-	(7,224)	-	-
South Wales Care Homes	9,400	-	-	-	9,400
Art Meets Book	-	43,986	(43,986)	-	-
Jerwood Foundation	-	10,000	-	-	10,000
Total restricted funds	28,236	53,986	(59,625)	-	22,597
Total funds	288,394	363,138	(438,436)	36,655	249,751

Other gains and losses above relates to a claim for a tax credit for the Museums and Galleries, Exhibition Tax Relief of £42,509 for the year ended 31 March 2023 and a loss on the revaluation of investments of £5,854.

Funding was received for the Burdett Trust Project which is to improve nurses mental health and wellbeing through online learning. £8,415 has been expensed in the year.

The OASIS Project is to help enrich the lives of socially isolated individuals through art and creative engagement. This Project was completed in the period, with all funds fully expended in the year.

The South Wales Care Home Project plans over the course of a year to provide long term artwork loans and associated activities to three care home or community settings across South Wales. Do to a resurgence of Covid-19 in the latter half of 2021 the project was postponed and was delivered in the Summer of 2023. As the project had not commenced by the end of the financial year the funds have been carried forward.

The Art Meets Book Project is to increase access to art and use visual art and art engagement to help adversely affected groups. Sessions were held in three libraries to explore the charities art collection verbally and visually. This project was completed in January 2023.

The Jerwood Foundation awarded a grant of £10,000 each year for two years to conserve and frame artwork within the charity's collection. Significant artworks will be selected with prioritisation being on works that can be placed immediately within partner sites. No artworks were conserved or framed in the financial year 2022/23.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17 Statement of funds (continued)

<i>Prior year</i>	<i>Brought forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Other gains/ (losses)</i> £	<i>Carried forward</i> £
Unrestricted funds					
General fund	100,810	554,454	(415,201)	20,095	260,158
Restricted funds					
Burdett Trust	-	20,000	(8,388)	-	11,612
OASIS Project	-	10,000	(2,776)	-	7,224
South Wales Care Homes	-	9,400	-	-	9,400
Total restricted funds	-	39,400	(11,164)	-	28,236
Total funds	100,810	593,854	(426,365)	20,095	288,394

Other gains and losses above relates to a claim for a tax credit for the Museums and Galleries, Exhibition Tax Relief of £25,478 for the year ended 31 December 2020 and a loss on the revaluation of investments of £5,383.

18 Analysis of net assets between funds

	<i>Restricted funds</i> <i>2023</i> £	<i>Unrestricted funds</i> <i>2023</i> £	<i>Total funds</i> <i>2023</i> £	<i>Total funds</i> <i>2022</i> £
Fixed assets	-	59,197	59,197	64,409
Current assets	22,597	376,930	399,527	450,790
Liabilities	-	(208,973)	(208,973)	(226,805)
	22,597	227,154	249,751	288,394

Total funds for 2022 included restricted funds of £28,236.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19 Paintings

The charity's loan collection is not reflected in these accounts as, in the opinion of the Trustees, it is neither practical nor beneficial to reflect the true value of the collection. At 31 March 2023 the total collection, which includes lent, purchased and donated artworks, comprised 3,679 works of art, which have been insured on a first loss basis for £3.5 million. Movements on the number of artworks and insured values over the past 5 years are as follows:

	31 March		31 December		
	2023	2022	2020	2019	2018
Number of artworks	3,679	3,691	3,730	3,857	3,844
Insured value	£3.5m	£3.6m	£3.8m	£4.0m	£3.8m

20 Related party transactions

The charity's key management personnel are the trustees, the Executive Director and the Head of Collection, Loans & Programming. Total employee benefits, including employer's pension contributions and employer's National Insurance, in respect of key management personnel were £62,427 (2022: £59,085). No employee benefits are payable to the trustees.

One trustee was paid £3,000 for Freelance work as lead on a Project (2022: One trustee paid £7,000) and £1,831 for travel expenses (2022: £Nil)

There are no further related party transactions to disclose.

PAINTINGS IN HOSPITALS

England & Wales - Charity number 1065963

Accounts

Company number: 3450832
Registered Charity number: 1065963 (England & Wales)

paintings in hospitals

TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
31 MARCH 2022

PAINTINGS IN HOSPITALS

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PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE PERIOD ENDED 31 MARCH 2022

Royal Patron	HRH The Former Prince of Wales
Patrons	Lord Browne of Madingley FRS FREng Rt Revd and Rt Hon Dr Richard Chartres KCVO Dr Richard Cork Mr Roger Phillimore Dame Stephanie Shirley CH DBE FREng FBCS Rt Revd and Rt Hon Dame Sarah Mullally DBE
Artist Patrons	Ian Davenport Sir Antony Gormley OBE Maggi Hambling CBE Bridget Riley CH CBE Edmund de Waal CBE
Trustees	Mr Andrew Hochhauser QC – Chair Mr Stephen Crampton-Hayward – Treasurer and Vice Chair Mr Christopher Annus (resigned 28 April 2021) Dr Mary Black Mr David Cleaton-Roberts (resigned 26 October 2022) Ms. Jeanette Grose (appointed 10 March 2021) Prof. Marion Lynch Mr Robert Milburn (appointed 12 March 2021) Mr Krishna Omkar Mr John Porter (resigned 10 th November 2021) Ms Farha Quadri (appointed 12 March 2021) Mr Tim Reeve (resigned 26 October 2022) Ms Deborah Roslund (resigned 27 th October 2021)
Company number	3450832
Charity number	1065963 (England and Wales)
Registered office	North House 198 High Street Tonbridge Kent TN9 1BE
Executive Director	Mrs Sandra Bruce-Gordon
Business address	Unit 11, Earlsfield Business Centre 9 Lydden Road London SW18 4LT

PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION **FOR THE PERIOD ENDED 31 MARCH 2022**

Independent examiner	Samantha Wells FCA CTA Lindey Francis Ferguson Limited Chartered Accountants North House, 198 High Street Tonbridge Kent TN9 1BE
Principal Bankers	HSBC plc London Bridge Branch 28 Borough High Street London SE1 1YB
Legal Advisors	GQ Littler 21 Ironmonger Lane London EC2V 8EY J P C Law Omni House, 252 Belsize Road, London NW6 4BT

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The trustees (who are also directors of the company for the purposes of the Companies Act) present their report and the financial statements of Paintings in Hospitals for the period ended 31 March 2022. The Reference and Administrative information on page 1 forms part of this report.

The trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and 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 (FRS 102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

Objectives and Activities

The objects of the Charity are to use art and creative activities to improve the health, well-being and quality of life of persons suffering from addiction, illness, injury, disorder, or disability, including (without limitation) any disability or disorder on the autistic spectrum in any location or establishment where any such person is resident or in attendance or where any such person is in receipt of treatment, therapy, convalescence, training, education, or assistance.

The charity's three-year business plan has the following objectives:

1. To support the design and implementation of high-quality arts interventions.
2. To work toward the development of public awareness of the benefits for health through engaging with the arts.
3. To identify and remove barriers to accessing the arts, including among older adults, people with mental ill health, people of lower socioeconomic status, members of ethnic or other minorities, people with a health condition or disability and people living in geographically isolated areas.
4. To facilitate the development of partnerships and partner working between the health, social care, and arts sectors.
5. To develop training, resources and guidelines that support collaboration between the arts and health sectors.
6. To incorporate evidence on the health benefits of the arts into relevant policy documents.

In setting Paintings in Hospitals' objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit as required in section 17 of the Charities Act 2011 and, in particular, its supplementary public benefit guidance on fee charging.

The work of Paintings in Hospitals is recognised by the Department of Health and Social Care, the Care Quality Commission (CQC), NHS England and NHS Wales. Paintings in Hospitals is the Health Partner of the Arts Council Collection and works with a number of national galleries and museums. The charity's approach is based on a range of research and evidence, demonstrating the positive effects of displaying and creating visual arts in a wide range of health and social care settings.

Our charitable objects are primarily achieved through our art loans programme, which exists to help create person-centred care spaces that encourage, enrich and empower everyone who uses them. 60 years of experience has allowed us to develop a unique collection of over 3,000 artworks. Our art ranges from paintings and drawings to sculptures and animations, some by the world's greatest artists. All types of health and social care sites can borrow art from our collection.

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

To enable care sites and their service users to get the most from our artworks, we offer creative activities that provide the knowledge and confidence to engage with visual art. These activities often involve service users choosing the artworks they want for display, giving them a say in their own care experiences and improving levels of wellbeing.

We measure our success through the numbers of care partners we have; where we are working; who we are working with and the number of engagements with patients and staff we have.

This in turn feeds into our Theory of Change and Impact Development Plan which we are currently finalising. We measure Business Plan performance through financial and non-financial objectives these include:

- Implementing and resourcing our digital strategy
- Digitising our collection
- Offering high quality engagement activities
- The amount of income received from our Loan programme
- The amount of income received from grants and donations

Structure, Governance and Management

Paintings in Hospitals was established by Trust Deed in 1959 and registered with the Charity Commission in May 1972. Our organisation is a charitable company, limited by guarantee and operates in accordance with its articles of association adopted on 24 April 2019. The strategy and policies of the charity are agreed by the Board of Trustees and its operations are managed by the charity's Executive Director.

