

**Tate Foundation**  
**Trustees' report and financial statements**

Year ended 31 March 2021

Company registration number 04009652  
Charity registration number 1085314

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## Trustees' report (including strategic report)

### Reference and administrative details

Tate Foundation was incorporated as a company limited by guarantee on 2 June 2000 and is registered as a charity.

Registered address	Tate Foundation Tate Millbank London SW1P 4RG
Company registration number	04009652
Charity registration number	1085314
Bankers	Coutts & Co St Martins Office 440 Strand London WC2R 0QR
Solicitors	Withers LLP 20 Old Bailey London EC4M 7AN
Auditors	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

### Trustees

The membership of the Board, together with those appointed or resigned during the year, is set out below.

Dr Maria Balshaw CBE  
Joseph P Baratta II B  
John Botts B  
George Economou B  
Edward Eisler B  
Mala Gaonkar B, P  
Scott Mead B, P  
Simon Palley B, IC, P  
Franck Petitgas B (President of Tate Foundation)  
Emmanuel Roman B  
Roland Rudd B (Chairman of Tate Foundation)  
Sir Anthony Salz B  
Lord Stevenson of Coddenham CBE B  
Lance Uggla B

### Company Secretary

Tara Feshitan

### Honorary Members

Abigail Baratta B, Tate Americas Foundation  
Victoria Barnsley B, P  
Debby Brice B, IC  
Lord Browne of Madingley FRS, FREng B, P  
Susan Burns B

Christina Chandris B, IC  
Melanie Clore B  
Sir Howard Davies P  
Dame Vivien Duffield DBE B  
Maryam Eisler B  
Sasan Ghandehari B  
Noam Gottesman B, IC  
Oliver Haarmann B  
Peter Kellner B, P  
Catherine Lagrange B, IC  
Ronald and the Hon Mrs Rita McAulay B  
Mandy Moross B  
Elisabeth Murdoch B  
Lord Paul Myners CBE B  
Marilyn Ofer B, IC  
John Porter B  
Sir John Ritblat B  
Lady Ritblat B  
Dame Theresa Sackler DBE B, IC  
The Rt Hon Sir Timothy Sainsbury B  
Peter Simon B  
Jon Snow B  
Mercedes Stoutzker B  
John Studzinski CBE B, IC, Tate Americas Foundation  
The late Ian Taylor B  
Viktor Vekselberg B  
Sir David Verey CBE B  
Anita Zabludowicz OBE B, IC

B: Benefactor; IC: International Council; P: Tate Patron; S: Sponsor

### **Executive**

The day to day management of the charity is delegated to Tate staff, the key personnel involved are:

Dr Maria Balshaw CBE, Trustee, Tate Director  
Claire Gylphé, Director of Development  
Stephen Wingfield, Director of Finance and Estates

## **Structure, governance and management**

### **Governing document**

Tate Foundation is a charitable company limited by guarantee, incorporated on 2 June 2000. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Tate Foundation is governed by Trustees who constitute Directors for Companies Act purposes and Trustees for the purposes of charity law.

The role of the Trustees is non-executive and voluntary. The Trustees meet three times a year to conduct the formal business and provide a framework to be followed by Tate staff, who run the day to day activities of the charity.

### **Recruitment and appointment of Trustees**

Potential Trustees are invited to join Tate Foundation depending on their skills and experience and are appointed by the members for three years. The minimum number of Trustees is two.

### **Induction and training of Trustees**

New Trustees are inducted and given training appropriate to their knowledge and ability. In addition, all Trustees are issued with “Guidelines for the Trustees/Directors of Tate Foundation on dealing with questions of benefit and conflicts of interest”, which describes how Trustees should identify and approach potential conflicts of interest and

issues relating to benefits. Trustees complete an annual Conflict of Interest Declaration Form, which is used to monitor and manage conflicts of interest.

### **Fundraising practices and compliance**

Tate is registered with the Fundraising Regulator and Tate Foundation raises funds in support of Tate through its Patrons, Acquisition Committees, International Council, Legacy and other fundraising schemes. Tate Foundation does not undertake mass fundraising activity and does not employ third party agencies or individuals to fundraise on its behalf. The Foundation has received no complaints in relation to its fundraising activities in this reporting period.

### **Organisational structure**

The Tate Foundation Trustees establish a framework for the organisation, with the day to day operation and management delegated to Tate staff. The Trustees oversee policies and financial decisions and approve the contribution to Tate.

