NATIONAL ART COLLECTIONS FUND

England & Wales · Charity number 209174

Details

Other names	THE ART FUND
Status	Registered
Legal form	Other
Registered	1962-10-16
Register	View on the Charity Commission register

Contact

Address	2 Granary Square King's Cross London N1C 4BH
Phone	02072254800
Email	info@artfund.org
Website	www.artfund.org

Activities

Objects: TO SECURE BY PURCHASE, GIFT, EXCHANGE, BEQUEST OR OTHERWISE WORKS OF ART, AND OBJECTS OF NATIONAL AND HISTORICAL IMPORTANCE FOR PRESENTATION OR LOAN TO PUBLIC ART COLLECTIONS IN OUR UNITED KINGDOM AND THE COMMONWEALTH AND TO THE NATIONAL TRUST FOR PLACES OF HISTORIC INTEREST OR NATURAL BEAUTY AND THE NATIONAL TRUST FOR SCOTLAND FOR PUBLIC EXHIBITION SUCH PRESENTATION OR LOAN TO BE MADE SUBJECT TO SUCH CONDITIONS AND TERMS AS ARE REQUIRED.

Activities: The Art Fund enriches museums and galleries throughout the UK with works of art of all kinds; campaigns for the widest possible access to art; and promotes the enjoyment of art through its membership scheme.

Classification

- **How:** Makes Grants To Organisations
- **What:** Arts/culture/heritage/science
- **Who:** Other Defined Groups

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Geography

- **Area of benefit:** GREAT BRITAIN AND THE COMMONWEALTH
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£17,681,000	£17,935,000	£57,784,000	80
2023-12-31	£16,336,000	£19,402,000	£54,309,000	80
2022-12-31	£13,948,000	£20,873,000	£54,136,000	72
2021-12-31	£17,640,000	£16,579,000	£62,005,000	72
2020-12-31	£14,470,000	£18,067,000	£56,262,000	69

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Trustees

Name	Role	Appointed
Alexander Nairne CBE	Chair	2024-09-23
Anupam Ganguli		2020-01-14
Clare Jennifer Gough		2022-10-19
Desmond Shawe-Taylor		2022-10-19
Dr David Dibosa		2023-02-20
Jeremy Deller		2025-03-02
Katrina Brown		2018-12-10
Madeleine Kennedy		2021-02-22
Monisha Shah		2017-09-26
Professor Caroline Alexandra van Eck		2026-01-01
Satish Padiyar		2021-02-22
Sir Nigel Martyn Carrington		2023-07-03
Stella Abadesi Osunsade		2022-10-19
Susan Rees		2021-02-22
Tessa Jackson		2018-09-24

Linked charities

- MRS M B GULL BEQUEST (209174-1)
- W B BOND BEQUEST (209174-2)
- COCHRANE BEQUEST (209174-3)
- THE RAMSAY-DYCE BEQUEST (209174-4)
- CAMPBELL DODGSON BEQUEST (209174-5)
- THE REGINALD JONES BEQUEST (209174-6)
- MRS A M MARSHALL (209174-7)
- ROBERT IVOR GUNN BEQUEST (209174-8)

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NATIONAL ART COLLECTIONS FUND

England & Wales - Charity number 209174

Accounts

Art Fund_

Annual Review
2024 – 2025







This page and next: Jennifer Trouton, *Last Supper: Original Sin* (diptych), 2023, Ulster Museum Collection, Belfast, acquired 2024 with Art Fund support. © the artist. Courtesy National Museums Northern Ireland

On the cover:
Front: Unknown, *The Deposition from the Cross*, c1200, V&A, London. Art Fund's grant was made possible with the support of the Rought Fund, Wolfson Foundation, The Leche Trust, the David and Emma Verey Charitable Trust and a group of generous individuals. © Victoria and Albert Museum, London

Back: Garry Fabian Miller, *The Darkroom's Fading Presence*, 2020, Royal Albert Memorial Museum and Art Gallery, Exeter, acquired 2024 with Art Fund support. © Garry Fabian Miller / Royal Albert Memorial Museum and Art Gallery

Board of Trustees (June 2025)

Sandy Nairne CBE
Chair

Jeremy Palmer
Treasurer

Katrina Brown
Sir Nigel Carrington
Professor Richard Deacon CBE RA
Dr David Dibosa
Anupam Ganguli
Clare Gough
Tessa Jackson OBE
Madeleine Kennedy
Professor Susan Lambert
Abadesi Osunsade
Dr Satish Padiyar
Professor Marcia Pointon
Monisha Shah
Desmond Shawe-Taylor CVO

Jenny Waldman CBE
Director

His Majesty The King
Patron

Contents

Chair's welcome 2

Director's introduction 6

The year in highlights 10

How we work 18

Art Fund stories 20

Thank you to our supporters 40

Financial reports 50

Report of the Board and Financial Statements for the year ended 31 December 2024 54

Get in touch 105

Chair's welcome



John Akomfrah, *Listening All Night To The Rain*, National Museum Cardiff. The commission and UK tour of *Listening All Night To The Rain* is supported by Art Fund. © Smoking Dogs Films, All Rights Reserved, DACS 2025. Courtesy Amgueddfa Cymru – Museum Wales

As many organisations continue to face financial challenges in the aftermath of the pandemic and cost-of-living crisis, Art Fund is focused on where we can make the biggest impact for museums, galleries and audiences.

In 2024 Art Fund offered grants totalling £5.4 million, including £2.6m towards acquisitions. And we continued to expand our support, with an increased focus on supporting curatorial development and a boost to funding for new commissions.

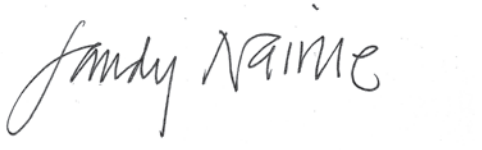
Among the major acquisitions Art Fund supported throughout the year were the exquisite medieval carving *The Deposition from the Cross* and the Chew Valley Hoard of silver coins – the former joining the V&A's collection, the latter acquired by the Museum of Somerset. These are just two highlights of the more than 140 objects and works of art that joined collections during the year with our help. I also wish to acknowledge the generosity of those who support museums by making gifts and bequests through Art Fund – including the generous bequest by the Cynthia Hussey estate of 13 works by the sculptor Ronald Moody, Cynthia Hussey archive and a fund to further the understanding of Moody's artistic legacy. →

Thanks to supporters of our 2024-25 appeal, Expanding Horizons, we will be able to commit over £700,000 towards supporting development opportunities for curators and museum professionals in the year ahead. Crucially, this funding will help to enable our new Empowering Curators fellowship programme, designed to increase diversity in the curatorial workforce. This builds on the many ways in which Art Fund invests in the brilliant people who bring museums to life, such as our curatorial traineeships supported by the Vivmar Foundation and our well-established Jonathan Ruffer curatorial grants.

Commissioning new work helps museums to forge closer relationships with artists and audiences, and we were able to offer £350,000 towards this crucial area in 2024. I am delighted that, as well as supporting the commission and acquisition of works such as Osaru Obaseki's *Ame / Oyevbamen (Like Water)*, pictured opposite, we have launched Jerwood Art Fund Commissions, in partnership with Jerwood Foundation, to further enrich UK collections with contemporary art. And we continue to support the UK tours of work commissioned for the British Pavilion at the Venice Biennale: John Akomfrah's *Listening All Night To The Rain* is touring the UK in 2025 with Art Fund support.

All of this is only possible thanks to the collective support of our members, generous individuals, trusts, foundations and funding partners, as well as the Art Fund team and my fellow trustees. We were honoured to welcome His Majesty King Charles III as Royal Patron of Art Fund in May 2024.

I'd also like to thank outgoing trustee Axel Rüger for his expertise and dedication, and of course, my predecessor Chris Smith, Lord Smith of Finsbury, for his exceptional leadership over the past 10 years. He leaves a remarkable legacy that I am honoured to build on.



Sandy Nairne
Chair, Art Fund



Osaru Obaseki, *Ame / Oyevbamen (Like Water)*, 2024. Commissioned by Horniman Museum and Gardens, London, with Art Fund support, 2024. © Osaru Obaseki. Courtesy of the Horniman Museum & Gardens

Director's introduction

Art Fund's three central ambitions – to support art, grow audiences and amplify the sector – have guided our work this year.



Visitor at the Brainwaves Experience Tour at Compton Verney, Warwickshire, 19-20 July 2024, with a work by Aaron McPeake, *Sensing Vesuvius (lava and bell-bronze)* (2023). © the artist. Image © Above Ground Studio (Seraphina Neville) / Art Fund 2024

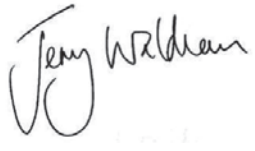
We've helped museums and galleries to further develop and share their collections and increase access to museums for everyone – thanks to the collective power of our supporters, funders and our members, whose number has grown to 142,000 in the past year. This review celebrates the breadth of activity we've achieved together.

Enriching museum collections by supporting acquisitions and new commissions remains at the heart of Art Fund's work. And sharing collections with local audiences and between museums is a vital way to ensure the widest audience. The Weston Loan Programme with Art Fund, made possible with support from the Garfield Weston Foundation, continues to enhance visitors' experience of their local museums by supporting loans of treasures from major institutions. While our Going Places programme, which we developed in 2024 with funding from The National Lottery Heritage Fund and Esmée Fairbairn Foundation, brings together networks of museums to share collection-based exhibitions and engage underrepresented communities. And we responded to museums' needs by focusing the 2024 round of our Reimagine grants on local-authority-reliant museums looking to develop new partnerships – thanks to support from The Headley Trust and those who donated to our Making Connections campaign.

Inspiring the next generation of visitors is vital for the future of museums and creativity in the UK. Our Teacher Fellowships programme in partnership with Clore Duffield Foundation has strengthened links between museums and schools, and the Teacher Art Pass offers teachers great savings on visiting museums so they can bring more inspiration into the classroom. Kids Aloud hours encourage parents to feel comfortable taking their children to museums and galleries, increasing family visits in the school holidays. We also launched Mini Wonders, a £1 million research and development programme in partnership with Nesta and supported by the Foyle Foundation, aimed at harnessing the magic of museums to support early child development.

Our recent YouGov survey shows that 89 per cent of UK adults believe that museums are important to UK culture. We agree! Art Fund Museum of the Year celebrates the UK museum sector, spotlights innovation and encourages people to visit and explore the brilliant museums and galleries we have across the four nations.

Over the following pages you will read about the impact of Art Fund's programmes. These programmes are developed and delivered by my colleagues in the Art Fund team, with the expert guidance of our trustees led by our Chair. We are grateful to all our members, patrons, trusts, foundations, funders and partners who support our work. The achievements set out in this review would not be possible without you.



Jenny Waldman
Director, Art Fund



Spring holiday pop-up, April 2023, at Dundee Contemporary Arts, Museum of the Year finalist 2024.
© Erika Stevenson. Image courtesy of Dundee Contemporary Arts

The year in highlights

From landmark acquisitions to the launch of programmes that have strengthened ties between museums and visitors, we look back at some of our successes in 2024.

New initiative connects schools and museums

With support from Clore Duffield Foundation, our inaugural Teacher Fellowships offered museums the opportunity to bring in state school teachers on fully funded secondments to help develop the museums' learning offer, increasing engagement with local schools and enriching curriculum learning.



Teacher Art Pass photoshoot. © Holly Pickering / Art Fund 2023

Art Fund Museum of the Year is announced

Young V&A in London won the £120,000 Art Fund Museum of the Year 2024 award, at a ceremony celebrating all of the finalists: Craven Museum, Skipton, North Yorkshire; Dundee Contemporary Arts, Dundee; Manchester Museum, Manchester; and National Portrait Gallery, London.



Art Fund Museum of the Year 2024 award ceremony, 10 July 2024, The National Gallery, London. Young V&A team celebrating their win.
© Hydar Dewachi / Art Fund 2024



Mini Wonders event, 3 February 2025, Tate Britain, London.
© Hydar Dewachi / Art Fund 2025

Mini Wonders supports early child development

In partnership with Nesta, the UK's innovation agency for social good, we launched a £1 million research and development programme aimed at using museums to support parents with their children's social-emotional development. Eight museums and galleries were selected to help embed creativity and learning into children's formative experiences over an initial two-year period. The programme is supported by the Foyle Foundation through a legacy grant.



Alison Watt, *Le Bouc*, 2022, University of Stirling Art Collection, acquired 2024 with Art Fund support. © Alison Watt. All Rights Reserved, DACS 2025. Courtesy University of Stirling Art Collection

Alison Watt painting joins the University of Stirling's art collection

We awarded the University of Stirling a grant of £13,608 towards the acquisition of *Le Bouc* by Alison Watt. Watt's inspiration for the painting can be linked to the history of the university, where the work will complement the existing natural science collection and is set to become a focal point of the exhibition programme in 2025.



Kids Aloud initiative, Dulwich Picture Gallery, London. © Art Fund

Children made extra welcome during Kids Aloud hours

After finding that 52 per cent of parents with young children worry about taking them into museums and galleries, with concerns about causing disruption, we partnered with more than 20 museums and galleries nationally to launch Kids Aloud hours, when children are encouraged to be as loud and enthusiastic as they like.

£4.3m Chew Valley Hoard is acquired for the nation

The Museum of Somerset acquired a hoard of over 2,500 silver coins thanks to major funding including a £150,000 grant from Art Fund. The highest value treasure acquisition on record, the coins date back to the Norman Conquest.



Chew Valley Hoard Group close-up, The Museum of Somerset, Taunton, acquired 2024 with Art Fund support. © Somerset Council and South West Heritage Trust / © The British Museum CC BY-NC-SA 4.0 DEED

Reimagine grants support local museums

In response to the local authority funding crisis, we offered £1m in Reimagine grants focused towards local authority reliant museums and galleries, with support from The Headley Trust, Kirby Laing Foundation and contributions towards our Making Connections campaign. Recipients included the Dylan Thomas Boathouse in Wales, Fermanagh County Museum in Northern Ireland, People's Palace in Scotland and Derby Museums in England.



Wedgwood pottery, The Wedgwood Collection, 18th-early 21st century, Victoria and Albert Museum, acquired 2014 with Art Fund support. © Phil Sayer / Art Fund

Celebrating the Wedgwood Collection's acquisition a decade on

In 2024 we marked 10 years since Art Fund's campaign to save the Wedgwood Collection for the nation. At risk of being broken apart and sold at auction, this historic collection was acquired following the fastest fundraising campaign in our history and gifted to the V&A Wedgwood Collection in Barlaston.

Major new touring exhibition programme developed with local communities

In the development phase of our new, UK-wide programme Going Places, 20 museums and galleries worked together to form six new networks and develop plans for 12 major touring exhibitions with local communities over the next five years. This phase of the programme was made possible thanks to funding from The National Lottery Heritage Fund and Esmée Fairbairn Foundation.

Art Fund support helps tell new stories

Mount Stewart, the National Trust-owned home of the Londonderry family in Northern Ireland, acquired artist John Lavery's *The Ball Room at Londonderry House* with the help of a £37,123 grant from Art Fund – enabling the organisation to better share the political significance of the family's now-lost London house.

John Lavery, *The Ball Room at Londonderry House, in use as a Hospital for Wounded British Officers*, 1918, Mount Stewart, Newtownards, acquired 2024 with Art Fund support (with a contribution from the Wolfson Foundation). © National Trust / James Dobson



New acquisition secures much-loved work of art

Our £1,845 grant helped to secure *Wirbel and Velocity*, a pair of clay vessels by internationally recognised sculptor Halima Cassell, for the School of Art Museum and Galleries in Aberystwyth – where there's an active ceramics community. The local audience connected deeply with the work when it was previously shown there in 2023, with several visitors making return visits to see it.



Halima Cassell, *Wirbel and Velocity*, 2021, Aberystwyth School of Art Museum and Galleries, acquired 2024 with Art Fund support. © Halima Cassell

How we work

Art Fund connects museums and people with great art and culture – and achieves this thanks to the combined power of our supporters.

We believe that access to art is vital for a healthy society, and that the UK's museums are a powerful resource for improving people's lives by encouraging joy, creating opportunities to learn, relieving stress, tackling loneliness and much more.

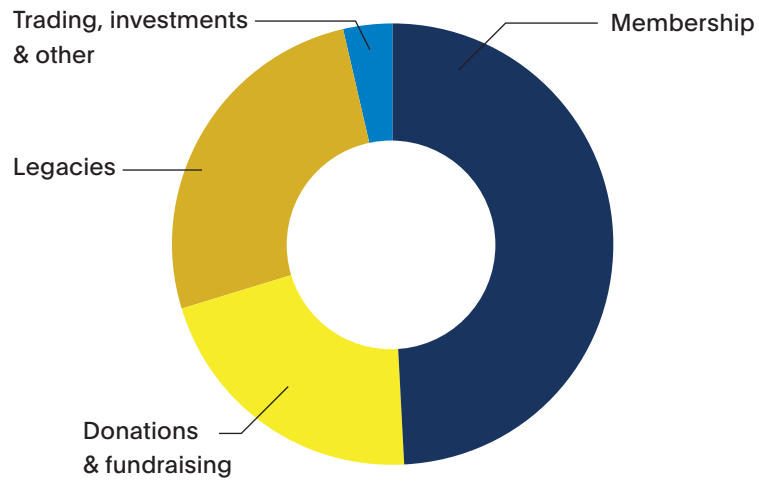
We raise millions of pounds each year to fund art, enrich museums and galleries' collections and support their work through our grants. We grow audiences by opening the doors to museums through our National Art Pass and launch tailor-made projects to strengthen ties between museums, young people and local communities. And we champion museums through our Museum of the Year award, advocacy, campaigning and creative events.

We are always led by what museums tell us they need, developing funding programmes collaboratively and in response to our own research in order to make the most significant impact. As an independent charity, our grant giving is only made possible by the collective power of our 142,000 members and the generosity of our supporters, trusts, foundations, individuals and partner funders.

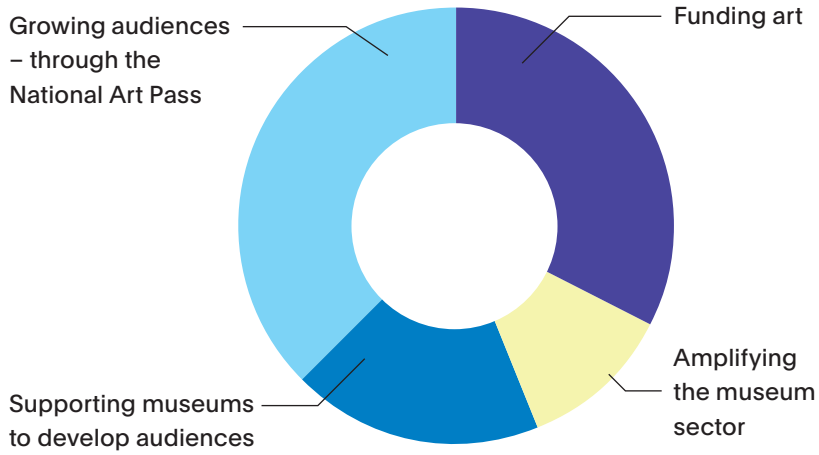
1,000+
museums, galleries and historic places are now part of the National Art Pass network

In 2024 we offered
£5.4 million
in grants to support museums across the UK

How we are funded



Our charitable activity



Art Fund stories

People from across the museum sector and beyond share the impact of just some of the activity enabled by Art Fund's support in 2024.



Two Art Deco diamond-encrusted Cartier brooches are now on display at Eltham Palace, London. Acquired by English Heritage in 2024 with Art Fund support (with a contribution from the Wolfson Foundation). © English Heritage



Richard Glynne, Ilay-Glynne Dial, c1715, National Museums Scotland, Edinburgh, acquired 2023 with Art Fund support (with a contribution from the Wolfson Foundation). © National Museums Scotland Edinburgh

Saving art for the public

Funding from Art Fund helped to secure *The Deposition from the Cross* for the V&A's collection when it was at risk of leaving the UK. Curator Michaela Zöschg underlines the significance of this acquisition.



Unknown, *The Deposition from the Cross*, c1200, V&A, London. © Victoria and Albert Museum, London



Detail of the *Deposition* observed with a Hirox digital microscope. © Victoria and Albert Museum, London

The object that we've acquired is a carving of walrus ivory, which shows the deposition of Christ – the moment where Joseph of Arimathea takes the dead body of Christ down from the cross.

The two figures are very emotionally charged, so you really see somebody grieving somebody else's death. That's one of the reasons why it is so special. The other reason is the artistic skill in the carving – the expressive faces, the expressive gestures and just the whole thing.

Because of the Reformation, so much of English medieval art was destroyed. Together with another walrus ivory carving that has been in the V&A's collection since 1949, this object is one of the most important Romanesque ivories to have survived from northern England. When it came to its potential departure, it was very clear to us that we wanted to ensure that it stayed together with its companion.

We would not have been able to raise the money in four months without Art Fund's support. It always sounds so grand, but it really has saved this object for the nation. Hopefully it can be enjoyed by the public, scholars and people visiting London for many centuries to come.

Art Fund's grant was made possible with the support of the Rought Fund, Wolfson Foundation, The Leche Trust, the David and Emma Verey Charitable Trust and a group of generous individuals.

"We would not have been able to raise the money in four months without Art Fund's support"

Telling new stories through commissions

Commissioned and acquired by Wolverhampton Art Gallery with Art Fund support, *Subjects of State, Labours of Love* by Rhea Storr has expanded the gallery's collection – as Sanna Moore, Senior Curator, explains.



Rhea Storr, ***Subjects of State, Labours of Love***, 2025. Courtesy of the artist



Rhea Storr, *Subjects of State, Labours of Love,* 2025. The commission and its acquisition by Wolverhampton Art Gallery are made possible with Art Fund support. Courtesy of the artist

"This acquisition is the first time that we started to focus on the younger generation of Black British artists"

Wolverhampton has a strong history of building the Black Art Collection – it's one of our priority areas for collecting, that's been building over many years. But this acquisition is the first time that we started to focus on the younger generation of Black British artists. It doesn't mean that there aren't loads of gaps in the history, but we wanted to balance that with the young artists who are working now.

Rhea was commissioned to make a film that would document Caribbean Association organising in Wolverhampton and Sheffield from the 1980s to the present day. Rhea says herself that she could have made 10 films, she had so much material. So it was just really capturing a snapshot of the individuals' experiences of the heritage centre in Wolverhampton and how it's important to them, and also highlighting the difficulties they've had to keep it going.

I think the piece – in terms of Rhea's research and her interests – is really key in her development. My hope is that having this piece in our collection really endorses that in some way. It's important for us because it's a current record of the leaders of the Caribbean community in Wolverhampton at this moment. So as a document in our collection it's really important to have recorded their voices.

Developing curatorial expertise

Supported by a Jonathan Ruffer curatorial grant, Victoria Millar, Senior Curator of History at Ulster American Folk Park, undertook a research trip to New York. Here, she reflects on the impact of her visit.

I applied for a grant to enable me to deliver a paper at the Society for the Study of Nineteenth-Century Ireland's annual conference in New York. The theme of the conference was 'Time in Nineteenth-Century Ireland', and the subject of my paper was the Bad Bridget exhibition which opened at the Folk Park in 2022. At the conference, I was also asked to chair a panel, which was a new experience, and made connections with a number of academics interested in accessing our collections.

Whilst in New York, I visited a number of museums to help inform our approach to developing a permanent tenement exhibit. I went on one of the Tenement Museum's apartment tours and met some of their curatorial staff who showed me a replica tenement along the lines of what we would plan to build. They offered to lend a scale model of the Tenement Museum, which we could display prior to establishing a tenement exhibit of our own.

I also visited the National Museum of the American Indian, where it was particularly interesting to see how objects were interpreted and displayed. Their family-friendly imagiNATIONS Activity Center gave me some useful ideas for an upcoming children's exhibition we are planning.

I believe my visit to New York significantly developed my curatorial expertise. I gained many useful leads which will help to inform future priority development projects at the Folk Park.

"It was particularly interesting to see how objects were interpreted and displayed"



'A Union of Hope' apartment inside the Tenement Museum. © Victoria Millar

Connecting museums and schools

Supported by Clore Duffield Foundation, our new Teacher Fellowships programme brings secondary school teachers into museums on part-time secondments to strengthen educational programming. Here, two teachers explain the difference it's made.



Teacher event, Watts Gallery, Surrey. © Libby Whyte. Courtesy Watts Gallery

The gallery have been very open to me coming up with suggestions. With the support of the learning team and curators we have hosted a teachers' private view of our current exhibition, Scented Visions, and have run a ceramics masterclass in school with GCSE students. Everything that you do has to feed back into the classroom.

I am currently designing resources for special educational needs schools, based on student feedback, with the aim of improving accessibility and delivery for future visits. I hope to leave behind a secure programme for SEND schools.

– Nicola-Jane Scott, Teacher Fellow at Watts Gallery, Surrey

It's been an incredible privilege. I've been working with the learning teams to engage secondary schools – we've held teacher forums on [Microsoft] Teams to find out what they want from the museum. I've also delivered sessions on what we do as teachers. I am already looking at how I can change things at the school to make sure that we're including the museum's work.

The expertise and the knowledge that I've gained from the people who work [at the museum] has been excellent. I can't put words to it, how fantastic it's been and how beneficial it's been for me professionally, for my learners. If I could do it forever, I would.

– Georgi Bennett, Teacher Fellow at National Museum Cardiff and St Fagans National Museum of History, Cardiff

"I can't put words to how beneficial it's been for me professionally, for my learners" – Georgi Bennett

Providing pathways into the arts

"I can't think of anything else that I could have done that would have been as valuable"

Laura Moseley undertook a Student Opportunities placement at the Women's Art Collection – and went on to become Assistant Curator there. Here, she describes what the experience meant to her.

By the time I got to the second year of my Master's, I was very aware that these opportunities are few and far between and especially in my research specialism, which was textiles.

The exhibition that I was brought on for was What Lies Beneath: Women, Politics, Textiles, so it was my interest on the nose. I organised an online event with four quilters, and I think we sold 300 tickets. That was a real standout moment because I had the idea, I organised it from start to finish – it was all done entirely independently.

You got to know the collection, how they organised events, the physical spaces, the staff. I loved it. I didn't want it to end. And after it ended, I was just looking for an excuse to come back.

I'm the Assistant Curator now and I curate an exhibition a year, work on the collections management, do the comms and the marketing – we organise a year-round programme of events and have a student volunteer team as well.

I can't think of anything else that I could have done that would have been as valuable as this placement. The fact that it was over six months – we were able to do longer term projects and build confidence. And we were able to meet people more than once and build on those connections. It was a really perfect example of how to do a student placement. So much of what I did then are still things that I'm doing now.

The Women's Art Collection at Murray Edwards College, University of Cambridge, joined the National Art Pass network in 2024.



The Women's Art Collection, University of Cambridge. © Wilf Speller / Women's Art Collection

Sharing art more widely

Supported by the Weston Loan Programme with Art Fund, the exhibition Peggy Guggenheim: Petersfield to Palazzo brought major loans to Petersfield Museum and Art Gallery to tell the story of the art collector's transformational time in the town. Director Dan McWilliam describes the profound impact for the museum.

The Art Fund money very much helped with the loans from the UK – we simply wouldn't have been able to cover the logistical costs without the support.

We borrowed from Tate, the National Trust and Farleys House and Gallery. Bristol Museum and the Hepworth [Wakefield] lent us work as well. Everybody we asked said yes. This was the first time that we'd ever really loaned from national and international organisations. It gives us credibility – people understand that when we say we will do it, we will do it well.

Compared with 2023, our visitor numbers went up by 575 per cent. We had 10,000 people come through from June to October. We had a whole programme of events and they pretty much all sold out. Eighty-five per cent of people who gave us feedback gave us either four or five-star reviews. A lot of them came to see the exhibition, but loved everything else that we do.

It gave us unique publicity in terms of getting our name out there. It brought visitors to the town – so the economic impact was great.

It's given us an enormous amount of experience of how we can use our building. It's made us braver. It's made us resilient. We wouldn't have been able to do it without the funding.

"A lot of people came to see the exhibition, but loved everything else that we do"



Installation view of the exhibition Peggy Guggenheim: Petersfield to Palazzo, 2024. The Weston Loan Programme with Art Fund is supported by the Garfield Weston Foundation. Image courtesy of Petersfield Museum and Art Gallery

Investing in contemporary artists

A partnership between Art Fund and Jerwood Foundation, the new Jerwood Art Fund Commissions programme is enriching public collections in the UK, explains Lara Wardle, Executive Director of Jerwood Foundation.

It's incredibly important to support new commissions of contemporary art. Collections are the lifeblood of museums and galleries and introducing new commissions can enrich those existing collections, creating new dialogues and unique relationships, enabling museum curators to tell fresh narratives through these commissions in many ways.

Opening the programme to include any medium gives museums and galleries the ability to be ambitious in what they commission. Diversity can be encouraged, in every sense, through the openness of the eligibility criteria.



Juliankxx, *Chorus in Rememory of Flight*, 2023, installation view, Barbican Art Gallery, London.
© Juliankxx. Photo courtesy Eva Herzog & Barbican Art Gallery



Sekai Machache with tapestry *Lively Blue*. © Sekai Machache
Photo: Phil Wilkinson / Dovecot Studios

The other key programme element is that the commissioned pieces will enter collections permanently. There's a huge benefit for contemporary artists in having their works held within a museum or gallery collection, both in terms of profile, and also that the work can be exhibited or loaned from that organisation going forwards. We live in such a complex and challenging world today and the hope is to support artists, who are living in our own time, to help us navigate the complexity of the world around us.

It's a unique scheme where 100 per cent of the commissioning costs are supported. This says plainly to organisations, put forward a really exciting, bold, ambitious, excellent idea, and it can be realised.

> "Put forward a really exciting, bold, ambitious, excellent idea, and it can be realised"

Championing innovative museums

Art Fund Museum of the Year 2024 celebrated a set of five brilliant museums – with Young V&A announced as the winner of the £120,000 prize. The shortlisted organisations share the impact of the award.



Craven Museum, Museum of the Year finalist, 2024. © Hydar Dewachi / Art Fund 2024



The Main Hall at Manchester Museum packed with revellers dancing to bhangra during the museum's Diwali celebration, November 2023. Manchester Museum, Museum of the Year finalist, 2024. © Tobias Longmate. Image courtesy of Manchester Museum

We had fantastic coverage from national media, including the *Guardian*, *The Times* and Radio 4. For us it can be difficult to reach organisations this large, so this was brilliant. The shortlist video was a real highlight, as it showcased the work we were doing in a really visual way.
– Jenny Hill, Lead Museums Curator, Craven Museum, Skipton Town Hall

The positive response to our shortlisting from our audiences was overwhelming, and our team reported multiple first-time visits inspired by coverage of the award.
– Shelley Barclay, Development Manager, Dundee Contemporary Arts

The process was really positive and we loved being involved. One of the things that we came away with is a sense of just how brilliant our colleagues at other institutions are and just how much we could learn from one another.
– Connor Murphy, Head of Communications and Marketing, Manchester Museum

All the NPG team members and external partners involved said how proud they were to be part of it. It was a wonderful way to celebrate all the gallery had achieved in our recent transformation project.
– Denise Vogelsang, Director of Audiences, National Portrait Gallery

Art Fund put their full force at the campaign's disposal, which created a huge groundswell, encouraging audiences to see us all as a great day out. Since the shortlisting announcement [between May and July 2024], Young V&A has received 135,380 visitors (6% more than forecast), including many locals who congratulated the staff following the news.
– Helen Charman, Director, Young V&A



The new main entrance hall at the National Portrait Gallery, featuring Thomas J Price, *Reaching Out*, 2021, Ian Homer Walters, *Nelson Mandela*, 2008, and *Louis François Roubiliac*, attributed to Joseph Wilton, 1761. The National Portrait Gallery, Museum of the Year finalist, 2024. © Gareth Gardner for Nissen Richards Studio. Image courtesy of The National Portrait Gallery

"One of the things that we came away with is a sense of just how much we could learn from one another" – Manchester Museum



Young V&A, Museum of the Year winner, 2024. © David Parry. Image courtesy of Victoria and Albert Museum, London

Enabling professional networking

With a Reimagine grant supported by The Headley Trust, GRAIN Projects' professional development programme REFLECTOR mentored artists and curators of colour working in photography. Project producer Stephen Burke shares the motivation behind the project.



Nicholas Olawunmi, *Iyebiye-Plantain*, 2024. © Nicholas Olawunmi. Courtesy The New Art Gallery Walsall

"We wanted to address the lack of representation and create opportunities to build confidence and networks," Burke says. REFLECTOR, a 10-month professional-development programme for 20 early-career curators, artists and photographers from diverse backgrounds, offered critical reviews, mentoring and bespoke masterclasses led by invited artists of colour.

Having almost a year to develop and create a final exhibition at the New Art Gallery Walsall meant that challenges and needs were responded to as they arose. Another key development was a shift in role for Jodi Kwok, one of the participants, into co-curating the exhibition, a significant career milestone.

Participants also assisted each other and reviewed each other's work, extending conversations outside the parameters initially envisioned for the project. "We do get a real sense that this will remain an informal network," says Burke. He hopes that GRAIN Projects can work with the participants again in different ways: "What happens over the next five, 10, 15 years and how we can support them through ongoing work, that is the real project."

This is an edited excerpt from an article written by Anneka French, first published in the autumn 2024 issue of Art Quarterly, *Art Fund's membership magazine.*

"We do get a real sense that this will remain an informal network"



Timon Benson, *About to Leave*, 2023. © Timon Benson. Courtesy The New Art Gallery Walsall

Thank you

Our work in 2024 and beyond would not be possible without the support of our members and individuals, foundations, trusts, funding partners and legacy gifts.

John Knox, *Glasgow Green*, 1823, The Hunterian, University of Glasgow, acquired 2024 with Art Fund support. © Patrick Bourne & Co. Courtesy The Hunterian, University of Glasgow



We are deeply grateful to those who give so generously to Art Fund, sharing in our vision and our commitment to investing in museums and galleries across the UK, for everyone.

In 2024 our new partnership with Jerwood Foundation enabled the first round of our Jerwood Art Fund Commissions programme, through which two exceptional contemporary artists – Sekai Machache and Julianknxx – are now producing new work for UK public collections.

The continued generosity of the Wolfson Foundation helped to underpin our acquisitions programme, supporting museums to enrich their collections through objects and works of art. We also launched an open call for museums to apply for a grant of up to £60,000 to acquire works by the artist Jacqueline Poncelet thanks to the Freelands Art Fund Acquisition fund, in partnership with Freelands Foundation.

With support from the Garfield Weston Foundation, the 2024 round of the Weston Loan Programme with Art Fund saw 12 regional museums and galleries awarded over £300,000 in grants to borrow national treasures from major institutions. These loans have inspired new exhibitions and reunited iconic works with the people and places that inspired them.

The development phase of Going Places, our new UK-wide programme to engage underrepresented audiences with museum collections through 12 major touring exhibitions, was made possible thanks to funding from The National Lottery Heritage Fund and Esmée Fairbairn Foundation.

Thanks to the generosity of The Headley Trust, Kirby Laing Foundation and the 806 supporters who contributed to our Making Connections campaign, we offered £1 million in grants to museums across the UK through our Reimagine programme, helping museums to connect with their local communities in new ways.

In partnership with Nesta, and supported by the Foyle Foundation through a legacy grant, we piloted Mini Wonders, a research and development programme exploring how museums can support child and family development and increase the number of children who are ready for school. Eight lead museums are helping to develop and deliver the programme.

Our Jonathan Ruffer curatorial grants helped 74 curators to conduct collections and exhibition research projects across the UK and internationally. Meanwhile, support from the Vivmar Foundation enabled the recruitment of two trainees for the first cohort of the Art Fund Vivmar Curatorial Traineeship programme at the National Portrait Gallery and V&A.

Support from Clore Duffield Foundation powered our inaugural Teacher Fellowships, offering two teachers from state secondary schools fully funded secondments at National Museum Wales and Watts Gallery.

And a contribution from the Da Costa bequest supported 19 Student Opportunities grants, leading to 92 paid museum placements – helping to develop the students' career options and interest in the arts, and in turn boosting the museums' workforce capacity.