Trustees

The Charity is Chaired by Andrew Hochhauser KC who will stand down at the end of January 2023. The Board of Trustees embarked on a full recruitment process to identify his successor and Professor Jane Anderson CBE will commence the Chair role on 1 February 2023. Stephen Crampton- Hayward is Vice Chair and Treasurer. There are currently eight Trustees. Three new trustees (Jeanette Grose, Robert Milburn and Farha Quadri) were recruited through an open application process in early 2021. Christopher Annus resigned in April 2021 and Deborah Roslund resigned in October 2021. John Porter, who had been a Trustee for five years died in November 2021; he was instrumental in the implementation of the business plan and will be sadly missed. David Cleaton-Roberts and Tim Reeve both resigned in October 2022.

During the first six months of the period the Board of Trustees was supported by five committees: Collection; Engagement; Finance and General Purposes, Development and Equality, Diversity and Inclusion (EDI); all committees met quarterly. In the latter part of 2021 the Board agreed with the recommendation of the Executive Director, and following Board approval of the three-year Business Plan, to amalgamate the Collection and Engagement Committees. This provides for better governance and monitoring of the Business Plan against strategic developments. This new committee is known as the Strategic Engagement Committee. There are now three committees; Finance and General Purposes, Strategic Engagement and EDI. Each is Chaired by a nominated trustee and has a mix of skills, and its own Terms of Reference which are reviewed annually and signed-off by the Board. The Development Committee was removed from the governance structure. Oversight of fundraising activity is led by our Trustee Jeanette Grose who works with the Executive Director and the charity's Fundraiser. Quarterly fundraising reports are tabled at Board meetings.

Risk Management and Fraud

The trustees have a regularly updated Risk Register and risk management processes which comprise:

- Annual review of all strategic risks by the full Board of Trustees
- The establishment of systems and procedures to mitigate those risks
- The implementation of procedures to minimise any potential impact on Paintings in Hospitals, should any of those risks materialise.

This risk management work has identified a relatively small number of key risks, but ongoing review has resulted in improvements through the implementation of management and mitigation procedures and increased contingency planning. Both financial and non-financial risks are included in the register. The risk register was last reviewed by the Board in March 2022.

The three most significant risks identified are as follows:

1. Failure to achieve the financial performance levels set out in the Business Plan, which could put at risk the future viability of the charity. To mitigate against this risk the trustees review performance on a quarterly basis and are actively seeking to diversify the charity's sources of income. The charity also has a significant asset base (in the form of the collection) which could be applied in support of its viability if necessary. Recent work on the collection has identified that some artworks have never been out on loan to partners and the subject matter is not suitable in a health and wellbeing setting. We have now identified a 'working collection', those artworks that underpin our charitable objectives. The remainder of the artworks have been identified as potential sale items.
2. The loss of key members of staff which would cause dislocation to the charity's operations in the short and medium term while suitable replacements were found. The charity has recently carried out a restructure of its workforce with a view to improving morale and motivation and is in the process of recruiting a number of new or enhanced roles.
3. The inherent risk of working within the NHS environment at the current time given the strains on the sector from the coronavirus pandemic, budget constraints and resourcing. Given its objectives, the charity tolerates this risk but seeks to monitor the situation and respond appropriately to any changes, both adverse and favourable.

Achievements and Performance

We partnered with social enterprise Better and are collaborating on the Art Meets Book project, designed to bring art exhibitions and workshops to communities in London and the West Midlands via local libraries. The project is supported using public funding by the National Lottery through Arts Council England. By bringing art into the heart of these communities, the Art Meets Book project is designed to improve the health and wellbeing of local people adversely affected by the Covid-19 pandemic. Art Meets Book aims to increase equity of access to art and to use art therapeutically to maximise wellbeing, provide new experiences, and stimulate open discussions.

OASIS is our pilot project created to ease social isolation and loneliness at home by connecting participants with new art, creative activities, and communities of like-minded people.

Beginning in early 2022, the OASIS project aims to place meaningful artworks, specially produced by artists for individuals, directly into people's homes and to enable eligible participants to make new social

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

connections through a range of guided conversations and group activities. Initially launched in the Guildford and Waverley area, OASIS is a way for people battling with social isolation and loneliness to get together to explore new creative and cultural experiences, while lending a supportive ear or offering advice to others experiencing similar struggles.

Our I'm Fine Project is designed to improve nurses' mental health and wellbeing through images, online learning, and a comprehensive learning resource publication. The I'm Fine Project brings together the statistics on the nursing workforce alongside the stories from the workforce, told through images and accounts of nurses' own experiences. The resource can help us remember, reflect, and recover from our COVID experiences and record these events respectfully and artfully. The content also outlines the context of the current nursing crisis, and the opportunities arts offer to address the crisis. The information on workforce issues frames the project in the world of nursing and reflects the challenges being faced. The selected images of nursing reflect the current COVID-19 pandemic experiences and expertise as well as our past. The images have been chosen in consultation with nursing colleagues and in consideration of the global role nurses play in social justice, equity, health, and wellbeing.

In 2021, we announced our first major collaboration with Four Seasons Health Care Group on a new inclusive digital art project to bring culture and creativity into the daily lives of thousands of care home residents and care staff. Launched on Friday 24th September 2021, National Day of Arts in Care Homes, the Beautiful Planet project provided a range of arts activities to over 160 care homes and communities throughout the UK. As part of the project, 8,800 residents of Four Seasons Health Care and brighterkind homes were able to view artworks from the Paintings in Hospitals collection both physically and digitally via screens and tablets. Residents then had the chance to explore the imagery, techniques and inspirations found in the artworks first-hand through a suite of new engagement activities.

With 2021 dubbed the Year of Health and Care Workers by the WHO, Paintings in Hospitals' collaborated with Google Arts & Culture around the celebration of health and care staff and their relationship with art. Working with trustee Marion Lynch, we approached many potential contributors from around the world asking them to share their stories. Our final content is a set of 11 individual audio/visual statements and narratives about health and care workers' connection to specific artworks (including many pieces from the Paintings in Hospitals collection) and how art features in their personal and professional lives. In addition to the collation and editing of these stories, PiH also identified and uploaded 100 hi-res digital images of artworks from the Paintings in Hospitals collection to feature on the GA&C platform. These artworks join the existing 100 already on the platform from 2020.

On 28th June 2021, we launched our latest exhibition at UCLH. The HELP Portfolio exhibition featured a collection of prints by the iconic British designer Margaret Calvert OBE and artists Sue Arrowsmith, Jake and Dinos Chapman, Michael Craig-Martin CBE, Ian Davenport, Nicky Hirst, Idris Khan OBE, Chris Levine, Paul McDevitt, Elizabeth Magill, Annie Morris, Paul Morrison, Remi Rough, Yinka Shonibare CBE, Mathew Weir and Paul Winstanley. We promoted this across all our joint social media presences and websites, as well as creating a new hub hyperlink to host links to all the respective information about the physical exhibition, the online exhibition, and how to purchase the portfolio. To accompany the HELP Portfolio exhibition, we wanted to host a similar event to a private view but with more opportunity for engagement. As pandemic measures still prohibited meeting in large groups in person, we proposed a live digital panel discussion. This discussion was broadcast via Zoom as Art, Compassion, and Collective Action on 22nd July 2021. Panellists included Sue Arrowsmith, artist; Sandra Bruce-Gordon; Nicky Hirst, artist; Dario Illari, Founder of Jealous Gallery and Print Studio; Christian Mathews, art consultant and collector; Guy Noble, Arts Curator at UCLH. The panel was hosted by Andrew Hochhauser QC.

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TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

In 2021/22 Google Arts & culture provided us with a freelance photographer and their highly specialised Art Camera equipment to help us digitise our collection imagery. The photographer will be working with us until April 2022 to capture true-to-life high-resolution images of the available artworks in our collection – allowing viewers to see fine details like brushstrokes and paint texture. We have now captured over 800 artworks to this high standard and begun using them in arts selection activities and more. This is the largest capture of artworks in Google's history.

Our Collection

At the end of March 2022, there were 3,691 artworks in our Collection. Of these, 1,517 were at the Earlsfield Business Centre or in external storage, many of which now require funds for reframing and conservation. Between January 2021 and March 2022, 40 artworks entered the collection. At the end of March 2022, there were 2,195 artworks on public display at either our showcase displays or our loan partner sites – a slight reduction on the previous year.