### **Related parties**

The organisation is strongly reliant on Tate's infrastructure and procedures, especially in relation to staff and risk management.

## **Objectives and activities**

Tate Foundation's objective is the promotion of the charitable purposes of the Board of Trustees of the Tate Gallery (Tate). Tate's guiding mission is to increase public knowledge, understanding and appreciation of British art from the sixteenth century to the present day and of international modern and contemporary art. Tate Foundation delivers public benefit through its support of Tate.

Tate Foundation receives donations and holds funds in anticipation of grant requests from Tate. Tate Foundation's aim for the year was to maximise income and support the long-term aspirations of the charity.

The strategy to achieve these objectives was to maximise the income from the various activities described below.

- The Foundation continues to receive donations for the Tate Modern Project, a major capital project completed by Tate in 2016.
- The Tate Patrons membership scheme exists to raise money via subscriptions and special purchase funds to support Tate's programme, assist with the acquisition of works of art for the Tate Collection and to encourage a wider interest in art.
- The International Council, Asia Pacific Acquisition Committee (APAC), Middle East and North African Acquisition Committee (MENAAC), African Acquisition Committee (AAC), Photography Acquisition Committee (PAC), South East Asia Acquisitions Committee (SAAC), Russia & Eastern European Acquisitions Committee (REEAC) and European Collection Circle (ECC) constitute supporter groups of international art enthusiasts. Membership is by invitation only. APAC, MENAAC, AAC, SAAC, REEAC and ECC seek to strengthen the collection via acquisitions from each geographical region, while PAC is focused on the acquisition of photography works. The Tate Liverpool Commissioning Circle is a supporter group focused on innovative future programme, the commissioning of major new works showcasing emerging artists and creating community and outreach programmes. The Frieze Tate Fund acquires works for Tate from the Frieze Art Fair annually. Any contributions to Tate are decided by the appropriate Forums in consultation with Tate.

## **How Tate Foundation's activities deliver public benefit**

Tate Foundation's main activities and who it aims to help are described below. All charitable activities focus on supporting Tate in promoting increased knowledge, understanding and enjoyment of British art from 1500 and International Modern and Contemporary Art and are undertaken to further charitable purposes for the public benefit.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

### Who benefited

During 2020-21 those benefiting from Tate's services, which receive direct financial support from Tate Foundation, included the 591,000 visitors to the four Tate galleries in London, Liverpool and St Ives and also the just under 19 million unique visitors to the Tate website. Tate conducts outreach programmes, for local communities in Millbank, Southwark, Liverpool and St Ives. These include working with young people, under-represented communities, and families with pre-school children. Tate actively pursues diversity and promotes a multi-cultural perspective. Accessibility is an abiding principle.

Tate Foundation continues to support the acquisition of key works in the collection for the public benefit. Tate's ambition to grow the collection to become more international and diverse was supported by Tate Foundation through the acquisition of a number of important works from the Middle East, Asia-Pacific, South Asia, Africa, Europe and Russia and Eastern Europe.

Tate Foundation contributions supported the Lynette Yiadom-Boakye: Fly In League With The Night and Turner's Modern World exhibitions at Tate Britain, as well as the Bruce Nauman and Zanele Muholi exhibitions at Tate Moderns. Financial support was also made available to support Tate's Performance Activation Fund, Schools and Teachers programme, Tate Exchange, Tate Collective, Tate Intensive and the conservation of works by artists including Tacita Dean, David Hockney, Piet Mondrian, and JMW Turner.

Tate Foundation contributions continued to support the completed capital projects at Tate Modern.

## Strategic report

### Achievements and performance

During 2020-21, Tate Foundation achieved its objective by making charitable grants of £3,180,116 (2020: £4,755,331) of which £1,890,329 (2020: £3,061,368) supported purchases of works of art. These works of art will be available for the public to view when they are on display within the Tate Galleries.

The remaining charitable grants of £1,289,787 (2020: £1,693,963) were to support Tate's capital and public programme, including making direct contributions to exhibitions, education and conservation departments.