Duncan Grant, *Lessons in the Orchard*, 1917, Charleston, Lewes, acquired 2024 with Art Fund support. © The Estate of Duncan Grant, DACS 2025. Courtesy Charleston, Lewes

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Dr J Lindsay Duncan
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Hugo Eddis
Portia File



Unknown, snake pattern whiteface clown costume, c1976, Showtown Museum, Blackpool, acquired 2025 with Art Fund support (with a contribution from the Wolfson Foundation). © Blackpool Heritage and Museum Trust / Showtown Museum



William Burges, jade bowl, The Higgins Bedford, acquired 2025 with Art Fund support. © Trustees of The Cecil Higgins Art Gallery

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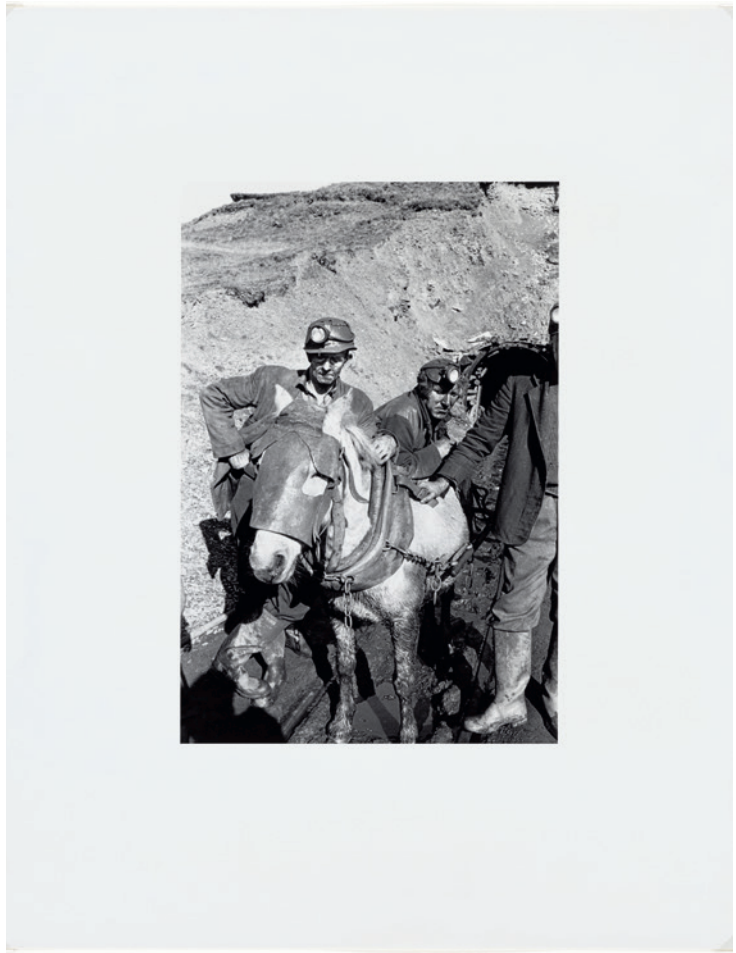
We would like to thank our Art Partners, a group of patrons who champion the UK's museums and galleries in the same spirit of philanthropy as Art Fund's founders. Their commitment and generous support of all aspects of our work have been hugely appreciated over the last year.



Leiko Ikemura, *White Figure with Blue Miko*, 1996, Sainsbury Centre, Norwich, acquired 2024 with Art Fund support. © Leiko Ikemura. DACS, London 2025. Photo: Denisa Ilie. Courtesy Sainsbury Centre, Norwich

Grantmakers

The 29th May 1961 Charitable Trust
American Friends of Art Fund
The Ancaster Trust
The Anthony and Elizabeth Mellows Charitable Settlement
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Bruce Davidson, *Welsh Miners*, 1965, Amgueddfa Cymru – Museum Wales, acquired 2024 with Art Fund support. © Bruce Davidson/Magnum Photos. Courtesy Amgueddfa Cymru – Museum Wales



The carpeted conversation pit that offered a communal space for viewers to sit together to watch the film *Everyone Involved* by Ian Giles. The work was commissioned by 'a space' arts and Southampton City Council with Art Fund support. © Courtesy of the artist, 'a space' arts / God's House Tower. Photo: Luke Shears

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Copleston Warre Bampfylde, *A Coastal View*, 1763, Hestercombe House and Gardens, Taunton, acquired 2024 with Art Fund support.
© Hestercombe Gardens Trust

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We thank all those donors who prefer to remain anonymous.

And we are grateful to those members who regularly give on top of their membership.

Thank you.

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Jonathan Yeo



Alicja Kwade, *Continuum*, 2023, Towner Eastbourne, acquired 2024 with Art Fund support (with a contribution from the Wolfson Foundation). © Alicja Kwade, courtesy Pace Gallery. Photo: Roman März

We would like to thank all those who supported our Expanding Horizons campaign, helping us to make a bold new investment in the people who bring museums to life.

In 2024/25, over 850 Art Fund members and supporters responded to the campaign – which we launched in response to the unprecedented challenges museum professionals are facing, from severe understaffing to devastating funding cuts.

Your generosity will help us to support the dedicated curators and teams behind our museums – enabling us to launch a new career development programme, strengthen collections research, and much more.

We could not do this without you.

Financial reports



Lucy Kemp-Welch, Compositional study for *Gypsy Horse Drovers*, 1894, Russell-Cotes Art Gallery & Museum, Bournemouth, acquired 2024 with Art Fund support. © David Messums Fine Art Ltd / Russell-Cotes Art Gallery & Museum

As museums and galleries continue to navigate the complex financial pressures affecting both the sector and the wider economy, Art Fund worked closely with our partners to provide agile, impactful support.

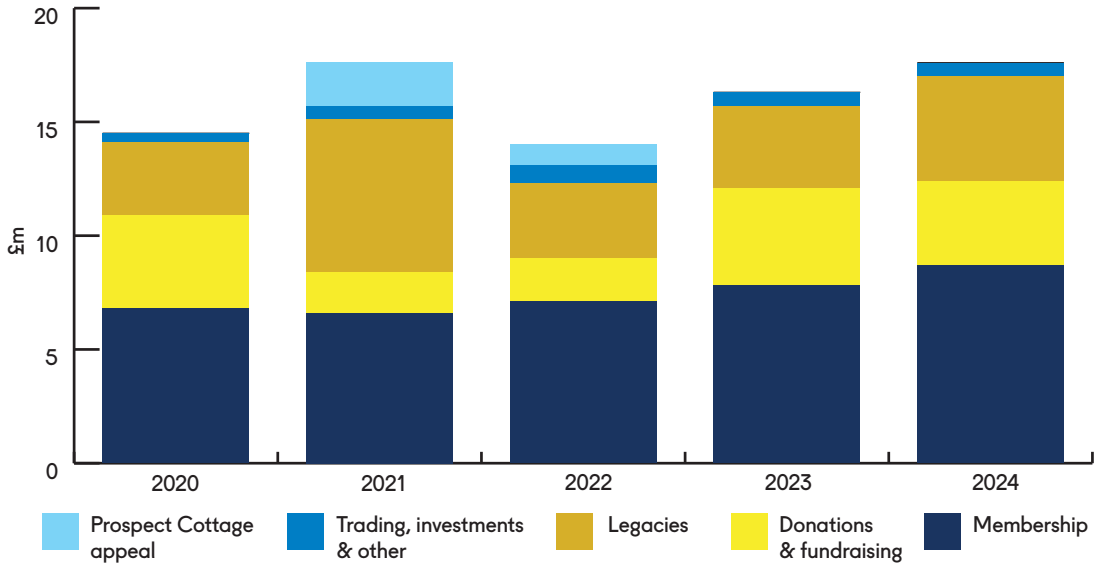
Cost-of-living concerns and heightened inflation continue to impact museums and their visitors. Museums are facing funding pressures, increased operating costs, and challenges to future planning. Despite the fact that visitor numbers are rising, with over half of venues at or above pre-pandemic levels, our Museum Directors Survey 2024 revealed worsening financial strain, with two-thirds of museum directors now concerned about funding shortfalls.

We've listened to what museums tell us they need, been responsive in adapting our programme and financial strategy and actioned longer term plans to grow our membership and income. In addition to advocating for government action to address the growing funding crisis for civic museums, we focused the 2024 round of our Reimagine grants towards local authority reliant museums.

We have been able to do this and more thanks to the collective power of our membership, which grew to 142,000 members from 135,000 in 2023, with income from membership reaching £8.7m (an increase of £0.9m from 2023). We are also hugely thankful to those who left a legacy to Art Fund in their will. Prudent financial management played a role: in line with our five year strategy, our trustees made the decision to operate at a deficit in 2024, enabling us to continue our support for museums during a challenging year. However, higher than anticipated legacy receipts, lower spend on grants for acquisitions and strong investment returns saw us recording a surplus of £3.5m in 2024.

Our work is only possible thanks to the combined efforts of our staff and continued backing of our members and supporters, helping us to achieve long-term benefits for museums and galleries and to continue the expansion of our charitable programme.

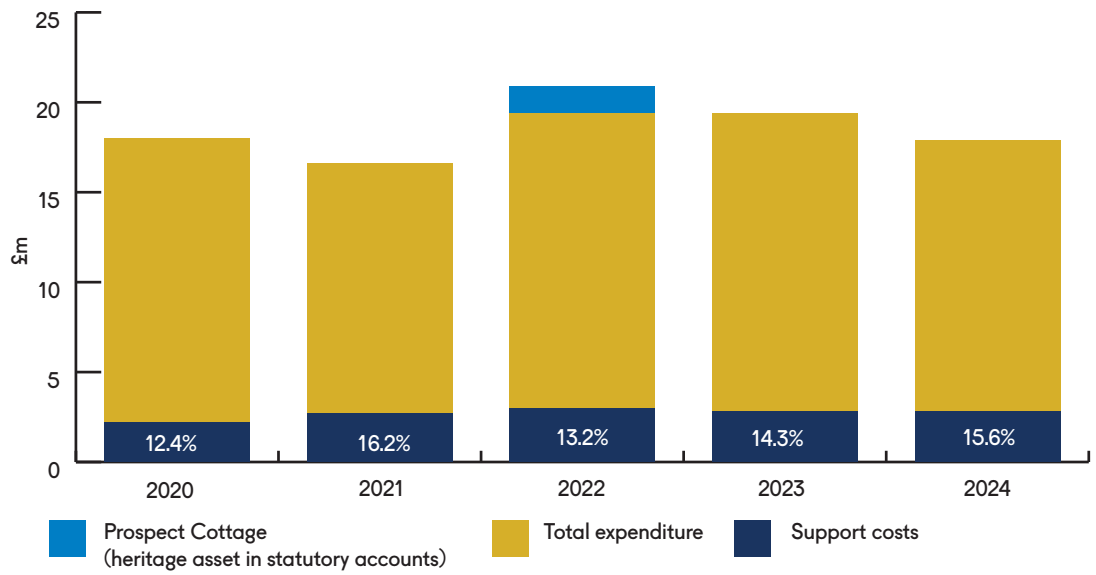
Performance



This chart shows trends in our total income over the past five years. Total income in 2024 has increased to £17.7m from £16.3m in 2023. The data shows volatility in legacy receipts and fundraising income.

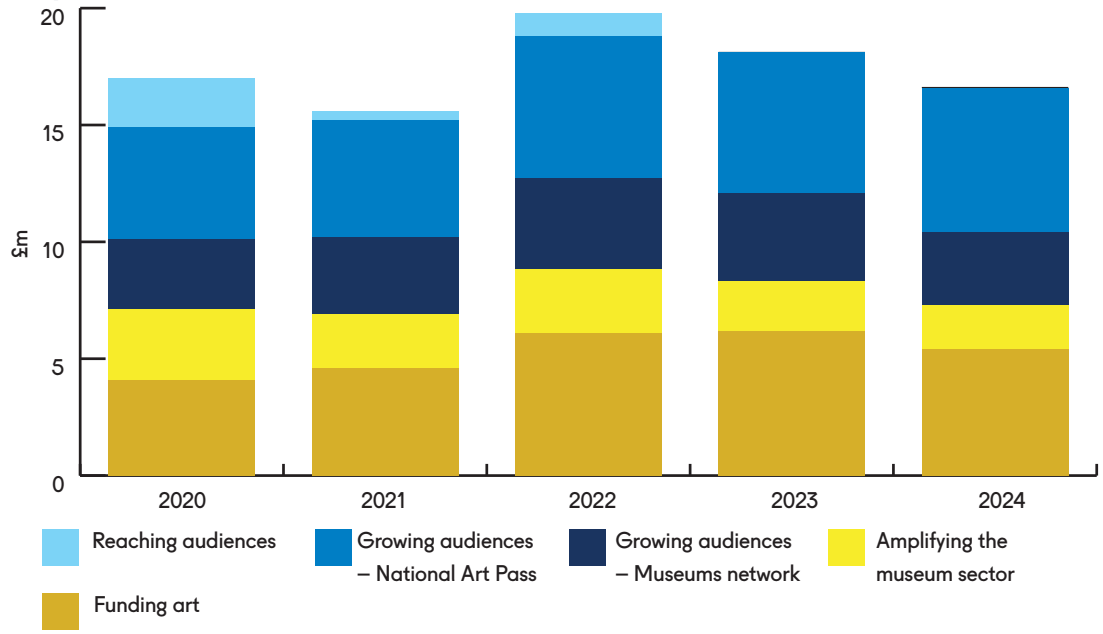
Fundraising income is dependent on factors such as the timings of donations for specific programmes. Membership income, lower in 2020 due to the pandemic, has continued to grow and has now recovered to exceed pre-Covid-19 levels.

Efficiency



This chart illustrates support costs as a proportion of total expenditure. Support costs, after reducing from £3m in 2022, have remained at £2.8m in both 2024 and 2023, in part due to the charity focusing on cost savings to offset rising costs driven by inflation and cost-of-living concerns. Support costs in 2024 have increased as a percentage of total costs compared to 2023 as total expenditure has reduced year on year.

Impact



This chart illustrates the changing scale and composition of our charitable expenditure over the past five years. From 2020 onwards we have adapted our funding programme to respond to the needs and challenges of the sector including the pandemic and cost-of-living crisis. Charitable expenditure in 2024 has decreased to £16.6m driven by funding art. Annual variability in acquisition grants for art is normal, with 2024 impacted by a lower number of grant applications and greater scrutiny resulting in a lower success rate.

Funding art: Helping museums and galleries add to and strengthen their collections, including grant-giving for acquisitions, commissions and strategic collecting initiatives; and facilitating the sharing of art as widely as possible, including grant-giving to support touring and display.

Growing audiences – National Art Pass: Servicing our membership of 142,000 individuals and investing in the future growth of our membership.

Growing audiences – Museums network: Supporting museums to develop audiences including through promotional and digital activity.

NB In the underlying accounts, 'Growing audiences' is referred to as 'Audience-making'.

Amplifying the museum sector: Supporting museums including through advocacy, campaigning and creative events that bring the UK's museums together.

Report of the Board and Financial Statements for the year ended 31 December 2024

Report of the Trustees for the year ended 31 December 2024

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2024.

The financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Memorandum and Articles of Association of Art Fund Services Limited, and 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 2018).

Treasurer's report

In 2024, museums and galleries have navigated many challenges including funding pressures, high cost levels for energy and cost-of-living concerns impacting visitor numbers, employees and business models. Art Fund's finances have exhibited resilience in 2024 albeit they have also been impacted by the economic headwinds affecting both our sector and the wider economy.

It was thanks to our membership, donors, partner organisations and prudent financial management that we were in a strong position to support the sector throughout this cost-of-living crisis delivering a wide-ranging charitable programme in 2024.

Consistent with recent years, Art Fund's priority was to respond to sector need and support museums, galleries and historic houses across the UK through a challenging period. As a result of the collaborative and agile approach of our staff and trustees, we consulted our network partners to assess what was possible and continued to adapt our programme and adjust our financial strategy accordingly. At the same time, we were implementing longer term plans to grow our membership and income in the future.

Alongside the responsive support provided in 2024 through our Reimagine grants, developing and sharing museum collections remain at the heart of Art Fund's charitable purpose, and to meet our obligation to deliver the broadest public benefit possible we continued to shape our programme informed by research and regular direct consultation with our network of museum partners.

Art Fund's Trustees are proud of our organisation's long-standing support for the collecting of works of art and moreover, are committed to the expansion of our charitable work to support those activities which underpin and amplify the impact of museum collections such as curating, commissioning, mounting public programmes, touring and display. Art Fund's Trustees will continue to respond to our sector needs in determining how our charitable resources can be put to best effect and offer benefits not only to our 142,000 members, but to the widest and most diverse public possible.

Art Fund's financial performance and sustainability is overseen by the Finance & General Purposes Committee, a sub-group of the Board of Trustees. I would like to thank my fellow committee members, for their support and counsel during the year.

Our grant-giving programme provides vital funding every year to help museums acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums.

Recognising the needs of the sector, Art Fund's Trustees made the decision to operate at a deficit in 2024 (consistent with our 5-year strategy) enabling us to continue our support during the challenging year. The operating deficit for the year was £0.3m (2023: £3.1m deficit). However, due to the combined impact of higher than anticipated legacy receipts, lower spend on grants for acquisitions and strong investment returns we have recorded a surplus of £3.5m in 2024 (2023: £0.2m surplus).

Impact

Overall in 2024 the total value of Art Fund's charitable programme was £16.6m (2023: £18.2m).

As set out in the analysis of total expenditure in note 6, our total charitable spend comprised grants for acquisitions of £2.4m (2023: £3.8m) (see note 4). Grant acquisition spend in 2024 has reduced by £1.4m on 2023 because of both a reduced number of grant applications and greater scrutiny resulting in a lower success rate. Variability in annual expenditure on acquisition grants is normal; however, we will be taking steps in 2025 to redress this trend by encouraging more applications and where appropriate of higher value. A feature of 2024 was also £0.3m (2023: £nil) of grant write-backs. This is where grants have been awarded but are not subsequently taken up by the recipient for various reasons. Beyond acquisitions we committed a further £3.0m (2023: £2.5m) to support funding art.

We committed £1.9m (2023: £2.1m) to Reimagine grants, our flagship Museum of the Year event and our work on advocacy and campaigning to amplify the work of the museum sector. Our spend on increasing and broadening museum audiences was £9.3m (2023: £9.8m) including £6.2m (2023: £6.0m) to promote visiting through the National Art Pass and servicing our membership of 142,000 individuals (2023: 135,000) and £2.0m (2023: £2.1m) of digital support to the sector.

Performance

Total income increased to £17.7m in 2024 (2023: £16.3m) with legacy income growing to £4.6m (2023: £3.6m) however, donations reduced to £3.7m (2023: £4.3m) in part as 2023 benefitted from a substantial donation to increase the Rought Fund. Membership income grew to £8.7m (2023: £7.8m) driven by our focused marketing activities to invest in membership recruitment. We are enormously grateful to all our members and supporters who make Art Fund's vital work possible.

Efficiency

Art Fund is focussed on delivering the greatest possible public benefit to the widest possible public; this requires that our Trustees keep our support costs and overall return on investment under scrutiny. In 2024 Art Fund's support costs, inclusive of associated staff costs, were £2.8m (consistent with 2023). Costs have been kept flat in 2024 as the charity focused on savings to offset rising costs due to general inflation and salary increases.

Year-end position

The financial statements show an operating deficit of £0.3m (2023: deficit of £3.1m), a value that is reported before investment returns. The net gains on our investment portfolio reported in the consolidated statement of financial activity were £3.7m (2023: £3.2m). The 2024 investment portfolio gain is above our long-term investment return target however, we note the continued variability and uncertainty in financial markets resulting from continuing macro-economic factors outside our control. The combined impact of our annual operating deficit, offset by our positive investment portfolio performance, is an overall increase in Art Fund's total funds to £57.8m (2023: £54.3m).

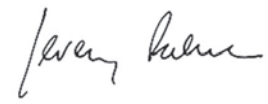
Appointment of new auditors

Art Fund appointed Crowe LLP to be the new auditors of the charity and its subsidiary in the financial year. Formal appointment was approved by the Trustees at the 21 October 2024 board meeting.

Appointment of our new Chair of Trustees

In September 2024, Art Fund Trustees appointed Sandy Nairne CBE as our new Chair of Trustees, succeeding Lord Chris Smith of Finsbury who retired upon completing his full 10-year term as Chair. Everyone at Art Fund is hugely grateful to Chris for his leadership of the charity and dedication to its work since 2014.

The appointment of the new Chair of Trustees resulted from an open and rigorous recruitment process led by me as Treasurer and a panel of trustees. Sandy's insight will be invaluable as Art Fund continues in its mission to enrich UK museum collections; build an ever increasing and more diverse audience for art and culture; and advocate for a thriving museum and gallery sector.



Jeremy Palmer
Treasurer



David Foggie, *Mother and Child*, 1925. University of Dundee Museums. Art Funded 2024. Image courtesy of University of Dundee Museums

Objectives and activities

Summary of aims and strategic objectives

The charity's objects are to promote art and culture (including securing works of art, objects of national and historical importance for public exhibition, and increasing public access to art and culture), to advance education in art and culture, and to support the effectiveness of charities that are museums, galleries or other visual arts organisations. Celebrating our 120th birthday in 2023, Art Fund is the leading national fundraising charity for art and is independently funded and supported by 142,000 members.

During 2024 we continued to progress and deliver our 5-year strategy based on our 2022-2027 vision. The strategy covers four main areas:

- Funding Art: To continue to fund art as both a fundraiser and grant-maker for museums. Building on Art Fund's history, including increasingly funding a broader range of perspectives, artists, cultures, forms, tangible and experiential;
- Audience-making: To help grow the audience for art. By expanding the community of National Art Pass members, by helping find new audiences (the next generation of museum-goers) and by helping people not just to visit but to use museums as a vital resource;
- Amplifying the museum sector: To help shape a confident and inclusive museums sector. Supporting and accelerating the changes museums want to make by advocating, influencing and celebrating the sector, funding and sharing new ideas and by incubating new cross-sector projects; and
- Strengthening our organisation: Focusing on our business model, our capabilities (including a diverse workforce and making the most of digital opportunities) and our ways of working (including processes and environmental sustainability).

Art Fund will be measuring success against these four main areas over the duration of the 5-year plan. Financial achievements during the year are detailed above in the Treasurer's report.

Structure, governance & management

Appointment of Trustees

Art Fund is governed by its Board of Trustees, which meets six times a year. It currently has 16 members. Vacant Trustee positions are advertised openly to the membership in *Art Quarterly* and via external recruitment websites, and are appointed by the Board, on the recommendation of the Nominations Committee. The subsequent appointment is then notified to the membership at the Annual General Meeting (AGM) following their appointment. Trustees can serve for a maximum of two consecutive terms of four years. .

Trustee induction & training

All new Trustees undertake an induction process in which they are briefed on their legal obligations under charity law, the Charity Commission guidance on public benefit, the content of Art Fund's Royal Charter, Byelaws and Regulations, the board structure and decision-making processes, Art Fund's strategy and recent financial performance.

During the induction each new Trustee will meet the Director of Art Fund, Senior Management Team and other key Art Fund personnel. New Trustees are issued with a portfolio of documents outlining their responsibilities as a charity trustee including a Board policies and procedures pack.

Organisation

The Board, while retaining overall responsibility, delegates certain functions to four sub-committees and executive staff as described below and in the trustees' principles of delegation policy.

The Finance and General Purposes Committee, which meets up to five times a year; chaired by the Treasurer, considers all matters relating to finance, investments, risk management and the administration of the charity including its property. It currently has five Trustee members with the Chair also in attendance.

The Nominations Committee, which meets at least annually; chaired by the Chair of Trustees, undertakes an annual Trustee skills audit, considers and recommends candidates for membership of the Board, terms of appointment and Trustee recruitment and induction policies.

The Remuneration Committee, which meets twice annually; chaired by the Chair of Trustees, considers the remuneration approach and annual pay review for the organisation, including the remuneration packages for the director and senior management team. The Committee also oversees key workforce metrics including equality, diversity and inclusion with a view to improving representation within the staff team.

The Ethics Committee, which meets at least annually, chaired by a trustee and currently with three trustee members and one non-trustee advisory member, advises the Board of Trustees on the acceptance of donations, gifts of property and sponsorships and acts as a sounding board for other ethical issues as requested by Trustees.

The day-to-day direction of Art Fund's affairs is the responsibility of the Director who reports to the Board through the Chair. The Director is supported by a Senior Management Team consisting of the Director of Finance & Operations, Director of Development, Director of Programme and Policy, Director of Audiences and a Chief Information Officer.

In 2023 Art Fund undertook a review of its Charter and Byelaws resulting in a decision to modernise and future proof its governing documents. The amended governing documents received approval by Art Fund members at an EGM on 10 January 2024 and final approval of the Privy Council on 22 May 2024. We started operating under its new governing documents in the summer of 2024.

Related parties and co-operation with other organisations

None of Art Fund's Trustees receive remuneration or other benefit from their work with the charity. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The trading activities of Art Fund are carried out by its service company, Art Fund Services Limited, a company incorporated in England and Wales (registered number 01487654). The company is wholly owned by Art Fund and it donates all its profits in the year to Art Fund by way of Gift Aid.

Art Fund's Director is also a director of American Friends of the Art Fund (AFAF), a US based non-profit organisation which provides grants to Art Fund and other institutions to encourage the appreciation and enjoyment of art in general. AFAF is a related party and so grants received in the year have been disclosed in note 18 of the accounts.

Pay policy for senior staff

The pay of the Senior Management Team is reviewed and approved by the Remuneration Committee on an annual basis. Remuneration is benchmarked against similar roles within the not-for-profit and cultural sector and is assessed against key inflation measures and cost-of-living benchmarks along with affordability considerations.

Risk Management

The major risks to Art Fund as identified by the Board fall into five categories: compliance, external, financial, governance and operational. These risks have been reviewed by the Board and discussed at each Finance and General Purposes Committee meeting. A risk matrix and register has been established with systems in place to consider changes in the risks faced by the charity and to mitigate them.

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within Art Fund is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted takes into account the Charity Commission guidance on management of risk with reference to best practice risk management standards. Art Fund assesses risk through consideration of the likelihood of an event occurring, and the impact that would arise if the event were to occur. Risk management within Art Fund includes:

- identifying and assessing risks (the "inherent risks");
- assigning each of those risks to a risk owner;
- evaluating the effectiveness of relevant mitigating controls;
- assessing the risks remaining given the controls in place (the "residual risks"); and
- agreeing, implementing and monitoring controls to reduce the residual risks.

The principal risks and uncertainties facing Art Fund, along with mitigations are shown below:

Risk	Explanation and mitigations
Loss of income caused by ongoing cost-of-living concerns and wider economic headwinds	At present key income streams (notably National Art Pass and major giving) have shown resilience to economic headwinds although the growth in NAP has been impacted. The cumulative impact of cost-of-living and other macro-economic concerns on our income streams could mean either using unrestricted reserves to maintain support levels or reducing charitable and operational expenditure. This is not considered to currently be a risk to Art Fund as a going concern, due to the level of unrestricted reserves held and the discretionary nature of a significant proportion of expenditure. We are also mindful that uncertainty in financial markets resulting from macro-economic factors may negatively impact returns from our investment portfolio. We engage specialist investment advisers and have a defined investment strategy to help mitigate our exposure to significant market downturns.
Technology, digital systems and frameworks	Technology systems, skills and processes are inadequate to either produce accurate management information or facilitate a scaling-up of the organisation's ambition and output, constraining the ability to grow its charitable impact. Significant investment in systems, staff and processes has been, and will continue to be, made to ensure that Art Fund delivers the best possible user experience when interacting with all stakeholders.

Grant making

Art Fund provides grants to help museums and galleries acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums. Grants are made through various programmes, all of which are aligned with one or more of the strategic objectives listed on page 58. Payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme are disclosed in note 5 of the accounts. Further detail on the grant programmes offered can be found on our website.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes," and such amounts receivable are presented in our accounts as "voluntary activities" income and includes legacies. In relation to the above we confirm that all solicitations are managed internally, without the involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Senior Management Team, who are accountable to the Trustees. The charity is not bound by any undertaking to participate in any regulatory scheme, however the charity is a member of the Fundraising Regulator and complies with the relevant codes of practice. Art Fund also has a sub-committee to oversee Ethics which advises the Board of Trustees on the acceptance of donations, gifts of property, sponsorships and partnerships.

Art Fund has established a formal complaints policy to facilitate the monitoring and reporting of relevant issues, there were no formal complaints in 2024. This policy is available online. Also available online is our fundraising promise which confirms that Art Fund is registered with the Fundraising Regulator and affirms our organisational commitment to conducting open, honest and respectful fundraising practices.

Heritage Assets

On 31 March 2020, Art Fund successfully closed a campaign to save Prospect Cottage (Derek Jarman's transformed Victorian fisherman's hut and garden) securing £3.7m against a target of £3.5m for the purpose of purchasing the cottage, garden and contents and to create a fund to support maintenance and operating costs as well as an associated artistic programme. In December 2021 the transaction was completed with Art Fund paying £1.5m for the heritage assets of Prospect Cottage which have been capitalised on the balance sheet (along with an equal and opposite restricted fixed asset reserve).

Creative Folkestone became the custodians of the cottage under a peppercorn lease, responsible for its care and maintenance, loaning the most vulnerable items to Tate and managing a programme of residencies and managed public visits. An Advisory Committee including representatives of Art Fund, Tate and the vendors, the Keith Collins Will Trust, was established and is chaired by a trustee of Creative Folkestone, calling on expert advisers to support them and to engage key stakeholders.

Art Fund retained the fund (Prospect Cottage Dungeness fund) to be used primarily for the care of the cottage and the collection, but also to support activities with public benefit in relation to Derek Jarman at Prospect Cottage.

Going concern

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. The continuing cost-of-living and macro-economic headwinds are concerns to Art Fund however, they are not considered a threat to Art Fund's going concern status due to the diverse nature of income streams, current level of unrestricted reserves and largely discretionary expenditure base. At the date of signing these financial statements, the trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

Reserves policy

General funds

The Trustees review Art Fund's reserves policy on an annual basis to consider the gap between the spending and receiving of income and to ensure that sufficient liquid resources are available to meet liabilities as they fall due, in the event of a sudden shortfall in income. Moreover, the responsive nature of Art Fund's programme, especially around special appeals, means it is essential that adequate resources are always available to meet the cost of providing grants for exceptional works of art that may be under threat of export.

The Trustees of Art Fund have set a target for general funds of between 3-6 months of total unrestricted operating expenditure. At the end of 2024 the general fund was £4.1m (2023: £3.5m) and is therefore within the thresholds of the policy (£3.4m to £6.8m).

Perpetuity fund

This designated fund serves as the core component of Art Fund's capital distribution policy. The long-term target for this fund is based on a distribution rate of 3.5% of the trailing 12 quarter value of the investment portfolio. At the end of 2024 the value of this fund was £32.7m (2023: £31.3m).

The Parker fund

TIn 2016 the Trustees designated the value of £2.9m to the Parker fund following the receipt of a legacy from Mr Donald Parker, who had been a member of Art Fund since 1977. The Parker fund represents the aggregate amount set aside to fund internal income and efficiency projects and is available to supplement resources in any particular year, if needed, to meet the cost of major initiatives of this kind. There is no specific target for this fund and it is anticipated this will be topped up from annual surpluses to ensure that sufficient funds are available for investment when required. At the end of 2024 the value of this fund was £0.8m (2023: £0.9m).

Fixed asset fund

This designated fund represents the carrying value of Art Fund's fixed asset base. At the end of 2024 the value of this fund was £5.3m (2023: £5.6m).

Restricted funds

We have a number of separately disclosed restricted funds where both capital and income can be spent in accordance with the donor's wishes. At the end of 2024, two restricted funds had negative balances, being Jerwood Community (£0.1m) and Mini Wonders (£0.1m). Both these funds were negative as costs had been incurred in 2024 in anticipation of receiving further funds in 2025.

Investment policy

Art Fund's investments gained 8.2% overall during 2024 (2023: 7.6%). The long-term investment strategy remains unchanged, with defined asset allocations designed to generate returns ahead of a CPI+4% real return target whilst reducing downside risk. The trustees are supported by a professional investment adviser, Cambridge Associates, on investment related matters including strategy and asset allocations, investment and investment manager performance and various environmental and ethical investment considerations.

The investment portfolio is designed to allow cash extraction of 4% per annum. Investment realisations are made to maintain a minimum operating cash balance of £5m in the charity or to fund significant unbudgeted grants.

Art Fund transfers 3.5% of the trailing 12 quarter value of the investment portfolio each year from the perpetuity fund to the general fund (refer above and to note 14) as a contribution towards core operating and administrative costs. The trustees have maintained the 3.5% level of transfer in the year (2023: 3.5%).

Public benefit

The Trustees have taken the Charity Commission's guidance on public benefit into consideration when reviewing the aims and objectives of Art Fund. In setting out the strategy and developing its programme of activity, Art Fund has focused on increasing the breadth and accessibility of public benefit, in particular through works of art being acquired by public collections in the UK and being available for the public to enjoy; by works of art being shown and shared by public collections, supported through curatorial expertise to understand and interpret them to the public; by celebrating creativity and excellence in museums which benefit the public through the annual Art Fund Museum of the Year prize; and by encouraging the enjoyment, understanding and appreciation of works of art through special projects with museum partners and through the National Art Pass, Teacher and Student Art Passes, Art Fund website, *Art Quarterly* magazine and other editorial channels.

Charity Governance Code

The Board of Trustees is committed to good governance and to its own and the charity's continuous improvement in delivering its purposes most effectively for the public benefit. It is clear about the charity's aims and objectives and seeking to ensure that these are being delivered effectively and sustainably, keeping under review the Code's recommended practice and seven principles of organisational purpose: leadership, integrity, decision-making, risk and control, board effectiveness, diversity, and openness and accountability. The Board strives for best practice in accordance with the Charity Governance Code; many of the measures it takes in achieving this are addressed in this report. In 2024 the Board's strategy, work-plan and risk management activity was informed by the Code's principles.

Plans for future periods

Art Fund has completed the third year of its five-year strategy in 2024. The strategy was developed and informed by discussions on the major challenges facing museums and galleries. The key strands of the vision were detailed above in the Treasurer's report. Central to the strategy, Art Fund will continue to evolve its support to UK museums and galleries, collaborating with beneficiaries and supporters to develop grant-giving programmes that deliver charitable impact where it is most needed.

This report was approved by the Board of Trustees at its meeting on 12 May 2025 and the Chair of Trustees was authorised to sign the report and the annual financial statements on its behalf.



Sandy Nairne
Chair of Trustees
12 May 2025

John Middleton, *Landscape at Buckhurst Farm, Old Buckhurst, Kent*, undated, Norwich Castle Museum & Art Gallery, bequeathed by Nina Drucker with Art Fund support 2023. © Norwich Castle Museum & Art Gallery (Norfolk Museums Service)



Reference and administrative details
for the year ended 31 December 2024

Art Fund was established in 1903 as the National Art Collections Fund and was granted a Royal Charter in 1928 and Supplemental Charter dated 8th February 1977 which was further amended by an Order in Council on 22 May 2024. It is registered as a charity in England and Wales under number 209174 and in Scotland under SC038331. In May 2006 'Art Fund' was adopted as its public and trading name but its full name has been retained for legal purposes.

