

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

TABLE OF CONTENTS

	Page
Reference and administrative information	1
Trustees' report	3
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11

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 Hochausser 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.

PAINTINGS IN HOSPITALS

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

PAINTINGS IN HOSPITALS

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

	Notes	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
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
			<hr/>		<hr/>
			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	
		<hr/>		<hr/>	
		327,114		399,527	
Creditors: amounts falling due within one year	14	(145,201)		(137,688)	
		<hr/>		<hr/>	
Total assets less current liabilities			181,913		261,839
Creditors: amounts falling due in more than one year	15		(57,471)		(71,285)
			<hr/>		<hr/>
Net assets			125,317		249,751
			<hr/>		<hr/>
Charity funds					
Unrestricted funds	16		86,921		227,154
Restricted funds	16		38,396		22,597
			<hr/>		<hr/>
Total funds			125,317		249,751
			<hr/>		<hr/>

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
		<hr/>	<hr/>
		216,140	256,895
		<hr/>	<hr/>

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
	<i>Governance costs:</i>		
	Legal and professional fees	966	149
	Independent examination fees	6,410	5,313
		<u>82,920</u>	<u>86,911</u>
	<i>Allocated to:</i>		
	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 No.	2023 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

	<i>2024</i> £	<i>2023</i> £
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

	<i>2024</i> £	<i>2023</i> £
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.