Key performance indicators used by the Trustees include income pledged through various fundraising activities against targets. For the year ended 31 March 2021, voluntary income for non-capital projects was pledged against target as follows for the activities listed:

Voluntary income pledged	Target	Actual Pledged 2021
	£000	£000
Patrons – London	1,073	1,021
International Council	990	711
Frieze Art Fair	150	150
APAC	375	372
MENAAAC	178	186
PAC	229	262
AAC	200	262
SAAC	188	186
REAAC	269	284
European Collectors Circle	525	717

### Contribution to works of art purchased by Tate

Contributions during the year were made in respect of the following works of art:

*Tri-form tri-colour 1968, Ann Sutton*  
*Both sides 1967, Ann Sutton*

*Spiral colour and area progression* 1965, Ann Sutton  
*Diminishing square thickness* 1965, Ann Sutton  
*The Square, The Line and The Ruler* 2019, Anna Boghiguan  
*Institution vs The Mass* 2019, Anna Boghiguan  
*Tongues* 1998 (Activation Version), Anu Pöder  
*Bricolage* 1964, Carol Rama  
*Buff in Bloom, Glow and Thumos* 2016, Daiga Grantiņa  
*Isola Bella* 2007-8, Danica Dakić  
*Changing Room* 2014, Helen Cammock  
*Don't Look At The Finger* 2017, Hetain Patel  
*Shinjuku Station, Tokyo, Japan* 1962, 1962, printed 2015, Hiro (Yasuhiro Wakabayashi)  
*The Pole of the East* 2004, Huang Yong Ping  
*L'Ange Chasse (Fallen Angel)/ Angel Hunt* 1966, Jagoda Buić  
*L'Ange Chasse (Fallen Angel)/ Angel Hunt* 1966, Jagoda Buić  
*Ass Priest* 2017, Jesse Darling  
*Our Labyrinth* 2015-present, Lee Mingwei  
*Razorbill* 2020, Lynette Yiadom-Boakye  
*In Place of the Public: Airport Series* 1983, JFK TWA New York 1990, O'Hare Chicago 1994, Martha Rosler  
*Exergie (butter Dance)* 2000, Melati Suryodarmo  
*The Weight of Hands* 2010, Minouk Lim  
*Weed Killer* 2017, Patrick Staff  
*Levant* 2018, Paul Maheke  
*Mutual Survival, Lorde's Manifesto* 2015, Paul Maheke  
*New Jersey Night from Westside Highway* 1975, *Lower Manhattan from the Harbor* 1976, Ricie  
*1985, Draped Male Nude (111) Animals Shaggy Cow, Hyrkin Farm (II)*, Peter Hujar  
*Fire!* 1975, Rasheed Araeen  
*Software Garden* 2018, Rory Pilgrim  
*That is where, as you heard, the elephant danced the malinga/The place where they now grow flowers*, 2016, Sammy Baloji  
*Room for Deportees* 2017, Siah Armajani  
*Nisyros (Vivian's bed)* 2016-17, Vivian Suter  
*Gorbachev* 1990, Vladislav Mamyshev-Monroe  
*Male and Female Singers and Actors* 1990, Vladislav Mamyshev-Monroe  
*Lighter, yellow/green I* 2008, Wolfgang Tillmans  
*Lighter, blue concave II* 2010, Wolfgang Tillmans  
*Lighter 44* 2008, Wolfgang Tillmans  
*Lighter, blue up IX* 2013, Wolfgang Tillmans

## Financial review

The accounts have been prepared under FRS 102. Total income for the year was £6,727,758 (2020: £6,574,490). Of the total income figure, £1,539,812 (2020: £1,592,708) was received for the major capital project at Tate Modern.

The surplus for the year was £2,337,252 (2020: £608,191).

## Reserves policy

It is the Trustees' policy to review the reserves on an annual basis to consider if they are appropriate for the current activity of the Foundation and requests for grants from Tate. As a standard, reserves should be maintained at a minimum level of 25% of total income, excluding major capital project donations, which should provide sufficient working capital for one year. A level of £1,296,987 is required to comply with this policy. Free reserves are currently held at a level above the reserves policy to reflect income recognised but not yet received.

Free reserves, defined as unrestricted funds excluding designated funds and works of art, at 31 March 2021 were £11,845,301 (2020 restated: £9,786,421). Restricted reserves at this date were £4,841,051 (2020: £4,562,679). Total reserves held by Foundation at that date were £17,124,352 (2020: £14,787,100).

## Investments

Current asset investments of £20,751,703 (2020: £13,854,093) held at 31 March 2021 were term deposits.

## Plans for future periods

Tate Foundation continues to support Tate's strategic development. Tate Foundation will continue to represent the interests of those individuals who give significant financial support or gifts of art to Tate by appointing Trustees of the Foundation from amongst its supporters who are best qualified to offer advice and support to the Tate Gallery Board and Tate Executive on the fulfilment of Tate's strategic objectives. This includes building the Patrons and International Council membership schemes and increasing major donations to Tate, particularly to the Collection through the acquisition committees and a planned Endowment Campaign.