Registered office

2 Granary Square
King's Cross
London N1C 4BH

Members of the Board

Lord Smith of Finsbury, Chair *(N, R)* – retired September 2024
Sandy Nairne CBE FSA, Chair *(N, R)* – appointed September 2024
Jeremy Palmer, Treasurer *(F, N, R)*
Katrina Brown
Sir Nigel Carrington *(F)*
Professor Richard Deacon CBE RA
Dr David Dibosa
Clare Gough *(F, R)*
Anupam Ganguli *(F, E, R)*
Tessa Jackson OBE *(N)*
Madeleine Kennedy *(E, F)*
Professor Susan Lambert
Abadesi Osunsade *(F)*
Dr Satish Padiyar
Professor Marcia Pointon *(N)*
Axel Rüger – retired December 2024
Monisha Shah *(N, E)*
Desmond Shawe-Taylor CVO

E: Also a member of the Ethics Committee
F: Also a member of the Finance and General Purposes Committee
N: Also a member of the Nominations Committee
R: Also a member of the Remuneration Committee

Advisory Member of the Ethics Committee

Laura Soley

Director and Senior Management Team

Jenny Waldman	Director
Rachael Browning	Director of Programme and Policy
Katie Colombus	Director of Audiences – from January 2025
Andrew Durrant	Director of Finance and Operations
Alice Regent	Director of Development
Helen Tovey	Director of Audiences (interim) – September 2024 to January 2025
Carolyn Young	Director of Audiences & Engagement – resigned September 2024
Yvonne Hanson-Mills	Chief Information Officer

Professional advisers

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Investment advisers

Cambridge Associates LLP
80 Victoria Street
London SW1E 5JL

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Coutts & Co
440 Strand
London WC2R 0QS

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH



John Lyons, *My Mother Earth is Black Like Me* (*Mama Earth*), 1988, The Whitworth, The University of Manchester, acquired 2024 with Art Fund support. © John Lyons. Courtesy the Whitworth, The University of Manchester

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity 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 group and parent charity and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, including FRS 102, 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 parent charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the parent charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the parent charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditor's Report to the Members of National Art Collections Fund

Opinion

We have audited the financial statements of National Art Collections Fund (the parent charity) and its subsidiary (the group) for the year ended 31 December 2024 which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and of the parent charity's affairs as at 31 December 2024 and of the group's surplus, 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 Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions related 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 charity'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

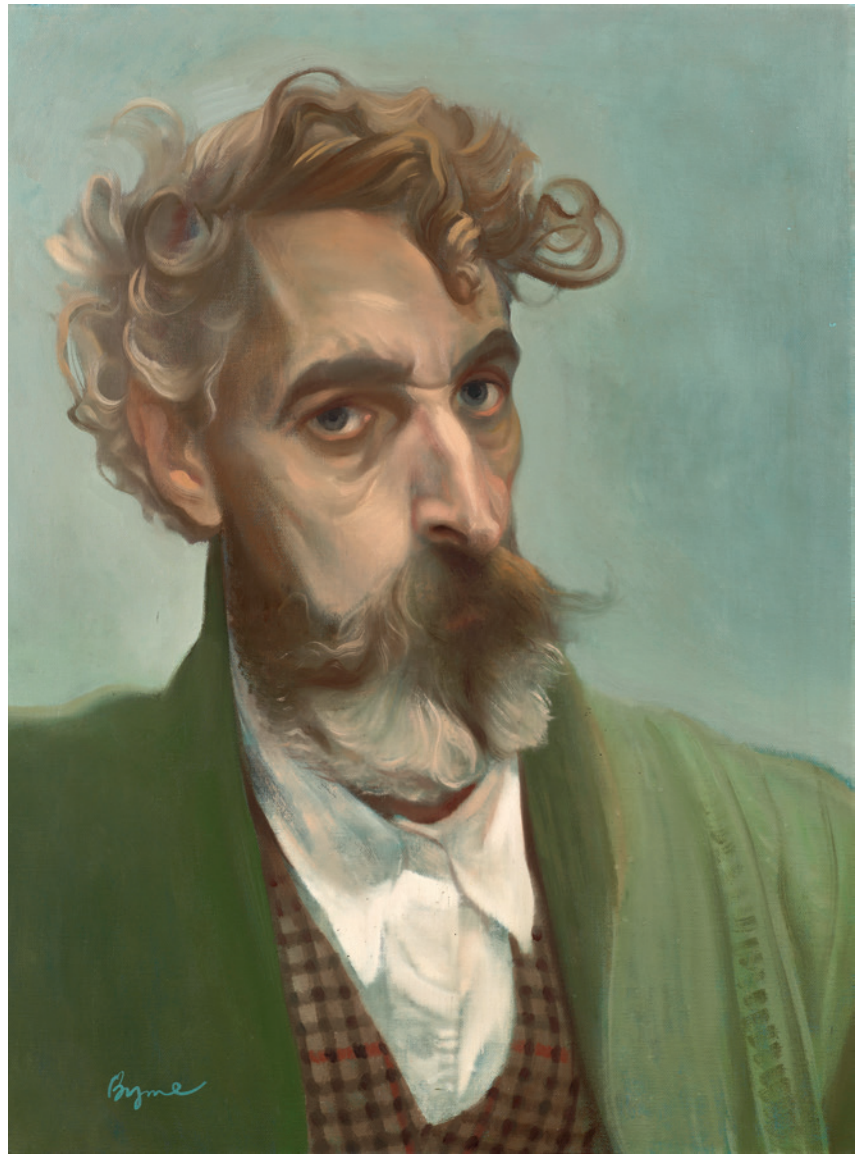
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, set out on page 68, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.



John Byrne, *Self-Portrait with Checked Waistcoat*, c1990, Paisley Museum, acquired 2024 with Art Fund support. © The Estate of John Byrne. All Rights Reserved, DACS 2025. Work held by OneRen, the trading name of Renfrewshire, Courtesy Paisley Museum

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members.

We obtained an understanding of the legal and regulatory frameworks within which the Charity and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, together with the Charities SORP (FRS102), as adopted by the Charity and Group in the preparation of the financial statements. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's and Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity and Group for fraud. The laws and regulations we considered in this context were the Taxation Legislation, the Code of Fundraising Practice, and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition on legacy income, and the override of controls by management.

Our audit procedures to respond to these risks included enquiries of management and the Finance and General Purposes Committee, about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London
Date: 20 May 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

(including income and expenditure account)
For the year ended 31 December 2024

	Note	Unrestricted 2024 £'000	Restricted 2024 £'000	Endowment 2024 £'000	Total 2024 £'000	Unrestricted 2023 £'000	Restricted 2023 £'000	Endowment 2023 £'000	Total 2023 £'000
Income from:									
Voluntary activities:									
Donations		367	3,344	-	3,711	301	4,035	-	4,336
Legacies		4,026	622	1	4,649	3,528	33	-	3,561
Charitable activities:									
Members' subscriptions		8,689	-	-	8,689	7,812	6	-	7,818
Other trading activities:									
Other income		248	-	-	248	262	-	-	262
Income from investments		384	-	-	384	359	-	-	359
Total income		13,714	3,966	1	17,681	12,262	4,074	-	16,336
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		1,216	-	-	1,216	1,075	-	-	1,075
Cost of trading subsidiary		33	-	-	33	30	-	-	30
Investment adviser's costs		93	-	-	93	93	-	-	93
Total cost of raising funds		1,342	-	-	1,342	1,198	-	-	1,198
Total charitable expenditure		13,559	3,034	-	16,593	15,000	3,204	-	18,204
Total expenditure	6	14,901	3,034	-	17,935	16,198	3,204	-	19,402
Operating (deficit) / surplus		(1,187)	932	1	(254)	(3,936)	870	-	(3,066)
Net gains / (losses) on investments		2,900	588	241	3,729	2,572	457	210	3,239
Net income / (expenditure)		1,713	1,520	242	3,475	(1,364)	1,327	210	173
Transfers between funds	14	(21)	21	-	-	152	(152)	-	-
Net movement in funds		1,692	1,541	242	3,475	(1,212)	1,175	210	173
Reconciliation of funds									
Total funds brought forward		41,487	9,905	2,917	54,309	42,699	8,730	2,707	54,136
Total funds carried forward	14	43,179	11,446	3,159	57,784	41,487	9,905	2,917	54,309

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities. The notes on pages 80 to 104 form part of these financial statements.

Charity Statement of Financial Activities

(including income and expenditure account)
For the year ended 31 December 2024

	Note	Unrestricted 2024 £'000	Restricted 2024 £'000	Endowment 2024 £'000	Total 2024 £'000	Unrestricted 2023 £'000	Restricted 2023 £'000	Endowment 2023 £'000	Total 2023 £'000
Income from:									
Voluntary activities:									
Donations		367	3,344	-	3,711	301	4,035	-	4,336
Legacies		4,026	622	1	4,649	3,528	33	-	3,561
Charitable activities:									
Members' subscriptions		8,689	-	-	8,689	7,812	6	-	7,818
Other trading activities:									
Other income		95	-	-	95	115	-	-	115
Income from investments		505	-	-	505	476	-	-	476
Total income		13,682	3,966	1	17,649	12,232	4,074	-	16,306
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		1,216	-	-	1,216	1,075	-	-	1,075
Investment adviser's costs		93	-	-	93	93	-	-	93
Total cost of raising funds		1,309	-	-	1,309	1,168	-	-	1,168
Total charitable expenditure		13,559	3,034	-	16,593	15,000	3,204	-	18,204
Total expenditure		14,868	3,034	-	17,902	16,168	3,204	-	19,372
Operating surplus / (deficit)		(1,186)	932	1	(253)	(3,936)	870	-	(3,066)
Net gains / (losses) on investments		2,900	588	241	3,729	2,572	457	210	3,239
Net income / (expenditure)		1,714	1,520	242	3,476	(1,364)	1,327	210	173
Transfers between funds	14	(21)	21	-	-	152	(152)	-	-
Net movement in funds		1,693	1,541	242	3,476	(1,212)	1,175	210	173
Reconciliation of funds									
Total funds brought forward		41,483	9,905	2,917	54,305	42,695	8,730	2,707	54,132
Total funds carried forward	14	43,176	11,446	3,159	57,781	41,483	9,905	2,917	54,305

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities. The notes on pages 80 to 104 form part of these financial statements.

Consolidated and Charity Balance sheet

As at 31 December 2024

	Note	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Fixed assets:					
Tangible assets	7	5,259	5,552	5,259	5,552
Heritage assets	8	1,500	1,500	1,500	1,500
Investments	9	50,377	47,847	50,377	47,847
		57,136	54,899	57,136	54,899
Current assets:					
Debtors	10	1,091	733	1,145	758
Cash at bank and in hand		7,659	5,783	7,596	5,748
		8,750	6,516	8,741	6,506
Liabilities:					
Creditors falling due within one year	12	(5,766)	(4,649)	(5,760)	(4,643)
Provision for grants authorised but not paid	4	(2,181)	(2,286)	(2,181)	(2,286)
		(7,947)	(6,935)	(7,941)	(6,929)
Net current assets / (liabilities)		803	(419)	800	(423)
Total assets less current liabilities		57,939	54,480	57,936	54,476
Creditors: due after more than 1 year	13	(155)	(171)	(155)	(171)
Net assets		57,784	54,309	57,781	54,305
The funds of the charity:					
Permanent endowment funds	14	3,159	2,917	3,159	2,917
Other restricted funds	14	11,446	9,905	11,446	9,905
Designated funds	14	39,119	38,011	39,119	38,011
General funds	14	4,060	3,476	4,057	3,472
Total charity funds		57,784	54,309	57,781	54,305

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The notes on pages 80 to 104 form part of these accounts.

Approved and authorised for issue by the Board on 12 May 2025 and signed on its behalf on 12 May 2025 by:

Sandy Nairne
Chair

Jeremy Palmer
Treasurer

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Group 2024 £'000	Group 2023 £'000
Cash flows from operating activities		
Net income / (expenditure)	3,475	173
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	348	124
Investment income	(384)	(359)
(Gain) on investments	(3,729)	(3,239)
Movements in working capital		
(Increase) / decrease in debtors	(358)	231
Increase / (decrease) in creditors: falling due within one year	1,117	(2,366)
(Decrease) in creditors: due after more than one year	(16)	(23)
(Decrease) in provisions	(105)	(2,356)
Net cash generated from operating activities	348	(7,815)
Cash flows from investing activities		
Investment income	384	359
Purchases of tangible fixed assets	(55)	(95)
Purchase of investments	(15,650)	(6,979)
Proceeds from sale of investments	16,849	8,431
Net cash from investing activities	1,528	1,716
Net increase / (decrease) in cash and cash equivalents	1,876	(6,099)
Analysis of changes in cash		
Cash and cash equivalents at the beginning of the year	5,783	11,882
Total cash and cash equivalents at the end of the year	7,659	5,783
Cash and cash equivalents comprise:		
Cash at bank and in hand	7,659	5,783

Notes to the accounts

1. Charity information

National Art Collections Fund (Art Fund) is a non-statutory body incorporated by Royal Charter and a charity registered in England and Wales (number 209174) and in Scotland (number SC038331). The address of the registered office is 2 Granary Square, King's Cross, London N1C 4BH.

2. Accounting policies

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

a. Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The organisation is a public benefit entity for the purpose of FRS 102 and a registered charity and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), and Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the valuation of fixed-asset investments and in accordance with Art Fund's Royal Charter.

The consolidated financial statements include the accounts of the National Art Collections Fund and its subsidiary undertaking, Art Fund Services Limited, which is wholly owned and registered in England and Wales. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements.

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. The lasting impact of the cost-of-living crisis and macro-economic headwinds are concerns to Art Fund however, they are not considered a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. At the date of signing these financial statements, the trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

b. Income

Income is included in the SOFA when Art Fund is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met then the income is deferred. The following specific policies apply to categories of income:

i) For donations this is when there is certainty of receipt and value.

ii) Legacies are recognised when the receipt and value are probable, dependent on type:
- Pecuniary legacy – the earlier of cash receipt or probate date
- Residuary legacy – the earlier of cash receipt or estate accounts date

iii) Annual ordinary membership income is treated mainly as a donation and recognised on receipt.

iv) Life membership income is recognised on a straight-line basis over a ten-year period.

v) Contractual or trading income is recognised as income to the extent that Art Fund has provided the goods or services. Where income is received in advance and Art Fund does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

c. Expenditure

Expenditure is recognised in the financial statements on an accruals basis. Expenditure is classified in the SOFA under the principal categories of costs of raising funds and cost of charitable activities rather than the type of expense.

Grants payable are recognised when a grant has been approved and this has been communicated to the recipient.

Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to the activities to which they relate (as shown in note 6) on the basis of headcount. Costs of raising funds are those incurred in seeking voluntary contributions for Art Fund, the cost of fundraising events, cost of operating the trading subsidiary and investment management fees.

Grant support costs comprise the costs of processing grant applications, including support to actual and potential applicants. Other charitable activities comprise costs incurred in attracting new members and providing services to existing members, including publications and communications. Governance costs are those costs incurred in connection with the general governance of Art Fund including compliance, constitutional and statutory requirements.

d. Fixed Asset Investments

Investments are stated at market value, which is measured at bid price, in accordance with the revised Statement of Recommended Practice. As a result, the SoFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SoFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

e. Tangible Fixed Assets

Assets with an economic life greater than one year and with a value exceeding £500 or more are capitalised. Depreciation is provided on all tangible assets at rates calculated to write-off the value of each asset over its expected useful life with no residual value assumed:

Freehold property	–	100 years
Property components (windows, doors, walls, partitions)	–	30 years
Roof	–	70 years
Fixtures and fittings	–	5 years
Computer equipment	–	3 years

A full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying value of assets does not exceed their recoverable amounts.

During the year, the charity revised the estimated useful life of certain fit out costs incurred in bringing our freehold property into use to reflect historical asset usage and expected replacement timescales. The revisions recognise specific components as noted in the table above and depreciate them over 30 and 70 years. This change in estimate results in an increase in the depreciation charge for the year of £251k representing the accumulated depreciation from occupation of the freehold property. As a result of this change in estimate, the future annual depreciation charge will increase by £30k.

f. Heritage Assets

Purchased heritage assets are capitalised and recognised in the year they are paid. Such items are not depreciated or revalued as a matter of routine as the assets are deemed to have indeterminable lives and it is not practical to revalue them each year. Expenditure for maintenance and operating costs as well as an associated artistic programme is included under charitable activities in the statement of financial activities.

g. Liquid resources

Liquid resources, as referred to in the Trustees' report, are current asset investments that are disposable without curtailing or disrupting Art Fund's business and are either readily convertible to known amounts of cash at or close to their carrying value or traded in an open market.

h. Financial instruments

Art Fund 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. Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Cash at bank and cash in hand includes cash which is immediately available. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

i. Pensions

Art Fund operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Art Fund in an independently administered scheme. The pension cost charge represents the amounts payable by Art Fund amounting to £377k (2023: £353k).

j. Provisions

Art Fund provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date based on best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that the transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

k. Taxation

Art Fund is eligible under Part 11 Corporation Tax Act 2010 and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of its charitable objectives. Art Fund Services Limited donates its profits to Art Fund and therefore is not liable to pay capital gains or corporation tax.

l. Funds structure

Art Fund has the following categories of funds:

i) Restricted permanent endowment funds which the donors have stated are to be held as capital.

ii) Restricted funds whose investment or usage is subject to specific restriction imposed by sponsors and donors.

iii) Designated funds which have been set aside at the discretion of the Trustees for specific purposes.

iv) General funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of Art Fund.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are detailed in note 14.

m. Leases

Art Fund has no finance leases. Costs relating to operating leases are charged on a straight-line basis over the life of the lease period to which it relates.

n. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements.

i) The Charity considers its freehold property to be held solely for operational use and not investment use, meaning that no apportionment is required. The element of the property covered by a sub-lease is occupied by a charitable organisation whose objects are similar to Art Fund's own; therefore the property has been recognised as a tangible fixed asset.

ii) For all legacies, income has been recognised dependent on type as disclosed in note 2b.

3. Net surplus of the trading company

Art Fund has a wholly owned trading subsidiary which is incorporated in the UK. Art Fund Services Limited has a share capital of £100 and mainly sells advertising on behalf of Art Fund. The company donates its taxable profits to Art Fund and pays interest on any loans from Art Fund. A summary of the results of the trading company is shown below. Audited accounts have been filed with the Registrar of Companies.

	2024 £'000	2023 £'000
Profit and loss account		
Turnover	154	147
Cost of sales	(26)	(25)
Gross profit	128	122
Administrative expenses	(7)	(5)
Net profit	121	117
Gift aid	(121)	(117)
Retained in subsidiary	-	-

The assets and liabilities of the trading company as at 31 December 2024 were as follows:

	2024 £'000	2023 £'000
Balance sheet		
Total assets	115	101
Total liabilities	(112)	(98)
Net assets	3	3

The total income of the parent charity was £17.6m (2023: £16.3m) and the total surplus was £3.5m (2023: £173k surplus). The values are the same as in the consolidated accounts because the profit of the trading company is counted as investment income to the charity.

4. Reconciliation of grants given for the purchase of works of art

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Grants outstanding at 1 January		2,286		4,642
Grants offered during the year	2,627		3,761	
Grants subsequently not taken up	-		-	
Grants from a previous year no longer required	(256)		(3)	
Acquisition grants committed in the year		2,371		3,758
Grants paid during the year (see note 5)		(2,476)		(6,114)
Provision for grants for acquisitions (see balance sheet)		2,181		2,286

5. Total grants for acquisitions paid in 2024

The total value of grants offered in the year was £2.6m (2023: £3.8m). The note below details the payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme, a value that amounted to £2.5m (2023: £6.1m)

		£
South East	Newbury, West Berkshire Museum	1,625
North West	Liverpool Biennial with Liverpool, Walker Art Gallery	15,000
East of England	Norwich, Norwich Castle Museum & Art Gallery	7,500
East of England	Norwich, Norwich Castle Museum & Art Gallery	10,000
Wales	Cardiff, National Museum Wales	40,000
London	London, Tate Britain	100,000
East of England	Norwich, Norwich Castle Museum & Art Gallery	2,300
Wales	Brecon, Y Gaer Museum	4,500
South East	Oxford, Ashmolean Museum	7,000
London	London, Create London jointly with Valence House Museum	34,423
Scotland	Dundee, Art Night	10,000
London	London, Victoria & Albert Museum (V&A)	10,000
London	London, Hunterian Museum	7,000
Yorkshire	Leeds, Harewood House	7,350
East of England	Norwich, Sainsbury Centre	9,900
Yorkshire	Leeds, Leeds City Council	50,000
North East	Bishop Auckland, The Auckland Project	325,000
East of England	Cambridge, The Women's Art Collection	6,925
Yorkshire	Sheffield, Museums Sheffield	10,500
South West	Plymouth, The Box	50,000
South West	Devizes, Wiltshire Museum	528
East of England	Norwich, Norwich Castle Museum & Art Gallery	1,250
North West	Oldham, Gallery Oldham	5,400
South East	Maidenhead, Stanley Spencer Gallery	130,000
South West	Bath, The Holburne Museum	40,000
London	London, British Council	150,000
London	London, Leighton House	2,700
London	London, Arts Council Collection	14,400
East Midlands	Nottingham, National Justice Museum	75,000
South East	Southampton, 'a space' arts	6,090
East of England	Norwich, Sainsbury Centre	16,600
South East	Ditchling, Ditchling Museum of Art and Craft	6,500
Scotland	Aberdeen, Aberdeen Art Gallery	48,000
Northern Ireland	Newtownards, Mount Stewart (National Trust)	37,123
Scotland	Dundee, The McManus	13,000
East of England	Norwich, Sainsbury Centre	3,650
London	London, Pitzhanger Manor & Gallery	10,500
South West	Exeter, Royal Albert Memorial Museum & Art Gallery	10,000
Yorkshire	Bradford, National Science and Media Museum	21,750

		£
London	London, Strawberry Hill House & Garden	4,300
East of England	Ely, Stained Glass Museum	5,500
Scotland	Glasgow, Gallery of Modern Art (GoMA)	5,000
South West	Penzance, Penlee House Gallery & Museum	8,625
South West	Taunton, Hestercombe Gardens	10,000
South East	Lewes, Charleston	40,000
North West	Carlisle, Tullie House Museum and Art Gallery	12,750
South East	Woodstock, The Oxfordshire Museum	607
Wales	Aberystwyth, School of Art, Aberystwyth University	3,066
Wales	Aberystwyth, School of Art, Aberystwyth University	1,845
West Midlands	Wolverhampton, Wolverhampton Art Gallery	18,750
South West	Bournemouth, Russell-Cotes Art Gallery & Museum	5,725
Scotland	Stirling, University of Stirling Art Collection	13,608
Northern Ireland	Belfast, Ulster Museum	32,000
South West	Devizes, Wiltshire Museum	3,150
West Midlands	Shrewsbury, Shrewsbury Museum & Art Gallery	500
South West	Taunton, The Museum of Somerset	150,000
London	London, Victoria & Albert Museum (V&A)	350,000
South East	Eastbourne, Towner Eastbourne	3,750
London	London, Horniman Museum and Gardens	12,684
London	London, Charles Dickens Museum	1,525
Scotland	Stromness, Pier Arts Centre	5,000
North West	Manchester, Manchester Art Gallery	52,000
South East	Reading, Reading Museum	10,800
London	London, Historic Royal Palaces	19,680
Scotland	Glasgow, The Huntarian	32,333
East Midlands	Nottingham, Nottingham University	13,000
North West	Liverpool, Liverpool Maritime Museum	8,400
London	London, Eltham Palace (English Heritage)	26,478
Scotland	Perth, Perth Museum	5,423
South East	Eastbourne, Towner Eastbourne	58,018
Isle of Man	Douglas, Manx National Heritage	4,026
Yorkshire	Whitby, Captain Cook Memorial Museum	20,452
North West	Ambleside, The Armitt	2,061
South East	Oxford, Bodleian Library	100,000
Scotland	Dundee, Lamb Gallery	2,362
East of England	Halesworth, Halesworth and District Museum	1,000
London	London, Garden Museum	54,000
North West	Manchester, The Whitworth	15,000
South East	Chatham, The Historic Dockyard Chatham	21,000
East of England	Silsoe, Wrest Park (English Heritage)	13,944
Scotland	Paisley, Paisley Museum	16,000
London	London, National Army Museum	10,000
Total Grants paid during the year		2,475,876

6. Analysis of total expenditure

	Staff costs	Grants & direct expenses	Support costs	Depreciation	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:						
Cost of generating voluntary income	815	61	275	66	1,216	1,075
Cost of trading subsidiary	-	33	-	-	33	30
Investment adviser's costs	-	93	-	-	93	93
	815	187	275	66	1,342	1,198
Expenditure on charitable activities:						
Grants for acquisitions (note 4)	-	2,371	-	-	2,371	3,762
Ruffer curatorial grants	-	88	-	-	88	100
Weston Loan Programme	-	297	-	-	297	12
Vivmar traineeships	-	193	-	-	193	-
Technical Network pilot	-	50	-	-	50	-
Wedgwood Future Funds	-	-	-	-	-	206
General R&D	-	91	-	-	91	-
Grant support	858	1,143	265	63	2,329	2,154
Funding Art	858	4,233	265	63	5,419	6,234
Reimagine grants	-	874	-	-	874	1,017
Museum of the Year	-	422	-	-	422	531
Advocacy & campaigning	386	115	93	20	614	588
Amplifying the museum sector	386	1,411	93	20	1,910	2,136
The Wild Escape	-	-	-	-	-	710
Going Places / Exhibition Networks	-	80	-	-	80	83
Student paid opportunities	-	152	-	-	152	125
Promoting museums and museums visiting	354	293	83	20	750	733
Digital & communications	739	915	281	67	2,002	2,068
Membership servicing and recruitment	924	4,070	354	85	5,433	5,212
Prospect Cottage costs	-	70	-	-	70	110
Art Quarterly	356	283	111	27	777	794
Audience Making	2,373	5,864	829	198	9,264	9,835
Total charitable expenditure	3,617	11,507	1,188	282	16,593	18,204
Total expenditure	4,432	11,693	1,463	348	17,935	19,402

The audit fee for the year was £39k (2023: £33k). The auditors' fees for non-audit services in the year were £6.8k (2023: £6.2k).

*Support costs of £1.5m (2023: £1.6m) do not include salaries of £1.3m which are included in the staff costs column (2023: £1.2m) but do include severance payments of £0.1m (2023: £0.03m) as noted below. Therefore, total support costs are calculated as £2.8m (2023: £2.8m).

Salaries and pensions	2024 £'000	2023 £'000
Total salary and pension costs are:		
Salaries	3,722	3,618
Social security costs	406	397
Other pension costs	377	353
	4,505	4,368

	No. of staff	No. of staff
Average number of staff employed (headcount)	80	83

During the year five employees left by mutual agreement (2023: one). Total severance payments for the year were £100k (2023: £30k) and are included in salaries costs in the table above.

Employees with emoluments totalling £60,000 or more, excluding pension contributions and Employer's National Insurance contributions:

	2024	2023
£60,001 – £70,000	2	2
£70,001 – £80,000	1	2
£80,001 – £90,000	2	1
£90,001 – £100,000	0	2
£100,001 – £110,000	1	1
£110,001 – £120,000	2	1
£140,001 – £150,000	0	1
£150,001 – £160,000	1	0

The charity operates a defined contribution pension scheme. Contributions in respect of these staff were £103,770 (2023: £85,093).

Members of the Board did not receive any fees in the current or preceding year. Three (2023: Four) members of the Board received a total of £5,016 (2023: £3,368) reimbursement for expenses incurred in the year.

The key management personnel of the parent charity comprise the Trustees and the Senior Management Team. The total employee benefits of the key management personnel of the Charity were £859,419 (2023: £858,995).

7. Tangible assets

Group and charity	Freehold property £'000	Property components £'000	Roof £'000	Fixtures & fittings £'000	Computer equipment £'000	Total £'000
Cost:						
At 1 January 2024	6,037	-	-	278	359	6,674
Additions	-	-	-	9	46	55
Transfers	(874)	735	73	66	-	-
At 31 December 2024	5,163	735	73	353	405	6,729
Accumulated depreciation:						
At 1 January 2024	(601)	-	-	(220)	(301)	(1,122)
Charge for the year	(52)	(189)	(3)	(78)	(26)	(348)
Transfers	96	(81)	(8)	(7)	-	-
At 31 December 2024	(557)	(270)	(11)	(305)	(327)	(1,470)
Net book value						
At 31 December 2024	4,606	466	62	48	78	5,259
At 31 December 2023	5,436	-	-	59	57	5,552

8. Heritage assets

Group and charity	Cost at 1 January 2024 £'000	Additions £'000	Cost at 31 December 2024 £'000
Prospect Cottage	1,500	-	1,500



Aubrey Williams, *Petrification VIII*, 1972, Sainsbury Centre, Norwich, acquired 2024 with Art Fund support. © Estate of Aubrey Williams, All rights reserved, DACS, London 2025. Photo: Jonathan Greet. Courtesy Sainsbury Centre, Norwich

9. Fixed asset investments

Group and charity	2024 £'000	2023 £'000
Investments at market value comprised:		
UK equities	8,492	7,897
Overseas equities	23,633	21,007
Private equity	557	1,164
Hedge funds	11,303	8,673
Inflation hedge	-	2,865
Overseas bonds	-	1,496
Cash and cash equivalents	6,392	4,745
	50,377	47,847
Movement in investments – group and charity		
Market value at 1 January	47,847	46,061
Sale proceeds	(16,849)	(8,431)
Acquisitions at cost	15,650	6,968
Net (losses) / gains on revaluation	3,729	3,239
Market value at 31 December	50,377	47,847
Historical cost at 31 December	41,141	39,636

Investments constituting at least 5% of the portfolio at 31 December 2024 (at market values) were:

	2024 £'000	2024 %	2023 £'000	2023 %
Artemis Institutional Equity Income	4,427	(8.8%)	3,970	(8.3%)
Brummer Multi-Strategy (Bermuda)	-	-	3,734	(7.8%)
Brummer Multi-Strategy UCITS	3,000	(6.0%)	-	-
Barclays notice account	3,000	(6.0%)	3,688	(7.7%)
Jupiter UK Alpha R	4,065	(8.1%)	3,927	(8.2%)
Magellan Global Equity (MFG)	5,426	(10.8%)	4,494	(9.4%)
Maj Invest Global Value Equities Strategy	5,454	(10.8%)	4,649	(9.7%)
NT World Custom ESG Equity Index	3,612	(7.2%)	2,987	(6.2%)
Ownership Capital Global Equity Strategy	4,563	(9.2%)	4,563	(9.5%)
PIMCO GIS Income Fund	3,393	(6.7%)	-	-
Stewart Investors Global Emerging Markets Sustainability	2,668	(5.3%)	2,701	(5.6%)
Trojan Ethical Fund	3,000	(6.0%)	-	-

10. Debtors

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Trade debtors	54	78	2	11
Amounts due from subsidiary undertaking	-	-	106	92
Prepayments and accrued income	507	186	507	186
Other debtors	9	154	9	154
Accrued legacy income	245	37	245	37
VAT	276	278	276	278
	1,091	733	1,145	758

11. Contingent assets – legacy income

As at 31 December 2024 the Charity has been notified of £1.9m (2023: £3.5m) residuary legacies and £nil (2023: £nil) pecuniary legacies, however they did not meet Art Fund's recognition criteria and have therefore not been accrued.

12. Creditors

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Falling due within one year:				
Trade creditors	1,040	340	1,040	340
Tax and social security	107	108	107	108
Other creditors and accruals	4,562	4,137	4,556	4,131
Deferred income	57	64	57	64
	5,766	4,649	5,760	4,643

13. Long-term creditors

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Deferred income as at 1 January	171	195	171	195
Released during the year	(55)	(58)	(55)	(58)
Deferred during the year	39	34	39	34
Deferred income as at 31 December	155	171	155	171

The deferred income falling due after one year is the money received for life membership subscriptions, which is released to the Statement of Financial Activities over a period of ten years.

14. Net movement in funds (current year)

These funds are split between permanent endowment funds where the capital must be retained and other restricted funds where both capital and income can be spent in accordance with the donor's wishes. Investment income on endowment funds is expendable in accordance with the donor's wishes. Any income unspent at the end of the year is carried forward to the next year as a restricted fund.

GROUP	Balance at 1 January 2024	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2024
General fund	3,476	13,542	(14,465)	211	1,296	4,060
The Parker fund	909	-	(143)	63	-	829
Perpetuity fund	31,277	172	-	2,603	(1,317)	32,735
Fixed asset fund	5,552	-	(293)	-	-	5,259
Challenge fund	85	-	-	7	-	92
Wedgwood future fund	188	-	-	16	-	204
Total unrestricted funds	41,487	13,714	(14,901)	2,900	(21)	43,179
Restricted fund:						
Art Connects	109	-	-	-	-	109
Arts Council England – The Wild Escape	(89)	89	-	-	-	-
Art Happens – Unlock campaign	29	-	-	-	-	29
Art Happens	-	79	(77)	-	-	2
Art Tickets	23	-	-	-	-	23
Conservation appeal	12	-	-	-	-	12
David and Liza Brown bequest	3	-	-	-	-	3
Da Costa bequest	17	-	-	1	-	18
David Armstrong bequest	31	-	(14)	1	-	18
David Harrison bequest	1	-	-	-	-	1
De Livera legacy	17	-	-	1	-	18
Exhibition Networks – Creative Scotland	4	-	(4)	-	-	-
Export stopped acquisitions	18	-	-	-	-	18
Freelands Prize	(99)	111	-	-	-	12
Godson – Museums in Scotland	3	-	-	-	-	3
Garfield Weston UK Loans Programme (2&3)	348	330	(334)	-	-	344
Going Places	-	293	(255)	-	-	38
Headley Fellowships	49	-	-	-	-	49
I.M Strachan	25	-	-	-	-	25
Ivor Goudge bequest	1,695	11	-	142	-	1,848
Jonathan Ruffer curatorial scheme	74	75	(88)	-	-	61
Legacies	5	-	-	-	-	5
London Historic House Museums Trust	1,773	-	(40)	144	-	1,877
Making Connections	71	273	(252)	-	-	92
Modern British Group	179	1	-	-	-	180
Moving Image Fund	104	-	-	-	-	104
National Museum Wales	5	-	-	-	-	5
National Museums Scotland	5	-	-	-	-	5
New Collecting Awards	56	-	-	-	-	56
Omai Portrait appeal	1	-	-	-	-	1
Prevost appeal	107	-	-	-	-	107
Prospect Cottage Dungeness	1,281	50	(60)	105	-	1,376
Prospect Cottage Luma Foundation	323	-	(10)	26	-	339
Prospect Cottage – Heritage asset fund	1,500	-	-	-	-	1,500
Regional grants appeal	17	-	-	-	-	17
Reimagine	2	208	-	-	-	210
RI Gunn bequest	1,009	-	-	83	-	1,092
Richard Gordon Deeble bequest	77	-	-	-	-	77
Rought Fund	820	23	(23)	68	-	888
Student Art Pass programme	-	52	(52)	-	-	-
Vivmar Traineeships (formerly National Gallery)	81	92	(193)	-	21	-
WM Bond bequest	203	-	-	17	-	220
Winter appeal 2017 – Supporting Curators	6	-	-	-	-	6
Wolfson	10	600	(600)	-	-	10
Empowering Curators	-	40	-	-	-	40
Expanding Horizons	-	89	-	-	-	89
Gainsborough House	-	124	-	-	-	124
Jerwood Commissioning	-	-	(125)	-	-	(125)
Mini Wonders	-	400	(520)	-	-	(120)
Patrick Waterfall bequest	-	300	-	-	-	300
Restricted acquisitions	-	212	(199)	-	-	13
Ronald Moody bequest	-	61	-	-	-	61
TAP Fellowships	-	140	(139)	-	-	1
Teacher Digital Platform	-	154	-	-	-	154
Technical Network Pilot	-	25	(25)	-	-	-
Textiles & Ceramics	-	111	-	-	-	111
Young Audiences	-	23	(23)	-	-	-
Total restricted funds	9,905	3,966	(3,034)	588	21	11,446
Permanent endowment funds:						
Campbell Dodgson bequest	5	-	-	-	-	5
Cochrane Trust	217	-	-	18	-	235
Fulham fund	847	-	-	70	-	917
Ramsey Dyce bequest	196	-	-	16	-	212
Reginald Jones bequest	440	-	-	36	-	476
Modern Art fund	1,142	-	-	95	-	1,237
Wakefield fund	70	1	-	6	-	77
Total endowment funds	2,917	1	-	241	-	3,159
Total funds	54,309	17,681	(17,935)	3,729	-	57,784

Net movement in funds (current year)

CHARITY	Balance at 1 January 2024	Income	Expenditure	Net gains/ (loss) on investments	Transfers between funds	Balance at 31 December 2024
Total unrestricted funds	41,483	13,682	(14,868)	2,900	(21)	43,176
Total restricted funds	9,905	3,966	(3,034)	588	21	11,445
Total endowment funds	2,917	1	-	241	-	3,159
Total funds	54,305	17,649	(17,902)	3,729	-	57,781

Net movement in funds (prior year)

GROUP	Balance at 1 January 2023	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2023
General fund	4,590	12,033	(15,661)	76	2,438	3,476
The Parker fund	1,146	-	(302)	65	-	909
Perpetuity fund	30,922	229	-	2,412	(2,286)	31,277
Fixed asset fund	5,581	-	(29)	-	-	5,552
Challenge fund	79	-	-	6	-	85
Wedgwood future fund	381	-	(206)	13	-	188
2021 Reimagine fund	-	-	-	-	-	-
Total unrestricted funds	42,699	12,262	(16,198)	2,572	152	41,487
Restricted fund:						
Art Connects	109	-	-	-	-	109
Arts Council England – The Wild Escape	(345)	801	(545)	-	-	(89)
Arts Council England – Visual Arts Programme	14	25	(17)	-	-	22
Art Happens	-	129	(129)	-	-	-
Art Happens – Unlock campaign	66	-	(37)	-	-	29
Art Tickets	23	-	-	-	-	23
Conservation appeal	12	-	-	-	-	12
David and Liza Brown bequest	3	-	-	-	-	3
Da Costa bequest	16	-	-	1	-	17
David Armstrong bequest	29	-	-	2	-	31
David Harrison bequest	1	-	-	-	-	1
De Livera legacy	16	-	-	1	-	17
Energise young minds	386	-	(386)	-	-	-
Exhibition Networks – Creative Scotland	4	25	(25)	-	-	4
Export stopped acquisitions	18	-	-	-	-	18
Freelands Prize	(106)	125	(118)	-	-	(99)
Godson – Museums in Scotland	-	3	-	-	-	3
Garfield Weston UK Loans Programme (2&3)	199	340	(18)	-	(173)	348
Headley Fellowships	49	-	-	-	-	49
I.M Strachan	-	25	-	-	-	25
Jonathan Ruffer curatorial scheme	99	75	(100)	-	-	74
Ivor Goudge bequest	1,573	-	-	122	-	1,695
Kusuma Trust – The Wild Escape	(25)	150	(125)	-	-	-
Legacies	-	5	-	-	-	5
London Historic House Museums Trust	1,646	-	-	127	-	1,773
Making Connections	-	71	-	-	-	71
Modern British Group	172	7	-	-	-	179
Moving Image Fund	104	-	-	-	-	104
National Museum Wales	5	-	-	-	-	5
National Museums Scotland	5	-	-	-	-	5
National Gallery trainees	81	-	-	-	-	81
New Collecting Awards	12	9	35	-	-	56
NESTA	-	64	(83)	-	19	-
Omai Portrait appeal	38	364	(401)	-	-	1
Prevost appeal	107	-	-	-	-	107
Prospect Cottage Dungeness	1,249	50	(110)	92	-	1,281
Prospect Cottage Luma Foundation	300	-	-	23	-	323
Prospect Cottage - Heritage asset fund	1,500	-	-	-	-	1,500
Regional grants appeal	17	-	-	-	-	17
Respond and Reimagine	-	212	(210)	2	-	2
RI Gunn bequest	936	-	-	73	-	1,009
Richard Gordon Deeble bequest	51	-	-	-	-	51
Rought Fund	40	800	(20)	-	-	820
Student Art Pass programme	-	25	(25)	-	2	-
The Wild Escape – Trusts and Foundations	45	150	(195)	-	-	-
Trustees Dinner – 2021 Energise Young Minds	76	18	(93)	-	-	-
WM Bond bequest	189	-	-	14	-	203
Winter appeal 2017 - Supporting Curators	6	-	-	-	-	6
Wolfson	10	600	(600)	-	-	10
Total restricted funds	8,730	4,074	(3,204)	457	(152)	9,905
Permanent endowment funds:						
Campbell Dodgson bequest	5	-	-	-	-	5
Cochrane Trust	201	-	-	16	-	217
Fulham fund	786	-	-	61	-	847
Ramsey Dyce bequest	182	-	-	14	-	196
Reginald Jones bequest	408	-	-	32	-	440
Modern Art fund	1,060	-	-	82	-	1,142
Wakefield fund	65	-	-	5	-	70
Total endowment funds	2,707	-	-	210	-	2,917
Total funds	54,136	16,336	(19,402)	3,239	-	54,309

Net movement in funds (prior year)

CHARITY	Balance at 1 January 2023	Income	Expenditure	Net gains/ (loss) on investments	Transfers between funds	Balance at 31 December 2023
Total unrestricted funds	42,695	12,232	(16,168)	2,572	152	41,483
Total restricted funds	8,730	4,074	(3,204)	457	(152)	9,905
Total endowment funds	2,707	-	-	210	-	2,917
Total funds	54,132	16,306	(19,372)	3,239	-	54,305

Restricted funds

Art Connects
This fund relates to the Student Art Pass programme, specifically the development of the online platform and content / 'beyond visiting' opportunities associated with it to help students get more out of museums, galleries and public art collections. Art Connects is supported by the Stavros Niarchos Foundation, alongside a group of other private donors who support the wider Student Art Pass programme.