We have started to examine our collection in terms of a working and non-working collection and through many lenses. In March 2022 we launched Project Felicitous. The project aims to address the effectiveness of the collection, making it fit for purpose in a new modern post pandemic era. It aims to address the following issues:

- Cost of storage for artworks
- Accessibility to storage
- Reviewing the content of the collection to ensure that we have what partners are asking for
- Reviewing the collection through an EDI lens
- Deaccessioning policy for those works that have never been on loan (public exhibit)
- Assessing the potential 'full costs' of conservation
- Selling work where appropriate to reinvest in contemporary pieces and assist with conservation costs

Communications and public engagement

Website Performance

Our website performance, in terms of number of users, visits and page views, increased somewhat. While our analytics show a 25% increase in these figures, when adjusted for the extended reporting period, we see a real increase of 1%.

Press (Additional Online/Offline Coverage)

In addition to a national full-page feature 'The art of healing' in the 'i' newspaper, we were also able to achieve key industry publication coverage for several of our latest projects. Our 'Beautiful Planet' and OASIS projects were featured in: Building Better Healthcare, The Carer UK, The Care Home Environment, and London Arts for Health. The projects also gained coverage in targeted local newspapers and BBC Local Radio.

Market/Audience Research:

To help better target our new initiatives in this period, we undertook some basic initial audience research in the form of a brand perception survey of our current supporters. The survey covered the main elements of brand perception: cognitive, emotional, linguistic, and experiential. The survey also covered basic market research for the Friends and gift shop relaunches and included optional equalities monitoring to enable us to better understand the people who make up our current supporter base and to assess whether we are meeting their needs in terms of service provision and representation. Analysis

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

of this survey showed strong, positive perception but also highlighted areas in which to improve, including awareness of our arts activity services and our regional work (outside of London).

Fundraising

Edmund de Waal is an artist who writes. Much of his work is about the contingency of memory: bringing particular histories of loss and exile into renewed life. He donated this year's Patrons Circle fundraising Edition creating a series of 20 delicate unglazed porcelain tiles, embossed with his hand-written rendering of the Wallace Stevens poem Anecdote of the Jar, each hand-embellished with fragments of gold leaf. The combination of porcelain, gold-leaf, and poetic text lie at the heart of his practice and the charity were honoured to be able to offer the edition for sale, raising a total of £30,000.

We sold 3 artworks that had never been on loan. The sales were by auction at Sotheby's and raised £28,000.

Financial Results

Paintings in Hospitals ended the period with a surplus of £187,584 (2020: deficit of £112,031).

Income for the period was £593,854 (2020 £250,488). This includes £262,500 of income recognised as a result reclassifying certain previously donated artworks, which were not valued in the accounts, as current asset investments. Subsequent to this, artworks with a value of £28,000 were sold at auction and it is the Trustees intention that further such sales will take place over future years.

The total expenditure in the period was £426,365 (2020: £366,964).

The charity has changed its financial reporting period going forward to that of the fiscal year in order to align with financial reporting requirements of the majority of funders. The accounting period for 2021/2022 is therefore 15 months from 1 January 2021 to 31 March 2022. In previous years the financial year ran from January to December.

Investment Policy

The trustees invested funds that are surplus to the immediate needs of the charity in investments that generate reasonable rates of return whilst minimising the risk of loss. Investment gains and losses are taken through the Statement of Financial Activities to unrestricted reserves. At 31 March 2022, our investments had a market value of £63,092 (2020: £107,924).

We are proud that the charity uses ethical investment vehicles. For any future changes to our investments, such as moving to a new service, the charity would assess the social, environmental, and ethical considerations of the investing organisation (as well as the likely returns).

Reserves

The aim of the trustees is to maintain a level of free, unrestricted reserves of or around 3 months average annual expenditure that will enable Paintings in Hospitals to operate from a financial perspective with certainty and flexibility. At 31 March 2022 free unrestricted reserves (unrestricted funds less fixed assets) increased to a surplus of £258,841 (2020: Surplus of £100,642). The charity's cash position increased by 72% to £136,541 (2020: £79,213). These funds were largely generated through the receipt of art loan income in advance.

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

Business Plan

Our business plan authored in 2020 and agreed by the Board of Trustees in December of that year set out clearly the challenges facing the charity; the biggest of those was accepted as being lack of funding and therefore financial resilience and sustainability with the knock-on effect that the charity did not have the capacity to deliver on opportunities and turn weaknesses into strengths. Written at the time of the first lock down the charity considered the severe health, social, economic and political consequences of the pandemic which highlighted flaws in systems and thinking, and the strengths in our communities and creativity. The business plan also took into consideration the need to maintain relevance in a locked down world and to emerge stronger and more fit for purpose. In reviewing the progress of the plan in year one we recognise like all good plans, ours has changed and developed and sometimes the objectives have been delivered in different ways as we reacted or were proactive to changes in situations internal and external. We have made significant progress toward delivery of our new objectives and have achieved the financial targets within the plan.

Not captured and measured within the target sets, but which cannot be ignored are the significant streams of work undertaken in 2021/22 allowing Paintings in Hospitals to perform the way it currently is. These key milestones included:

- Major organisational and staff restructure
- Relocation of office and collection
- Negotiation and presentation to Nesta Investment Committee to obtain loan and grant funding
- Improving our relationship with Arts Council England and the Arts Council Collection and receiving Arts Council project funding for the first time.

Paintings in Hospitals continues to 'punch above its weight' with the staff and Trustees ensuring benefit to over 2 million people nationally each year.

Patronage

Paintings in Hospitals are particularly grateful to the unwavering support and guidance of all our Patrons. Our Patrons help us raise awareness, expand our national reach and advocate for all that we do.

Our Thanks

We are extremely pleased to have received grants and donations from a number of individuals, Trusts and Foundations during the year. It is through the continued support of these generous people, donors and funders that we are able to benefit those most in need, through our work.

We are very grateful again to the entire staff team for their devotion and hard work throughout 2021/22. We are grateful to many of the health and social care partners that benefit directly from our programmes, and who, through evaluation and feedback, help us to refine and improve them.

Statement of Trustees' responsibilities

This Trustees' report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

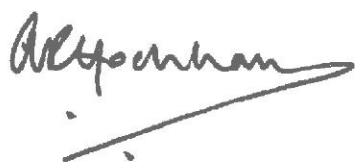
The trustees (who are also the Directors of Paintings in Hospitals for the purposes of company law) are responsible for preparing a Trustees' annual report and accounts in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Company law requires the trustees to prepare financial statements for each financial year. Under that 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accountancy policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and estimates that are both prudent and reasonable;
- 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 charity will continue in operation.

The trustees are responsible for keeping accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any one time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are also responsible for the maintenance and integrity of financial information, including that on the updated website.

This report was approved by the trustees on 7th December 2022 and signed on their behalf by:



Andrew Hochhauser KC
Chair

PAINTINGS IN HOSPITALS

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF PAINTINGS IN HOSPITALS FOR THE PERIOD ENDED 31 MARCH 2022

I report to the charity trustees on my examination of the accounts of the charitable company for the period ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Samantha Wells FCA CTA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent TN9 1BE

Dated: 12 December 2022

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 31/12/2020 £
Income from:					
Donations, grants and legacies	2	39,400	384,931	424,331	111,393
Charitable activities	3	-	142,391	142,391	95,657
Other trading activities	4	-	24,888	24,888	39,806
Investments		-	2,244	2,244	3,632
Total income		39,400	554,454	593,854	250,488
Expenditure on:					
Raising funds	5	-	21,324	21,324	33,498
Charitable activities	6	11,164	393,877	405,041	333,466
Total expenditure		11,164	415,201	426,365	366,964
Net income/(expenditure) before tax	10	28,236	139,253	167,489	(116,476)
Corporation tax credit		-	25,478	25,478	-
Net (loss) / gains on investments	12	-	(5,383)	(5,383)	4,445
Net movement in funds		28,236	159,348	187,584	(112,031)
Reconciliation of funds:					
Total funds brought forward:					
As originally stated		-	100,810	100,810	204,604
Prior period restatement		-	-	-	8,237
As restated		-	100,810	100,810	212,841
Total funds carried forward	17	28,236	260,158	288,394	100,810

The amounts included in the Statement of Financial Activities are for the fifteen months ended 31st March 2022, following the change in the company's financial year end (see note 1.1). The comparative amounts are for the year ended 31 December 2020.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022	31/12/2020
		£	£
Fixed assets			
Tangible assets	11	1,317	168
Investments	12	63,092	107,924
		<u>64,409</u>	<u>108,092</u>
Current assets			
Current asset investments	13	234,500	-
Debtors	14	79,749	36,562
Cash at bank and in hand		136,541	79,213
		<u>450,790</u>	<u>115,775</u>
Creditors: amounts falling due within one year	15	<u>(125,041)</u>	<u>(123,057)</u>
Total assets less current liabilities		325,749	(7,282)
Creditors: amounts falling due in more than one year	16	(101,764)	-
Net assets		<u><u>288,394</u></u>	<u><u>100,810</u></u>
Charity funds			
Unrestricted funds	17	260,158	100,810
Restricted funds	17	28,236	-
Total funds		<u><u>288,394</u></u>	<u><u>100,810</u></u>

For the financial period ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

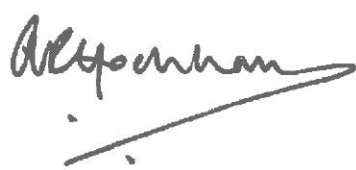
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 7th December 2022 and signed on their behalf by:

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

BALANCE SHEET



Andrew Hochhauser KC
Chair

Stephen Crampton-Hayward
Treasurer

Company registration number: 3450832

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Paintings in Hospitals 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 note(s).