As a result of the continued impact of the Coronavirus pandemic and the measures taken by governments both in the UK and overseas, the Foundation's forecasts have been adjusted. It is expected that the level of donations will remain the same in the next financial year and that grant requests from Tate Gallery will be fulfilled by in-year donations. Due to the effects of the curtailment of its trading activities on its profitability during the Coronavirus pandemic, Tate Enterprises is not able to make a Gift Aid donation to Tate Foundation in 2020-21, nor is it anticipated that Tate Enterprises Limited will be able to make one in 2021-22.

## Principal risks and uncertainties

The Tate Foundation Board has responsibility for ensuring effective risk management processes are in place. The actual risk management processes are the responsibility of senior staff (who are Tate management) and are embedded in the management process. The Board places strong reliance on the risk analysis and control environment operated by Tate and the Tate Audit Committee.

Tate Foundation has prepared a risk register, which details the major risks the organisation faces and identifies the controls in place to mitigate those risks. The register also covers compliance with statutory requirements and internal control procedures as well as investment risk. The risk register is kept under review on an ongoing basis by Tate's management and risks are discussed by the Board as part of the operational update at each meeting. The focus is on ensuring that risks are managed effectively by senior Tate staff. Tate Foundation's operations and risk management processes are also reviewed periodically by Tate's Internal Audit. However, it is recognised that a risk management system can only seek to manage, rather than eliminate, factors that impact on the ability to achieve business objectives, and can provide only reasonable assurance against material misstatement or loss.

The principal risks and uncertainties which could impact Tate Foundation's performance, and the associated mitigating activities, are summarised below.



Area of principal risk/uncertainty	Description and examples of mitigating activities
<ul style="list-style-type: none"> <li>Increasingly competitive environment for philanthropic giving as a result of the Coronavirus pandemic.</li> <li>Reduction in Tate programme against which to fundraise due to temporary closure during Coronavirus pandemic and longer-term effects on sector e.g. reduction in tourism.</li> <li>Challenges to the overall economic climate leading to increased pressure on discretionary expenditure.</li> <li>Impact on fundraising due to heightened external scrutiny of ethical considerations.</li> </ul>	<ul style="list-style-type: none"> <li>Fundraising propositions and membership schemes are subject to continual review to ensure they are relevant and attractive to a changing market, and focus on a cause rather than specific programme. Advice is sought from non-executive advocates and Trustees.</li> <li>Prospect pools are carefully identified and managed to ensure they only include those who have capacity to give. Additionally, an ongoing programme of high-quality stewardship is in place so that Tate retains a relationship with donors and sponsors who may be approached in the future.</li> <li>Active supporter prospecting is supported by robust research and due diligence in line with Tate's Ethics and Donations policies.</li> <li>A robust system of financial management and control is in place, including: <ul style="list-style-type: none"> <li>Management of forecast in current financial year and budget planning for future years;</li> <li>Quarterly reforecasts include implementing Action Plans to address specific risks;</li> <li>Effective financial control;</li> <li>Holding a contingency against key operational risks and having a reserves policy.</li> </ul> </li> </ul>

## Auditors

Moore Kingston Smith LLP were appointed as auditors during the year and, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

This report, including the Strategic Report, was approved by the Board on 30<sup>th</sup> June 2021 and signed on 1<sup>st</sup> July 2021 on its behalf by:



Roland Rudd  
Trustee

## Statement of Trustees' responsibilities

The Trustees (who are also directors of Tate Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Independent auditor's report to the members of Tate Foundation

## Opinion

We have audited the financial statements of Tate Foundation ('the company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

## Basis for opinion

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

**Our approach was as follows:**

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

.....  
**Neil Finlayson (Senior Statutory Auditor)**

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 7 July 2021  
.....

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# Statement of financial activities

(Incorporating an income and expenditure account)

(for the year ended 31 March 2021)