ACE – The Wild Escape
This fund relates to support from Arts Council England towards the Wild Escape, which was owed by ACE to Art Fund and received in full during the year.

Art Happens – Unlock campaign
This fund is to cover the direct costs of setting up and running each crowdfunding campaign on Art Happens. This includes producing a short film, creating rewards for donors and providing hands-on training throughout.

Art Happens
This fund relates to Art Fund's crowdfunding initiative which enables museums to run fundraising appeals to an online audience in support of specific works of art or projects.

Art Tickets
This fund related to the development and launch of our online ticketing platform, Art Tickets.

Conservation appeal
This was launched in 2018 as an appeal to our Art Partners, donors and wider membership to help us make a bold new commitment towards supporting conservation projects at museums and galleries across the UK. We opened the programme in July 2019 for applications, making 11 grant offers to date and continue to develop our funding available to support conservation.

David and Liza Brown Bequest
The bequest is for the benefit of the Department of Prints and Drawings at the British Museum and the Southampton City Art Gallery, supporting cataloguing and acquisition costs. In 2019 Southampton City Art Gallery received the balance of funds from this bequest to acquire a moving-image work *Robots in Distress* by Boredomresearch. The Bequest enabled a total of 19 acquisitions to join Southampton City Art Gallery's collection.

Da Costa Bequest
A bequest to support students to obtain curatorial knowledge, skills and experience which contributes to Art Fund's student opportunities programme to enable museums to recruit and pay students to work with them and gain experience of the cultural sector.

David Armstrong Bequest
The funds are for the benefit of Stirling and Falkirk Museums.

David Harrison Bequest
Proceeds from the auctioning of a work of art bequeathed to York Art Gallery by David Harrison. This fund is available to support future acquisitions for York Art Gallery.

De Livera Legacy
The legacy was left to Art Fund to contribute towards the acquisition of decorative arts in Cornwall or Devon.

Exhibition Networks – Creative Scotland
This fund relates to support from Creative Scotland for research to develop what would become the Going Places initiative and has been fully spent.

Export stopped acquisitions
This fund relates to donations from Art Fund supporters to enable museums and galleries to acquire works of art that have been export stopped or require urgent support in order to secure them for public view.

Freelands Prize
Launched in 2021, the Freelands Art Fund Acquisition supports UK museums to acquire new works of art by winners of the Freelands Award. This Award enables a UK arts organisation to present an exhibition centred around new work by a mid-career female artist. Funding for these acquisitions is made possible with the support of the Freelands Foundation, and the allocation of grants is managed and delivered by Art Fund.

Godson – Museums in Scotland
A legacy to be used to support a museum / museums in Scotland.

Garfield Weston UK Loans Programme
This programme supports loans to regional galleries across the UK from national galleries and museums.

Going Places
A new UK-wide programme which aims to engage and involve underrepresented audiences in museum collections through high-quality, collaborative touring exhibitions.

Headley Fellowships
Headley Fellowships with Art Fund give curators focused time to research their collections either on a full-time basis for six months or part-time over a year, providing funding for their posts to be backfilled. Fellows also receive funds towards their project which can be assigned towards travel, research, training opportunities, courses of study and more. Made possible by the support of the Headley Trust, the scheme is especially intended to support those museums and galleries facing the most acute funding challenges.

I.M Strachan
These funds are to be used for purchasing the Thomas Sim Collection (1840-90).

Ivor Goudge Bequest
The funds are to be used for purchasing works of art that exclude paintings and prints, and that have been completed during the seventeenth, eighteenth or nineteenth centuries. Works are to be for suitable museums or galleries and are to be with an accreditation preference.

Jonathan Ruffer Curatorial Grants Scheme
This fund, provided through the auspices of Jonathan Ruffer, supports collections and exhibitions research for curators working in and with museums and galleries.

London Historic House Museums Trust
The funds were received from the transfer of the assets of the London Historic House Museums Trust in October 2009 and are to be applied towards the purchase of works of art for Kenwood House, Hampstead; Marble Hill House, Twickenham; The Ranger's House, Blackheath; and Chiswick House, Chiswick.

Making Connections
Making Connections is a fundraising campaign for Art Partners, supporters and members in 2023/24. The appeal aimed to increase our funding for museum projects designed to build new connections with their local communities, to attract and engage new audiences, and to work in partnership to raise the profile of their work and collections locally.

Modern British Group
This fund is provided by a group of donors who wish to support acquisitions of work by modern British artists.

Moving Image Fund
This fund supports the acquisition of artists' moving-image work at Towner Eastbourne, Whitworth Art Gallery, Bristol Museums and Galleries and The Hunterian in Glasgow.

National Museum Wales
These funds are to be used to support the acquisition of work for the National Museum Wales.

National Museums Scotland
This fund was set up by David and Anne Hyatt King to make money available to National Museums Scotland to purchase a painting by Taki Katei.

New Collecting Awards
This programme enables promising and ambitious curators to pursue new avenues of collecting for their museums, and at the same time build critical professional skills.

Prévost
In July 2018 we asked a group of donors to help the Museum of London to secure a rare 19th-century panorama of the London skyline by the French artist Pierre Prévost, ahead of sale at auction. This fundraising helped us to provide a significant grant to enable the museum to purchase the painting.

Prospect Cottage Dungeness and Prospect Cottage Luma Foundation
In March 2020 Art Fund successfully completed the largest ever arts crowdfunding campaign to save artist and filmmaker Derek Jarman's Prospect Cottage. The success of the campaign has enabled Art Fund to purchase Prospect Cottage and to support a permanent public programme, the conservation and maintenance of the building, its collection, its contents and its renowned garden. The Luma Foundation grant is to support residencies at Prospect Cottage.

Regional grants appeal
The appeal was launched to support the acquisition of artworks for galleries and museums based outside of London.

Reimagine (formerly Respond & Reimagine)
Grants are designed to inspire creativity and increase stability and resilience in the sector.

Richard Gordon Deeble Bequest
A fund dedicated to supporting museums and galleries to acquire objects for their collections.

R I Gunn Bequest
The bequest is to be applied towards the purchase of one or more paintings or drawings of the French Impressionist School for presentation to one or more of the museums or collections of pictures belonging to the nation in London or the University of Oxford.

Rought Fund
The funds are to be used towards acquisition grants for artworks prior to 1815. The capital and income of the fund may be accessed by the trustees from its establishment and they may use their total discretion as to what artworks within the restriction are most appropriate to acquire. We report to the donor when the funding is allocated, and update on gains/losses on an annual basis.

Student Art Pass programme
The funds are to be used towards the future development of the Student Art Pass programme.

Vivmar Traineeships (formerly National Gallery trainees)
These traineeships are supported by Art Fund with the assistance of the Vivmar Foundation, offering a training programme for future curators in partnership with National and regional museums and galleries.

W M Bond Bequest
The bequest is to be held in trust for the Laing Art Gallery, Newcastle upon Tyne, and is to be devoted to the purchase of the following, to be displayed in that gallery: antique China, pottery, furniture, historical painting including oil painting but in particular watercolours; and work by living artists whose work creatively utilises china, pottery or furniture.

Winter Appeal 2017
In 2017 we launched a 'Regional Acquisitions Appeal' to Art Partners and donors, asking for their support to help us increase our grant-giving for museums outside London to acquire works of art for their collections.

Wolfson
The Wolfson Foundation make a major contribution towards our work to support museum collections; their funds are directly primarily to our main acquisitions grant programme and also to the New Collecting Awards.

Empowering Curators
This fund relates to a major new curatorial leadership programme launching in 2025 which will create substantive long-term opportunities and progression pathways for under-represented Global Majority curators in museums across the UK.

Expanding Horizons (2024/25 appeal)
In 2024 we launched this fundraising to Art Partners and donors, asking for their support to help us increase our investment in professional development opportunities for curators and museum professionals.

Gainsborough House
Received during 2024, this legacy from Nina Mearns Scott Cox was given for the use and benefit of Gainsborough House in Sudbury, Suffolk.

Jerwood Commissioning
This fund relates to a new partnership between Art Fund and Jerwood Foundation, supporting museums and galleries to commission artists to make work of exceptional innovation and quality – furthering the artists' development at a pivotal stage in their careers, while enriching public collections through new contemporary art. The negative reserve position reflects our accounting policy on grants where we recognise the grant liability on this programme, with funding to follow in early 2025 from the funder.

Mini Wonders
This fund relates to the Early Years Innovation in Museums, a new programme blending creativity with well-evidenced messages and strategies that support parents to help their children's social-emotional development. This initial 2-year programme has been jointly created and funded by Art Fund, through a generous legacy grant from the Foyle Foundation, and Nesta. The negative reserve position reflects our accounting policy on grants where we recognise the grant liability on this programme, with funding to follow in early 2025 from the funder.

Patrick Waterfall Bequest
This fund relates to a bequest from Patrick Waterfall set up in 2025 to support museum acquisitions of Dutch and Flemish paintings, and / or European / Northern European Baroque genre paintings, to use within a period of 3 years. If there are no applications for any works fitting these criteria by the end of the restriction period, the fund can be used for unrestricted purposes.

Restricted Acquisitions
This fund supports Art Fund grants towards specific acquisitions, acquisition areas, or this area of our grant-giving more broadly.

Ronald Moody bequest
Set up in 2024, a bequest from Cynthia Hussey to further the legacy of artist Ronald Moody and his contemporaries.

TAP Fellowships
With support from Clore Duffield Foundation, Art Fund Teacher Fellowships offers grants designed to build and strengthen engagement between state secondary schools and museums across the UK.

Teacher Digital Platform
A new Digital Platform to underpin the expansion of the Teacher Art Pass – providing teachers with all the information, resources and guidance they need to access their local museums and embed museum learning within their teaching.

Technical Network pilot
The Technical Examination Network programme, which offers fully funded opportunities for 3-6 museums to propose a painting for technical examination by the highly experienced and well-equipped scientific teams within the Technical Examination Network.

Textiles & Ceramics
This fund relates to a bequest from Wendy Elizabeth Hefford received in 2024 to be used for the purchase and/or conservation of textiles and ceramics.

Young Audiences
This fund relates to support of the Teacher Art Pass programme.

Permanent endowment funds

Campbell Dodgson Bequest
The income is for the benefit of the Department of Prints and Drawings in the British Museum.

Cochrane Trust
The income may be used for the purchase of works of art not being the work of any person living at the date of purchase.

Fulham Fund
The income generated is neither restricted nor designated and is therefore taken to unrestricted funds.

Ramsey Dyce Bequest
The income must be used to acquire objects of art to be added to the permanent collection of the Aberdeen Art Gallery.

Reginald Jones Bequest
The income is to be used to purchase pictures and other works of art that are at least 100 years old.

Modern Art Fund
The income is to be used towards the purchase of twentieth century art.

Wakefield Fund
The income is to be used towards the purchase of contemporary craftwork.

Transfers between funds in the year

£21k was transferred from the general fund to cover an overspend on the National Galleries Trainee fund (now Vivmar Traineeships), resulting from a prior year unbudgeted cost.

£1,317k represented the investment drawdown from the perpetuity fund into the general fund as a contribution towards core operating and administrative costs (see note in the Trustees Report on page 63).

15. Analysis of net assets between funds (current year)

GROUP	General funds 2024 £'000	Designated funds 2024 £'000	Restricted funds 2024 £'000	Endowment funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
Represented by:						
Tangible fixed assets	-	5,259	-	-	5,259	5,552
Heritage assets	-	-	1,500	-	1,500	1,500
Investments	13,358	33,860	-	3,159	50,377	47,847
Current assets/(liabilities)	(1,196)	-	9,946	-	8,750	6,516
Total liabilities	(8,102)	-	-	-	(8,102)	(7,106)
	4,060	39,119	11,446	3,159	57,784	54,309

Included above are unrealised gains on investment assets as at 31 December 2024 of £3.1m.

CHARITY	General funds 2024 £'000	Designated funds 2024 £'000	Restricted funds 2024 £'000	Endowment funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
Represented by:						
Tangible fixed assets	-	5,259	-	-	5,259	5,552
Heritage assets	-	-	1,500	-	1,500	1,500
Investments	13,358	33,860	-	3,159	50,377	47,847
Current assets/(liabilities)	(1,205)	-	9,946	-	8,741	6,506
Total liabilities	(8,096)	-	-	-	(8,096)	(7,100)
	4,057	39,119	11,446	3,159	57,781	54,305

16. Analysis of net assets between funds (previous year)

GROUP	General funds 2023 £'000	Designated funds 2023 £'000	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total funds 2023 £'000
Represented by:					
Tangible fixed assets	-	5,552	-	-	5,552
Heritage assets	-	-	1,500	-	1,500
Investments	12,471	32,459	-	2,917	47,847
Current assets/(liabilities)	(1,889)	-	8,405	-	6,516
Total liabilities	(7,106)	-	-	-	(7,106)
	3,476	38,011	9,905	2,917	54,309

Included above are unrealised losses on investment assets as at 31 December 2023 of £3.2m.

CHARITY	General funds 2023 £'000	Designated funds 2023 £'000	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total funds 2023 £'000
Represented by::					
Tangible fixed assets	-	5,552	-	-	5,552
Heritage assets	-	-	1,500	-	1,500
Investments	12,471	32,459	-	2,917	47,847
Current assets/(liabilities)	(1,899)	-	8,405	-	6,506
Total liabilities	(7,100)	-	-	-	(7,100)
	3,472	38,011	9,905	2,917	54,305

17. Operating leases

At 31 December 2024 the charity had annual commitments under non-cancellable operating leases which expire:

	2024 £'000	2023 £'000
Within one year	12	-
Within two to five years	35	-
After more than five years	2	-
	49	-



Medieval manuscript of the Old French New Testament, c1270-1300, attributed to the Cholet Master. Bodleian Library, Oxford. Acquired 2024 with Art Fund support (with a contribution from the Wolfson Foundation). © Bodleian Libraries, University of Oxford

18. Related party transactions

During the year two Trustees (2023: one) made donations to Art Fund totalling £2,300 (2023: £1,500) of which £1,200 was restricted to the Expanding Horizons appeal, and £1,200 was restricted to the Making Connections appeal.

At the February 2024 Board meeting, Jenny Waldman declared a conflict of interest with regard to an application relating to acquisition of a sculpture offered by Artangel where Jenny is Trustee. She left the room when this item was discussed and took no part in the decision made.

At the May 2024 Board meeting, David Dibosa declared a conflict of interest with regard to a joint acquisition application from Tate Britain and National Portrait Gallery for £300,000 towards a painting *Self-Portrait* (c1639) by William Dobson. David is Director of Research at Tate and left the room when this item was discussed and took no part in the decision made.

In October 2024, Anupam Ganguli declared a conflict of interest with regard to an application for £19,860 towards *A royal bridesmaid's dress and headdress* by Sir Norman Hartnell from Historic Royal Palaces for decision between meetings. Anupam is Director of Finance for Historic Royal Palaces and took no part in any online discussion or decision making in relation to the application.

At the October 2024 Board meeting, Katrina Brown declared a conflict of interest with regard to a national partnership project application for £150,000 towards the Steve McQueen Grenfell national touring project. Katrina is Director of The Common Guild, which is a partner for the project and she left the room when this item was discussed and took no part in the decision made.

At the December 2024 Board meeting, Sandy Nairne declared a conflict of interest in relation to a joint application from the Greater London Authority and London Museum Docklands towards a new public realm commission, *The Wake: Memorial to Victims of Transatlantic Slavery* (2026) by Khaled Brooks for £200,000. Sandy was part of the Mayor of London's Commission for Diversity in the Public Realm which advised on this project and left the room when this item was discussed and took no part in the decision made.

In 2024 £434,541 (2023: £nil) was donated to Art Fund by American Friends of the Art Fund (AFAF), a US based non-profit organisation. AFAF is a related party as Art Fund's Director is also a director of AFAF. Art Fund paid £20,000 into AFAF in the year (2023: £nil) to fund increased operating costs.

Get in touch

Join us to support museums across the UK and connect more people with art. Everything we do is made possible by people like you.

Support us

Become a member: artfund.org/national-art-pass

Find out about offering the National Art Pass for companies: artfund.org/corporate-art-pass

Become an Art Partner: artfund.org/art-partners

Donate: artfund.org/donate

Unlock support for your museum

Join the National Art Pass network of museums: artfund.org/join-the-network

Apply for funding: artfund.org/professional

National Art Pass

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Pinkie Maclure, *Beauty Tricks*, 2017, The Stained Glass Museum, Ely, acquired 2024 with Art Fund support. © Pinkie Maclure. Courtesy The Stained Glass Museum, Ely



Florence Claxton, *Woman's Work: A Medley*, 1861, Manchester Art Gallery, acquired 2024 with Art Fund support (with a contribution from the Wolfson Foundation). © Manchester Art Gallery

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Art Fund is a charity registered in England and Wales (209174) and Scotland (SC038331)

NATIONAL ART COLLECTIONS FUND

England & Wales - Charity number 209174

Accounts

Art Fund_

Annual Review
2023 – 2024



Board of Trustees (May 2024)

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Treasurer

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Monisha Shah
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Director

His Majesty The King
Patron

On the cover:
Front: Pierre-Auguste Renoir, *L'allée au bois (The Woodland Path)*, c1874-80 (detail), Ulster Museum, Belfast, acquired 2023 with Art Fund support (with a contribution from the Wolfson Foundation). © 2023 National Museums NI

Back: John Ferguson, *Kanika Carr, 30, professional dancer and dance teacher* (detail), from the portrait series Black Suffolk (2020), Christchurch Mansion, Ipswich, acquired 2023 with Art Fund support. © John Ferguson. Courtesy Colchester & Ipswich Museums and The Friends of the Ipswich Museum

Contents

Chairman's welcome 2

Director's introduction 6

The year in highlights 8

How we work 16

Art Fund stories 18

Thank you to our supporters 38

Financial reports 46
Report of the Board and Financial Statements for the year ended 31 December 2023 50

Get in touch 98

Chairman's welcome



Siân Davey, *For the Love of the Land*, 2019-21, Guernsey Museum and Art Gallery, acquired 2023 with Art Fund support (with a contribution from the Wolfson Foundation). © Siân Davey. Courtesy Guernsey Museum and Art Gallery

2023 was a big year for Art Fund, as we celebrated 120 years since the charity was founded on 11 November 1903.

To mark the occasion we launched our Making Connections appeal, asking our supporters to help us commit £1.2 million to community-focused museum projects – so that more people can access and enjoy the UK's museums for years to come.

And, throughout the year we saw the impact of our support for acquisitions over the decades in several significant rehangs and new openings. The refreshed displays at Tate Britain, the new Scottish galleries at the National in Edinburgh and IWM London's new Blavatnik Art, Film and Photography galleries all feature numerous works acquired with Art Fund support.

Coming to the end of my 10 years as chairman, I have reflected on the difference we have been able to make for museums and people across the UK. At Art Fund we believe that museums enrich society, and society enriches museums – which is why we work so hard to ensure that everyone feels empowered to discover, visit and use them.

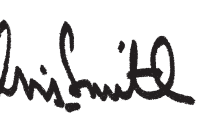
Over the past decade we have given over £58.5 million in grants to help museums build their collections, develop curatorial expertise and reach audiences, and helped hundreds of museums to acquire over 26,500 objects and works of art through our acquisitions, gifts and bequests and other collecting programmes.

Our role as a campaigning organisation is undiminished. We have spearheaded multi-million-pound public fundraising appeals to protect objects and collections of cultural significance, including the Wedgwood Collection in 2014, Derek Jarman's Prospect Cottage in 2020 and Joshua Reynolds' *Portrait of Mai* (*Omai*) in 2023. And we continue to advocate for museums, through our annual prize, Art Fund Museum of the Year, and in other ways, most recently lobbying government to make the Museums and Galleries Exhibition Tax Relief permanent.

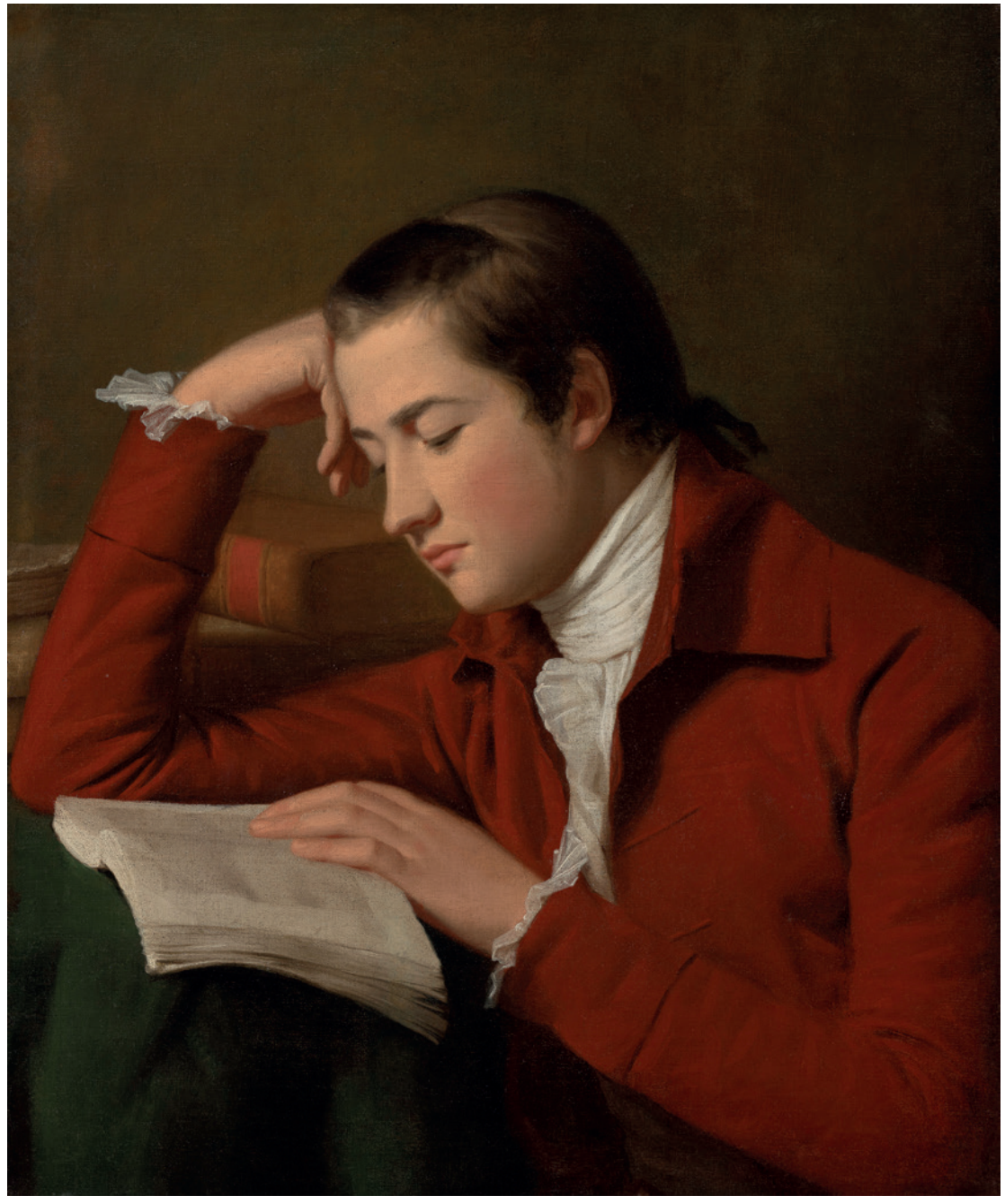
Today we work with a network of over 900 museums, galleries and historic places, promoting them to our 135,000 members, who buy the National Art Pass, and hundreds of thousands more visitors. We have made strides in widening these audiences, too, including by introducing the Student Art Pass in 2017 and the Teacher Art Pass in 2023, supporting the ambitions of our museum partners to reach young people.

I am deeply proud of the work that Art Fund does and have every confidence it will continue to connect museums, people and art in new and exciting ways.

Thank you to my fellow trustees, with whom I've had the pleasure to work over many years; to the brilliant Art Fund team; and to you, our members, for your support over the past 10 years and today. None of what we do would be possible without you.



Chris Smith
Lord Smith of Finsbury



Henry Raeburn, *Patrick Moir, 1769-1810*, 1785-86, Scottish National Gallery, Edinburgh, acquired 2023 with Art Fund support. Courtesy National Galleries of Scotland

Director's introduction

In this year's annual review, we hear from a range of voices about the impact of our work and the need to support the UK's museums today.



Launch of The Heart of Design, a project supported by a grant from Art Fund, at Chiswick House & Gardens, London. © Paul Upward. Courtesy Chiswick House & Gardens Trust

Art Fund has always been a people-powered organisation. This review celebrates our members, supporters, and museum professionals across the UK – all the people who contribute to the vital work museums do and help make sure it can continue.

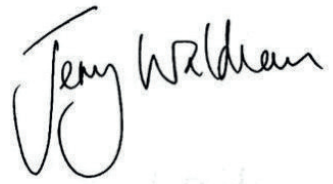
Art and community are at the heart of our activities. As we work to ensure that museums can build and diversify their collections, reach new audiences and work more collaboratively together, in 2023 we offered £5.8 million in grants, at the core of which was £3.8m towards acquisitions. Over 100 objects and works of art joined collections during the year with our support, and a rich range of activity helped bring collections to life: from our Jonathan Ruffer curatorial grants, which enable important research, to the Weston Loan Programme with Art Fund, which shares art across the UK, to The Wild Escape, our major project connecting young people with collections.

We have also been developing new programmes in response to museums' needs. A pilot programme which aims to bolster ethnic diversity in the curatorial workforce will launch in the coming year; our Going Places programme is supporting six networks of museums to develop plans for touring exhibitions; and we are partnering with Nesta to help a wider range of families visit museums.

As museums continue to grapple with the impact of the cost-of-living crisis, many local authority-funded organisations face the prospect of severe funding cuts. I want to express my thanks to all our supporters for helping us to help museums at this challenging time, and to my colleagues and trustees for their commitment to our work.

In particular, I would like to thank our chairman, Chris Smith, for his leadership of Art Fund over the past 10 years. Although Chris has to retire from the board this autumn, we know that he will remain an important friend and ambassador. And I am pleased to welcome Sandy Nairne, who joins us as chairman and brings to the role a deep knowledge of the museum and gallery sector.

I look forward to all we will achieve together over the coming year.



Jenny Waldman
Director, Art Fund

The year in highlights

From major acquisitions to the launch of new funding programmes, we take a look back at some key Art Fund activity from 2023.



Video content created by Landsec in collaboration with Art Fund as part of the promotional campaign for The Wild Escape's Earth Day activations. The video ran for 10 minutes on Piccadilly Lights at 7pm on the eve of Earth Day, 21 April 2023. © Sam Lane / Art Fund 2023



Press clipping from the Art Fund archive: Advertisement, "One of the Works of Art Saved for the Nation", *The Mass of St Giles*. Slogan: "All Art Lovers Should Join". © Tate / Art Fund Archive

Art Fund turns 120

We celebrated 120 years of bringing people and museums together to share in great art and culture. Since 1903, our membership has grown from 500 to over 135,000 members, and we now work with over 900 museums, galleries and historic places across the UK.



Teacher Art Pass photoshoot, © Holly Pickering / Art Fund 2023

Museums come together to highlight biodiversity loss

Earth Day saw the culmination of The Wild Escape, the largest ever collaboration between UK museums. Led by Art Fund, 530 museums inspired thousands of children to engage with collections and explore biodiversity loss. The project reached over 1.1 million visitors in museums and 16.9 million online.

Teachers benefit from a new type of membership

We launched the Teacher Art Pass, a highly subsidised membership to help teachers use museums in their teaching practice and inspire the next generation.

Mai is saved for the national collection

Joshua Reynolds' *Portrait of Mai* (*Omai*) was saved for the public following a historic fundraising campaign, including a £2.5 million grant from Art Fund. The painting was jointly acquired by the National Portrait Gallery in London and Getty in Los Angeles.



Joshua Reynolds, *Portrait of Mai* (*Omai*), c1776, in situ at the National Portrait Gallery, London. Acquired 2023 with Art Fund support (with a contribution from the Wolfson Foundation). © David Parry. Courtesy the National Portrait Gallery, London

Reimagine grants help museums support their staff

With funding from The Headley Trust, we awarded £800,000 in Reimagine grants to 21 museums for creative projects that will help them support their workforce; £200,000 was also offered through Museum Development UK to help smaller museums retain and train staff.

Art Fund Museum of the Year is announced

The Burrell Collection in Glasgow was named the winner of Art Fund Museum of the Year 2023, at a ceremony celebrating all the finalists: Leighton House, London; The MAC, Belfast; the Natural History Museum, London; and Scapa Flow Museum, Orkney.

Artist Grayson Perry presents Duncan Dornan, head of museums and collections for Glasgow Life, with the award for Art Fund Museum of the Year 2023 at the British Museum, London, 12 July 2023. © Hydar Dewachi / Art Fund 2023





Hannah Starkey, *Bus Stop*, 2022, The Hepworth Wakefield, acquired 2023 with Art Fund support through the Freelands Art Fund Acquisition. © Hannah Starkey. Courtesy the Hepworth Wakefield

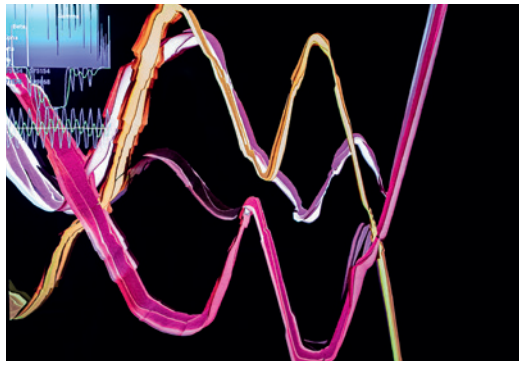
Major works by women artists join public collections

The Box in Plymouth acquired an installation by Ingrid Pollard and the Hepworth Wakefield acquired four photographs by Hannah Starkey through the Freelands Art Fund Acquisition, a funding partnership which helps museums to acquire work by women artists who have won the Freelands Award.

New research reveals museums' emotional potential

Research we co-commissioned with the Association of Independent Museums found that feelings of pleasure, connection and purpose are the most powerful in driving public support for museums. We set up a community of practice to help museums use this in their work.





Top and above: Launch of the National Art Pass brainwaves campaign at the Courtauld Gallery, London. © Hydar Dewachi / Art Fund 2023

'Art on the brain' project shows effect of looking at art

In a campaign to promote the National Art Pass and the benefits of visiting museums, the impact of art on the human brain was visualised in real-time and 3D for the first time. Visitors to the Courtauld Gallery wore brainwave-reading technology and watched as it showed their responses to art on screen.



Launch event for new rounds of the Weston Loan Programme with Art Fund, October 2023. © Jason Mitchell / Art Fund 2023

More support helps touring and sharing art

We announced new investment in programmes that support touring exhibitions. With the support of the Garfield Weston Foundation, we committed to delivering three further rounds of the Weston Loan Programme with Art Fund, and thanks to the National Lottery Heritage Fund and Esmée Fairbairn Foundation, we launched Going Places, which will see 20 organisations work together to create and tour collaborative exhibitions.

New 'guide to giving' published

In collaboration with Arts Council England, we published 'Everybody is a winner': new guidance to highlight how donors can give, and arts and culture organisations can acquire, top-quality objects through schemes such as the Cultural Gifts Scheme, Acceptance in Lieu and our gifts and bequests programme.



Edwin Landseer, *The Braggart*, 1817, Grantown Museum, Grantown-on-Spey. Bequeathed by Beryl Goodworth in 2023 with Art Fund support. Courtesy Grantown Museum

How we work

Art Fund exists to help museums and people share in great art and culture. The people power of our network makes this happen.

We believe that access to art is vital for a healthy society. So, we connect museums, people and art in three ways:

We fund art, helping the UK's museums, galleries and historic places to enrich their collections – for today, and forever.

We build audiences, with our National Art Pass opening doors to great culture.

And we amplify the museum sector, through our Museum of the Year award and creative events that bring the UK's museums together.

The support that we offer museums is made possible by our 135,000 members through the National Art Pass; our generous supporters, including those who leave a legacy to Art Fund in their will; and the generosity of trusts, foundations, individuals, and partner funders.