The financial statements are presented in pounds sterling and rounded to the nearest pound.

In preparing the financial statements the trustees have prepared an in-depth analysis of cashflow. This captures income and expenditure on a quarterly basis. As such it clearly shows that the charity is financially secure in the short to medium term. In addition the Trustees have agreed the sale of artworks which have never been used for the charitable purposes and which are assessed as unlikely to do so; this will be a significant income stream for the charity. The financial targets within the Business Plan for year 1 have been met and the core activity of loaning work for exhibition continues to be steady with new enquiries coming in. We therefore have continued to adopt the going concern basis of accounting.

These financial statements are for a period longer than one year. The year-end was extended to the 31st March 2022 so the charity's year-end would be in line with the year-end of its funders so presenting financial information relating to fundraising activities would be cleaner. The comparative amounts in the financial statements are for the year ended 31 December 2020.

1.2 Company status

Paintings in Hospitals is a charitable company limited by guarantee incorporated in England and Wales. The address of the registered office is North House, 198 High Street, Tonbridge, Kent, TN9 1BE. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

1.3 Income

Income from donations, grants and legacies is recognised when the charity has entitlement to the income, it is probable it will be received and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions which must be met before the charity is entitled to the funds. Legacies are recognised following the grant of probate when the executor of the estate has communicated in writing both the amount and settlement date. Donated services are recognised in the period in which they are utilised and are measured at their estimated fair value.

Income from loan programmes is apportioned over the period of the rental agreements. Similarly, gallery income is recognised in the period of the event. Income received in advance is accounted for as deferred income.

Donated paintings are included in incoming and outgoing resources at an estimate of their value.

Income from other trading activities relates to fundraising, Patrons Circle art print sales and rental income. Fundraising income and art print sales are accounted for in the period in which the charity is entitled to receipt. Rental income is recognised over the period to which it relates. Investment income is recognised when it is receivable.

1.4 Expenditure

Expenditure is recognised on an accruals basis as incurred. Expenditure has been classified under headings that aggregate all costs related to the category.

Direct costs are those costs which are directly attributable to the charity's activities. Wages and salaries are allocated to direct costs based on the estimate of time spent on charitable activities by staff members.

Support costs are those costs relating to functions which assist the work of the charity but do not directly relate to its activity. Support costs are allocated to charitable activities on the basis of direct costs.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged so as to write off the cost less their residual values over their expected useful lives at the following annual rates:

Furniture and fittings	-	25%	Straight line
Computer expenditure	-	33%	Straight line

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS **FOR THE PERIOD ENDED 31 MARCH 2022**

1.6 Current asset investments

Current asset investments comprise artworks held for sale and are carried at their estimated realisable value, based on historical experience of the sales prices achieved on previous sales relative to the insurance valuations of those artworks.

1.7 Financial Instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.8 Fund accounting

The unrestricted funds can be spent on any activity within the charity's overall objectives. Restricted funds are those subject to specific conditions imposed by the donors. Expenditure which meets these criteria is allocated to the fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.9 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 Pension contributions

The charity makes defined contributions into employee private pension schemes. Contributions are charged to the statement of financial activities as they become payable.

2 Income from donations, grants and legacies	2022	31/12/2020
	£	£
Donations and grants	150,866	102,033
Previously donated artworks	262,500	-
Donated services	10,965	9,360
	424,331	111,393

Previously donated artworks of £262,500 have been recognised during the period as a result of having been identified as available for sale and no longer part of the charity's collection. Subsequent to this, three artworks were sold at auction at their aggregate valuation of £28,000, leaving £234,500 carried as current asset investments at the period end (note 13).

During the year £3,873 was received under the Government's Coronavirus Job Retention Scheme.

Donated services relate to the provision of IT software.

Income for restricted funds in the comparative period was £14,813.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

3	Income from charitable activities	2022	31/12/2020
		£	£
	Loan programmes	129,186	78,339
	Gallery income	13,205	17,318
		<u>142,391</u>	<u>95,657</u>
4	Other trading activities	2022	31/12/2020
		£	£
	Other hire income	-	7,931
	Fundraising events and Patrons Circle	24,888	31,875
		<u>24,888</u>	<u>39,806</u>
5	Expenditure on raising funds	2022	31/12/2020
		£	£
	Costs of events	7,164	14,135
	Donations and grants	9,251	15,642
	Support costs (Note 8)	4,909	3,721
		<u>21,324</u>	<u>33,498</u>

Costs of events, donations and grants includes staff costs of £12,596 (2020: £26,998).

6	Expenditure on charitable activities	Direct	Support	Total	Total
		costs	Costs	costs	costs
		2022	2022	2022	31/12/2020
		£	£	£	£
	Projects and programmes	19,051	2,454	21,505	26,032
	Loan programme	253,810	29,451	283,261	215,316
	Gallery expenses	88,004	12,271	100,275	92,118
		<u>360,865</u>	<u>44,176</u>	<u>405,041</u>	<u>333,466</u>
		(Note 7)	(Note 8)		

Expenditure on restricted funds in the comparative period was £26,017.

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

7	Direct costs	Total 2022 £	Total 31/12/2020 £
	Staff costs	170,045	121,491
	Freelance and consultancy costs	59,809	44,060
	Volunteer expenses	21	317
	Collection management	13,891	15,168
	Picture transport	18,021	6,086
	Cost of projects	-	345
	Premises expenses	62,748	72,463
	Office costs	2,948	8,724
	Travel and accommodation	1,848	1,157
	Marketing and IT	30,092	23,606
	Accountancy and consultancy fees	-	3,525
	Other costs	984	2,612
	Depreciation	458	418
		<u>360,865</u>	<u>299,972</u>
8	Support costs	Total 2022 £	Total 31/12/2020 £
	Staff costs	27,291	25,498
	Volunteer expenses	1	19
	Premises expenses	3,303	3,069
	Office costs	173	513
	Travel and accommodation	109	68
	Other costs	3,939	1,420
	Loan Interest	3,726	-
	Depreciation	229	209
	Bad debts	5,770	1,387
	Governance costs:		
	Legal and professional fees	799	1,582
	Independent examination fees	3,745	3,450
		<u>49,085</u>	<u>37,215</u>
	Allocated to:		
	Raising funds	4,909	3,721
	Charitable activities	<u>44,176</u>	<u>33,494</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

9 Staff costs

	2022	31/12/2020
	£	£
Wages and salaries	196,220	160,183
Social security costs	11,335	10,664
Pension costs	2,377	3,140
	<u>209,932</u>	<u>173,987</u>

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

	2022	31/12/2020
	No.	No.
Loan Programmes	3	5
Administrative	3	2
	<u>6</u>	<u>7</u>

No employee received remuneration amounting to more than £60,000 in either year.

No remuneration, other benefits or reimbursed expenses were paid to the Trustees for the period ended 31 March 2022 (2020: none).

10 Net expenditure

	2022	31/12/2020
	£	£
This is stated after charging:		
Independent examiner's remuneration	2,245	1,950
Independent examiner's remuneration for accountancy services	1,500	1,500
Depreciation	687	627
Operating leases rentals	-	30,000
	<u>-</u>	<u>30,000</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

11 Tangible fixed assets

	<i>Furniture</i>	<i>Equipment</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost			
At 1 January 2021	23,929	13,574	37,503
Additions in the period	-	1,836	1,836
Disposals	(22,004)	(13,573)	(35,577)
At 31 March 2022	1,925	1,837	3,762
Depreciation			
At 1 January 2021	23,816	13,519	37,335
Charge for the period	113	574	687
Disposals	(22,004)	(13,573)	(35,577)
At 31 March 2022	1,925	520	2,445
Net book value			
At 31 March 2022	-	1,317	1,317
At 31 December 2020	113	55	168

12 Investments

	<i>2022</i>	<i>31/12/2020</i>
	<i>£</i>	<i>£</i>
Market Value		
At 1 January	107,924	122,222
Disposals	(39,449)	(18,743)
Net (loss)/gains on revaluation	(5,383)	4,445
At 31 March 2022 (31 December 2020)	63,092	107,924

Investments are held in UK deposit funds or fixed interest bond funds.