	Notes	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
<b>Income and endowments from:</b>					
Donations and legacies	4	2,754,714	3,968,048	<b>6,722,762</b>	6,541,445
Other trading activities		-	-	-	-
Investments	5	4,996	-	<b>4,996</b>	33,045
Other		-	-	-	-
<b>Total</b>		<b>2,759,710</b>	<b>3,968,048</b>	<b>6,727,758</b>	6,574,490
<b>Expenditure on:</b>					
Raising funds					
Costs of generating donations and legacies	9	(1,210,373)	(17)	<b>(1,210,390)</b>	(1,210,968)
Fundraising trading: cost of goods sold and other costs		-	-	-	-
Investment management costs		-	-	-	-
Charitable activities	7	(1,030,269)	(2,149,847)	<b>(3,180,116)</b>	(4,755,331)
Other		-	-	-	-
<b>Total</b>		<b>(2,240,642)</b>	<b>(2,149,864)</b>	<b>(4,390,506)</b>	(5,966,299)
Net gains on investments		-	-	-	-
<b>Net income/(expenditure)</b>	6	<b>519,068</b>	<b>1,818,184</b>	<b>2,337,252</b>	608,191
Transfers between funds	16	1,539,812	(1,539,812)	-	-
<b>Other gains/(losses)</b>					
<b>Net movement in funds</b>		<b>2,058,880</b>	<b>278,372</b>	<b>2,337,252</b>	608,191
<b>Reconciliation of funds:</b>					
Total funds brought forward	16	10,224,421	4,562,679	<b>14,787,100</b>	14,178,909
<b>Total funds carried forward</b>	16	<b>12,283,301</b>	<b>4,841,051</b>	<b>17,124,352</b>	14,787,100

The results for the year were derived solely from continuing operations.

The notes on pages 16-24 form part of these accounts

## Balance sheet

at 31 March 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Heritage assets	11	438,000	438,000
		<b>438,000</b>	438,000
<b>Current assets</b>			
Debtors	13	3,314,226	5,882,696
Investments	12	20,751,703	13,854,093
Cash at bank and in hand		1,453	3,641
		<b>24,067,382</b>	19,740,430
<b>Creditors: amounts falling due within one year</b>	14	(7,381,030)	(5,391,330)
<b>Net current assets</b>		<b>16,686,352</b>	14,349,100
<b>Total assets less current liabilities</b>		<b>17,124,352</b>	14,787,100
<b>Creditors: amounts falling due after more than one year</b>	15	-	-
<b>Net assets</b>		<b>17,124,352</b>	14,787,100
<b>Funds</b>			
Unrestricted			
Designated	16	-	-
Other	16	12,283,301	10,224,421
Restricted	16	4,841,051	4,562,679
<b>Total funds</b>		<b>17,124,352</b>	14,787,100

These financial statements were approved by the Board of Trustees on 30<sup>th</sup> June 2021 and signed on 1<sup>st</sup> July 2021 on its behalf by:



Roland Rudd  
Trustee

Company registration number 04009652

The notes on pages 16-24 form part of these accounts

## Statement of cash flows

(for the year ended 31 March 2021)

	Note	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by/(used in) operating activities</i>	20(i)	6,890,426	3,767,323
<b>Cash flows from investing activities:</b>			
Dividends and interest		4,996	33,045
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
<b>Net cash provided by/(used in) financing activities</b>		-	-
<b><i>Change in cash and cash equivalents in the reporting period</i></b>		<b>6,895,422</b>	<b>3,800,368</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>13,857,734</b>	<b>10,057,366</b>
<b><i>Cash and cash equivalents at the end of the reporting period</i></b>	20(ii)	<b>20,753,156</b>	<b>13,857,734</b>



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Tate Foundation's financial statements.

#### ***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 2015) and the Companies Act 2006.

Tate Foundation meets the definition of a public benefit entity under FRS 102.

The functional currency is GBP sterling.

#### ***Going concern basis of preparation for the accounts***

The accounts have been prepared on the going concern basis. As a result of the impact of the Coronavirus pandemic and the measures taken by governments both in the UK and overseas, the foundation's forecasts have been adjusted and continue to be reviewed on a quarterly basis. Tate Foundation receives donations and holds funds in anticipation of grant requests from Tate Gallery. It is expected that the level of donations, including those from Tate Enterprises Limited as a result of the downturn in its trading activities during and after the Coronavirus pandemic, will fall and that grant requests from Tate Gallery will be fulfilled by in-year donations and the use of reserves. The trustees are confident that the company can continue to cover its operating costs as they fall due for a period of at least twelve months from the date of approval of these financial statements.

#### ***Subscriptions and donations***

Donations that have a formal gift agreement will be recognised at the date of the agreement, unless there are terms and conditions which must be met before Tate Foundation is entitled to the resources. All other donations will be recognised on a cash received basis, unless there are terms and conditions which must be met before Tate Foundation is entitled to the resources.