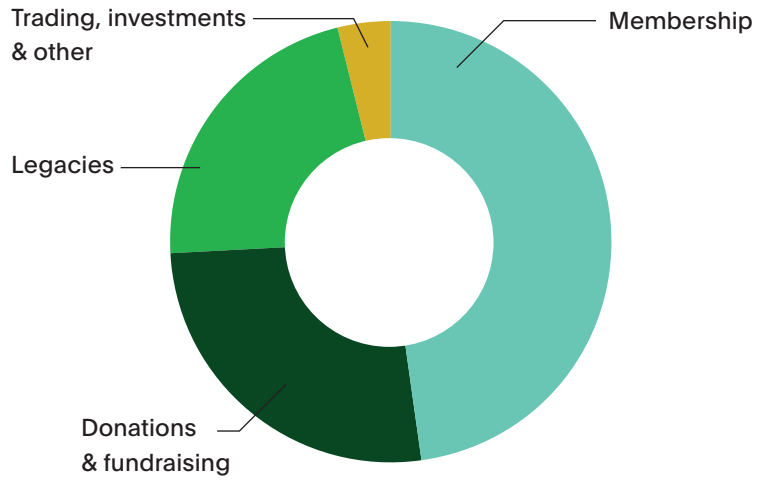
As an independent charity we can pursue what matters most, led by what museums tell us they need. Our funding programmes are developed in collaboration with colleagues across the sector, and in response to research, in order to make the biggest possible impact for museums and their communities.

900
museums, galleries and historic places are now part of the National Art Pass network

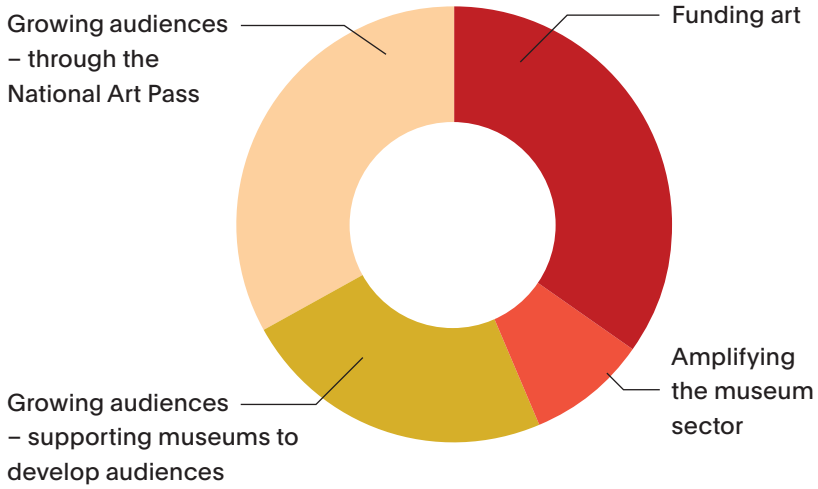
In 2023 we offered
£5.8 million
in grants to support museums across the UK

70%
of our grants were offered to organisations outside London

How we are funded



Our charitable activity



Art Fund stories

We hear from artists, museum professionals, visitors and our supporters about the impact of our funding over the past year and the importance of supporting the UK's museums, galleries and historic places.





Above: Visitors to the Burrell Collection, Glasgow, winner of Art Fund Museum of the Year 2023. © Janie Airey / Art Fund 2023
Left: Art Partners event, private view of IWM London's new Blavatnik Art, Film and Photography Galleries. © Hydar Dewachi / Art Fund 2023

Strengthening collections

Two recent Art Fund-supported acquisitions – *In My Studio* by Lawrence Alma-Tadema and *Haystacks* by George Frederic Watts – are helping Leighton House in London to rebuild Frederic Leighton's original collection, explains senior curator Daniel Robbins.



This page: Lawrence Alma-Tadema, *In My Studio*, 1893, Leighton House, London, acquired 2023 with Art Fund support (with a contribution from the Wolfson Foundation). © RBKC, Leighton House

Right: George Frederic Watts, *Haystacks* (*Study on Brighton Downs*), 1882, Leighton House, London, acquired 2024 with Art Fund support. © Dreweatts. Courtesy Leighton House



With these two works, we've been able to go a whole big step further in the representation of work by Leighton's contemporaries. All of Leighton's collections were sold immediately after his death in 1896. *In My Studio* has, for a very long time, been on our list of works that would contribute the most if it was possible to bring them back. Along with Leighton's, Tadema's studio was the most extraordinary, most written about, of that period. We were also surprised by how relatively few examples of Tadema's work are actually in public collections.

Haystacks was on our radar for being another known example from the collection. It was very important that we had representation of Watts as Leighton's friend and neighbour – and the person who really was behind the whole colonisation of this part of London by artists.

People love this idea of things returning after this great interval of time. Because the house was so well documented, you can show the photograph of where a piece once was. The works are all accompanied by their own story of how they were found, and that whole narrative is something people really respond to.

I couldn't over-exaggerate the importance that Art Fund has played in re-establishing Leighton's original collection. We wouldn't have had the belief that we could acquire the things we've acquired if Art Fund wasn't there.

"*In My Studio* has, for a very long time, been on our list of works that would contribute the most if it was possible to bring them back"

Funding art for all

Commissioned with Art Fund support, Yinka Shonibare's sculpture *Hibiscus Rising* is the artist's first permanent public art commission in the north of England, created to honour the memory of Leeds resident David Oluwale.



Yinka Shonibare CBE, *Hibiscus Rising*, 2023. Commissioned by the David Oluwale Memorial Association, LEEDS 2023 and Leeds City Council with Art Fund support. © Yinka Shonibare CBE. All Rights Reserved, DACS 2024. Photo: David Lindsay. Courtesy the Tetley, Leeds





Top and above: The unveiling of *Hibiscus Rising* by Yinka Shonibare CBE at the Tetley, Leeds. © Yinka Shonibare CBE. All Rights Reserved, DACS 2024. Photo: David Oates / Art Fund 2023

It's incredibly important to me to have my sculpture in the public realm because it makes the work very accessible. If you can't go, don't have time to go, or can't even afford to go into a gallery – this is art that meets you on the street.

Often, the histories and stories that I deal with in my work are horrific and quite dark. Those stories are there for people to find out about, but I don't want that darkness to be the first thing they think of.

The story of what happened to David Oluwale, how he stowed away from Nigeria to Britain, had mental-health problems, was homeless, and was then tormented and beaten by the police, is horrific and absolutely shocking. But I didn't want the current community in Leeds to have to relive that trauma. I thought about my own childhood in Nigeria and what my happiest time was, and I remembered the hibiscus flower in my garden and sucking the nectar out of it. David must have also experienced that tropical climate and seen similar flowers.

As I was trying to understand his story, I also remembered Maya Angelou's poem 'Still I Rise', and that's where the idea of *Hibiscus Rising* came from.

I wanted to create something that would help the community to feel more together and to think about growth and healing, beauty and harmony. The scale is large because I want it to be present, and for everyone to see it standing proudly and rising, a joyous thing.

This is an edited excerpt from an interview first published in the winter 2023 issue of Art Quarterly, *Art Fund's membership magazine.*

"If you can't go, don't have time to go, or can't even afford to go into a gallery – this is art that meets you on the street"

Investing in expertise

Curator Naomi Gariff is developing a new collecting policy for Blackwell – The Arts & Crafts House in Bowness-on-Windermere, supported by a Sir Nicholas Goodison Award for Contemporary Craft.

Since opening to the public in 2001, Blackwell has nurtured and commissioned the work of both established and emerging contemporary makers, including Magdalene Odundo, Edmund de Waal, Halima Cassell and Paul Scott. But as a small regional gallery, Blackwell has rarely been in a position to actively collect the contemporary craft it has commissioned. My project will transition Blackwell from a passive to an active collection policy.

I have been undertaking academic and field research into the contemporary collecting practices of fellow organisations, and researching contemporary makers whose practice aligns with the core principles of the Arts and Crafts Movement. I have also been meeting with my mentor, Dr Danielle Thom, once a month. Her guidance has been invaluable.

Visits to fairs and biennials have been particularly fruitful. I found the British Textile Biennial particularly engaging, as the theme for 2023 was exploring the ethical and ecological impacts of textile manufacturing on the global south. Blackwell's programme has begun to explore the ethics of making and this is something I wish to strengthen and continue through our contemporary collecting.

Having the first year of the project dedicated to researching and embedding myself into the world of contemporary craft has been an incredibly valuable experience. Though there have been obstacles along the way, I have gained key insights and learning from the research that I can carry through to the next stages, and to future projects and collecting.

"Having the first year of the project dedicated to researching and embedding myself into the world of contemporary craft has been an incredibly valuable experience"



Blackwell – The Arts & Crafts House, The White Drawing Room. © Nick Wood. Courtesy Blackwell – The Arts & Crafts House

Engaging the next generation

Supported by a Reimagine grant, the exhibition PLAY – The Movie! transformed Wrexham's Tŷ Pawb into a film set for kids. Visitors and participating artists share what it meant to them.



All images: PLAY – The Movie! Workshop at Tŷ Pawb, Wrexham, for WCD Young Carers Under 8s, led by artist Rachael Clerke.
© Harry Meadley. Courtesy Capital of Play

Having a space as large as this, and the support of Tŷ Pawb to experiment, was huge for me. The energy of the team, as well as our meet-ups with the other artists and playworkers, was brilliant in enabling my thoughts and work to develop – exactly as the children play – with a sense of anarchy and freedom! Each day I responded to the children and set up new play environments; then it was a joy to watch as the children made it their own. – Sarah Ryder, artist

I've learned how to – as an artist – be around children. This has been a long process for me; I've done a lot of work with kids but never before in such a sustained way. I feel really confident working with children now and being a safe, fun, responsible adult without tipping into being an authority figure or trying too hard to be childlike. I've learned that adults are surprised by how much their children (especially when the child is over 10) want to play and will engage with free play in the space. But it's clear they do! This will give me a lot more confidence in making play-based work in the future. – Rachael Clerke, lead artist

My little boy has loved coming here over the summer. I think we've been here more than anywhere else! Love the resources – his imaginative play has come on leaps and bounds. – Parent's guestbook comment

We are now movie stars. We are now singers. – Child's guestbook comment

"My little boy has loved coming here over the summer. His imaginative play has come on leaps and bounds"







Widening access across the UK

Colchester Castle's exhibition Gladiators: A Day at the Roman Games, which was supported by the Weston Loan Programme with Art Fund, featured objects borrowed from collections across the UK. Museum manager Pippa Pickles reflects on their impact.



The Gladiators exhibition explored the main events of the amphitheatre and built on new research into the famous Colchester Vase, reimagining those events and presenting academic findings in a family-friendly way. The graphic novel-inspired design and engaging interactives drew people into and around the space, taking them through a 'day at the games', from buying souvenirs to the climactic final fight.

The exhibition was packed with pieces from Colchester Museums' collections and loans from across the UK, including one of the largest loans ever made from the British Museum to a regional museum. In Britain there is limited material relating to gladiators, making the loans programme both essential and particularly impressive. Twelve lenders across the UK provided over 50 objects, with confirmation of the British Museum's support acting as a catalyst.

We believe this exhibition has significantly improved our position for the future. The strengthened partnership between Colchester Museums and the British Museum, whose major loan of around 20 objects included the Pompeii Murmillo helmet, will open doors for future collaboration. Other loans from regional museums and partnerships with creators such as History Hit will also have a lasting impact.

Crucially, Gladiators brought visitors to Colchester Castle despite the growing cost-of-living crisis, helping us to sustain income and engagement during a time when many regional museums are being negatively impacted. Now that we have more experience in managing multiple large-scale loans from regional and national museums and collections, we will pursue more ambitious loans programmes for future exhibitions.

"Crucially, Gladiators brought visitors to Colchester Castle despite the growing cost-of-living crisis, helping us to sustain income and engagement"



All images: Gladiators: A Day at the Roman Games exhibition at Colchester Castle. The Weston Loan Programme with Art Fund is supported by the Garfield Weston Foundation. © Colchester Museums. Photo: Tom Archer

Building a community of supporters

The commitment of Art Partners, our patrons group, is vital to everything we do. Gerard Lemos and Paul Crane share why they support Art Fund, and some of their highlights from seeing their support come to life over the past year.

Gerard Lemos: The thing that always interested me about Art Fund was that it was involved in the whole ecosystem – in museums and galleries all over the country, in acquisitions, in access projects.

The other thing which, for us, is important, is that a lot of the things Art Fund supports are for much smaller institutions, like Pallant House. I think there is kind of a renaissance going on in the smaller museums. What's going on in Bishop Auckland [The Auckland Project], for example, is extraordinary.

Paul Crane: Going to the Museum of the Year event was extremely good for broadening one's knowledge about all these new places. I went to the Art Partners event in the Blavatnik galleries at the Imperial War Museum, and it was an education to see it completely transformed; particularly the galleries themselves, representing, in a much broader context, material from the wars.

Gerard: Another highlight was the Art Partners visit to the home of curator Sarah Nichols. She had a collection of Venetian glass – I don't know anything about glass, how it's made, so that was revelatory.

For me that's the important aspect of Art Fund, as I say, that it's operating in the ecosystem; and that's one of the reasons why we think it's worth supporting. It's nice to do all these things, you know, but it is also a cause.

Paul: Going to galleries and museums – it adds to the richness of one's life immeasurably. It would be a desert without them.

Gerard Lemos is a social researcher, Chair of English Heritage and Non-Executive Director of His Majesty's Prison and Probation Service. Paul Crane is a publisher and former civil rights lawyer.

Gerard and Paul joined as Art Partners in 2023 after supporting Art Fund's campaign to save Prospect Cottage in 2020.

"Going to galleries and museums adds to the richness of one's life immeasurably"



Art Partners event, private view of IWM London's new Blavatnik Art, Film and Photography Galleries. © Hydar Dewachi / Art Fund 2023

Bringing museums together

Samantha McCombe, librarian at The Linen Hall in Belfast, describes taking part in The Wild Escape – the largest ever collaboration between UK museums, led by Art Fund.

To celebrate Earth Day, Key Stage 2 pupils from a local primary school joined us for a creative workshop which drew inspiration from the wildlife and biodiversity found in books held in The Linen Hall's children and young adult collection. The workshop opened with an eco-education talk by Patrick Doran, a wildfire recovery ranger from the National Trust, who talked to the children about local endangered species. The pupils were then encouraged to express their artistic creativity in a hands-on session with professional children's illustrator Beth McComish.

The result was an inspirational gallery of images of creatures, including birds and metalwork lizards, which gave the kids a real sense of achievement and pride.

The ripple effect from this project has been fantastic. As we put our collections at the heart of The Wild Escape, it ensured there was an increase in awareness of and engagement with them. The workshop built capacity, confidence and skills across the team at The Linen Hall, and established new links between the museum and a local integrated school, the National Trust and a local artist and facilitator.

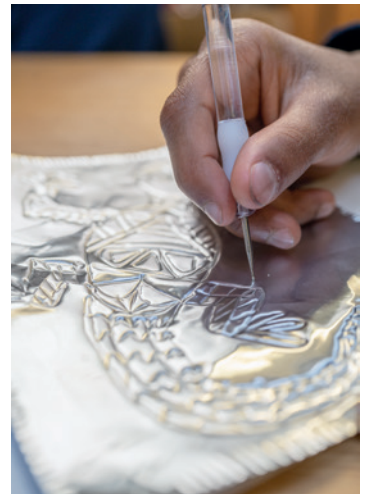
Being part of a big project with geographic reach, a diverse network and altruistic intentions was great as it made us feel connected to and part of something very special. It made us want to ensure that our part in The Wild Escape was as good as it could possibly be, as we were contributing to something bigger than just ourselves.

We have taken the experience of The Wild Escape into future projects, and it has helped us develop and shape our offering for children and young adult visitors.

"Being part of a big project with geographic reach, a diverse network and altruistic intentions made us feel connected to and part of something very special"







Students participate in The Linen Hall's Earth Day activities. The Wild Escape was made possible with support from Arts Council England's National Lottery Project Grants, with additional support from Bloomberg Philanthropies, Kusuma Trust, The Foyle Foundation and a group of generous individuals and trusts. © Tom Jackson / Art Fund 2023

Celebrating innovation and achievement

Following their community-led redevelopment and redisplay, the Burrell Collection in Glasgow won Art Fund Museum of the Year 2023. Development manager Hannah Wilson reflects on taking part in the prize.



Dance performance at the Lunar New Year Celebration at the Burrell Collection. © Glasgow Life. Courtesy the Burrell Collection

This opportunity was such a natural and great way for us to continue involving all of those communities we'd worked with through the capital campaign – it's really helped us to keep those relationships going. People felt like their contribution was valued not just by us, but also externally.

There's been a really clear spike in visitor numbers, which is such a tangible benefit in terms of getting not only more people through the door, but also new people, people who wouldn't necessarily have heard of the Burrell before. A lot of people are telling us that they've travelled because they've seen the award on the telly.

We really wanted to make sure that the use of the money was in keeping with what we think is the reason we won, which was that really community-driven ethos. We're piloting things like storytellers-in-residence, and outreach events for specific communities that we know exist around the Burrell, but who we don't necessarily engage.

At the moment of the announcement the Gallery Assistant WhatsApp group melted. Everyone really felt ownership of the outcome. It gave everyone who was involved in the project a level of confidence in what they had achieved, and the confidence to think about what can be achieved in the future using the same ethos. It's not worn off – everyone's still really excited about it.

"There's been a really clear spike in visitor numbers. A lot of people are telling us that they've travelled because they've seen the award on the telly"



The Burrell Collection staff stood with Sam Gallacher, former keeper of the Burrell Collection, holding the award for Art Fund Museum of the Year 2023. © Alan Harvey / Glasgow Life / SNS

Supporting the sector

Katherine McAlpine, director at the Brunel Museum in London, is looking at how the organisation could utilise our research report 'Pleasure, Connection and Purpose: How museums can leverage emotions to build greater public support'.



Brunel Museum holiday camp for local children, © Gabriella Codastefano. Courtesy Brunel Museum

We don't have the budget or resources or even expertise to do this kind of audience research in-house. So I'm always on the lookout for audience research that has practical applications.

I really liked the way that the report outlined how you might think about using emotions in your practice to deepen engagement with audiences, which is essential, really, to having advocates for museums, to have supporters both financially and through other ways. One of the prompts I found really useful was: 'How do your current audience see your organisation?' What I did was a word cloud of all the comments we get from Google reviews and our post-visit surveys. The word 'interesting' came up quite a lot. The word 'quirky'. 'Small'. That's what I started by doing – seeing, OK, well, where are we?

I think it's about using the research as a framework and thinking about how you would plot your organisation differently. I'd use it in conjunction with stakeholder mapping and go, 'Here are our stakeholders. Here are all the people who are invested and have some connection to our organisation. Where do they fit on this framework and is that where we want them to be?'

We know who our audiences are. We know who's coming through the door. What we don't know is who's not coming through the door, and that's where this wider sector research becomes really helpful – who are we not reaching and how else might we reach them? That's where seeing those best-practice case studies was really helpful.

"We know who's coming through the door. What we don't know is who's not coming through the door, and that's where this wider sector research becomes really helpful"

Thank you

Everything we do is made possible by our members and supporters, including trusts, foundations, individuals, and funders with whom we work in partnership.



Rana Begum, *No. 670 Mesh Installation,* 2016, Sainsbury Centre, University of East Anglia, Norwich, acquired 2023 with Art Fund support. © Rana Begum. Courtesy Sainsbury Centre. Photo: Andy Crouch

We are very grateful to those who give generously to Art Fund and support our mission to help museums and people share in great art and culture.

In 2023, The Wild Escape – our major UK-wide project connecting museums, schools and families – was made possible thanks to funding from Arts Council England's National Lottery Project Grants, with additional support from Bloomberg Philanthropies, Kusuma Trust, The Foyle Foundation and a group of trusts and supporters including many Art Partners.

The continued generosity of The Wolfson Foundation helped to underpin our acquisitions programme, supporting museums to enrich their collections through objects and works of art. This includes Art Fund's grant to enable the National Portrait Gallery to acquire Joshua Reynolds' *Portrait of Mai* (*Omai*). The portrait went on public display in 2023 with support from the National Heritage Memorial Fund, the Portrait Fund, a group of generous donors and gifts from over 2,000 Art Fund members, National Portrait Gallery supporters and members of the public.

Works by Ingrid Pollard and Hannah Starkey joined collections at the Box in Plymouth and the Hepworth Wakefield through the Freelands Art Fund Acquisition. Run in partnership with the Freelands Foundation, the programme helps museums to acquire contemporary art by women artists. And a major commitment to The Rought Fund bolstered Art Fund's support for museum acquisitions of pre-1815 works of art for years to come.

Eleven exhibitions took place across the UK in 2023-24 with support through the Weston Loan Programme with Art Fund, which enables regional and smaller museums to borrow works from national and major lending institutions. The programme is supported by the Garfield Weston Foundation.

We also launched the development phase of Going Places, supporting new networks of museums to create touring exhibitions in collaboration with their communities. The programme is supported by the National Lottery Heritage Fund and Esmée Fairbairn Foundation.

With funding from The Headley Trust, 21 grants were awarded through our Reimagine programme, with a further 112 grants distributed via our partner Museum Development UK (MDUK), enabling museums to support and develop their workforce in new ways.

Curators at the V&A in London and Blackwell – The Arts & Crafts House in the Lake District undertook research for collecting projects supported by the Sir Nicholas Goodison Award for Contemporary Craft, a New Collecting Award created in memory of Sir Nicholas Goodison and supported by a consortium of individuals.

Our Jonathan Ruffer curatorial grants helped 56 museum professionals to undertake collections and exhibition research projects through dedicated funding for travel costs. Meanwhile, renewed support from the Vivmar Foundation will enable four early-career curators to take part in the Vivmar Curatorial Traineeship programme at eight different museums between 2024 and 2027.

With support from a group of trusts and individual donors, our new Teacher Art Pass membership was launched in 2023. Following a year-long pilot supported by the Clore Duffield Foundation, the programme is designed to build teachers' engagement with museums both professionally and personally. With additional support from the Clore Duffield Foundation, in 2024 we will launch a new programme of Teacher Fellowships, utilising teachers' expertise to build stronger relationships between museums and schools.

Seven organisations raised a total of over £125,000 for exciting projects on our crowdfunding platform, Art Happens. The platform's infrastructure was generously supported by the National Lottery Heritage Fund, as well as by private individuals and charitable trusts. And over 250 museums are now using Art Tickets, our free ticketing system, also supported by charitable trusts and private individuals.



Above: Unknown artist, Mortlake tapestry fragment, c1650, Garden Museum, London, acquired 2023 with Art Fund support. © Bonhams. Courtesy Garden Museum

Right: Yuki Kihara, サ-モアのうた' (Sāmoa no uta) – A Song About Sāmoa – Vasa (Ocean), 2019, National Museums Scotland, Edinburgh, acquired 2023 with Art Fund support. © National Museums Scotland

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Nathan Coley, *I Don't Have Another Land*, 2022, Towner Eastbourne (pictured installed at Eastbourne Library), acquired 2023 with Art Fund support. © Nathan Coley. Courtesy Towner Eastbourne. Photo: Rob Harris

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We would like to thank our Art Partners, a group of patrons who champion the UK's museums and galleries in the same spirit of philanthropy as Art Fund's founders once did. Their commitment, passion and generous support of all aspects of our work have been hugely appreciated over the last year.

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Mrs S L Chambers' Charitable Trust
The Circles of Art
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The John S Cohen Foundation
The Sir Jeremiah Colman Gift Trust



Evelyn De Morgan, *Portrait of Winifred Bulwer*, 1880, De Morgan Foundation, Barnsley, acquired 2023 with Art Fund support. © Sotheby's. Courtesy De Morgan Foundation

The O J Colman Charitable Trust
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The Anthony and Elizabeth Mellows Charitable Settlement
National Heritage: The Museums Action Movement
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Hubert von Herkomer, *The Raised Shall Touch the Fallen,* from the shield *The Triumph of the Hour*, c1897-99, Bushey Museum and Art Gallery, acquired 2023 with Art Fund support. © Bushey Museum and Art Gallery

The Ofenheim Charitable Trust
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We thank all those donors who prefer to remain anonymous.

And we are grateful to those members who regularly give on top of their membership.

Thank you.

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We would like to thank all those who supported our Making Connections campaign, helping us to invest £1.2 million in museum projects that make lasting connections with communities.

In 2023/24, over 860 Art Fund members and supporters responded to the campaign. This generosity will help museums across the UK to run projects that bring people together, inspire their local communities and find new ways to connect with audiences.

The brilliant response to appeals like this means we can act quickly to help museums, and is particularly important as they continue to build back visitor numbers following the pandemic. We are so grateful for your support.



The Cheddar Brooch, AD 800-900, after conservation work, Museum of Somerset, Taunton, acquired 2023 with Art Fund support (with a contribution from the Wolfson Foundation). © South West Heritage Trust

Financial reports



Carnations cultivated by Richard Hammond of Coddenham in the County of Suffolk, 1733, Garden Museum, London, acquired 2023 with Art Fund support. © Peter Harrington. Courtesy Garden Museum

As the UK's museums, galleries and historic places continue to navigate a range of financial challenges, Art Fund is ready to support them where they need it most.

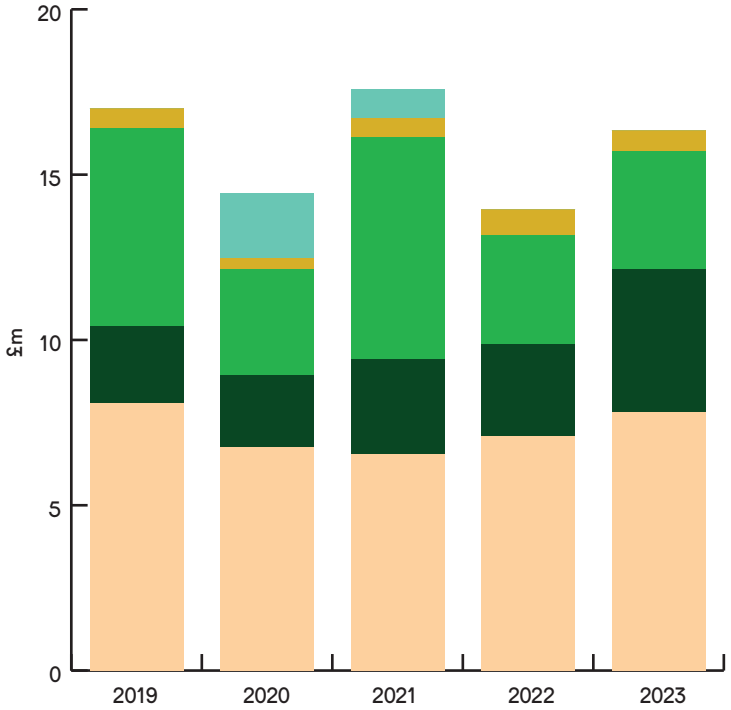
Heightened inflation, rising energy prices and the cost-of-living crisis have had an effect both on museums' ability to operate and on visitors' ability to access and enjoy them. This comes on top of the remaining impact of the pandemic, with visitor numbers, while increasing, still not quite where they were in 2019.

We continue to develop and adapt our funding programme in response to the challenges museums are facing, and to help ensure that they can build back and connect with new audiences. As well as our funding for acquisitions, which sits at the core of our programme, we are investing in initiatives that support the touring and sharing of exhibitions, that strengthen and diversify the curatorial workforce, and that help museums to connect with the next generation.

We are able to do this thanks to the commitment of our members and supporters, and a history of prudent financial management, which put us in a strong position to aid the sector both during the pandemic and in the recent economic environment. As in 2022, in 2023 Art Fund's trustees made the decision to operate at a financial deficit, in line with our five-year strategy, utilising a proportion of our cash reserves to invest in supporting museums at this critical time as well as focus on growing our membership and income.

While the agile approach of our staff and trustees means that we can respond quickly to the needs of the sector – such as through our Reimagine grants, which help museums to adapt and experiment – all of our activities are ultimately geared towards the long-term benefit of museums and their audiences. We continue to invest in our own infrastructure, team and digital capabilities to be able to deliver this vital support.

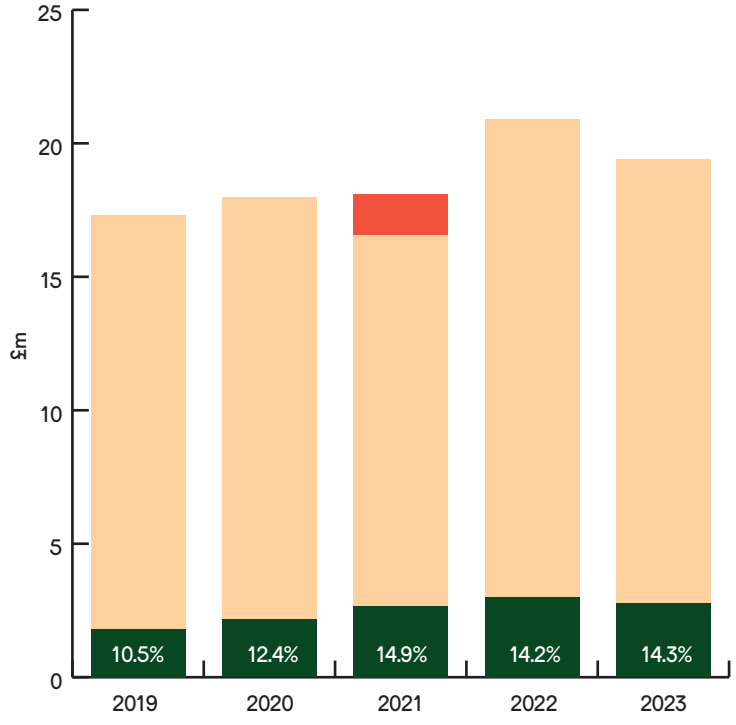
Performance



This chart shows how our total income has fluctuated over the past five years. The data reveals volatility in special appeals and legacy income and that membership income, which was reduced in 2020 due to the Covid-19 pandemic, is increasing but has not yet recovered to pre-pandemic levels.

- Prospect Cottage appeal
- Trading, investments & other
- Legacies
- Donations & fundraising
- Membership

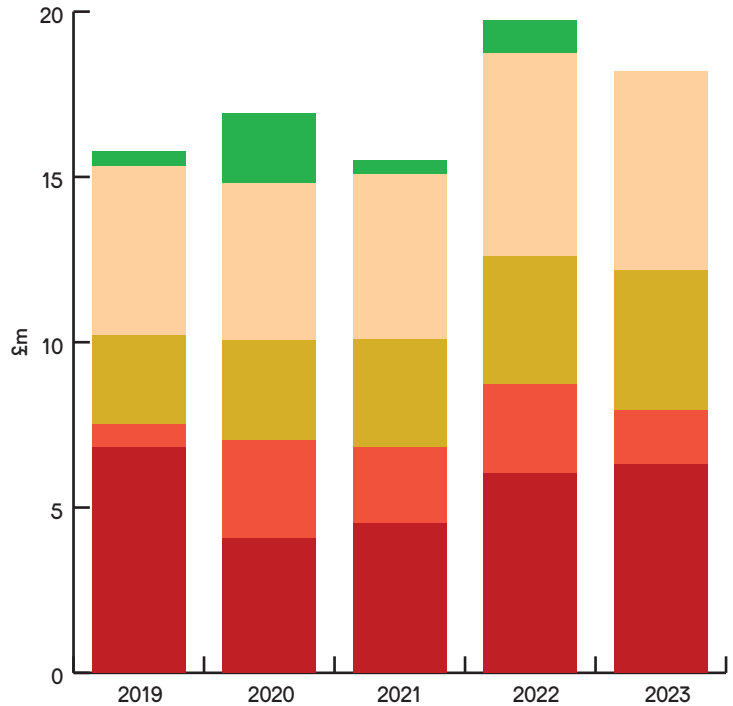
Efficiency



This chart illustrates support costs as a proportion of total expenditure. Support costs have reduced in 2023, in part due to the charity focusing on cost savings to offset rising costs driven by inflation and cost-of-living concerns. Support costs have increased marginally as a percentage of total costs compared to 2022 (2022 total costs were higher, relative to 2023, as they included our largest ever commitment of £2.5m, to help secure Joshua Reynolds' *Portrait of Mai* (*Omai*)).

- Prospect Cottage (heritage asset in statutory accounts)
- Total expenditure
- Support costs

Impact



This chart illustrates the changing scale and composition of our charitable expenditure over the past five years. From 2020 onwards we have adapted our funding programme to respond to the needs and challenges of the sector, notably the pandemic, resulting in a strategic decision to operate at an annual deficit, funded by utilising a proportion of our cash reserves.

- Reaching audiences
- Growing audiences – National Art Pass
- Growing audiences – Museums network
- Amplifying the museum sector
- Funding art

Funding art: Helping museums and galleries add to and strengthen their collections, including grant-giving for acquisitions, commissions and strategic collecting initiatives; and facilitating the sharing of art as widely as possible, including grant-giving to support touring and display.

Growing audiences – National Art Pass: Servicing our membership of 135,000 individuals and investing in the future growth of our membership.

Growing audiences – Museums network: Supporting museums to develop audiences including through promotional and digital activity.

NB In the underlying accounts, 'Growing audiences' is referred to as 'Audience-making'.

Amplifying the museum sector: Supporting museums including through advocacy, campaigning and creative events that bring the UK's museums together.

Report of the Board and Financial Statements for the year ended 31 December 2023

Report of the Trustees for the year ended 31 December 2023

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2023.

The financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Memorandum and Articles of Association of Art Fund Services Limited, and 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 2018).

Treasurer's report

The Covid pandemic continued to leave a lasting impression on museums and galleries with both visitor figures and income still recovering. In 2023, museums and galleries have also needed to navigate the additional challenges of heightened inflation, rising energy prices and cost-of-living concerns impacting both visitors, employees and business models.

Art Fund's finances have exhibited resilience in 2023 albeit they have also been impacted by the economic headwinds affecting both our sector and the wider economy. It was thanks to our membership, donors, partner organisations and prudent financial management that we were in a strong position to support the sector throughout both the pandemic and the current cost-of-living crisis, delivering a wide-ranging charitable programme in 2023.

As in 2022, Art Fund's priority was to respond to sector need and support museums, galleries and historic houses across the UK through a challenging period. As a result of the collaborative and agile approach of our staff and trustees, we consulted our network partners to assess what was possible and continued to adapt our programme and adjust our financial strategy accordingly. At the same time we were implementing long-term plans to be in a strong position to grow our membership and income in the future.

Alongside the responsive support provided in 2023 through our Reimagine grants, growing and sharing museum collections remain at the heart of Art Fund's charitable purpose, and to meet our obligation to deliver the broadest public benefit possible we continued to shape our programme informed by research and regular direct consultation with our network of museum partners. Art Fund's Trustees are proud of our organisation's long-standing support for the collecting of works of art and moreover, are committed to the expansion of our charitable programme to support those activities which underpin and amplify the impact of museum collections such as curation, commissioning, public programmes, touring and display. Art Fund's Trustees will continue to respond to our partners' needs in determining how our charitable resources can be put to best effect and deliver benefit not only to our 135,000 members, but to the widest and most diverse public possible.

Art Fund's financial performance and sustainability is overseen by the Finance & General Purposes Committee, a sub-group of the Board of Trustees. I would like to thank my fellow committee members, for their support and counsel during the year.

This year saw the completion of some significant programme commitments made in 2022. Notably, Art Fund committed £2.5m – the largest grant in our history – to help the National Portrait Gallery secure Joshua Reynolds' *Portrait of Mai* (*Omai*) for the public, alongside a collaborative fundraising campaign. Although the donation commitment was recorded in 2022, the acquisition of the painting completed in April 2023. Art Fund also successfully completed The Wild Escape in 2023, a UK-wide initiative with over 500 participating museums to engage 100,000 children both in museum and gallery collections and the biodiversity crisis, which secured the largest ever grant to museums by Arts Council England.

In addition, in 2023 Art Fund celebrated both its own 120th birthday and the 10th anniversary of Art Fund Museum of the Year where outstanding museums are recognised for their excellence, innovation, creativity and imagination.

Our grant-giving programme provides vital funding every year to help museums acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums.

Recognising the needs of the sector, Art Fund's Trustees made the decision to operate at a deficit in 2023 (consistent with our 5-year strategy) enabling us to continue our support during the challenging year for the sector. Overall in 2023 the total value of Art Fund's charitable programme was £18.2m (2022: £19.7m). As per the analysis of total expenditure in note 5, our total charitable spend comprised grants for acquisitions of £3.8m (2022: £4.5m) (see note 3). Beyond acquisitions we committed a further £2.5m (2022: £2.2m) to support funding art.