13 Current asset investments

	<i>2022</i>	<i>31/12/2020</i>
	<i>£</i>	<i>£</i>
Artworks held for sale	234,500	-

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

14 Debtors

	2022	31/12/2020
	£	£
Trade debtors	41,788	17,796
Prepayments and accrued income	6,633	11,846
Other debtors	31,328	6,920
	<u>79,749</u>	<u>36,562</u>

15 Creditors: amounts falling due within one year

	2022	31/12/2020
	£	£
Rentals of paintings in advance	82,197	95,408
Nesta Cultural Impact Development loan	25,736	-
Accruals and other creditors	14,291	23,548
Taxation and social security	2,817	4,101
	<u>125,041</u>	<u>123,057</u>

Deferred income relates to income for loan programmes and gallery hire received in advance. The movement is as follows:

	2022	31/12/2020
	£	£
Deferred income brought forward	95,408	122,348
Released during the period	(95,408)	(122,348)
Arising in the current year	82,197	95,408
	<u>82,197</u>	<u>95,408</u>

16 Creditors: amounts falling due after one year

	2022	31/12/2020
	£	£
Nesta Cultural Impact Development loan	101,764	-
	<u>101,764</u>	<u>-</u>

The loan bears interest of 8% and is for a term of 5 years, with repayments commencing in May 2022. The loan is unsecured.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

17 Statement of funds

<i>Current year</i>	<i>Brought forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Other gains/ (losses)</i> £	<i>Carried forward</i> £
Unrestricted funds					
General fund	100,810	554,454	(415,201)	20,095	260,158
Restricted funds					
Burdett Trust	-	20,000	(8,388)	-	11,612
OASIS Project	-	10,000	(2,776)	-	7,224
South Wales Care Homes	-	9,400	-	-	9,400
Total restricted funds	-	39,400	(11,164)	-	28,236
Total funds	100,810	593,854	(426,365)	20,095	288,394

Other gains and losses above relates to a claim for a tax credit for the Museums and Galleries, Exhibition Tax Relief of £25,478 for the year ended 31 December 2020 and a loss on the revaluation of investments of £5,383.

Funding was received for the Burdett Trust Project which is to improve nurses mental health and wellbeing through online learning. £8,388 has been expensed in the period.

The OASIS Project is to help enrich the lives of socially isolated individuals through art and creative engagement. £2,776 of this has been expensed in the period.

The South Wales Care Home Project plans over the course of a year to provide long term artwork loans and associated activities to three care home or community settings across South Wales. Do to a resurgence of Covid-19 in the latter half of 2021 the project was postponed and will be delivered in the early Spring of 2023. As the project has not yet begun so currently no amounts have been spent.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

17 Statement of funds (continued)

<i>Prior year</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Other gains/ (losses)</i>	<i>Carried forward</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Unrestricted funds					
General fund	201,637	235,675	(340,947)	4,445	100,810
Restricted funds					
Baring Foundation	7,000	-	(7,000)	-	-
City Bridge	-	14,813	(14,813)	-	-
Pilgrim Trust	4,204	-	(4,204)	-	-
Total restricted funds	11,204	14,813	(26,017)	-	-
Total funds	212,841	250,488	(366,964)	4,445	100,810

Other gains and losses above relates to a gain on the revaluation of investments of £4,445.

Funding was received in 2019 from the Baring Foundation towards a key programme 'Art for Everyone' and also from the Pilgrim Trust towards 'Project Sheridan' (ensuring unavailable major artworks in the collection can be conserved and then displayed to support wellbeing). Funding from City Bridge, received in 2020, was towards the work in care homes and was fully expensed in the year.

18 Analysis of net assets between funds

	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>	<i>Total funds</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>	<i>2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Fixed assets	-	64,409	64,409	108,092
Current assets	28,236	422,554	450,790	115,775
Liabilities	-	(226,805)	(226,805)	(123,057)
	28,236	260,158	288,394	100,810

Total funds for 2020 included restricted funds of £Nil.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

19 Paintings

The charity's loan collection is not reflected in these accounts as, in the opinion of the Trustees, it is neither practical nor beneficial to reflect the true value of the collection. At 31 March 2022 the total collection, which includes lent, purchased and donated artworks, comprised 3,691 works of art, which have been insured on a first loss basis for £3.6 million. Movements on the number of artworks and insured values over the past 5 years are as follows:

	31 March 2022	2020	31 December 2019	2018	2017
Number of artworks	3,691	3,730	3,857	3,844	3,970
Insured value	£3.6m	£3.8m	£4.0m	£3.8m	£3.4m

20 Operating lease commitments

At 31 March 2022 the charity had total future commitments under non-cancellable operating leases as follows:

	<i>Land and Buildings</i>	<i>Other</i>	<i>Land and Buildings</i>	<i>Other</i>
	2022	2022	2020	2020
	£	£	£	£
Commitments due:				
Not later than one year	-	-	10,000	-

21 Related party transactions

The charity's key management personnel are the trustees, the Executive Director and the Head of Collection, Loans & Programming. Total employee benefits, including employer's pension contributions and employer's National Insurance, in respect of key management personnel were £59,085 (2020: £64,318). No employee benefits are payable to the trustees.

One trustee was paid £7,000 for Freelance work as lead on a Project.

There are no further related party transactions to disclose.

PAINTINGS IN HOSPITALS

England & Wales - Charity number 1065963

Accounts

Company number: 3450832
Registered Charity number: 1065963 (England & Wales)

paintings in hospitals

TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2020

PAINTINGS IN HOSPITALS

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PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION **FOR THE YEAR ENDED 31 DECEMBER 2020**

Royal Patron	HRH The Prince of Wales
Patrons	Lord Browne of Madingley FRS FREng Rt Revd and Rt Hon Dr Richard Chartres KCVO Dr Richard Cork Mr Roger Phillimore Dame Stephanie Shirley CH DBE FREng FBCS Rt Revd and Rt Hon Dame Sarah Mullally DBE
Artist Patrons	Ian Davenport Sir Antony Gormley OBE Maggi Hambling CBE Bridget Riley CH CBE Edmund de Waal CBE
Trustees	Mr Andrew Hochhauser QC – Chair Mr Stephen Crampton-Hayward – Treasurer and Vice Chair Mr Christopher Annus (resigned 28 April 2021) Dr Mary Black Mr David Cleaton-Roberts Ms. Jeanette Grose (appointed 10 March 2021) Prof. Marion Lynch Ms Lindy Mason (resigned 31 December 2020) Mr Robert Milburn (appointed 12 March 2021) Mr Krishna Omkar Mr John Porter Ms Farha Quadri (appointed 12 March 2021) Mr Tim Reeve Ms Deborah Roslund Prof. Victoria Tischler (resigned 28 April 2020)
Company number	3450832
Charity number	1065963 (England and Wales),
Registered office	North House 198 High Street Tonbridge Kent TN9 1BE
Executive Director	Mrs Sandra Bruce-Gordon

PAINTINGS IN HOSPITALS

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

Independent examiner	Samantha Wells FCA CTA Lindeyer Francis Ferguson Limited Chartered Accountants North House, 198 High Street Tonbridge Kent TN9 1BE
Principal Bankers	HSBC plc London Bridge Branch 28 Borough High Street London SE1 1YB
Legal Advisors	GQ Littler 21 Ironmonger Lane London EC2V 8EY J P C Law Omni House, 252 Belsize Road, London NW6 4BT

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees (who are also directors of the company for the purposes of the Companies Act) present their report and the financial statements of Paintings in Hospitals for the year ended 31 December 2020. The Reference and Administrative information on page 1 forms part of this report.

The trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and 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 (FRS 102)" (Charities SORP (FRS 102)).

Objectives and Activities

The objects of the Charity are to use art and creative activities to improve the health, well-being and quality of life of persons suffering from addiction, illness, injury, disorder, or disability, including (without limitation) any disability or disorder on the autistic spectrum in any location or establishment where any such person is resident or in attendance or where any such person is in receipt of treatment, therapy, convalescence, training, education, or assistance.

A new three-year business plan was agreed in December 2020 with the following objectives:

1. To support the design and implementation of high-quality arts interventions.
2. To work toward the development of public awareness of the benefits for health through engaging with the arts.
3. To identify and remove barriers to accessing the arts, including among older adults, people with mental ill health, people of lower socioeconomic status, members of ethnic or other minorities, people with a health condition or disability and people living in geographically isolated areas.
4. To facilitate the development of partnerships and partner working between the health, social care, and arts sectors.
5. To develop training, resources and guidelines that support collaboration between the arts and health sectors.
6. To incorporate evidence on the health benefits of the arts into relevant policy documents.

In setting Paintings in Hospitals' objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit as required in section 17 of the Charities Act 2011 and, in particular, its supplementary public benefit guidance on fee charging.

The work of Paintings in Hospitals is recognised by the Department of Health and Social Care, the Care Quality Commission (CQC), NHS England and NHS Wales. Paintings in Hospitals is the Health Partner of the Arts Council Collection and works with a number of national galleries and museums. The charity's approach is based on a range of research and evidence, demonstrating the positive effects of displaying and creating visual arts in a wide range of health and social care settings.

Our charitable objects are primarily achieved through our art loans programme, which exists to help create person-centred care spaces that encourage, enrich and empower everyone who uses them. 60 years of experience has allowed us to develop a unique collection of over 3,000 artworks. Our art ranges from paintings and drawings to sculptures and animations, some by the world's greatest artists. All types of health and social care sites can borrow art from our collection.