Donations usually also include a contribution from the Corporate Membership programme which was moved to Tate Enterprises Ltd, a wholly owned subsidiary of Tate, on 1 April 2017. Tate Enterprises gift aids all the profits from this activity to the Tate Foundation. Due to the effects of the Coronavirus pandemic on Tate Enterprises' activities, no gift aid will be paid to Tate Foundation in 20-21.

#### ***Legacies***

Receipt of a legacy will be recognised when there has been grant or probate; the executors have established that there are sufficient assets in the estate; and that any conditions attached to the legacy are within the control of Tate Foundation or have been met.

#### ***Unrestricted funds***

These resources arise from the accumulated surpluses and deficits in the operation for charitable purposes and are expendable at the discretion of the Trustees in furtherance of the objective of the charity.

#### ***Designated funds***

Funds designated for a particular use by the Trustees.

#### ***Restricted funds***

These resources arise from contributions received for specific purposes. These funds are expended in accordance with these purposes.

#### ***Financial instruments***

Tate Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

***Charitable grants payable***

This expenditure represents contributions made to Tate towards acquisition of works of art by Tate and towards Tate projects. The expenditure is recognised when Tate Foundation is committed to provide such funding.

***Raising funds***

This expenditure represents the costs of fundraising.

***Borrowings***

Interest is charged to the statement of financial activities as it accrues. Charges incurred on the RBS loan were at a rate of 1% over LIBOR per interest period on the total amount of the loan.

***Governance costs***

This expenditure is audit and legal fees.

***Investments***

Investments are stated at market value rather than at historical cost. Any unrealised gains or losses arising from this policy are disclosed in the statement of financial activities.

***Heritage assets***

Heritage assets are stated at valuation as at the date of introduction of FRS 30: Accounting for Heritage Assets. They are not depreciated or revalued as a matter of routine, as the assets are deemed to have indeterminable lives. Impairment reviews are carried out only if the asset suffers physical deterioration or doubts arise as to their authenticity.

## Notes *(continued)*

### 2 **Statement of financial activities** (Incorporating an income and expenditure account) *(for the year ended 31 March 2020)*

	Unrestricted funds £	Restricted funds £	2020 £
<b>Income and endowments from:</b>			
Donations and legacies	2,607,849	3,933,596	<b>6,541,445</b>
Investments	33,045	-	<b>33,045</b>
<b>Total</b>	<b>2,640,894</b>	<b>3,933,596</b>	<b>6,574,490</b>
<b>Expenditure on:</b>			
Raising funds			
Costs of generating donations and legacies	(1,192,092)	(18,876)	<b>(1,210,968)</b>
Charitable activities	(1,796,773)	(2,958,558)	<b>(4,755,331)</b>
<b>Total resources expended:</b>	<b>(2,988,865)</b>	<b>(2,977,434)</b>	<b>(5,966,299)</b>
<b>Net income/(expenditure)</b>	<b>(347,971)</b>	<b>956,162</b>	<b>608,191</b>
Transfers between funds	1,592,621	(1,592,621)	--
<b>Net movement in funds</b>	<b>1,244,650</b>	<b>(636,459)</b>	<b>608,191</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	8,979,771	5,199,138	<b>14,178,909</b>
<b>Total funds carried forward</b>	<b>10,224,421</b>	<b>4,562,679</b>	<b>14,787,100</b>

### 3 **Staff numbers and costs**

Tate supplies employees and recharges the cost to Tate Foundation. The charge for the year is £656,571 (2020: £573,655) and also includes agency staff charged directly to Tate Foundation of £nil (2020: £391).

## Notes (continued)

### 4 Donations and legacies

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Tate Patrons	1,021,020	-	1,021,020	1,280,010
International Council members	711,076	-	711,076	969,094
Tate Fund	1,055,444	-	1,055,444	48,497
Asia Pacific Acquisitions Committee	-	371,963	371,963	396,297
Middle East & North Africa				
Acquisitions Committee	-	186,076	186,076	216,867
African Acquisitions Committee	-	262,201	262,201	244,546
South East Asia Acquisitions Committee	-	185,688	185,688	240,619
Photography Acquisition Group	-	261,692	261,692	268,366
Russia & East European Acquisitions				
Committee	-	284,098	284,098	319,110
Director's Future Fund	-	-	-	-
European Collectors Circle	-	716,518	716,518	465,083
Liverpool Commissioning Circle	-	10,000	10,000	20,000
Frieze Fund	-	150,000	150,000	150,000
Capital Projects Fundraising	-	1,539,812	1,539,812	1,592,708
Legacies	280,846	-	280,846	1,181
Performance Fund	-	-	-	20,000
Other donations received / (adjusted)	-	-	-	4,067
Gift aid from Tate Enterprises Limited	(313,672)	-	(313,672)	305,000
	<b>2,754,714</b>	<b>3,968,048</b>	<b>6,722,762</b>	<b>6,541,444</b>