We committed £1.6m (2022: £3.1m) to Reimagine grants and our work on advocacy and campaigning to amplify the museum sector. Our audience-making spend was £10.3m (2022: £9.9m) including £6m (2022: £6.1m) to promote museum visiting through the National Art Pass and servicing our membership of 135,000 individuals (2022: 135,000) and £2.1m (2022: £1.9m) of digital support to the sector.

Performance

Total income increased to £16.3m in 2023 (2022: £13.9m) with legacy income increasing to £3.6m (2022: £3.3m) and donations increasing to £4.3m (2022: £2.8m). This was driven in part by a substantial donation to increase the Rought Fund, a restricted fund to support museum acquisitions of pre-1815 art and objects (refer to note 13). Membership income increased to £7.8m (2022: £7.1m) as we increased our marketing activities to invest in membership recruitment post the pandemic. We are enormously grateful to all our members and supporters who make Art Fund's vital work possible.

Efficiency

Art Fund is focused on delivering the greatest possible public benefit to the widest possible public; this requires that our Trustees keep our support costs and overall return on investment under close scrutiny. In 2023 Art Fund's support costs reduced to £2.8m (2022: £3.0m) inclusive of associated staff costs. Costs have reduced in 2023 as the charity focused on savings to offset rising costs generally due to inflation and cost-of-living concerns. We also note 2022 was adversely impacted by a limited number of non-recurring cost items.

Year-end position

Our financial statements show an operating deficit of £3.1m (2022: deficit of £6.9m), a value that is reported before the application of our total return investment policy, which allows us to treat a portion of the value of our portfolio as income which is then used to support our operating and administrative costs, meaning that the highest possible proportion of donated funds can be applied directly to charitable purposes (this is affected by a transfer from the perpetuity fund to the general fund – refer to note 13). The net gains on our investment portfolio reported in the consolidated statement of financial activity were £3.2m (2022: loss of £0.9m). The 2023 investment portfolio gain is above our long-term investment return targets; however, we note the continued variability and uncertainty in financial markets resulting from macro-economic factors outside our control. The combined impact of our annual operating deficit, offset by our investment portfolio performance, is an overall increase in Art Fund's total funds to £54.3m (2022: £54.1m).



Jeremy Palmer
Treasurer

Objectives and activities

Summary of aims and strategic objectives

Art Fund exists to help museums and galleries across the UK buy, show and share great art so that it can be experienced and enjoyed by everyone. Set up over a hundred years ago, and celebrating our 120th birthday in 2023, Art Fund is the leading national fundraising charity for art and is independently funded and supported by 135,000 members.

During 2023 we continued to progress and deliver our 5-year strategy based on our 2022-26 vision. The strategy covers four main areas being:

- Funding Art: To continue to fund art as both a fundraiser and grant-maker for museums. Building on Art Fund's history, including increasingly funding a broader range of perspectives, artists, cultures, forms, tangible and experiential;
- Audience-making: To help grow the audience for art. By expanding the community of National Art Pass members, by helping find new audiences (the next generation of museum-goers) and by helping people not just to visit but to use museums as a vital resource;
- Amplifying the museum sector: To help shape a confident and inclusive museums sector. Supporting and accelerating the changes museums want to make by advocating, influencing and celebrating the sector. By funding and sharing new ideas and by incubating new cross-sector projects; and
- Strengthening our organisation: Focusing on our business model, our capabilities (including a diverse workforce and making the most of digital opportunities) and our ways of working (including processes and environmental sustainability).

Art Fund will be measuring success against these four main areas over the duration of the 5-year plan. Financial achievements during the year are detailed in the Treasurer's report.

Structure, governance & management

Appointment of Trustees

Art Fund is governed by its Board of Trustees, which meets six times a year. It currently has 17 members. Vacant Trustee positions are advertised openly to the membership in *Art Quarterly* and via external recruitment websites and head-hunters, and are appointed by the Board, on the recommendation of the Nominations Committee. The subsequent appointment is then notified to the membership at the Annual General Meeting (AGM) following their appointment. The one-third of Trustees who have been longest in office since their last election must 'retire' each year at the AGM and are eligible for re-election. Trustees can serve for a maximum of two consecutive terms of four years.

Trustee induction & training

All new Trustees undertake an induction process in which they are briefed on their legal obligations under charity law, the Charity Commission guidance on public benefit, the content of Art Fund's Royal Charter, the board structure and decision-making processes, Art Fund's strategy and recent financial performance.

During the induction each new Trustee will meet the Director of Art Fund, Senior Management Team and other key Art Fund personnel. New Trustees are issued with a portfolio of documents outlining their responsibilities as a charity trustee including a Board policies and procedures manual.

Organisation

The Board, while retaining overall responsibility, delegates certain functions to four sub-committees and executive staff as described below and in the trustees' principles of delegation policy.

The Finance and General Purposes Committee, which meets up to five times a year; chaired by the Treasurer, considers all matters relating to finance, investments, risk management and the administration of the charity including its property. It currently has six Trustee members.

The Nominations Committee, which meets at least annually; chaired by the Chair of Trustees, undertakes an annual Trustee skills audit, considers and recommends candidates for membership of the Board, terms of appointment and Trustee recruitment and induction policies.

The Remuneration Committee, which meets at least annually; chaired by the Chair of Trustees, considers the remuneration approach and annual pay review for the organisation, including approving discretionary cost-of-living awards and remuneration packages for the director and senior management team. The Committee also oversees key workforce metrics including equality, diversity and inclusion with a view to improving representation within the staff team. The Committee met twice in 2023 (similar to 2022) to allow timely response to the rapidly evolving labour market and concerns around the cost of living.

The Ethics Committee, which meets at least annually, chaired by a trustee and currently with three trustee members and one non-trustee advisory member, advises the Board of Trustees on the acceptance of donations, gifts of property and sponsorships.

The day-to-day direction of Art Fund's affairs is the responsibility of the Director who reports to the Board through the Chair. The Director is supported by a Senior Management Team consisting of the Director of Finance & Resources, Director of Development, Director of Programme and Policy, Director of Audiences & Engagement and a Chief Information Officer.

Related parties and co-operation with other organisations

None of Art Fund's Trustees receive remuneration or other benefit from their work with the charity. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The trading activities of Art Fund are carried out by its service company, Art Fund Services Limited, a company incorporated in England and Wales (registered number 01487654). The company is wholly owned by Art Fund and it donates all its profits in the year to Art Fund by way of Gift Aid.

Art Fund's Director is also a director of American Friends of the Art Fund (AFAF), a US-based non-profit organisation which provides grants to Art Fund and other institutions to encourage the appreciation and enjoyment of art in general. As such, AFAF is considered to be a related party and so grants received in the year have been disclosed in note 17 of the accounts.

Pay policy for senior staff

The pay of the Senior Management Team is reviewed and approved by the Remuneration Committee on an annual basis. Remuneration is benchmarked against similar roles within the not-for-profit and cultural sector and is assessed against key inflation measures and cost-of-living benchmarks along with affordability considerations.

Risk Management

The major risks to Art Fund as identified by the Board fall into five categories: Compliance, external, financial, governance and operational. These risks have been reviewed by the Board and discussed at each Finance and General Purposes Committee meeting. A risk matrix and register has been established with systems in place to mitigate risks.

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within Art Fund is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted takes into account the Charity Commission guidance on management of risk with reference to best practice risk management standards. Art Fund assesses risk through consideration of the likelihood of an event occurring, and the impact that would arise if the event were to occur. Risk management within Art Fund includes:

- identifying and assessing risks (the "inherent risks");
- assigning each of those risks to a risk owner;
- evaluating the effectiveness of relevant mitigating controls;
- assessing the risks remaining given the controls in place (the "residual risks"); and
- agreeing, implementing and monitoring controls to reduce the residual risks.

The principal risks and uncertainties facing Art Fund, along with mitigations are shown below:

Risk	Explanation and mitigations
Loss of income caused by cost-of-living concerns and wider economic headwinds	At present key income streams (notably NAP and major giving) have shown resilience to economic headwinds although the growth in NAP has been impacted. The cumulative impact of cost-of-living and other macro-economic concerns on our income streams could mean either using unrestricted reserves to maintain support levels, or reducing our charitable and operational expenditure. This is not considered to be a risk to Art Fund's going concern, due to the level of unrestricted reserves held and the discretionary nature of the majority of expenditure.
Technology, digital systems and frameworks	Technology systems, skills and processes are inadequate to either produce accurate management information or facilitate a scaling-up of the organisation's ambition and output, constraining the ability to grow its charitable impact. Significant investment in systems, staff and processes has been, and will continue to be, made to ensure that Art Fund delivers the best possible user experience when interacting with all stakeholders.
Charter and byelaws	Art Fund's byelaws and royal charter were last amended in 1991 and do not reflect the many advances in technology and changes to the environment in which the charity operates. A review of the charter has been undertaken with a view to modernising and future-proofing our governing documents (refer also to future plans below).

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes," and such amounts receivable are presented in our accounts as "voluntary activities" income and includes legacies. In relation to the above we confirm that all solicitations are managed internally, without the involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Senior Management Team, who are accountable to the Trustees. The charity is not bound by any undertaking to participate in any regulatory scheme, however the charity is a member of the Fundraising Regulator and complies with the relevant codes of practice. Art Fund also has a sub-committee to oversee Ethics which advises the Board of Trustees on the acceptance of donations, gifts of property and sponsorships.

Art Fund has established a formal complaints policy to facilitate the monitoring and reporting of relevant issues, there were no formal complaints in 2023. This policy is available online. Also available online is our fundraising promise which confirms that Art Fund is registered with the Fundraising Regulator and affirms our organisational commitment to conducting open, honest and respectful fundraising practices.

Grant making

Art Fund provides grants to help museums and galleries acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums. Grants are made via various programmes, all of which are aligned with one or more of the strategic objectives listed on page 53. Payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme are disclosed in note 4 of the accounts. Further detail on the grant programmes offered can be found at artfund.org.

Heritage Assets

On 31 March 2020, Art Fund successfully closed a campaign to save Prospect Cottage (Derek Jarman's transformed Victorian fisherman's hut and garden) securing £3.7m against a target of £3.5m for the purpose of purchasing the cottage, garden and contents and to create a fund to support maintenance and operating costs as well as an associated artistic programme. In December 2021 the transaction was completed with Art Fund paying £1.5m for the heritage assets of Prospect Cottage which have been capitalised on our balance sheet.

Creative Folkestone have become the custodians of the cottage under a peppercorn lease, responsible for its care and maintenance, loaning the most vulnerable items to Tate and managing a programme of residencies and managed public visits. An Advisory Committee including representatives of Art Fund, Tate and the vendors, the Keith Collins Will Trust, has been established and is chaired by a trustee of Creative Folkestone, calling on expert advisers to support them and to engage key stakeholders.

Art Fund will retain the fund (the Prospect Cottage Fund) to be used primarily for the care of the cottage and the collection, but also when possible to support activities with public benefit in relation to Derek Jarman at Prospect Cottage.

Going concern

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. The ongoing cost-of-living and macro-economic headwinds are concerns to Art Fund; however, they are not considered a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. At the date of signing these financial statements, the trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

Reserves policy

General funds

The Trustees review Art Fund's reserves policy on an annual basis to consider the gap between the spending and receiving of income and to ensure that sufficient liquid resources are available to meet liabilities as they fall due, in the event of a sudden shortfall in income. Moreover, the responsive nature of Art Fund's programme, especially around special appeals, means it is essential that adequate resources are always available to meet the cost of providing grants for exceptional works of art that may be under threat of export.

The Trustees of Art Fund have set a target for general funds of between 3-6 months of total unrestricted operating expenditure. At the end of 2023 the general fund was £3.5m (2022: £4.6m) and is therefore within the thresholds of the policy (£3.5m to £6.9m). In 2023 the trustees have allocated a total of £0.9m in funds from the designated perpetuity fund to ensure that general reserves are maintained within the target levels, whilst continuing to provide financial support to the sector.

The Parker fund

In 2016 the Trustees designated the value of £2.9m to the Parker fund following the receipt of a legacy from Mr Donald Parker, who had been a member of Art Fund since 1977. The Parker fund represents the aggregate amount set aside to fund internal income and efficiency projects and is available to supplement resources in any particular year, if needed, to meet the cost of major initiatives of this kind.

There is no specific target for this fund and it is anticipated this will be topped up from annual surpluses to ensure that sufficient funds are available for investment when required. At the end of 2023 the value of this fund was £0.9m (2022: £1.1m).

Perpetuity fund

This designated fund serves as the core component of Art Fund's capital distribution policy. The annual value drawn from this fund supports the existence of Art Fund in perpetuity by contributing to the cost of core operating and administrative expenses, thereby ensuring that the maximum proportion of donated income is applied to charitable purposes.

The long-term target for this fund is based on a distribution rate of 3.5% of the trailing 12 quarter value of the investment portfolio. At the end of 2023 the value of this fund was £31.3m (2022: £30.9m).

Fixed asset fund

This designated fund represents the carrying value of Art Fund's fixed asset base. At the end of 2023 the value of this fund was £5.6m (2022: £5.6m).

Investment policy

The Trustees adopt a total return policy regarding Art Fund's investment portfolio and so Art Fund withdraws 3.5% of the trailing 12 quarter value of the portfolio each year (recorded as a transfer from the perpetuity fund to the general fund – refer to note 13) as a contribution towards core operating and administrative costs. The intention is to produce a consistent and sustainable amount to contribute to core costs while maintaining the purchasing power of the portfolio over the long term and ensuring that the maximum possible proportion of donated funds are applied to charitable activities. Art Fund's investments gained 7.6% overall during the year. The long-term investment strategy remains unchanged, and the trustees maintained the distribution at 3.5% in the year.

Public benefit

The Trustees have taken the Charity Commission's guidance on public benefit into consideration when reviewing the aims and objectives of Art Fund. In setting out the strategy and developing its programme of activity, Art Fund has focused on increasing the breadth and accessibility of public benefit, in particular through works of art being acquired by public collections in the UK and being available for the public to enjoy; by works of art being shown and shared by public collections, backed up by the curatorial expertise to understand and interpret them to the public; by celebrating creativity and excellence in museums which benefit the public through the annual Art Fund Museum of the Year prize; and by encouraging the enjoyment, understanding and appreciation of works of art through special projects with museum partners, such as The Wild Escape, and through the National Art Pass, Teacher and Student Art Passes, Art Fund website, *Art Quarterly* and other editorial channels.

Charity Governance Code

The Board of Trustees is committed to good governance and to its own and the charity's continuous improvement in delivering its purposes most effectively for the public benefit. It is clear about the charity's aims and seeks to ensure that these are being delivered effectively and sustainably, keeping under review the Code's recommended practice and seven principles of organisational purpose: leadership, integrity, decision-making, risk and control, board effectiveness, diversity, and openness and accountability. The Board strives for best practice in accordance with the Charity Governance Code; many of the measures it takes in achieving this are addressed in this report. In 2023 the Board's strategy, work-plan and risk management activity was informed by the principles of the Code.

Plans for future periods

Art Fund has delivered the second year of its 5-year strategy in 2023.
The strategy was developed and informed by discussions on the major societal challenges facing museums and galleries. The key strands of the vision were detailed above in the Treasurer's report.

Central to the strategy, Art Fund will continue to evolve its support to UK museums and galleries, collaborating with beneficiaries and supporters to develop grant-giving programmes that deliver charitable impact where it is most needed.

As noted in the risk section above, in 2023 Art Fund undertook a review resulting in a decision to modernise and future-proof our governing documents. The amended governing documents have been reviewed by the Charity Commission, privy council and our members. Our members also voted to approve the new governing documents at an EGM on 10 January 2024. Subject to final approval of the privy council, we will start operating under our new governing documents in the summer of 2024.

This report was approved by the Board of Trustees at its meeting on 13 May 2024 and the Chair of Trustees was authorised to sign the report and the annual financial statements on its behalf.



Lord Smith of Finsbury
Chairman
3 June 2024



Henry Kellett's flag, 1851-52, National Museum of the Royal Navy, Portsmouth, acquired 2023 with Art Fund support. © The National Museum of the Royal Navy (NMRN)

Reference and administrative details
Year ended 31 December 2023

Art Fund was established in 1903 as the National Art Collections Fund and was granted a Royal Charter in 1928 and Supplemental Charter dated 8th February 1977. It is registered as a charity in England and Wales under number 209174 and in Scotland under SC038331. In May 2006 'Art Fund' was adopted as its public and trading name but its full name has been retained for legal purposes.

Registered office

2 Granary Square
King's Cross
London N1C 4BH

Members of the Board

Lord Smith of Finsbury, Chairman *(N, R)*
Jeremy Palmer, Treasurer *(F, N, R)*
Katrina Brown
Sir Nigel Carrington *(F)* – appointed July 2023
Professor Richard Deacon CBE RA
Dr David Dibosa – appointed February 2023
Anupam Ganguli *(F, E, R)*
Clare Gough *(F)*
Tessa Jackson OBE *(N)*
Madeleine Kennedy *(E, F)*
Professor Susan Lambert
Abadesi Osunsade *(F)*
Dr Satish Padiyar
Professor Marcia Pointon *(N)*
Axel Rüger
Monisha Shah *(N, E)*
Desmond Shawe-Taylor CVO

E: Also a member of the Ethics Committee
F: Also a member of the Finance and General Purposes Committee
N: Also a member of the Nominations Committee
R: Also a member of the Remuneration Committee

Advisory Member of the Ethics Committee

Laura Soley

Director and Senior Management Team

Jenny Waldman	Director
Rachel Mapplebeck	Director of Communications (resigned 31 July 2023)
Sarah Philp	Director of Programme and Policy (resigned 9 June 2023)
Rachael Browning	Director of Programme and Policy (appointed 7 August 2023)
Andrew Durrant	Director of Finance and Resources
Alice Regent	Director of Development
Carolyn Young	Director of Audiences & Engagement
Yvonne Hanson-Mills	Chief Information Officer

Professional advisers

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Investment advisers

Cambridge Associates LLP
80 Victoria Street
London SW1E 5JL

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity 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 group and parent charity and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, including FRS 102, 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 parent charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the parent charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the parent charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.



Ken Currie, *Unknown Man,* 2019, Scottish National Portrait Gallery, Edinburgh, acquired 2023 with Art Fund support. © Ken Currie. Courtesy National Galleries of Scotland. Photo: Neil Hanna

Independent Auditor's Report to Trustees of National Art Collections Fund

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources 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 Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of the National Art Collections Fund ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 December 2023 which comprise the consolidated statement of financial activities (including income and expenditure account), the consolidated and charity balance sheets, the consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

Conclusions related 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 Group and the Parent Charity'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 Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; 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, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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



Unknown maker, The Stoneykirk Coin Hoard, c1513-26, Stranraer Museum, acquired ???? with Art Fund support. © Stranraer Museum, Dumfries & Galloway Arts & Museums

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and Parent Charity and the sector in which it operates;
- Discussion with management and those charged with governance
- Obtaining and understanding of the Group and Parent Charity's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the relevant charities acts in the UK and Ireland, UK applicable accounting framework and UK tax legislation.

The Group and Parent Charity are also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, data protection and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group and Parent Charity's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition relating to legacy income and management override in relation to accounting estimates and journal posting.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Confirming correct classification between Restricted/Unrestricted Funds; and
- confirming that where legacies have been notified but where the criteria for revenue recognition has not been met, these have been appropriately disclosed as contingent assets.
- Ensure legacy income recognised meets revenue recognition criteria and assessed underlying management judgements.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
BDO LLP
D1FB52C82A114D7...

BDO LLP, statutory auditor

London

13 June 2024

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



Emii Alrai, *A Core of Scar*, 2022, The Hepworth Wakefield, acquired 2023 with Art Fund support. A Future Collect Commission supported by Iniva and Art Fund. © courtesy the artist. Photo: Janie Airey / Art Fund 2022

Consolidated Statement of Financial Activities

(including consolidated income and expenditure account)
For the year ended 31 December 2023

	Note	Unrestricted 2023 £'000	Restricted 2023 £'000	Endowment 2023 £'000	Total 2023 £'000	Unrestricted 2022 £'000	Restricted 2022 £'000	Endowment 2022 £'000	Total 2022 £'000
Income from:									
Voluntary activities:									
Donations		301	4,035	-	4,336	915	1,864	-	2,779
Legacies		3,528	33	-	3,561	3,119	183	-	3,302
Charitable activities:									
Members' subscriptions		7,812	6	-	7,818	7,069	40	-	7,109
Other trading activities:									
Other income		262	-	-	262	447	-	-	447
Income from investments		359	-	-	359	311	-	-	311
Total income		12,262	4,074	-	16,336	11,861	2,087	-	13,948
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		1,075	-	-	1,075	1,006	-	-	1,006
Cost of trading subsidiary		30	-	-	30	30	-	-	30
Investment adviser's costs		93	-	-	93	97	-	-	97
Total cost of raising funds		1,198	-	-	1,198	1,133	-	-	1,133
Total charitable expenditure		15,000	3,204	-	18,204	17,702	2,038	-	19,740
Total expenditure	5	16,198	3,204	-	19,402	18,835	2,038	-	20,873
Operating surplus / (deficit)		(3,936)	870	-	(3,066)	(6,974)	49	-	(6,925)
Net gains / (losses) on investments		2,572	457	210	3,239	(792)	(93)	(58)	(943)
Net income / (expenditure)		(1,364)	1,327	210	173	(7,766)	(44)	(58)	(7,869)
Transfers between funds	13	152	(152)	-	-	(48)	48	-	-
Net movement in funds		(1,212)	1,175	210	173	(7,814)	4	(58)	(7,869)
Reconciliation of funds									
Total funds brought forward		42,699	8,730	2,707	54,136	50,514	8,726	2,765	62,005
Total funds carried forward	13	41,487	9,905	2,917	54,309	42,699	8,730	2,707	54,136

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities. The notes on pages 76 to 97 form part of these financial statements.

Charity Statement of Financial Activities

(including income and expenditure account)
For the year ended 31 December 2023

	Note	Unrestricted 2023 £'000	Restricted 2023 £'000	Endowment 2023 £'000	Total 2023 £'000	Unrestricted 2022 £'000	Restricted 2022 £'000	Endowment 2022 £'000	Total 2022 £'000
Income from:									
Voluntary activities:									
Donations		301	4,035	-	4,336	915	1,864	-	2,779
Legacies		3,528	33	-	3,561	3,119	183	-	3,302
Charitable activities:									
Members' subscriptions		7,812	6	-	7,818	7,069	40	-	7,109
Other trading activities:									
Other income		115	-	-	115	342	-	-	342
Income from investments		476	-	-	476	385	-	-	385
Total income		12,232	4,074	-	16,306	11,830	2,087	-	13,917
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		1,075	-	-	1,075	1,006	-	-	1,006
Investment adviser's costs		93	-	-	93	97	-	-	97
Total cost of raising funds		1,168	-	-	1,168	1,103	-	-	1,103
Total charitable expenditure		15,000	3,204	-	18,204	17,703	2,038	-	19,741
Total expenditure		16,168	3,204	-	19,372	18,806	2,038	-	20,844
Operating surplus / (deficit)		(3,936)	870	-	(3,066)	(6,976)	49	-	(6,927)
Net gains / (losses) on investments		2,572	457	210	3,239	(792)	(93)	(58)	(943)
Net income / (expenditure)		(1,364)	1,327	210	173	(7,768)	(44)	(58)	(7,870)
Transfers between funds	13	152	(152)	-	-	(48)	48	-	-
Net movement in funds		(1,212)	1,175	210	173	(7,816)	4	(58)	(7,870)
Reconciliation of funds									
Total funds brought forward		42,695	8,730	2,707	54,132	50,511	8,726	2,765	62,002
Total funds carried forward	13	41,483	9,905	2,917	54,305	42,695	8,730	2,707	54,132

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities. The notes on pages 76 to 97 form part of these financial statements.

Consolidated and Charity Balance sheet

As at 31 December 2023

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed assets:					
Tangible assets	6	5,552	5,581	5,552	5,581
Heritage assets	7	1,500	1,500	1,500	1,500
Investments	8	47,847	46,061	47,847	46,061
		54,899	53,142	54,899	53,142
Current assets:					
Debtors	9	733	964	758	1,237
Cash at bank and in hand		5,783	11,882	5,748	11,593
		6,516	12,846	6,506	12,830
Liabilities:					
Creditors falling due within one year	11	(4,649)	(7,015)	(4,643)	(7,003)
Provision for grants authorised but not paid	3	(2,286)	(4,642)	(2,286)	(4,642)
		(6,935)	(11,657)	(6,929)	(11,645)
Net current assets / (liabilities)		(419)	1,189	(423)	1,185
Total assets less current liabilities		54,480	54,331	54,476	54,327
Creditors: due after more than 1 year	12	(171)	(195)	(171)	(195)
Net assets		54,309	54,136	54,305	54,132
The funds of the charity:					
Permanent endowment funds	13	2,917	2,707	2,917	2,707
Other restricted funds	13	9,905	8,730	9,905	8,730
Designated funds	13	38,011	38,109	38,011	38,109
General funds	13	3,476	4,590	3,472	4,586
Total charity funds		54,309	54,136	54,305	54,132

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The notes on pages 76 to 97 form part of these accounts.

Approved and authorised for issue by the Board on 13 May 2024 and signed on its behalf on 3 June 2024 by:

Lord Smith of Finsbury
Chairman

Jeremy Palmer
Treasurer

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Group 2023 £'000	Group 2022 £'000
Cash flows from operating activities		
Net income/(expenditure)	173	(7,869)
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	124	116
Investment income	(359)	(311)
(Gain) / loss on investments	(3,239)	943
Movements in working capital		
(Increase)/decrease in debtors	231	609
(Decrease)/increase in creditors: falling due within one year	(2,366)	1,109
(Decrease)/increase in creditors: due after more than one year	(23)	(28)
(Decrease)/increase in provisions	(2,356)	1,736
Net cash generated from operating activities	(7,815)	(3,695)
Cash flows from investing activities		
Investment income	359	311
Purchases of tangible fixed assets	(95)	(75)
Purchases of heritage assets	-	-
Purchase of investments	(6,979)	(8,336)
Proceeds from sale of investments	8,431	10,467
Net cash from investing activities	1,716	2,367
Net (decrease) / increase in cash and cash equivalents	(6,099)	(1,328)
Analysis of changes in cash		
Cash and cash equivalents at the beginning of the year	11,882	13,210
Total cash and cash equivalents at the end of the year	5,783	11,882
Cash and cash equivalents comprise:		
Cash at bank and in hand	5,783	11,882

Notes to the accounts

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:

a. Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The organisation is a public benefit entity for the purpose of FRS 102 and a registered charity, and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), and Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the valuation of fixed-asset investments and in accordance with Art Fund's Royal Charter.

The consolidated financial statements include the accounts of the National Art Collections Fund and its subsidiary undertaking, Art Fund Services Limited, which is wholly owned and registered in England and Wales. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements.

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. The ongoing cost-of-living and macro-economic headwinds are concerns to Art Fund; however, they are not considered a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. At the date of signing these financial statements, the trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

b. Income

Income is usually accounted for on a receivable basis. Voluntary income, comprising donations and legacies, are recognised as incoming resources when Art Fund becomes entitled to the income. For donations this is when there is certainty of receipt and value. For all legacies income has been recognised dependent on type which is deemed to be when the receipt and value are probable:

- Pecuniary legacy – the earlier of cash receipt or probate date
- Residuary legacy – the earlier of cash receipt or estate accounts date

Annual ordinary membership income is recognised at the point at which benefit is transferred, being the date that the membership begins. Life membership income is recognised on a straight line basis over a ten year period. Contractual or trading income is recognised as income to the extent that Art Fund has provided the goods or services. Where income is received in advance and Art Fund does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

c. Expenditure

Expenditure is recognised in the financial statements on an accruals basis. Expenditure is classified in the SoFA under the principal categories of costs of raising funds and cost of charitable activities rather than the type of expense.

Grants payable are recognised when a grant has been approved and this has been communicated to the recipient.

Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to the activities to which they relate (as shown in note 5) on the basis of headcount. Costs of raising funds are those incurred in seeking voluntary contributions for Art Fund, the cost of fundraising events, cost of operating the trading subsidiary and investment management fees.

Grant support costs comprise the costs of processing grant applications, including support to actual and potential applicants. Other charitable activities comprise costs incurred in attracting new members and providing services to existing members, including publications and communications. Governance costs are those costs incurred in connection with the general governance of Art Fund including compliance, constitutional and statutory requirements.

d. Fixed Asset Investments

Investments are stated at market value, which is measured at bid price, in accordance with the revised Statement of Recommended Practice. As a result the SoFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SoFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

e. Tangible Fixed Assets

Assets with an economic life greater than one year and with a value exceeding £500 or more are capitalised.

Depreciation is provided on all tangible assets at rates calculated to write-off the value of each asset over its expected useful life with no residual value assumed:

Freehold property	-	1%
Computer equipment	-	33%
Fixtures and fittings	-	20%

A full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying value of assets does not exceed their recoverable amounts.

f. Heritage Assets

Purchased heritage assets are capitalised and recognised in the year they are paid. Such items are not depreciated or revalued as a matter of routine as the assets are deemed to have indeterminable lives and it is not practical to revalue them each year. Expenditure for

maintenance and operating costs as well as an associated artistic programme is included under charitable activities in the statement of financial activities.

g. Liquid resources

Liquid resources, as referred to in the Trustees' report, are current asset investments that are disposable without curtailing or disrupting Art Fund's business and are either readily convertible to known amounts of cash at or close to their carrying value or traded in an open market.

h. Pensions

Art Fund operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Art Fund in an independently administered scheme. The pension cost charge represents the amounts payable by Art Fund amounting to £353k (2022: £310k).

i. Provisions

Art Fund provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that the transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

j. Leases

Art Fund has no finance leases. Costs relating to operating leases are charged on a straight-line basis over the life of the lease period to which it relates.

k. Taxation

Art Fund is eligible under Part 11 Corporation Tax Act 2010 and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of its charitable objectives. Art Fund Services Limited donates its profits to Art Fund and therefore is not liable to pay capital gains or corporation tax.

l. Funds structure

Art Fund has the following categories of funds:

- Restricted permanent endowment funds which the donors have stated are to be held as capital.
- Restricted funds whose investment or usage is subject to specific restriction imposed by sponsors and donors.
- Designated funds which have been set aside at the discretion of the Trustees for specific purposes.
- General funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of Art Fund.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are detailed in note 13.

m. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements.

1) The Charity has taken the view of the Trustees that valuing the freehold property and heritage assets at fair value would incur undue cost and effort and has therefore continued to use historical cost as the deemed cost for its freehold property.
2) The Charity considers its freehold property to be held solely for operational use and not investment use, meaning that no apportionment is required. The element of the property covered by a sub-lease is occupied by a charitable organisation whose objects are similar to Art Fund's own, therefore the property has been recognised as a tangible fixed asset.
3) The method for allocating central expenditure to income streams is a judgement. The Group allocates these costs based on head count.
4) For all legacies, income has been recognised dependent on type as disclosed in note 1b.

2. Net surplus of the trading company

Art Fund has a wholly owned trading subsidiary which is incorporated in the UK. Art Fund Services Limited has a share capital of £100 and sells advertising on behalf of Art Fund. The company donates its taxable profits to Art Fund and also pays interest on any loans from Art Fund. A summary of the results of the trading company is shown below. Audited accounts have been filed with the Registrar of Companies.

	2023 £'000	2022 £'000
Profit and loss account		
Turnover	147	105
Cost of sales	(25)	(20)
Gross profit	122	85
Administrative expenses	(5)	(11)
Interest payable	-	-
Net profit	117	74
Gift aid	(117)	(74)
Retained in subsidiary	-	-

The assets and liabilities of the trading company as at 31 December 2023 were as follows:

	2023 £'000	2022 £'000
Balance sheet		
Total assets	101	322
Total liabilities	(98)	(319)
Net assets	3	3

The total income of the parent charity was £16.3m (2022: £13.9m) and the total surplus was £173k (2022: £7.9m deficit). The values are the same as in the consolidated accounts because the profit of the trading company is counted as investment income to the charity.

3. Reconciliation of grants given for the purchase of works of art

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Grants outstanding at 1 January		4,642		2,906
Grants offered during the year	3,761		4,490	
Grants subsequently not taken up	-		-	
Grants from a previous year no longer required	(3)		(17)	
	3,658		4,473	
Acquisition grants committed in the year		3,658		4,473
		8,400		7,379
Grants paid during the year (see note 4)		(6,114)		(2,737)
Provision for grants for acquisitions (see balance sheet)		2,286		4,642

4. Total grants for acquisitions paid in 2023

The total value of grants offered in the year was £3.8m (2022: £4.5m). The note below details the payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme, a value that amounted to £6.1m (2022: £2.7m)

		£
London	London, Create London	15,843
London	London Forma	20,000
North East	Sunderland Culture	50,000
North West	Manchester, The Whitworth	6,882
South East	Chichester, Pallant House Gallery	6,530
South West	Bristol, Royal West of England Academy (RWA)	5,000
London	London, The Foundling Museum	5,000
London	London, Chisenhale Gallery	30,000
East Anglia	Norwich, Norwich Castle Museum & Art Gallery	10,000
London	London, Hackney Council	25,000
East Anglia	Norwich, Sainsbury Centre	5,000
Wales	Cardiff, National Museum Wales	17,600
East Anglia	Norwich, Norwich Castle Museum & Art Gallery	119,400
East Midlands	Leicester, Leicester Gallery	10,250
East Anglia	Norwich, Norwich Castle Museum & Art Gallery	2,750
London	London, Artangel	40,000
East Anglia	Norwich, Sainsbury Centre	17,836
West Midlands	Coventry, The Herbert Art Gallery & Museum	10,000
London	London, The Foundling Museum	6,900
South East	Oxford, Bodleian Library	45,000
Yorkshire	Leeds, Leeds Art Gallery	42,000
Scotland	Glasgow, The Hunterian	50,000
East Anglia	Norwich, Sainsbury Centre	20,000
Yorkshire	Leeds, Royal Armouries Museum	20,000
London	London, Crafts Council	41,697
Yorkshire	Doncaster, Brodsworth Hall and Gardens (English Heritage)	150,000
Scotland	Aberdeen, Aberdeen Art Gallery	3,000
South West	Newton Abbot, Newton Abbot Museum	2,560
Scotland	Paisley, Paisley Museum & Art Gallery	3,200
South East	Chichester, Pallant House Gallery	3,500
London	London, Victoria and Albert Museum	110,000
East Anglia	Huntingdon, The Norris Museum	15,000
Scotland	Edinburgh, National Museums Scotland	23,019
South East	Chichester, Pallant House Gallery	7,500
South West	Chippenham, Chippenham Museum	2,500
Yorkshire	Leeds, Leeds Art Gallery	7,000
South East	Lewes, Lewes Castle & Barbican House Museum	3,600
South West	Taunton, Museum of Somerset	22,000
London	London, William Morris Gallery	38,780
Scotland	Edinburgh, Scottish National Portrait Gallery	200,000
Scotland	Dundee, Art Night	30,000
Wales	Cardiff, National Museum Wales	60,000
London	London, Victoria and Albert Museum	30,000
Yorkshire	Doncaster, Danum Gallery, Library & Museum	4,688
London	London, National Portrait Gallery	2,500,000
Scotland	Kirkcudbright, The Stewartry Museum	4,008
Scotland	Aberdeen, Aberdeen Art Gallery	7,000
South West	St Agnes, St Agnes Museum	3,800
Scotland	St Andrews, Wardlaw Museum	4,000
East Anglia	Ipswich, Christchurch Mansion	13,740
East Midlands	Leicester, Leicester Museum & Art Gallery	6,750
East Anglia	Ely, Stained Glass Museum	3,000
Yorkshire	Wakefield, The Hepworth Wakefield	2,000
Yorkshire	Leeds, Leeds City Council	150,000
Northern Ireland	Belfast, Ulster Museum	41,700
East Anglia	Cambridge, Fitzwilliam Museum	204,000
North West	Carlisle, Tullie House Museum & Art Gallery	40,000
Scotland	Edinburgh, National Museum of Scotland	250,000
Scotland	Edinburgh, Scottish National Gallery	54,000
London	London, Museum of the Home	112,000
South East	Portsmouth, National Museum of the Royal Navy	40,000
North West	Manchester, Manchester Art Gallery	25,775
London	London, Royal Air Force Museum	15,000

		£
Scotland	Berwick-upon-Tweed, Paxton House	11,550
Yorkshire	Barnsley, De Morgan Foundation	140,000
Scotland	Kirkcaldy, Kirkcaldy Galleries	3,750
London	London, Leighton House Museum	350,000
Yorkshire	York, Fairfax House	7,300
London	London, National Portrait Gallery	401,016
Scotland	Edinburgh, Scottish National Portrait Gallery	28,000
South East	Eastbourne, Towner Eastbourne	45,500
London	London, Garden Museum	5,300
East Anglia	Saffron Walden, Fry Art Gallery	11,457
Channel Islands	St Peter Port, Guernsey Museum & Art Gallery	42,000
East Anglia	Cambridge, Pembroke College	7,724
East Anglia	Bushey, Bushey Museum & Art Gallery	5,510
London	London, Garden Museum	2,841
Scotland	Edinburgh, Scottish National Gallery of Modern Art	123,114
South West	Taunton, Museum of Somerset	41,800
Yorkshire	Wakefield, The Hepworth Wakefield	50,000
South West	Devizes, Wiltshire Museum	1,664
South West	Salisbury, Salisbury Museum	1,800
London	London, Leighton House	1,350
South East	Woodstock, The Oxford Museum	1,125
South West	Axbridge, King John's Hunting Lodge Museum (National Trust)	1,950
Scotland	Glasgow, The Hunterian	8,700
South East	Chichester, Pallant House Gallery	5,000
	Total Grants paid during the year	**6,114,259**



Craig Easton, from the series *Return to Mingulay*, 2021, University of St Andrews, acquired 2023 with Art Fund support. © Craig Easton. Courtesy of Libraries and Museums of the University of St Andrews

5. Analysis of total expenditure

	Staff costs	Grants & direct expenses	Support costs	Depreciation	2023 Total	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:						
Cost of generating voluntary income	715	47	290	23	1,075	1,006
Cost of trading subsidiary	-	30	-	-	30	30
Investment adviser's costs	-	93	-	-	93	97
	715	170	290	23	1,198	1,133
Expenditure on charitable activities:						
Grants for acquisitions	-	3,762	-	-	3,762	4,473
Ruffer	-	100	-	-	100	64
Headley	-	-	-	-	-	31
New Collecting Awards	-	-	-	-	-	41
Weston Loans	-	12	-	-	12	367
Wedgwood Future Funds	-	206	-	-	206	118
Grant support	973	916	348	27	2,264	1,600
Funding Art	973	4,996	348	27	6,344	6,694
Reimagine Grants	-	1,017	-	-	1,017	2,477
Advocacy & campaigning	393	93	95	7	588	638
Amplifying the museum sector	393	1,110	95	7	1,605	3,115
The Wild Escape	-	710	-	-	710	427
Exhibition Networks	-	83	-	-	83	78
Student paid opportunities	-	125	-	-	125	59
Promoting museums and museum visiting	306	893	60	4	1,263	1,379
Digital & communications	714	1,065	269	20	2,068	1,850
Membership servicing and recruitment	883	3,895	403	31	5,212	5,263
Art Quarterly	363	295	126	10	794	875
Audience Making	2,266	7,066	858	65	10,255	9,931
Total charitable expenditure	3,632	13,172	1,301	99	18,204	19,740
Total expenditure	4,347	13,342	1,591	122	19,402	20,873

The audit fee for the year was £33k (2022: £27.5k). The auditors' fees for non-audit services in the year were £6.2k (2022: £3.2k).