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

To enable care sites and their service users to get the most from our artworks, we offer creative activities that provide the knowledge and confidence to engage with visual art. These activities often involve service users choosing the artworks they want for display, giving them a say in their own care experiences and improving levels of wellbeing. In September 2020 we published the Creative Care Homes guide, an A to Z of art activities.

We measure our success through the numbers of care partners we have; where we are working; who we are working with and the number of engagements with patients and staff we have. The main performance indicators we use are:

- The number of health and social care partners borrowing art as part of our loans programme (including the creation of new partnerships and the renewal of partnerships)
- Different types of partners we are working with and their geographical spread
- The number of patients, service-users and staff from our partners involved in the selection of artworks for display in their health or social care environment
- The number of 'mid-loan' art activities and the number of participants that took part
- The percentage of artworks from our collection on public display in health and social care environments at any one time
- Number of engagements on our media channels (our website/ social media) and at our events

From 2021 we will be implementing a new evaluation and performance monitoring framework which will measure our social impact from our charitable objectives.

Structure, Governance and Management

Paintings in Hospitals was established by Trust Deed in 1959 and registered with the Charity Commission in May 1972. Our organisation is a charitable company, limited by guarantee and operates in accordance with its articles of association adopted on 24 April 2019. The strategy and policies of the charity are agreed by the Board of Trustees and its operations are managed by the charity's Executive Director.

Trustees

The Charity is Chaired by Andrew Hochhauser QC with Stephen Crampton-Hayward as Vice Chair and Treasurer. There are currently 12 Trustees. Victoria Tischler resigned in April 2020. Lindy Mason's term of office ended in December 2020 and Christopher Annus resigned in April 2021. Three new trustees were recruited through an open application process in early 2021.

During the year the Board of Trustees was supported by five sub-Committees: Collection; Engagement; Finance & General Purposes, Development and Equality, Diversity and Inclusion (EDI), which meet quarterly. Each is Chaired by a nominated trustee and has a mix of skills, and its own Terms of Reference which are reviewed annually and signed-off by the Board. In 2021 the Board agreed with the recommendation of the Director, and following Board approval of the new 3-year Business Plan, to amalgamate the Collection and Engagement sub-Committees. This provides for better governance and monitoring the performance of the Business Plan against strategic developments. This new sub-Committee will be known as the Strategic Engagement Committee.

Our Collection Committee supports our forward-thinking art collection policies and procedures. Our Engagement Committee advises on ways in which we can engage with a rapidly changing health and social care sector, nationally. Our Finance & General Purposes Committee deals with finances, remuneration, audit and HR. Our Development Committee is focused on fundraising. The EDI committee

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

was set up in May 2021 with the focus of work being responsible for the charity's EDI policy and objectives and ensuring that those are embedded within the Business Plan.

Risk Management and Fraud

The trustees have a regularly updated Risk Register and risk management processes which comprise:

- Annual review of all strategic risks by the full Board of Trustees
- The establishment of systems and procedures to mitigate those risks
- The implementation of procedures to minimise any potential impact on Paintings in Hospitals, should any of those risks materialise.

This risk management work has identified a relatively small number of key risks, but ongoing review has resulted in improvements through the implementation of management and mitigation procedures and increased contingency planning. Both financial and non-financial risks are included in the register. The risk register was last reviewed by the Board in April 2021.

The three most significant risks identified are as follows:

1. Failure to achieve the performance levels set out in the Business Plan, which could put at risk the future viability of the charity. To mitigate against this risk the trustees review performance on a quarterly basis and are actively seeking to diversify the charity's sources of income. The charity also has a significant asset base (in the form of the collection) which could be applied in support of its viability if necessary.
2. The loss of key members of staff which would cause dislocation to the charity's operations in the short and medium term while suitable replacements were found. The charity has recently carried out a restructure of its workforce with a view to improving morale and motivation and is in the process of recruiting a number of new or enhanced roles.
3. The inherent risk of working within the NHS environment at the current time given the strains on the sector from the coronavirus pandemic, budget constraints and resourcing. Given its objectives, the charity tolerates this risk but seeks to monitor the situation and respond appropriately to any changes, both adverse and favourable.

Achievements and Performance

2020 was a challenging year with operations badly affected by lockdown restrictions during the pandemic. A decision had been taken by the Board of Trustees to close the Menier Gallery in June 2020; however, due to Covid-19, regrettably the closure had to be brought forward to March 2020. This resulted in cancelled exhibitions with the knock-on effect of reduced income.

2020 was also the last year of our Art in Large Doses project, which saw emerging curators from the BA (Hons) Culture, Criticism and Curation course at Central Saint Martins propose an art exhibition to support the mental health and wellbeing of student patients at King's College London NHS Health Centre.

Funded by the National Lottery Heritage Fund a virtual exhibition exploring and sharing Paintings in Hospitals heritage was launched prominently on our website. 'People, Paintings and Positivity'

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

showcased the work that the charity has been doing across six decades, working with every type of health and social care site – from hospitals to care homes.

Our Linear Meditations exhibition went on display at the Antenatal Day Assessment Unit and Obstetric Ultrasound area at Milton Keynes University Hospital, featuring the works of influential British abstract artist Wilhelmina Barns-Graham.

A new exhibition chosen in partnership with patients and care staff at Pocklington Group Practice, Yorkshire, 'In Her Footsteps' celebrated the many ground-breaking women artists in the Paintings in Hospitals collection.

In August 2020 we launched our Colour in Motion project. Colour in Motion is a collaboration between Paintings in Hospitals, the Jerwood Collection, and Cambridge University Hospitals NHS Foundation Trust. It was supported by Addenbrooke's Charitable Trust. Featuring Ian Davenport prints the exhibition has been specifically designed for Addenbrooke's rehabilitation gymnasiums, to enhance the physiotherapy environment with art that evokes movement and energy.

Paintings in Hospitals collaborated with artist Tom Croft and partnered with the Google Cultural Institute to create the new online collaborative exhibition 'Healthcare Heroes' which went live via Google on 20th August 2020. The exhibition features almost 800 portraits submitted through #portraitsforNHSheroes initiative, as well as audio, video and written exhibits.

With support from the Baring Foundation we published our Creative Care Homes guide. This is an A to Z of creative ideas which will enable anyone to deliver creative sessions within a care home environment. The 40-page booklet, available online, as a digital download and in a printed hardcopy (by request), launched on 24th September, National Day of Arts in Care Homes 2020.

Our Collection

At the end of 2020, there were over 3,000 artworks in our Collection. Of these, 1,384 were at the Menier Chocolate Factory or in external storage, many of which now require funds for reframing and conservation. In 2020, 18 artworks entered the collection. At the end of 2020, there were 2,307 artworks on public display at either our showcase displays, or our loan partner sites – a slight reduction on the previous year.

Communications and public engagement

Website Performance

Our website visits remained stable. Our Google project launched on 20th August saw a 270% spike in traffic to our website.

Press (Additional Online/Offline Coverage)

In August 2020, trustee Mary Black wrote a blog for BMJ online about our Healthcare Heroes project. This was followed up in October when the blog and the Healthcare Heroes project was again the subject of a two-page spread in the physical edition of the BMJ. Healthcare Heroes was also featured on Google blog (8.5 million monthly visits) as well as in 23 other blogs.

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FOR THE YEAR ENDED 31 DECEMBER 2020

Market/Audience Research:

Paintings in Hospitals new business plan provides an excellent opportunity to refocus our messaging and ensure that we tailor our service offers properly to our target audiences.

Fundraising

We started to sell the 2020 Patrons Circle Print by Bridget Riley in August which was earlier than previous years. The limited edition sold out and we acquired one print for our collection which was funded by the H&LP portfolio. The main fundraiser in 2020 was the on-line art for health auction.

Financial Results

2020 was an exceedingly challenging year financially. Paintings in Hospitals ended the year with a large deficit of £112,031 (2019: deficit of £1,292).

Income for the year was £250,488 (2019: £476,630). This much reduced income figure is directly related to the closure of the Menier Gallery and a reduction in the amount of income from Trusts and Foundations as they struggled to cope with applications at an all-time high because of the pandemic.

The total expenditure in the year was £366,964 (2019: £486,273). This represents a 30% reduction on the previous year. The Director and Finance & General Purposes Committee continue to jointly monitor the charity's income, expenditure and cash-flow closely in order to fully advise the Board on income and expenditure projections into 2021.

Investment Policy

The trustees invested funds that are surplus to the immediate needs of the charity in investments that generate reasonable rates of return whilst minimising the risk of loss. Investment gains and losses are taken through the Statement of Financial Activities to unrestricted reserves. At 31 December 2020, our investments had a market value of £107,924 (2019: £122,222).

We are proud that the charity uses ethical investment vehicles. For any future changes to our investments, such as moving to new service, the charity would assess the social, environmental, and ethical considerations of the investing organisation (as well as the likely returns).