### 5 Investments

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Bank interest	4,996	-	4,996	33,045
	<b>4,996</b>	<b>-</b>	<b>4,996</b>	<b>33,045</b>

### 6 Net income/(expenditure)

<i>Net income/(expenditure) is stated after charging:</i>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	<b>8,885</b>	<b>8,700</b>

Auditor's remuneration for the year ended 31 March 2021 was £8,885 (2020: £8,700).

## Notes *(continued)*

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Contributions towards works of Art purchased by Tate	608,982	1,281,347	1,890,329	3,061,368
Contributions to Tate	421,287	868,500	1,289,787	1,693,963
	<b>1,030,269</b>	<b>2,149,847</b>	<b>3,180,116</b>	<b>4,755,331</b>

There were £3,140,116 of accrued contributions at 31 March 2021 (2020: £2,808,429)

### 8 Trustees' remuneration

The Trustees received no remuneration or expenses in the year ended 31 March 2021 (2020: nil).

### 9 Raising funds

	Staff costs £	Members' benefits £	Other costs £	Total 2021 £	Total 2020 £
Unrestricted funds	656,571	11,948	541,854	1,210,373	1,192,092
Restricted funds: Frieze Fund	-	-	17	17	18,876
	<b>656,571</b>	<b>11,948</b>	<b>541,871</b>	<b>1,210,390</b>	<b>1,210,968</b>

### 10 Support costs

All support services including Finance, Human Resources and Information Systems are provided by Tate. This service is estimated to have a value of £126,475 (2020: £131,764) and has been charged to costs of generating donations and legacies in the statement of financial activities.

## Notes (continued)

### 11 Heritage assets

Tate Foundation owns a collection of 9 modern works of art. These assets were donated to Tate Foundation in the 1980s and have a collective value of £438,000 as at the 31 March 2021 (2020: £438,000). The assets were valued in 2009 by Tate Gallery curators using industry standard methods of valuation. There have been no additions, disposals, revaluations or impairment of heritage assets in any of the four previous accounting periods. The Trustees do not have a general acquisitions and disposal policy but look at each work of art on a case by case basis.

At 31 March 2021, one of these works of art was on loan to the Scottish National Gallery of Modern Art; the remainder were on loan to Tate galleries where they are under the care of the Collection Care department, details of which can be found at <http://www.tate.org.uk/about/our-work/conservation>. The loans and details of the works of art are recorded on the Tate Gallery database system.

	Value at 1 April 2020 £	Revaluations £	Additions £	Disposals £	Value at 31 March 2021 £
Works of art	438,000	-	-	-	<b>438,000</b>

### 12 Investments

Current asset investments are held in various term deposits and are treated as liquid resources for the purposes of the cashflow statement.

### 13 Debtors

	2021 £	2020 £
Trade debtors	-	49,743
Taxation and social security	-	-
Other Debtors	<b>23,722</b>	157
Prepayments and accrued income: amount falling due within one year	<b>1,193,228</b>	1,093,048
Prepayments and accrued income: amounts falling due after more than one year	<b>2,000,000</b>	3,000,000
Receivable from Tate and associates	<b>97,276</b>	1,739,748
	<b>3,314,226</b>	<b>5,882,696</b>

### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	<b>14,074</b>	61,606
Taxation and social security	<b>26,459</b>	2,233
Loans	-	-
Other creditors	<b>3,000</b>	1,124,572
Accruals and deferred income	<b>145,195</b>	182,754
Payable to Tate and associates	<b>7,192,302</b>	4,020,165
	<b>7,381,030</b>	<b>5,391,330</b>