* Support costs of £1.6m (2022: £1.9m) do not include salaries of £1.2m which are included in the staff costs column (2022: £1.1m). Therefore, total support costs are calculated as £2.8m (2022: £3.0m).

Salaries and pensions	2023 £'000	2022 £'000
Total salary and pension costs are:		
Salaries	3,618	3,209
Social security costs	397	364
Other pension costs	353	310
	4,368	3,883

	No. of staff	No. of staff
Average number of staff employed (headcount)	80	72

During the year one employee left by mutual agreement. Total severance payments for the year were £30,000 (2022: £57,053).

Employees with emoluments totalling £60,000 or more, excluding pension contributions and Employer's National Insurance contributions:

	2023	2022
£60,001 - £70,000	3	5
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1
£140,001 - £150,000	1	1

The charity operates a defined contribution pension scheme. Contributions in respect of these staff were £85,093 (2022: £87,755).

Members of the Board did not receive any fees in the current or preceding year. Four (2022: Two) Members of the Board received a total of £3,368 (2022: £2,026) reimbursement for expenses incurred in the year.

The key management personnel of the parent charity comprise the Trustees and the Senior Management Team. The total employee benefits of the key management personnel of the Charity were £858,995 (2022: £799,508).



Brooke Bracteate, DATE, Norwich Castle Museum and Art Gallery, acquired 2023 with Art Fund support. © Portable Antiquities Scheme, Norfolk County Council

6. Tangible assets

Group and charity	Freehold property £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
Cost:				
At 1 January 2023	6,037	297	245	6,579
Additions	-	61	34	95
Disposals	-	-	-	-
At 31 December 2023	6,037	358	279	6,674
Accumulated depreciation:				
At 1 January 2023	(541)	(257)	(200)	(998)
Charge for the year	(60)	(44)	(20)	(124)
Depreciation on disposals	-	-	-	-
At 31 December 2023	(601)	(301)	(220)	(1,122)
Net book value				
At 31 December 2023	5,436	57	59	5,552
At 31 December 2022	5,496	40	45	5,581

7. Heritage assets

Group and charity	Value at 1 January 2023 £'000	Additions £'000	Value at 31 December 2023 £'000
Prospect Cottage	1,500	-	1,500



Vicky Higginson, *Coping Mechanism: to test emotional responses*, 2021, Aberdeen Art Gallery, acquired 2023 with Art Fund support. © Vicky Higginson. Courtesy Aberdeen City Council (Archives, Gallery & Museums Collection)

8. Fixed asset investments

Group and charity	2023 £'000	2022 £'000
Investments at market value comprised:		
UK equities	7,897	7,378
Overseas equities	21,007	19,401
Private equity	1,164	1,817
Hedge funds	8,673	8,381
Inflation hedge	2,865	2,913
Overseas bonds	1,496	1,549
Cash	4,745	4,622
	47,847	46,061
Movement in investments – group and charity		
Market value at 1 January	46,061	49,135
Sale proceeds	(8,431)	(10,467)
Acquisitions at cost	6,978	8,336
Net (losses) / gains on revaluation	3,239	(943)
Market value at 31 December	47,847	46,061
Historical cost at 31 December	32,656	26,905

Investments constituting at least 5% of the portfolio at 31 December 2023 (at market values) were:

	2023 £'000		2022 £'000	
Artemis	3,970	(8.3%)	3,704	(9.6%)
Brummer Investment	3,734	(7.8%)	3,715	(9.7%)
Coutts 90-day notice account	-	-	3,610	(9.4%)
Barclays notice account	3,688	(7.7%)	-	-
Longview Partners	-	-	6,671	(17.4%)
MFG Investments	4,494	(9.4%)	3,848	(10.0%)
MAJ	4,649	(9.7%)	3,921	(10.2%)
Stewart	2,701	(5.6%)	2,517	(6.6%)
Jupiter	3,927	(8.2%)	-	-
Northern Trust - NTIF	2,987	(6.2%)	-	-
Northern Trust - Ownership Capital	4,563	(9.5%)	-	-

9. Debtors

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	79	68	11	34
Amounts due from subsidiary undertaking	-	-	92	307
Prepayments and accrued income	186	216	186	216
Other debtors	154	162	154	162
Accrued legacy income	37	243	37	243
VAT	278	275	278	275
	733	964	758	1,237

10. Contingent assets – legacy income

As at 31 December 2023 the Charity has been notified of £3.5m (2022: £3.8m) residuary legacies and £nil (2022: £nil) pecuniary legacies, however they did not meet Art Fund's recognition criteria and have therefore not been accrued.

11. Creditors

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Falling due within one year:				
Trade creditors	340	336	340	336
Tax and social security	108	107	108	107
Other creditors and accruals	4,137	6,518	4,131	6,506
Deferred income	64	54	64	54
	4,649	7,015	4,643	7,003

12. Long-term creditors

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Deferred income as at 1 January	195	223	195	223
Released during the year	(58)	(60)	(58)	(60)
Deferred during the year	34	32	34	32
Deferred income as at 31 December	171	195	171	195

The deferred income falling due after one year is the money received for life membership subscriptions, which is released to the Statement of Financial Activities over a period of ten years.

13. Net movement in funds - Group

These funds are split between permanent endowment funds where the capital must be retained and other restricted funds where both capital and income can be spent in accordance with the donor's wishes. Investment income on endowment funds is expendable in accordance with the donor's wishes. Any income unspent at the end of the year is carried forward to the next year as a restricted fund.

	Balance at 31 December 2021	Balance at 1 January 2023	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2023
General fund	6,920	4,590	12,033	(15,661)	76	2,438	3,476
The Parker fund	1,171	1,146	-	(302)	65	-	909
Perpetuity fund	35,738	30,922	229	-	2,412	(2,286)	31,277
Fixed asset fund	5,622	5,581	-	(29)	-	-	5,552
Challenge fund	83	79	-	-	6	-	85
Wedgwood future fund	506	381	-	(206)	13	-	188
2021 Reimagine fund	472	-	-	-	-	-	-
Total unrestricted funds	50,512	42,699	12,262	(16,198)	2,572	152	41,487
Restricted fund:							
Art Connects	109	109	-	-	-	-	109
Arts Council England – The Wild Escape	-	(345)	801	(545)	-	-	(89)
Arts Council England – Visual Arts Programme	29	14	25	(17)	-	-	22
Art Happens	(101)	-	129	(129)	-	-	-
Art Happens – Heritage Lottery Fund	8	-	-	-	-	-	-
Art Happens – Unlock campaign	105	66	-	(37)	-	-	29
Art Tickets	23	23	-	-	-	-	23
Conservation appeal	19	12	-	-	-	-	12
Contemporary programme	7	-	-	-	-	-	-
David and Liza Brown bequest	2	3	-	-	-	-	3
Da Costa bequest	70	16	-	-	1	-	17
David Armstrong bequest	30	29	-	-	2	-	31
David Harrison bequest	1	1	-	-	-	-	1
De Livera legacy	17	16	-	-	1	-	17
Energise young minds	105	386	-	(386)	-	-	-
Exhibition Networks – Creative Scotland	-	4	25	(25)	-	-	4
Export stopped acquisitions	-	18	-	-	-	-	18
Freelands Prize	-	(106)	125	(118)	-	-	(99)
Godson – Museums in Scotland	-	-	3	-	-	-	3
Garfield Weston UK Loans Programme (2&3)	296	199	340	(18)	-	(173)	348
Greater London Authority	-	-	-	-	-	-	-
Headley Fellowships	80	49	-	-	-	-	49
I.M Strachan	-	-	25	-	-	-	25
Jonathan Ruffer curatorial scheme	88	99	75	(100)	-	-	74
Ivor Goudge bequest	1,486	1,573	-	-	122	-	1,695
Kusuma Trust – The Wild Escape	-	(25)	150	(125)	-	-	-
Legacies	-	-	5	-	-	-	5
London Historic House Museums Trust	1,682	1,646	-	-	127	-	1,773
Making Connections	-	-	71	-	-	-	71
Modern British Group	170	172	7	-	-	-	179
Moving Image Fund	104	104	-	-	-	-	104
National Museum Wales	5	5	-	-	-	-	5
National Museums Scotland	5	5	-	-	-	-	5
National Gallery trainees	-	81	-	-	-	-	81
New Collecting Awards	-	12	9	35	-	-	56
NESTA	-	-	64	(83)	-	19	-
Omai Portrait Appeal	-	38	364	(401)	-	-	1
Prevost appeal	107	107	-	-	-	-	107
Prospect Cottage Dungeness	1,576	1,249	50	(110)	92	-	1,281
Prospect Cottage Luma Foundation	-	300	-	-	23	-	323
Prospect Cottage - Heritage asset fund	1,500	1,500	-	-	-	-	1,500
Regional grants appeal	17	17	-	-	-	-	17
Respond and Reimagine	-	-	212	(210)	2	-	2
RI Gunn bequest	958	936	-	-	73	-	1,009
Richard Gorden Deeble bequest	-	51	-	-	-	-	51
Rought Fund	10	40	800	(20)	-	-	820
Student Art Pass programme	-	-	25	(25)	-	2	-

	Balance at 31 December 2021	Balance at 1 January 2023	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2023
The Wild Escape – Trusts and Foundations	-	45	150	(195)	-	-	-
Trustees Dinner – 2021 Energise Young Minds	-	76	18	(93)	-	-	-
Valerie Weston bequest	-	-	-	-	-	-	-
WM Bond bequest	193	189	-	-	14	-	203
Winter appeal 2017 - Supporting Curators	13	6	-	-	-	-	6
Wolfson	10	10	600	(600)	-	-	10
Total restricted funds	8,727	8,730	4,074	(3,204)	457	(152)	9,905
Permanent endowment funds:							
Campbell Dodgson bequest	6	5	-	-	-	-	5
Cochrane trust	205	201	-	-	16	-	217
Fulham fund	803	786	-	-	61	-	847
Ramsey Dyce bequest	187	182	-	-	14	-	196
Reginald Jones bequest	417	408	-	-	32	-	440
Modern Art fund	1,082	1,060	-	-	82	-	1,142
Wakefield fund	66	65	-	-	5	-	70
Total endowment funds	2,765	2,707	-	-	210	-	2,917
Total funds	62,005	54,136	16,336	(19,402)	3,239	-	54,309

Net movement in funds – Charity

	Balance at 31 December 2021	Balance at 1 January 2023	Income	Expenditure	Net gains/ (loss) on investments	Transfers between funds	Balance at 31 December 2023
Total unrestricted funds	50,511	42,695	12,232	(16,168)	2,572	152	41,483
Total restricted funds	8,727	8,730	4,074	(3,204)	457	(152)	9,905
Total endowment funds	2,765	2,707	-	-	210	-	2,917
Total funds	62,002	54,132	16,306	(19,372)	3,239	-	54,305

ACE – The Wild Escape

This fund relates to support from Arts Council England towards the Wild Escape. The negative reserve position reflects we are awaiting the final 10% of the ACE grant to be paid once the project evaluation has been completed.

Art Connects

This fund relates to the Student Art Pass programme, specifically the development of the online platform and content / 'beyond visiting' opportunities associated with it to help students get more out of museums, galleries and public art collections. Art Connects is supported by the Stavros Niarchos Foundation, alongside a group of other private donors who support the wider Student Art Pass programme.

Art Happens

This fund relates to Art Fund's crowdfunding initiative which enables museums to make fundraising appeals to the public in support of specific works of art or projects.

Art Happens – Heritage Lottery Foundation

The funds granted to Art Fund by the Heritage Lottery Foundation are to be used towards the future development of the Art Happens crowdfunding platform.

Art Happens – Unlock campaign

This fund is to cover the direct costs of setting up and running each crowdfunding campaign on Art Happens. This includes producing a short film, creating rewards for donors and providing hands-on training throughout.

Art Tickets

This fund related to the development and launch our online ticketing platform, Art Tickets.

Conservation

This was launched in 2018 as an appeal to our Art Partners, donors and wider membership to help us make a bold new commitment towards supporting conservation projects at museums and galleries across the UK. We opened the programme in July 2019 for applications, making 11 grant offers to date and continue to develop our funding available to support conservation.

Da Costa Bequest

A bequest to support students to obtain curatorial knowledge, skills and experience which contributes to Art Fund's student opportunities programme to enable museums to recruit and pay students to work with them and gain experience of the cultural sector.

David and Liza Brown Bequest

The bequest is for the benefit of the Department of Prints and Drawings at the British Museum and the Southampton City Art Gallery, supporting cataloguing and acquisition costs. In 2019 Southampton City Art Gallery received the balance of funds from this bequest to acquire a moving-image work *Robots in Distress* by Boredomresearch. The Bequest enabled a total of 19 acquisitions to join Southampton City Art Gallery's collection.

David Armstrong Bequest

The funds are for the benefit of Stirling and Falkirk Museums.

David Harrison Bequest

Proceeds from the auctioning of a work of art bequeathed to York Art Gallery by David Harrison. This fund is available to support future acquisitions for York Art Gallery.

De Livera Legacy

The legacy was left to Art Fund to contribute towards the acquisition of decorative arts in Cornwall or Devon.

Energise young minds

This fund generated from donations from our members and donors will be directed to programmes which provide creative opportunities for children, schools and young people in and with museums.

Export stopped acquisitions
This fund relates to donations from Art Fund supporters to enable museums and galleries to acquire works of art that have been export stopped or require urgent support in order to secure them for public view.

Freelands Prize
Launched in 2021, the Freelands Art Fund Acquisition supports UK museums to acquire new works of art by winners of the Freelands Award. This Award enables a UK arts organisation to present an exhibition centred around new work by a mid-career female artist. Funding for these acquisitions is made possible with the support of the Freelands Foundation, and the allocation of grants is managed and delivered by Art Fund. The funding for the acquisition from Freelands Foundation is outstanding.

Garfield Weston UK Loans Programme
This is a three-year programme to support loans to regional galleries across the UK from national galleries and museums.

Headley Fellowships
Headley Fellowships with Art Fund give curators focused time to research their collections either on a full-time basis for six months or part-time over a year, providing funding for their posts to be backfilled. Fellows also receive funds towards their project which can be assigned towards travel, research, training opportunities, courses of study and more. Made possible by the support of the Headley Trust, the scheme is especially intended to support those museums and galleries facing the most acute funding challenges.

I.M Strachan
These funds are to be used in 2024 for purchasing Thomas Sim Collection (1840-90).

Ivor Goudge Bequest
The funds are to be used for purchasing works of art that exclude paintings and prints, and that have been completed during the seventeenth, eighteenth or nineteenth centuries. Works are to be for suitable museums or galleries and are to be with an accreditation preference.

Jonathan Ruffer Curatorial Grants Scheme
This fund, provided through the auspices of Jonathan Ruffer, supports collections and exhibitions research for curators working in and with museums and galleries.

Kusuma Trust
This fund relates to support from the Kusuma Trust towards the Wild Escape. This funding specifically supports activity in London.

London Historic House Museums Trust
The funds were received from the transfer of the assets of the London Historic House Museums Trust in October 2009 and are to be applied towards the purchase of works of art for Kenwood House, Hampstead; Marble Hill House, Twickenham; The Ranger's House, Blackheath; and Chiswick House, Chiswick.

Making Connections
Making Connections is a fundraising campaign for Art Partners, supporters and members in 2023/24. The appeal aimed to increase our funding for museum projects designed to build new connections with their local communities, to attract and engage new audiences, and work in partnership to raise the profile of their work and collections locally.

Modern British Group
This fund is provided by a group of donors who wish to support acquisitions of work by modern British artists.

Moving Image Fund
This fund supports the acquisition of artists' moving-image work at Towner Eastbourne, Whitworth Art Gallery, Bristol Museums and Galleries and The Hunterian in Glasgow.

National Gallery trainees
The National Gallery Curatorial Traineeship Programme is supported by Art Fund with the assistance of the Vivmar Foundation, offering a training programme for future curators in partnership with regional museums and galleries. Traineeships run for 22 months, with six months spent at the National Gallery and a further 16 months at partner museums.

National Museum Wales
These funds are to be used to support the acquisition of work for the National Museum Wales.

National Museums Scotland
This fund was set up by David and Anne Hyatt King to make money available to National Museums Scotland to purchase a painting by Taki Katei.

New Collecting Awards
This programme enables promising and ambitious curators to pursue new avenues of collecting for their museums, and at the same time build critical professional skills.

Omai Portrait appeal
This fund relates to support from Art Fund members and donors to support the National Portrait Gallery's acquisition of *Portrait of Mai* (*Omai*) (c1776) by Sir Joshua Reynolds.

Prevost
In July 2018 we asked a group of donors to help the Museum of London to secure a rare 19th-century panorama of the London skyline by the French artist Pierre Prevost, ahead of sale at auction. This quick-fire fundraising helped us to provide a significant grant to enable the museum to purchase the painting.

Prospect Cottage Dungeness and Prospect Cottage Luma Foundation
In March 2020 Art Fund successfully completed the largest ever arts crowdfunding campaign to save artist and filmmaker Derek Jarman's Prospect Cottage. The success of the campaign has enabled Art Fund to purchase Prospect Cottage and to support a permanent public programme, the conservation and maintenance of the building, its collection, its contents and its renowned garden. The Luma Foundation grant is to support residencies at Prospect Cottage.

Regional grants appeal
The appeal was launched to support the acquisition of artworks for galleries and museums based outside of London.

Richard Gordon Deeble Bequest
A fund dedicated to supporting museums and galleries to acquire objects for their collections.

R I Gunn Bequest
The bequest is to be applied towards the purchase of one or more paintings or drawings of the French Impressionist School for presentation to one or more of the museums or collections of pictures belonging to the nation in London or the University of Oxford.

Rought Fund
The funds are to be used towards acquisition grants for artworks prior to 1815. The capital and income of the fund may be accessed by the trustees from its establishment and they may use their total discretion as to what artworks within the restriction are most appropriate to acquire. We report to the donor when the funding is allocated, and update on gains/losses on an annual basis.

Student Art Pass programme
The funds are to be used towards the future development of the Student Art Pass programme.

Wedgwood Future Fund and Minton Archive Fund
The Wedgwood Future Fund and Minton Archive Fund were established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum and the Minton Archive at Stoke on Trent City Archives.

The Wild Escape – Trusts and Foundations
This fund relates to major support from a group of Trusts and Foundations towards the Wild Escape, a major creative project for museums encouraging children, families and visitors to be inspired by the wildlife found in museum and gallery collections, taking place from January to July 2023.

Winter Appeal 2017
In 2017 we launched a 'Regional Acquisitions Appeal' to Art Partners and donors, asking for their support to help us increase our grant-giving for museums outside London to acquire works of art for their collections.

Wolfson
The Wolfson Foundation make a major contribution towards our work to support museum collections; their funds are directly primarily to our main acquisitions grant programme and also to the New Collecting Awards.

W M Bond Bequest
The bequest is to be held in trust for the Laing Art Gallery, Newcastle upon Tyne, and is to be devoted to the purchase of the following, to be displayed in that gallery: antique China, pottery, furniture, historical painting including oil painting but in particular watercolours; and work by living artists whose work creatively utilises china, pottery or furniture.

14. Unrestricted funds

At the balance sheet date, Art Fund's reserves comprised the following:

	2023 £'000	2022 £'000
Total funds per Balance Sheet	54,309	54,136
Endowment funds (note 13)	(2,917)	(2,707)
Restricted funds (note 13)	(9,905)	(8,730)
Unrestricted funds as per the Balance Sheet	41,487	42,699
Parker fund	(909)	(1,145)
Perpetuity fund	(31,277)	(30,922)
Fixed assets held for charity use	(5,552)	(5,581)
Challenge fund	(85)	(79)
Wedgwood future fund	(188)	(381)
General funds at 31 December	3,476	4,590

15. Analysis of net assets between funds – Group

	General funds 2023 £'000	Designated funds 2023 £'000	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,552	-	-	5,552	5,581
Heritage assets	-	-	1,500	-	1,500	1,500
Investments	12,471	32,459	-	2,917	47,847	46,061
Current assets	(1,889)	-	8,405	-	6,516	12,846
Total liabilities	(7,106)	-	-	-	(7,106)	(11,852)
	3,476	38,011	9,905	2,917	54,309	54,136

Included above are unrealised gains on investment assets at 31 December 2023 of £3.2m.

Analysis of net assets between funds – Charity

	General funds 2023 £'000	Designated funds 2023 £'000	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,552	-	-	5,552	5,581
Heritage assets	-	-	1,500	-	1,500	1,500
Investments	12,471	32,459	-	2,917	47,847	46,061
Current assets	(1,899)	-	8,405	-	6,506	12,830
Total liabilities	(7,100)	-	-	-	(7,100)	(11,840)
	3,472	38,011	9,905	2,917	54,305	54,132

Analysis of net assets between funds – Group (Previous Year)

	General funds 2022 £'000	Designated funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total funds 2022 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,581	-	-	5,581
Heritage assets	-	-	1,500	-	1,500
Investments	10,826	32,528	-	2,707	46,061
Current assets	5,616	-	7,230	-	12,846
Total liabilities	(11,852)	-	-	-	(11,852)
	4,590	38,109	8,730	2,708	54,136

Included above are unrealised gains on investment assets at 31 December 2022 of £0.9m.

Analysis of net assets between funds – Charity (Previous Year)

	General funds 2022 £'000	Designated funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total funds 2022 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,581	-	-	5,581
Heritage assets	-	-	1,500	-	1,500
Investments	10,826	32,528	-	2,707	46,061
Current assets	5,600	-	7,230	-	12,830
Total liabilities	(11,840)	-	-	-	(11,840)
	4,586	38,109	8,730	2,707	54,132

16. Operating leases

At 31 December 2023 the charity had minimum lease commitments under operating leases which expire:

	2023 £'000	2022 £'000
In the first year	-	2
In the second to fifth years inclusive	-	-
	-	2

17. Related party transactions

During the year one Trustee (2022: Four) made donations to Art Fund totalling £1,500 (2022: £13,560).

At the February 2023 Board meeting, Jeremy Palmer declared a conflict of interest with regard to an application from Dulwich Picture Gallery for a work of art by Rob & Nick Carter; artists who are personal friends. Jeremy left the room when this item was discussed. At this meeting, David Dibosa also declared a conflict of interest with regard to a co-application from Tate for £112,000 towards a painting, *A Young Teacher* (1861) by Rebecca Solomon. David left the room when this item was discussed.

In April 2023, Lord Chris Smith declared a conflict of interest with regard to two grant applications totalling £7,723.61 from Pembroke College for decision between Board meetings. He took no part in online discussion or decision making in relation to the application.

At the December 2023 Board meeting, Clare Gough declared a conflict of interest with regard to an application from Pitzhanger Manor & Gallery for £10,750 where Clare is Director. She left the room when this item was discussed.

In 2023 £nil (2022: £612,000) was donated to Art Fund by American Friends of the Art Fund (AFAF), a US-based non-profit organisation. AFAF is a related party as a member of Art Fund's senior management team is also a director of AFAF.



Rosalind Grimshaw, *Pictures of Violence*, 1982, The Stained Glass Museum, Ely, acquired 2023 with Art The Fund support. © Rosalind Grimshaw Estate

Get in touch

Join us to support museums across the UK and connect more people with art. Everything we do is made possible by people like you.

Support us

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As part of our commitment to reducing our environmental impact, this annual review is one of a limited print run of 500 copies. Thank you for helping us to act sustainably.



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Art Fund is a charity registered in England and Wales (209174) and Scotland (SC038331)

NATIONAL ART COLLECTIONS FUND

England & Wales - Charity number 209174

Accounts

Art Fund 2022/23



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Chairman

Jeremy Palmer
Treasurer

Jenny Waldman CBE
Director

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Clare Gough

Tessa Jackson OBE

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Dr Satish Padiyar

Professor Marcia Pointon

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Desmond Shawe-Taylor CVO

Cover images: Front: Claire Curneen, *Guardian II*, 2019, The Atkinson, Southport, acquired 2022 with Art Fund support. © Claire Curneen. Photo: Sylvain Deleu. Back: Joshua Reynolds, *Mai (Omai)*, c1776. Courtesy National Portrait Gallery

Contents

Chairman's welcome 2

Director's welcome 4

Funding art 6

Engaging audiences 28

Championing museums 38

Thank you 50

How we work 60

Financial reports 62

Report of the Board and Financial Statements for the year ended 31 December 2022 66

Get in touch 116

Chairman's welcome

As we enter our 120th year, the aspiration that led to the founding of our charity in 1903, at a time when there wasn't enough public funding for museums and galleries, resonates to this day.

The bar was set high at the outset by a group of energetic artists and patrons and, in less than six years, paintings by artists including Whistler, Velázquez and Holbein had been saved for the national collections. Since then, we have enhanced the UK's holdings with thousands of important works and expanded our support in ways that could not have been foreseen.

It is thanks to the generosity of our members, funding partners and supporters that the spirit of that early ambition remains at the heart of our activities.

In 2022 we committed £4.5 million towards our acquisitions programme, helping museums to acquire works of such historical significance as the Herefordshire Hoard, and offered grants totalling £8.4m across all our grant-giving programmes, aiming to meet the needs of museums as they build towards a more inclusive and sustainable future after the pandemic.

When a temporary export bar was placed on Joshua Reynolds' superlative *Portrait of Mai (Omai)* (c1776), we stepped up in an exceptional way to ensure it could be saved for the public. Our pledge of £2.5 million towards the £50m needed for its acquisition is the largest amount we have ever committed for a single work. Following a brilliant public response to the fundraising campaign led by the National Portrait Gallery and Art Fund, in April 2023 we were thrilled to announce the joint acquisition of the painting by the Gallery and the Getty Museum in Los Angeles – an innovative collaboration which will enable public access to this masterpiece in perpetuity.

The museum landscape has certainly evolved dramatically over the past 12 decades and we are working hard to ensure that we are in the best possible position to support the sector long into the future. In 2022 this included reviewing our Royal Charter and Byelaws to maintain good-practice governance at Art Fund. And as we look to our 120th anniversary, we also pay heartfelt tribute to the continuous patronage, throughout her reign, of Her Majesty Queen Elizabeth II, our Royal Patron since 1952.

I believe that our founders would be rightly proud of having laid the foundations for subsequent generations whose achievements for museums have been transformative. I would like to thank our 135,000 members, as well as the many donors, trusts and foundations who support us, for continuing that success.



Chris Smith
Lord Smith of Finsbury



Her Majesty Queen Elizabeth II hosts a reception at St James's Palace, London, to celebrate Art Fund's 80th anniversary, 22 June 1983. © Focus Photography

Director's welcome

It has been heartening to hear from our 850+ museum and gallery partners that green shoots of optimism are emerging after a difficult few years. Visitor figures are edging upwards, and there is discernible greater confidence in acquiring and commissioning art. But, as our brilliant museum colleagues navigate this still precarious landscape, with the added burden of the cost-of-living crisis, our support is needed as much as ever. In addition, we will call for significant investment in the sector by governments and local government, and harness the enthusiasm of our members to help generate support for the places we all love.



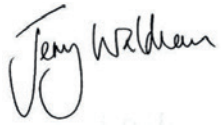
Activities at Sunderland Museum & Winter Gardens for Earth Day 2023 as part of The Wild Escape. © Sally Ann Norman / Art Fund 2023

To plan for a secure future, in 2022 we set our vision for the next five years. It centres on three principal activities: funding art; engaging audiences; and championing our museums. Art, as always, is front and centre. We will continue to support historic works – Reynolds' *Portrait of Mai (Omai)* being an outstanding example – as well as contemporary art from different cultures and in a variety of forms, reflecting how artists work today and the new and diverse ways in which museums and galleries collect and show art. We will also focus on audiences, to ensure everyone feels empowered to discover, visit and use our wonderful museums. And we will advocate for museums, which are so central and inspirational to their communities, ever more inclusive and more sustainable.

We have made great strides this year in engaging a new generation of visitors. This was ushered in by our most ambitious UK-wide project to date, The Wild Escape, through which over 500 museums are connecting young people with art, nature and biodiversity. We have also launched our Teacher Art Pass to help teachers access museum resources for school children. And we were pleased to offer more exciting paid student opportunities for our Student Art Pass members, with young people gaining experience in curation, producing events, audience engagement, and much more.

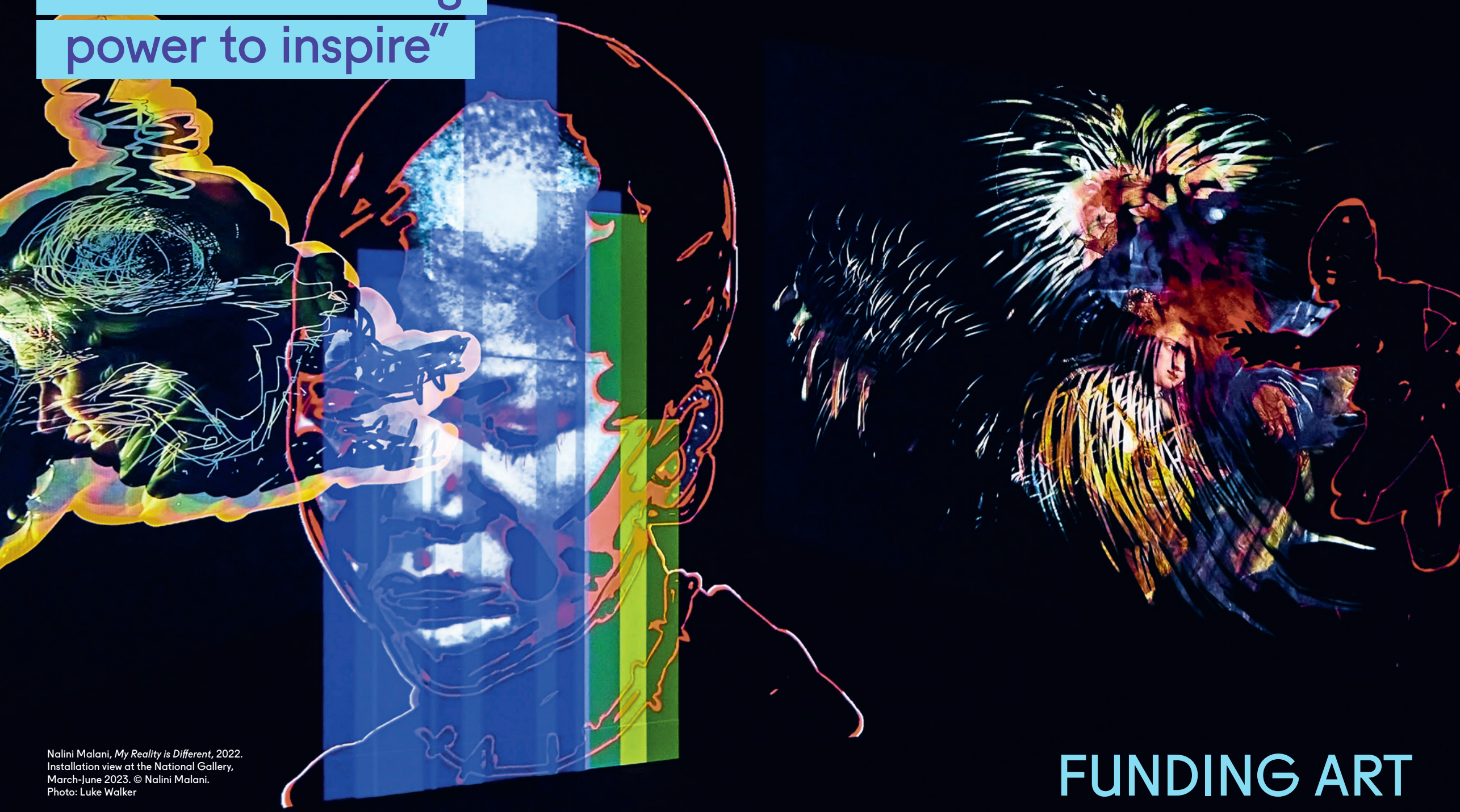
We are in a strong position to achieve our ambitions: through a robust business plan we are strengthening our organisation, growing our digital capability, developing a more inclusive workforce and embracing best practice in environmental sustainability.

Our brilliant team is driving our aspirations forward. It has been a particularly busy year and I would like to thank all my colleagues for their hard work, and our dedicated Board of Trustees for their guidance and support.
With them, and with the people-power of our supporters, we will continue to help museums grow and share their collections and inspire future generations.



Jenny Waldman
Director, Art Fund

"Our public collections have an enduring power to inspire"



Nalini Malani, *My Reality is Different*, 2022. Installation view at the National Gallery, March-June 2023. © Nalini Malani. Photo: Luke Walker

FUNDING ART

From historic firsts to the cutting edge of contemporary, we've been funding art for 120 years.

Museums and galleries across the UK continue to come to us with exciting and ambitious applications for support towards acquisitions. In 2022 we committed £4.5 million towards our acquisitions programme, and offered support to help bring over 900 objects and works of art into public collections, across all our collecting programmes.