Reserves

The aim of the trustees is to maintain a level of free, unrestricted reserves of or around 6 months average annual expenditure that will enable Paintings in Hospitals to operate from a financial perspective with certainty and flexibility. At 31 December 2020 free unrestricted reserves (unrestricted funds less fixed assets) decreased to £100,642 (2019: £200,842). The charity's cash position increased by 16% to £79,213 (2019: £67,998). These funds were largely generated through the receipt of art loan income in advance.

Business Plan

In 2020 the charity developed a new three-year business plan which aligned its charitable objectives to the needs of the much-changed health and social care sector. The Business Plan also set down a route to financial resilience in the longer term using as a catalyst toward this repayable finance of £150,000. This investment was made by Nesta's Cultural Impact Development Fund. This is the first time in the charity's history that Trustees agreed to the borrowing of money. This financial support enabled the creation of new roles to drive forward the business plan and allow for a staff restructure with the loan covering redundancy payments and associated costs.

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Patronage

Paintings in Hospitals are particularly grateful to the unwavering support and guidance of all our Patrons. Our Patrons help us raise awareness, expand our national reach and advocate for all that we do.

Our Thanks

We are extremely pleased to have received grants and donations from a number of individuals, Trusts and Foundations during the year. It is through the continued support of these generous people, donors and funders that we are able to benefit those most in need, through our work.

We are very grateful again to the entire staff team for their devotion and hard work throughout 2020. We are grateful to many of the health and social care partners that benefit directly from our programmes, and who, through evaluation and feedback, help us to refine and improve them.

Statement of Trustees' responsibilities

This Trustees' report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The trustees (who are also the Directors of Paintings in Hospitals for the purposes of company law) are responsible for preparing a Trustees' annual report and accounts in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Company law requires the trustees to prepare financial statements for each financial year. Under that 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accountancy policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and estimates that are both prudent and reasonable;
- 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 charity will continue in operation.

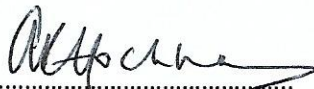
The trustees are responsible for keeping accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any one time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are also responsible for the maintenance and integrity of financial information, including that on the updated website.

PAINTINGS IN HOSPITALS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

This report was approved by the trustees on 17/9/21 and signed on their behalf by:


.....
Andrew Hochhauser QC
Chair

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PAINTINGS IN HOSPITALS

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF PAINTINGS IN HOSPITALS FOR THE YEAR ENDED 31 DECEMBER 2020

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Samantha Wells FCA CTA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent TN9 1BE

Dated: 21 Sept 2021

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 As restated £
Income from:					
Donations, grants and legacies	2	14,813	96,580	111,393	174,764
Charitable activities	3	-	95,657	95,657	245,310
Other trading activities	4	-	39,806	39,806	51,367
Investments		-	3,632	3,632	5,189
Total income		14,813	235,675	250,488	476,630
Expenditure on:					
Raising funds	5	-	33,498	33,498	65,765
Charitable activities	6	26,017	307,449	333,466	420,508
Total expenditure		26,017	340,947	366,964	486,273
Net expenditure	10	(11,204)	(105,272)	(116,476)	(9,643)
Net gains on investments	12	-	4,445	4,445	8,351
Net movement in funds		(11,204)	(100,827)	(112,031)	(1,292)
Reconciliation of funds:					
Total funds brought forward:					
As originally stated		7,000	197,604	204,604	214,133
Prior period restatement	1.10	4,204	4,033	8,237	-
As restated		11,204	201,637	212,841	214,133
Total funds carried forward	15	-	100,810	100,810	212,841

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020	2019
		£	As restated £
Fixed assets			
Tangible assets	11	168	795
Investments	12	107,924	122,222
		<u>108,092</u>	<u>123,017</u>
Current assets			
Debtors	13	36,562	196,378
Cash at bank and in hand		79,213	67,998
		<u>115,775</u>	<u>264,376</u>
Creditors: amounts falling due within one year	14	(123,057)	(174,552)
Net current assets		<u>(7,282)</u>	<u>89,824</u>
Net assets		<u><u>100,810</u></u>	<u><u>212,841</u></u>
Charity funds			
Unrestricted funds	15	100,810	201,637
Restricted funds	15	-	11,204
Total funds		<u><u>100,810</u></u>	<u><u>212,841</u></u>

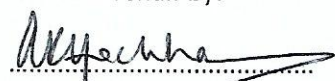
For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

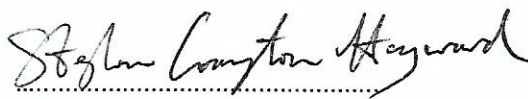
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 17/9/21 and signed on their behalf by:


 Andrew Hochhauser QC
 Chair


 Stephen Crampton-Hayward
 Treasurer

Company registration number: 3450832

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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)" (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Paintings in Hospitals 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 note(s).

The financial statements are presented in pounds sterling and rounded to the nearest pound.

In preparing the financial statements the trustees have considered the effects of Covid-19 on the charity's activities. Due to the pandemic mitigating actions have been taken including first ceasing all activities in the gallery and then taking the strategic decision to close it permanently to reduce our operating costs. The charity has taken advantage of the furlough scheme for those staff whose work activities ceased during lock-down and we have successfully applied for and been granted emergency funding; all of which has helped us to keep financially sound. Our core activity of loaning art work to health settings has continued and we have expanded our digital platform to increase access to our collection and reduce the costs of accessing it physically. We therefore have continued to adopt the going concern basis of accounting.

1.2 Company status

Paintings in Hospitals is a charitable company limited by guarantee incorporated in England and Wales. The address of the registered office is North House, 198 High Street, Tonbridge, Kent, TN9 1BE. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Income

Income from donations, grants and legacies is recognised when the charity has entitlement to the income, it is probable it will be received and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions which must be met before the charity is entitled to the funds. Legacies are recognised following the grant of probate when the executor of the estate has communicated in writing both the amount and settlement date. Donated services are recognised in the period in which they are utilised and are measured at their estimated fair value.

PAINTINGS IN HOSPITALS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1.3 Income (continued)

Income from loan programmes are apportioned over the period of the rental agreements. Similarly, gallery income is recognised in the period of the event. Income received in advance is accounted for as deferred income.

Donated paintings are included in incoming and outgoing resources at an estimate of their value. No paintings were donated during the year.

Income from other trading activities relates to fundraising, Patrons Circle art print sales and rental income. Fundraising income and art print sales are accounted for in the period in which the charity is entitled to receipt. Rental income is recognised over the period to which it relates. Investment income is recognised when it is receivable.

1.4 Expenditure

Expenditure is recognised on an accruals basis as incurred. Expenditure has been classified under headings that aggregate all costs related to the category.

Direct costs are those costs which are directly attributable to the charity's activities. Wages and salaries are allocated to direct costs based on the estimate of time spent on charitable activities by staff members.

Support costs are those costs relating to functions which assist the work of the charity but do not directly relate to its activity. Support costs are allocated to charitable activities on the basis of direct costs.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged so as to write off the cost less their residual values over their expected useful lives at the following annual rates:

Furniture and fittings	-	25%	Straight line
Computer expenditure	-	33%	Straight line

1.6 Financial Instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.7 Fund accounting

The unrestricted funds can be spent on any activity within the charity's overall objectives. Restricted funds are those subject to specific conditions imposed by the donors. Expenditure which meets these criteria is allocated to the fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1.8 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.9 Pension contributions

The charity makes defined contributions into employee private pension schemes. Contributions are charged to the statement of financial activities as they become payable.

1.10 Prior year restatement

A restricted grant was received in part in 2019, however there were no terms and conditions preventing recognition and therefore the grant should have been recognised in full. The effect on the prior period's results is to increase donations and grants and accrued income in debtors by £8,237. Further to this, some of the costs relating to this restricted grant were incurred in 2019, which has resulted in an increase in restricted expenditure of £4,033 in the prior period's results. The impact on reserves in 2020 is to increase restricted funds brought forward by £4,204 and to increase unrestricted funds brought forward by £4,033.

2 Income from donations, grants and legacies	2020	2019
	£	£
Donations and grants	102,033	167,993
Donated services	9,360	6,771
	<u>111,393</u>	<u>174,764</u>

During the year £14,871 was received under the Government's Coronavirus Job Retention Scheme.

Donated services relates to the provision of IT software.

Income for restricted funds in the comparative period was £100,425.