## Notes (continued)

### 15 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Deferred income	-	-
	-	-

### 16 Reconciliation of movements in funds

	At 1 April 2020 £	Incoming £	Outgoing £	Transfers £	At 31 March 2021 £
<b>Restricted funds</b>					
International Council	54,929	-	-	-	<b>54,929</b>
Annual Fund	583	-	-	-	<b>583</b>
Latin American Acquisitions Committee	53,367	-	-	-	<b>53,367</b>
Asia Pacific Acquisitions Committee	568,546	371,962	(431,446)	-	<b>509,062</b>
Middle East & North Africa Acquisitions Committee	155,497	186,076	(220,498)	-	<b>121,075</b>
African Acquisitions Committee	222,091	262,201	(202,808)	-	<b>281,484</b>
South East Asia Acquisitions Committee	53,325	185,690	(62,500)	-	<b>176,515</b>
Photography Acquisition Group	208,738	261,692	(180,109)	-	<b>290,321</b>
Russia & East European Acquisitions Committee	148,326	284,097	(235,577)	-	<b>196,846</b>
European Collectors Circle	123,605	716,518	(348,038)	-	<b>492,085</b>
Collection Fund	160,727	-	-	-	<b>160,727</b>
Liverpool Commissioning Circle	52,500	10,000	(20,000)	-	<b>42,500</b>
Frieze Fund	45,419	150,000	(22,888)	-	<b>172,531</b>
Capital projects fundraising	1,823,012	1,539,812	(426,000)	(1,539,812)	<b>1,397,012</b>
Legacies	709,457	-	-	-	<b>709,457</b>
Performance Fund	67,209	-	-	-	<b>67,209</b>
Other restricted reserves	115,348	-	-	-	<b>115,348</b>
<b>Total restricted funds</b>	<b>4,562,679</b>	<b>3,968,048</b>	<b>(2,149,864)</b>	<b>(1,539,812)</b>	<b>4,841,051</b>
<b>Unrestricted funds</b>					
Designated	-	-	-	-	-
Works of art	438,000	-	-	-	<b>438,000</b>
Other	9,786,421	2,759,710	(2,240,642)	1,539,812	<b>11,845,301</b>
<b>Total unrestricted funds</b>	<b>10,224,421</b>	<b>2,759,710</b>	<b>(2,240,642)</b>	<b>1,539,812</b>	<b>12,283,301</b>
<b>Total funds</b>	<b>14,787,100</b>	<b>6,727,758</b>	<b>(4,390,506)</b>	<b>-</b>	<b>17,124,352</b>

## Notes (continued)

### Restricted funds

Restricted funds are held for acquisition of works of art or for decision by the membership councils. Further details may be found in the Trustees' report.

Part of the Collection Fund is restricted and is there to support the Tate Collection.

The Capital projects fundraising fund was for three major projects which have now been completed: the Tate Modern Project, Tate Britain Millbank Project and Tate St Ives Phase II. All funds on the Tate Britain Millbank Project and the Tate St Ives Phase II have been received. Pledges for the Tate Modern Project continue to be received as scheduled. In the year to March 2021, £1,539,812 of Tate Modern Project donations were returned to unrestricted reserves (2020: £1,592,621).

Other restricted reserves include amounts given for specific acquisitions and projects.

### Designated funds

In June 2019, Trustees removed the designation on an unrestricted fund which had been created to support a fundraising initiative.

### Unrestricted funds

Funds available for general use.

## 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Fixed assets				
Works of art	438,000	-	<b>438,000</b>	438,000
Current assets	19,226,331	4,841,051	<b>24,067,382</b>	19,740,430
Current liabilities	(7,381,030)	-	<b>(7,381,030)</b>	(5,391,330)
Long term creditors	-	-	-	-
Total net assets	<u>12,283,301</u>	<u>4,841,051</u>	<u><b>17,124,352</b></u>	<u>14,787,100</u>

## 18 Related parties

The only related party transactions during the year were those with the Board of Trustees of the Tate Gallery who employ the Development Office staff who serviced Tate Foundation, and who provided support for back office functions including Human Resources, Information Systems, Finance and Legal. This was at a charge of £783,046 (2020: £705,029). These transactions were in addition to the charitable contributions paid to Tate as set out in note 7.

## 19 Liability of members

Tate Foundation is a company limited by guarantee, with no share capital. Each member of the company, of which there are currently two, is liable to contribute £1 in the event of the winding up of the company.



## Notes *(continued)*

### 20 Statement of cash flows

#### (i) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	<b>2,337,252</b>	608,191
<b>Adjustments for:</b>		
Dividends and interest	(4,996)	(33,045)
Decrease/ (increase) in debtors	<b>2,568,468</b>	(355,977)
(Decrease)/ increase in creditors	<b>1,989,702</b>	3,548,154
<b>Net cash provided by/(used in) operating activities</b>	<b>6,890,426</b>	<b>3,767,323</b>

#### (ii) Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<b>1,453</b>	3,641
Notice deposits (less than 3 months)	<b>20,751,703</b>	13,854,093
	<b>20,753,156</b>	<b>13,857,734</b>