3 Income from charitable activities	2020	2019
	£	£
Loan programmes	78,339	100,820
Gallery income	17,318	144,490
	<u>95,657</u>	<u>245,310</u>

4 Other trading activities	2020	2019
	£	£
Other hire income	7,931	16,229
Fundraising events and Patrons Circle	31,875	35,138
	<u>39,806</u>	<u>51,367</u>

PAINTINGS IN HOSPITALS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 Expenditure on raising funds

	2020	2019
	£	£
Costs of events	14,135	42,245
Donations and grants	15,642	19,055
Support costs (<i>Note 8</i>)	3,721	4,465
	<u>33,498</u>	<u>65,765</u>

Costs of events, donations and grants includes staff costs of £26,998 (2019: £32,163)

6 Expenditure on charitable activities

	<i>Direct</i> <i>costs</i> <i>2020</i> <i>£</i>	<i>Support</i> <i>Costs</i> <i>2020</i> <i>£</i>	<i>Total</i> <i>costs</i> <i>2020</i> <i>£</i>	<i>Total</i> <i>costs</i> <i>2019</i> <i>£</i>
Projects and programmes	24,171	1,861	26,032	34,338
Loan programme	192,987	22,329	215,316	278,331
Gallery expenses	82,814	9,304	92,118	107,839
	<u>299,972</u>	<u>33,494</u>	<u>333,466</u>	<u>420,508</u>
	<i>(Note 7)</i>	<i>(Note 8)</i>		

Expenditure on restricted funds in the comparative period was £89,221.

PAINTINGS IN HOSPITALS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7	Direct costs	<i>Total</i>	<i>Total</i>
		<i>2020</i>	<i>2019</i>
		£	£
	Staff costs	121,491	155,955
	Freelance and consultancy costs	44,060	53,861
	Volunteer expenses	317	1,047
	Collection management	15,168	17,838
	Picture transport	6,086	20,990
	Cost of projects	345	787
	Premises expenses	72,463	84,357
	Office costs	8,724	8,731
	Travel and accommodation	1,157	6,206
	Marketing and IT	23,606	22,786
	Accountancy and consultancy fees	3,525	3,489
	Other costs	2,612	2,076
	Depreciation	418	2,202
		<u>299,972</u>	<u>380,325</u>
8	Support costs	<i>Total</i>	<i>Total</i>
		<i>2020</i>	<i>2019</i>
		£	£
	Staff costs	25,498	30,376
	Volunteer expenses	19	62
	Premises expenses	3,069	4,036
	Office costs	513	514
	Travel and accommodation	68	365
	Other costs	1,420	1,917
	Depreciation	209	1,101
	Bad debts	1,387	-
	<i>Governance costs:</i>		
	Legal and professional fees	1,582	2,527
	Independent examination fees	3,450	3,750
		<u>37,215</u>	<u>44,648</u>
	<i>Allocated to:</i>		
	Raising funds	3,721	4,465
	Charitable activities	<u>33,494</u>	<u>40,183</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Staff costs

	2020	2019
	£	£
Wages and salaries	160,183	188,545
Social security costs	10,664	14,739
Pension costs	3,140	3,987
Temporary staff costs	-	11,223
	<u>173,987</u>	<u>218,494</u>

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

	2020	2019
	No.	No.
Loan Programmes	5	5
Administrative	2	2
	<u>7</u>	<u>7</u>

No employee received remuneration amounting to more than £60,000 in either year.

No remuneration, other benefits or reimbursed expenses were paid to the Trustees for the year ended 31 December 2020 (2019: none).

10 Net expenditure

	2020	2019
	£	£
This is stated after charging:		
Independent examiner's remuneration	1,950	2,250
Independent examiner's remuneration for accountancy services	1,500	1,500
Depreciation	627	3,303
Operating leases rentals	30,000	63,653
	<u>33,077</u>	<u>70,706</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

	<i>Furniture</i> £	<i>Equipment</i> £	<i>Total</i> £
Cost			
At 1 January 2020 and 31 December 2020	23,929	13,574	37,503
Depreciation			
At 1 January 2020	23,244	13,464	36,708
Charge for the year	572	55	627
At 31 December 2020	23,816	13,519	37,335
Net book value			
At 31 December 2020	113	55	168
At 31 December 2019	685	110	795

12 Investments

	<i>2020</i> £	<i>2019</i> £
Market Value		
At 1 January 2020	122,222	113,871
Disposals	(18,743)	-
Net gains on revaluation	4,445	8,351
At 31 December 2020	107,924	122,222

Investments are held in UK deposit funds or fixed interest bond funds.

13 Debtors

	<i>2020</i> £	<i>2019</i> £
Trade debtors	17,796	55,292
Prepayments and accrued income	11,846	138,295
Other debtors	6,920	2,791
	36,562	196,378

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14 Creditors: amounts falling due within one year

	<i>2020</i>	<i>2019</i>
	<i>£</i>	<i>£</i>
Rentals of paintings in advance	95,408	94,093
Other income in advance	-	28,255
Accruals and other creditors	23,548	46,511
Taxation and social security	4,101	5,693
	<u>123,057</u>	<u>174,552</u>

Deferred income relates to income for loan programmes and gallery hire received in advance. The movement is as follows:

	<i>2020</i>	<i>2019</i>
	<i>£</i>	<i>£</i>
Deferred income brought forward	122,348	196,770
Released during the period	(122,348)	(196,770)
Arising in the current year	95,408	122,348
Deferred income carried forward	<u>95,408</u>	<u>122,348</u>

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15 Statement of funds

<i>Current year</i>	<i>Brought forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains and transfers in/out</i> £	<i>Carried forward</i> £
Unrestricted funds					
General fund	201,637	235,675	(340,947)	4,445	100,810
Restricted funds					
Baring Foundation	7,000	-	(7,000)	-	-
City Bridge	-	14,813	(14,813)	-	-
Pilgrim Trust	4,204	-	(4,204)	-	-
Total restricted funds	11,204	14,813	(26,017)	-	-
Total funds	212,841	250,488	(366,964)	4,445	100,810

Funding was received in 2019 from the Baring Foundation towards a key programme 'Art for Everyone' and also from the Pilgrim Trust towards 'Project Sheridan' (ensuring unavailable major artworks in the collection can be conserved and then displayed to support wellbeing). Funding from City Bridge, received in 2020, was towards the work in care homes and was fully expensed in the year.

PAINTINGS IN HOSPITALS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15 Statement of funds (continued)

<i>Prior year</i>	<i>Brought forward</i> <i>£</i>	<i>Income</i> <i>£</i>	<i>Expenditure</i> <i>£</i>	<i>Losses and transfers in/out</i> <i>£</i>	<i>Carried forward</i> <i>£</i>
Unrestricted funds					
General fund	214,133	376,205	(397,052)	8,351	201,637
Restricted funds					
HLF	-	9,800	(9,800)	-	-
Eyre Family Foundation	-	10,000	(10,000)	-	-
City of London	-	19,875	(19,875)	-	-
D'Oyly Carte Charitable Trust	-	2,500	(2,500)	-	-
Britford Bridge	-	10,000	(10,000)	-	-
Baring Foundation	-	19,750	(12,750)	-	7,000
Pilgrim Trust	-	16,000	(11,796)	-	4,204
De Byre Charitable Trust	-	1,500	(1,500)	-	-
Liz and Terry Barmall Foundation	-	5,000	(5,000)	-	-
Oakdale Trust	-	1,000	(1,000)	-	-
City Bridge	-	5,000	(5,000)	-	-
Total restricted funds	-	100,425	(89,221)	-	11,204
Total funds	214,133	476,630	(486,273)	8,351	212,841

16 Analysis of net assets between funds

	<i>Restricted funds</i> <i>2020</i> <i>£</i>	<i>Unrestricted funds</i> <i>2020</i> <i>£</i>	<i>Total funds</i> <i>2020</i> <i>£</i>	<i>Total funds</i> <i>2019</i> <i>£</i>
Fixed assets	-	108,092	108,092	123,017
Current assets	-	115,775	115,775	256,139
Current liabilities	-	(123,057)	(123,057)	(174,552)
	-	100,810	100,810	204,604

Total funds for 2019 included restricted funds of £11,204 included within current assets.

PAINTINGS IN HOSPITALS
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17 Paintings

The charity's loan collection is not reflected in these accounts as, in the opinion of the Trustees, it is neither practical nor beneficial to reflect the true value of the collection. At 31 December 2020 the total collection, which includes lent, purchased and donated artworks, comprised 3,730 works of art, which have been insured on a first loss basis for 3.756 million pounds. Movements on the number of artworks and insured values over the past 5 years are as follows:

	2020	2019	2018	2017	2016
Number of artworks	3,730	3,857	3,844	3,970	4,012
Insured value	£3.8m	£4.0m	£3.8m	£3.4m	£3.8m

18 Operating lease commitments

At 31 December 2020 the charity had total future commitments under non-cancellable operating leases as follows:

	<i>Land and Buildings</i>	<i>Other</i>	<i>Land and Buildings</i>	<i>Other</i>
	2020	2020	2019	2019
	£	£	£	£
Commitments due:				
Not later than one year	10,000	-	30,000	3,653
Later than one year and not later than five years	-	-	-	469

19 Related party transactions

The charity's key management personnel are the trustees, the Executive Director and the Head of Collection, Loans & Programming. Total employee benefits, including employer's pension contributions and employer's National Insurance, in respect of key management personnel were £64,318 (2019: £97,205). No employee benefits are payable to the trustees.

There are no further related party transactions to disclose.