Joseph Wright of Derby's *Self-Portrait at the Age of About Forty* (c1772-73) was among the exceptional historic works we were able to help museums acquire, while a moving-image piece by Jananne Al-Ani and *The Druthaib's Ball*, the immersive Turner Prize-winning installation by Array Collective, were contemporary highlights. The next few pages showcase a selection of outstanding acquisitions, in a range of forms and traditions.



Felicity Aylieff, *Fruit*, 2000, The Fitzwilliam Museum, Cambridge. Gift of Nicholas and Judith Goodison through Art Fund. © Felicity Aylieff. Courtesy the Fitzwilliam Museum

Increasingly, we aim to secure work for the UK's collections that reflects new ways of working by contemporary artists, and we are growing our support for commissions.

The Freelands Art Fund Acquisition helps museums and public collections to acquire work by contemporary women artists. Through this programme in 2022, work by Turner Prize-winning artist Veronica Ryan and the experimental filmmaker Lis Rhodes joined collections at Leeds Art Gallery and the Hunterian in Glasgow, respectively.

Also in 2022, the first National Gallery Contemporary Fellowship with Art Fund came to fruition. This award, for an artist of international renown to produce new work inspired by the National Gallery collection and that of a partner museum, saw video art pioneer Nalini Malani create *My Reality is Different*, an animated projection along 40 metres of wall, drawing on her research into the gallery's collection as well as that of the Holburne Museum in Bath.

To ensure the UK's collections reflect a diverse society, there is an urgent need to increase curatorial diversity in museums. Towards the end of the year we published our report on curatorial diversity, looking at the impact of previous initiatives in the UK and what's needed for future progress. There is much to be done, and the report's findings provide the impetus to make a difference. Meanwhile our Headley Fellowships continued to deepen curatorial expertise, and groundbreaking projects were supported: at the Museum of Cornish Life, reconnecting the people of Camborne with its collections; and at Buxton Museum, on repatriation, among others. And our Jonathan Ruffer curatorial grants continue to facilitate research across the globe, with curators visiting countries including Armenia, Australia, Brazil and Pakistan last year.

Finally, the New Collecting Awards have enabled a wide range of ambitious curatorial projects and acquisitions, and we were delighted to give two special awards in honour of our former chair Sir Nicholas Goodison, to support new collections of contemporary craft.



"The acquisition of this painting is a triumph for Derby Museums. The work has never been in public ownership having remained in private hands since it was executed in a studio not far from where Derby Museum and Art Gallery is now. We feel a palpable sense of 'bringing Joseph Wright of Derby back home'"

Tony Butler, executive director, Derby Museums

Opposite: Joseph Wright of Derby, *Self-Portrait at the Age of About Forty*, c1772-73, Derby Museums, acquired 2022 with Art Fund support (with a contribution from the Wolfson Foundation). Below: The verso, *A Study for 'An Experiment on a Bird in the Air Pump'*, c1768. © Omnia Art Ltd. Courtesy Derby Museums

Joseph Wright of Derby, *Self-Portrait at the Age of About Forty*, and, verso, *A Study for 'An Experiment on a Bird in the Air Pump'*, c1772-73

Derby Museum and Art Gallery

Grant awarded: £365,800

This self-portrait by Joseph Wright of Derby, one of the most important painters of the 18th century, is of huge national importance and one of only 10 self-portraits by him that exist. Its significance is further enhanced by the extraordinary verso sketch, painted around 1768, which sheds light on the development of the artist's ideas for *An Experiment on a Bird in the Air Pump*, a painting widely credited as his masterpiece. The self-portrait and verso go to Derby Museum and Art Gallery, which houses the largest collection of Joseph Wright of Derby's work in the world.





Thomas J Price, *Warm Shores*, 2022. Co-commissioned by Hackney Council and Create London as part of the Hackney Windrush Art Commissions supported by Art Fund. © Thomas J Price. Courtesy Create London. Photo: Damian Griffiths

Hackney Windrush Art Commissions
Hackney Council, London
Grant awarded: £191,440

In 2021 and 2022 we were pleased to support two major permanent public works for the Hackney Windrush Art Commissions – by Veronica Ryan (2021) and Thomas J Price (2022).

Thomas J Price's monumental bronze sculpture was unveiled on Windrush Day, 22 June 2022. Following an open call by Price to Hackney residents, 30 people with a connection to Windrush – aged in their twenties to their nineties – were invited to a studio in east London, and from this consultation *Warm Shores* was born. This powerful work, consisting of two towering figures, each over eight feet tall, is now on permanent public display outside Hackney Town Hall, in recognition of the contribution made by the Windrush generation to Hackney and the UK as a whole.

Bernard Leach, Dish with inscription by William Blake, 1917
Crafts Study Centre, Farnham
Grant awarded: £5,009

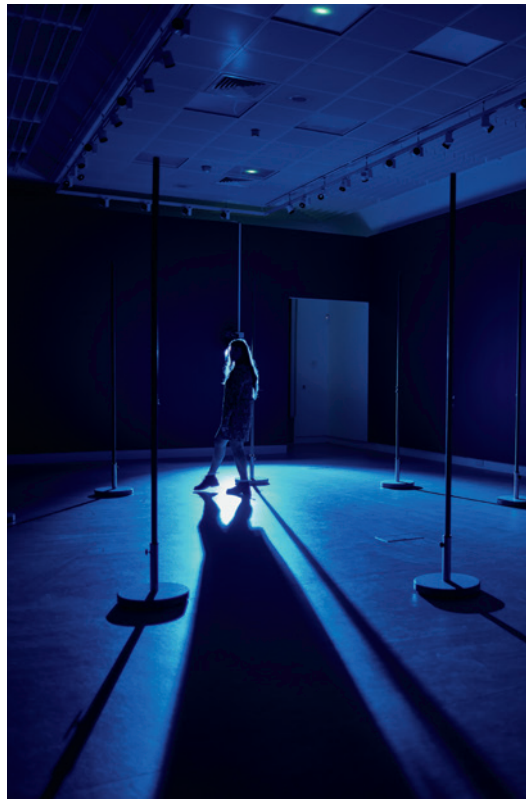
Bernard Leach's raku plate created in 1917 was clearly a favourite of his, as he kept it as part of his personal collection of ceramics. It is one of the earliest raku slipware dishes made by Leach, the 'father' of British studio pottery, and shows how his own personal interests intersected with his training in the Japanese ceramic tradition. Modest in size, it was made in his first independent studio at Abiko, Japan, and features a bird taking off in flight with words from William Blake's *Book of Urizen* around the rim. The writings of Blake were held in high regard by Leach and his Japanese associates.



Bernard Leach, Dish with inscription by William Blake, 1917, Crafts Study Centre, Farnham, acquired 2022 with Art Fund support. © Courtesy of the Bernard Leach Estate. From the collections of the Crafts Study Centre, University for the Creative Arts

"Having a Turner Prize-winning piece of art in the collection is a significant milestone for National Museums NI... Array Collective is a testament to the skills and creativity we have here in Northern Ireland"

Kathryn Thomson, chief executive, National Museums NI







Right and opposite: Array Collective, *The Druthaib's Ball*, 2021, Ulster Museum, Belfast, acquired 2022 with Art Fund support. Installation views at the Herbert Art Gallery & Museum, Coventry, 2021. © David Levene. Below: Members of Array Collective at their Turner Prize exhibition display at the Herbert. Photo: Matt Alexander/PA Wire

Array Collective, *The Druthaib's Ball*, 2021
Ulster Museum, Belfast
Grant awarded: £40,000

In 2021, Array Collective became the first artists from Northern Ireland to win Tate's prestigious Turner Prize. Their winning presentation was *The Druthaib's Ball*, an immersive recreation of a síbín (a 'pub without permission'). This important socially engaged work brought together pub banners, songs, papier-mâché models and costumes in a vibrant, witty and often darkly humorous Irish pub environment to address the urgent social and political issues of today. We were delighted to help secure this work for the collection at the Ulster Museum in Belfast, where it will continue to throw light on the history of Northern Ireland.



Unknown makers, three House of Stuart gold coins (a James I ‘unite’ coin, a James I ‘laurel’ coin and Charles I ‘unite’ coin), minted between the years 1613 to 1625, found near Trefeglwys, Wales. Acquired 2022 with Art Fund support. © Y Lanfa. Amgueddfa Powysland & Llyfrgell y Trallwng. Powysland Museum and Welshpool Library.

Unknown makers, three gold coins, 1613-25

Y Lanfa Powysland Museum and Welshpool Library

Grant awarded: £3,937

These three gold coins from the post-medieval period, found by metal detectorists, were likely to have been buried during the Civil War. They will now be housed at Powysland Museum, less than 30 miles from where they were discovered. They are in remarkably good condition, with the obverse and reverse sides showing sharp detail and clear, centred images. Made from high-quality gold, they were minted at the Tower of London between 1613 and 1625 and their value at the time would have been the equivalent of around one to two months’ wages for a skilled tradesman.

Bodys Isek Kingelez, *Kinshasa Label*, 1989

Design Museum, London

Grant awarded: £18,451

Bodys Isek Kingelez was one of the most visionary artists to emerge from the Democratic Republic of the Congo, and is widely regarded as a leading proponent of Afrofuturism. Through his sculptures of imagined buildings, he expressed his dreams for a new form of African architecture. This piece directly responds to the Congolese capital, where Kingelez lived for most of his life, and is an important example of his early work. It was made during a turbulent year in the former Zaïre’s history; and demonstrates something of Kingelez’s yearning for a city in which society is not just functioning but flourishing.



Bodys Isek Kingelez, *Kinshasa Label*, 1989, Design Museum, London, acquired 2022 with Art Fund support. © Bodys Isek Kingelez. Courtesy of Galerie Natalie Seroussi. Photo: Phillip Brakefield

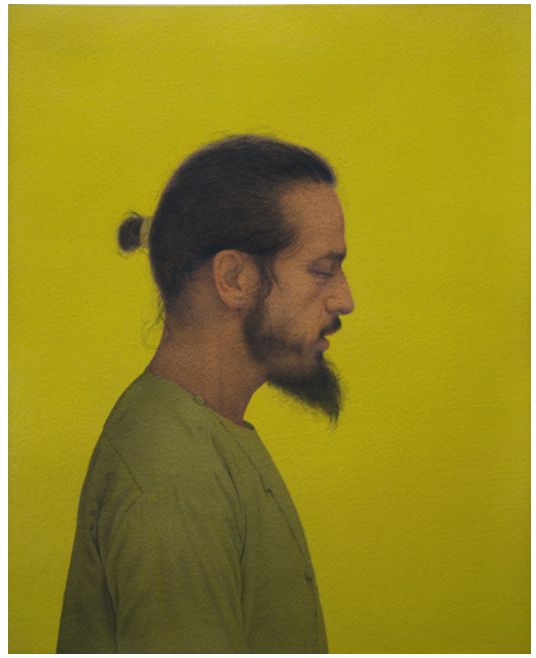
Ali Kazim, *Untitled (Man of Faith* series*)*, 2019; *Untitled (Bird Hunter III)*, 2020; *Untitled (Man of Faith* series*)*, 2021

Ashmolean Museum, Oxford

Grant awarded: £35,000

Three extraordinarily beautiful watercolours on paper by Ali Kazim, who lives and works in Lahore, have been acquired with our help by the Ashmolean Museum in Oxford. They are informed by Kazim's time as artist-in-residence at Oxford University in 2019, when he worked with the Ashmolean's South Asian collection. The paintings featured in an exhibition to mark the 75th anniversary of the creation of Pakistan, Ali Kazim: Suspended in Time, at the museum in 2022.

The individuals in the paintings are set against a uniform background of rich, saturated colour, recalling the artist's study of Mughal and Rajput traditions in which the sitter is often depicted without the inclusion of ancillary detail.



Left: Ali Kazim, *Untitled (Man of Faith* series*)*, 2021. Below: Ali Kazim, *Untitled (Bird Hunter III)*, 2020. Ashmolean Museum, Oxford, acquired 2022 with Art Fund support. © Ali Kazim



"The acquisition of these three significant works by Ali Kazim demonstrates the Ashmolean's commitment to a productive dialogue between past and present, an essential aspect of its mission within the larger university"

Geoffrey Batchen, Professor of the History of Art, Oxford University

Ali Kazim, *Untitled (Man of Faith* series*)*, 2019, Ashmolean Museum, Oxford, acquired 2022 with Art Fund support. © Ali Kazim



Jananne Al-Ani, *Timelines*, 2022
Towner Eastbourne
Grant awarded: £25,000

Jananne Al-Ani's panoramic video installation *Timelines* was co-commissioned with Art Fund support through our Moving Image Fund for Museums and acquired by Towner Eastbourne. This ambitious work depicts a vast and varied landscape based on a highly decorated brass tray from Iraq now at the V&A in London. The scene is said to illustrate events on Armistice Day 1918 in the Iraqi town of al-Hindiyyah. Al-Ani, who was born in Iraq, has overlaid the video with interviews with her mother, who describes growing up in Britain and living in Iraq through a period of social and political upheaval.

Jananne Al-Ani, *Timelines*, 2022, Towner Eastbourne. Installation view. Co-commissioned by Film and Video Umbrella and Towner Eastbourne with Art Fund support through the Moving Image Fund for Museums.
© Jananne Al-Ani. Courtesy Towner Eastbourne. Photo: Rob Harris





Wilhelmina Geddes and Charles Blakeman, *Faith, Hope and Charity*, 1956, Stained Glass Museum, Ely, acquired 2022 with Art Fund support.
© The Estate of Wilhelmina Geddes. Courtesy Stained Glass Museum

Wilhelmina Geddes and Charles Francis Blakeman, *Faith, Hope and Charity*, 1956
Stained Glass Museum, Ely
Grant awarded: £8,255

We were delighted to support the acquisition of this rare and powerful work by Wilhelmina Geddes, the leading exponent of 20th-century British stained glass and a prominent figure in the Irish Arts and Crafts movement. The work for St Paul's Church, Battersea, was the artist's last window commission and was completed after her death by her colleague and former assistant, Charles Blakeman. Its vibrant colours and strong drawing bear all the hallmarks of Geddes' expressive style, showing the impact on her work of German expressionism and the stained glass of medieval Europe. The work has a further interesting dimension: it was commissioned by Rev (Edward) Chad Varah, the British Anglican priest who later founded the Samaritans.

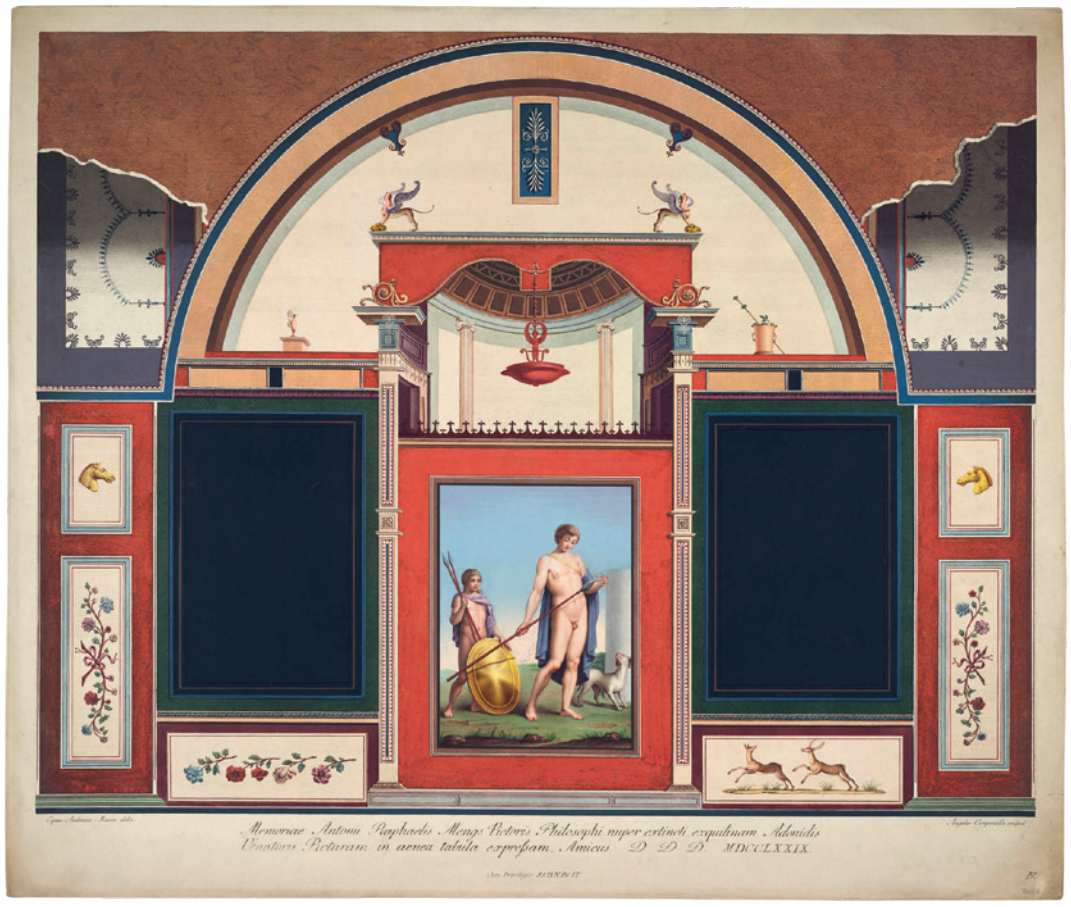
Ten colour engravings depicting the frescoes at the Villa Negroni, Rome, 18th century

Pitzhanger Manor & Gallery, London

This special set of rare 18th-century colour engravings depicts Roman frescoes excavated from the Villa Negroni in 1777. The engravings were made by Angelo Campanella after Anton von Maron's and Anton Raphael Mengs' original watercolours of the Villa Negroni frescoes, and the set includes two remarkable images that do not feature in all of the existing sets.

The bequest of these to Pitzhanger Manor & Gallery is particularly apt. The architect John Soane was greatly influenced by the Negroni frescoes when he saw them on his grand tour of Europe, and their impact can be seen in his designs for Pitzhanger Manor.

Villa Negroni Plate (plate no. VI), Pitzhanger Manor & Gallery, London, bequeathed by Antony Page with Art Fund support. © Ardon Bar-Hama





Left and below: Villa Negroni plates, Pitzhanger Manor & Gallery, London, bequeathed by Antony Page with Art Fund support. © Ardon Bar-Hama











Opposite: Crystal pendant made from a sphere of translucent rock crystal encased in a finely decorated gold frame. Dated to 5th-7th centuries. This page, clockwise from top left: 1. Silver dirham, Umayyad dynasty. Possibly minted at Suq al-Ahwaz in South West Iran around AH 102 (Islamic calendar) AD 720/1 (Christian calendar). 2. Gold octagonal ring with black 'niello' inlay in rosette and pellet designs. Dated to 9th century. 3. Large gold armlet, with a clasp in the form of a beast biting its tail. Dated to 9th century. Acquired 2022 with Art Fund support (with a contribution from the Wolfson Foundation). © Image courtesy National Museum of Wales, British Museum Portable Antiquities Scheme

Unknown makers, Herefordshire Hoard, buried c878

Hereford Museum and Art Gallery

Grant awarded: £250,000

One of the most significant acquisitions in 2022 was the Herefordshire Hoard, which we helped 'bring home' to Hereford Museum. Of huge national importance, thought to have been buried in AD 878 as a result of incursions by the Vikings, the treasure was found near Leominster. It comprises many outstanding items in gold, as well as exceptionally rare coins which shine new light on the politics of the time. 'Two Emperor' pennies, some bearing images of Alfred the Great and others of the King of Mercia, reveal a hitherto unknown alliance between the two kings. The story told through the coins has changed perspectives on aspects of the Anglo-Saxon period.

Nicki Green, *Nontactile Contact in Three Parts*, 2022

V&A, London

Grant awarded: £3,535

Nontactile Contact in Three Parts has been acquired by the V&A through Art Fund's New Collecting Awards, part of curator Zorian Clayton's project to research and build the museum's collection of work by trans and non-binary artists. The work will enhance visibility of trans narratives in the permanent Ceramic galleries.

Originally from New England, Nicki Green now lives and works in California and has exhibited internationally to great acclaim. She centres transgender experience at the heart of her work. This piece depicts a seated figure, whose head is turned in profile; through this the artist explores the gaze as a form of contact in various queer contexts.



Nicki Green, *Nontactile Contact in Three Parts*, 2022, Victoria and Albert Museum, London, acquired 2022 with Art Fund support. © Nicki Green. Courtesy of Del Vaz Projects, Santa Monica

Telemaco Signorini, *View of Waverley Bridge, Edinburgh*, 1881, Scottish National Gallery, Edinburgh, acquired 2022 with Art Fund support. Courtesy Scottish National Gallery



Telemaco Signorini, *View of Waverley Bridge, Edinburgh*, 1881

Scottish National Gallery, Edinburgh

Grant awarded: £70,000

In *View of Waverley Bridge, Edinburgh*, Telemaco Signorini depicts a bustling Edinburgh in the 19th century. The oil was painted on the spot during the artist's month-long visit to Scotland in 1881. Historic details, such as the offices of the Edinburgh *Evening News* and vapour rising from the steam engines in Waverley Station, make the piece particularly compelling.

Signorini was an important member of the Macchiaioli, a group of Tuscan painters sometimes considered Italian precursors of the Impressionists. His work is the most significant by a member of that movement to join a public collection in the UK, enriching the National Galleries of Scotland's fine collection of plein-air painting.

"It's important to utilise the arts as a force for good in our local community"

Mother and son visit the National Maritime Museum. © Amaal Said / Art Fund 2022

ENGAGING AUDIENCES

From 1903 to 2023, engaging audiences has been critical to everything we do.

At Art Fund we believe that everyone should be able to discover, visit and use the UK's wonderful museums and galleries. Inspiring the next generation of visitors has been a particular focus over the past year.

Early museum experiences can transform lives, so we have developed a more inclusive approach to family membership as part of the National Art Pass. The new Plus Kids add-on extends the same member benefits to those under 16.

Through our Student Opportunities programme, our Student Art Pass members are able to gain valuable paid work experience in the arts. Meanwhile our new Teacher Art Pass, launched in April 2023, aims to help teachers access and use museum resources in their teaching, to inspire pupils in the classroom.

This activity has been supported in part by Art Fund members and donors who contributed to our Energise Young Minds campaign, which enabled us to spend £1 million on projects that inspire young people and connect them with art and culture – including many museum-led projects supported by our Reimagine grants.



Alberta Whittle, *Lagareh – The Last Born* (film still), 2022. Co-commissioned and produced by Scotland + Venice and Forma for the 59th International Art Exhibition – La Biennale di Venezia. © Alberta Whittle. All rights reserved. DACS, London 2023. Courtesy of the artist and The Modern Institute / Toby Webster Ltd., Glasgow. Photo: Jaryd Niles-Morris

And we continue to promote access to great art across the UK for everyone. The Weston Loan Programme with Art Fund provides funding for regional museums and galleries to borrow major works from UK collections. With the backing of the Garfield Weston Foundation, this unique scheme has now seen £1.3 million go to 78 organisations since it began in 2017, resulting in exhibitions, enhanced by exceptional works, located from the Highlands of Scotland to the south of England. Thirteen recipients were awarded in 2022, with total funding of over £295,000. We were also thrilled to support the tours of Sonia Boyce's exhibition Feeling Her Way, winner of the prestigious Golden Lion for Best National Participation at the 2022 Venice Biennale, and Alberta Whittle's film *Lagareh – The Last Born*, highly acclaimed as Scotland's presentation at the Biennale.

Reaching the next generation through Teacher Art Pass

Young people should have the opportunity to enjoy museums and galleries as places of inspiration, fun and exchange, and a museum visit in childhood can spark lifelong enthusiasm. Many of the artists, poets and writers who take part in our Meet Me at the Museum podcast, for example, speak of how early visits affected them, sparking creative journeys later in life. We also know that the pandemic has had a severe impact on school visits, and we urgently need to help grow these back. Teachers clearly have a crucial role to play in this.

2022 was a pivotal year in researching and developing Art Fund's Teacher Art Pass, which is being rolled out from 2023. Thanks to the Clore Duffield Foundation, in 2021-22 we were able to work with 1,000 teachers, from schools experiencing above-average levels of disadvantage, to find out what support they need to make visiting easier. Their enthusiasm for using museums as a resource was evident, but they were impeded by travel-related costs, a lack of preparation time and no easily sourced 'go-to' information for what museums had to offer.

"Thanks to the pass, I have been able to offer more opportunities to my pupils in terms of the breadth and depth of art experiences in my lessons. This is due to finding out about artists, exhibitions and talks which I wouldn't have known about otherwise"

Teacher Art Pass member

We are grateful to this cohort of teachers, who were invited to take part in workshops and termly surveys and provided invaluable insights. It was clear that teachers loved being the first to know about the latest things in museums and enjoyed being able to bring these insights into the classroom. Eighty-nine per cent of those who responded to our surveys said having a National Art Pass had increased their desire to visit or engage digitally with museums.

With the Teacher Art Pass, we aim to establish a community of teachers interested in museums and in using museum visits and resources to inspire the next generation.



A school workshop at Derby Museum and Art Gallery. © Hydar Dewachi / Art Fund 2022

Inspiring young people with The Wild Escape

As part of our commitment to inspiring the next generation of museum visitors, for over two years we have been planning one of our most ambitious projects to date, The Wild Escape, and we launched it at the Natural History Museum in London in early 2023.

The largest ever collaboration between the UK's museums, The Wild Escape invited thousands of primary school children to visit museums and respond creatively to the threat to the UK's natural environment, by looking for animals featured in museum collections and creating their own wildlife artworks. Hundreds of museums, galleries and historic houses hosted special workshops and activities, supported by a range of resources we developed in collaboration with museums and education partners during 2022.

Children parade their artworks inspired by *The Snail* (1953) by Henri Matisse at Tate Modern, London, as part of The Wild Escape ahead of Earth Day 2023. © Hydar Dewachi / Art Fund 2023



This nationwide mass-participation project brought together 532 museums with schools and families on a 'wild adventure' engaging young people with the critical issue of biodiversity loss, culminating in an epic-scale collective artwork unveiled on Earth Day, 22 April 2023. We were thrilled that leading artists including Rana Begum, Elizabeth Butterworth, Monster Chetwynd, Jeremy Deller, Es Devlin, Andy Holden, Lindsey Mendick, Heather Phillipson, Thomas J Price, Mollie Ray, Tai Shani, Yinka Shonibare, Bob and Roberta Smith, FKA Twigs and Mark Wallinger created works to inspire young people to take part.

"We believe it is important to utilise the arts as a force for good in our local community, and provide a platform for discussion and education around societal issues, including the environment, climate change and biodiversity. The Wild Escape has enabled children and their families to engage with these issues through an inspiring programme of activities"

Jo Marsh, creative director, Tŷ Pawb

Wild Isles, the landmark BBC TV series presented by David Attenborough, inspired the project. We also worked in partnership with the National Trust, English Heritage and organisations beyond the museum sector, including WWF-UK (World Wide Fund for Nature) and the RSPB (Royal Society for the Protection of Birds), bringing the UK's collections to huge audiences well beyond frequent museum visitors.

The Wild Escape was made possible thanks to funding from Arts Council England's National Lottery Project Grants, with additional support from Bloomberg Philanthropies, Kusuma Trust, Foyle Foundation and a group of generous trusts and supporters including many of our Art Partners.

Reimagining museums' roles in their communities

Bold, brave and experimental projects at over 100 museums have been awarded grants as part of Art Fund's Reimagine scheme, worth a total of £6.3 million, since 2020. Initially our Reimagine awards were made as emergency funding during the pandemic, but emphasis shifted last year to help museums and galleries reconnect with lost audiences.

In December 2022, we announced grants of £1.8 million for 45 museums, galleries, historic houses, trusts and professional networks to deepen audience engagement. Applications far outstripped what we were able to give, showing how great need still is during the cost-of-living crisis.

The exciting projects we have been able to fund in this round will be presented across all four UK nations. It is impossible to list them all here, but the following selection shows just how much can be achieved through this much-needed funding.

At Golden Thread Gallery, a contemporary art space in Belfast, our grant will enable work with local marginalised communities. At Tŷ Pawb in Wrexham, one of our Museum of the Year 2022 finalists, artists and children will be brought together as co-producers to support emerging creative talent in North Wales. At the Walker Art Gallery, part of National Museums Liverpool, Black British women's creativity from 1970 to today will be given its rightful platform. In Scotland, V&A Dundee will develop immersive multimedia tours for those hard of hearing or partially sighted.



Jasleen Kaur, *The first thing I did was to kiss the ground*, 2021, installed in the Hidden Gardens, Glasgow, as part of Tramway Beyond Walls, 2022, a project supported by a Reimagine grant. © Jasleen Kaur. Photo: Keith Hunter, 2022

"The Art Fund Reimagine programme has already made a significant cultural contribution to Glasgow communities, encouraging and enabling people to engage with art in their local surroundings"

Bailie Annette Christie, chair of Glasgow Life and Glasgow City Council convener for Culture, Sport and International Relations

Reimagine grants have been a lifeline for museums during the last two years and this round will bring organisations closer to the communities they serve – through, among other things, developing access, expertise and digital capacity. We are delighted to see ambitious, future-facing projects, which might have been put on the back burner due to financial and resourcing constraints, now being realised. In 2023, Reimagine grants will focus on supporting the museum workforce, made possible with the support of the Headley Trust.

"It's a collective; we're all arts organisations together"

Musicians Nabihah Iqbal and Lexy Morvaridi explore Leighton House for an episode of Art Fund's podcast, Meet Me at the Museum. The staircase features a mural by Shahrzad Ghaffari, *Oneness*, made possible by over 200 funders through Art Fund's crowdfunding platform, Art Happens. © Shahrzad Ghaffari. Photo: Hydar Dewachi / Art Fund 2022

CHAMPIONING MUSEUMS

From the challenges of today towards a brighter future, we'll always be supporting, amplifying and championing museums.

We are uniquely placed to help build a confident future for museums and galleries: by listening and responding to our 850+ museum partners; by reaching new audiences through our marketing activity; and by encouraging dynamic new partnerships within and beyond the sector.

We take a research-led approach to our support, starting with what museums tell us they need. In 2022 we produced five pieces of research, as well as the third and final in our series of Covid-19 impact reports, which helped identify areas for support such as touring exhibitions and the development of digital strategy.

Beyond our grant-giving, our free services for museums such as Art Happens, our crowdfunding platform, and Art Tickets, our ticketing system, help museums to unlock greater public support.



A group of Art Partners explore the exhibition Keep Being Amazing with artist Celia Pym at Firstsite, Colchester, winner of Art Fund Museum of the Year 2021, May 2022. © Hydar Dewachi / Art Fund 2022

Our print and online content highlights the rich creativity that pulses across the UK. And in everything we do, we advocate for the positive impact of museums on people's lives. We had the perfect opportunity to do this through Art Fund Museum of the Year 2022 as we shone a spotlight on five museums, some small in scale, all doing exceptional work beyond their collections, in environmental sustainability and with their local communities.

We are also helping to establish new models of working in partnership, looking beyond the sector to widen audiences and help change happen at a larger scale. Working with organisations such as WWF-UK (World Wide Fund for Nature) and the RSPB (Royal Society for the Protection of Birds), for example, greatly increased the impact of our project The Wild Escape, attracting thousands of people to the potential of museums.

Investigating the issues that matter

Through our research we aim to advocate for the work of museums as well as provide practical support and insights.

In 2022 we published reports highlighting several key areas: touring exhibitions; what teachers want from museums; diversity in the curatorial workforce; the digital landscape; and the power of emotional responses to collections.

In our *Digital Impact in Museums & Galleries* report, carried out in partnership with the Museums Association, we learned that a lack of digital strategy, and low levels of confidence in developing one, were preventing some museums from equipping themselves for current and future audiences. We are therefore committed to helping in this area.



A panel discussion at the launch event for *"It's about handing over power"*: *The impact of ethnic diversity initiatives on curatorial roles in the UK arts and heritage sector 1998-2021*, at the V&A, London, 9 November 2022 (Ameena M McConnell, Dominique Heyse-Moore, Jade Foster, Jessica Taylor, Aliyah Hasinah). © Joladé Olusanya / Art Fund 2022

Museum exhibitions and programmes must be inclusive and relevant for today's visitors. *It's about handing over power*, our report into diversity in the curatorial workforce, by two Black-led organisations, revealed how much needs to be done. Initiatives specifically aimed at curatorial roles, rather than at entry-level, will be crucial, and career progression must be sustained so that a generational difference can be made. We'll use what we have learned to guide us in the development of future programmes as well as where to allocate support.

"For the benefit of our audiences, our artists, our collections and those who fund and partner with us, we must recognise that there must be change. We must also do it for our future, for the young people who rightly expect more of their public institutions"

Gus Casely-Hayford, director, V&A East, in the foreword to our report *It's about handing over power*

Tailoring exhibitions to local contexts, brokering new partnerships, making the most of the UK's collections and doing this sustainably; these were all cited as key priorities for museums across the UK in *Going Places*, our research with Creative Scotland into touring exhibitions. We are grateful to have support from the National Lottery Heritage Fund and National Lottery players to develop a new UK-wide strategic programme in response to this research.

As explored on page 32, we need to encourage school visits following the pandemic. In our *Teacher insights for museums*, teachers identified travel costs, lack of time, and difficulty in finding what's on offer as barriers to visiting. We will be doing all we can to mitigate this and, with the launch of our Teacher Art Pass in 2023, will aim to build a supportive and informative teacher network.

Lastly, in *Pleasure, Connection and Purpose*, co-commissioned with the Association of Independent Museums, we looked at how museums can leverage the power of emotion to build greater public support.

Promoting museums far and wide

Alongside our grant-giving, our marketing activity is one of the most valuable contributions we can make to museums. As a 'go-to' place for people to discover what's happening in museums, we amplify exhibitions and programmes through social media and our redesigned website and attract new audiences through our fundraising campaigns. We also make it easier for museums to generate funds through platforms such as Art Happens and Art Tickets. In short, we aim to make it easier for our hard-working colleagues across the sector to promote their work and connect more people with art.

In 2022, we expanded our network of partner museums to over 850, with National Art Pass membership increasing to 135,000. Our flagship magazine, *Art Quarterly*, provides members with the latest information about exhibitions, new acquisitions and events, alongside our annual Art Map and fortnightly Art in Your Inbox emails. Meanwhile our Art Guide, distributed to hundreds of museums three times a year, highlights some of the most exciting exhibitions across the UK.

Our online content amplifies museum voices and provides inspiration for culture-seekers everywhere, and our content had a reach of 29 million across social media in 2022. A further two series of our award-winning podcast, Meet Me at the Museum, were launched in 2022 – featuring familiar faces, from broadcasters to poets, who showed someone special around their chosen museum. Among them were Owain Wyn Evans at St Fagans National Museum of History, Nabihah Iqbal at the newly reopened Leighton House and Alexei Sayle at the Cartoon Museum.

Broadcaster Owain Wyn Evans records an episode of Art Fund's podcast, Meet Me at the Museum, at St Fagans National Museum of History, Cardiff, winner of Art Fund Museum of the Year 2019. © Manoel Akure / Art Fund 2022



"Coming back here – I don't know what it is about St Fagans that makes me feel so at home..."

Owain Wyn Evans, broadcaster, in an episode of Meet Me at the Museum at St Fagans National Museum of History, Cardiff

Art Happens, our free crowdfunding platform, helps museums raise money for exciting arts projects and boosts awareness through carefully honed marketing campaigns; and our free online ticketing system, Art Tickets, now helps over 250 museums to improve the visitor experience. Among Art Happens campaigns in 2022, Strawberry Hill House & Garden in Twickenham raised funds towards the acquisition of the earliest surviving oil portrait of Horace Walpole, by William Hogarth, and the Queen's House in Greenwich raised money for the conservation of the 17th-century Solebay tapestry – a campaign so successful that it reached 180% of its fundraising target.

Celebrating excellence in the sector

Art Fund Museum of the Year, the world's largest museum prize, gives us an annual opportunity to celebrate the best of the UK's museums and to showcase their creativity, ingenuity and resilience.

In 2022 we were especially keen for applicants to demonstrate how they could inspire future generations of visitors. We were impressed by the outstanding calibre of our five shortlisted museums – the Horniman Museum and Gardens in London; the Museum of Making in Derby; the People's History Museum in Manchester; the Story Museum in Oxford; and Tŷ Pawb in Wrexham – and by how each placed the local community and young people at the heart of their programmes.

> *"[The Horniman] really is one of the jewels of south London, all dedicated to celebrating cultures and bringing communities together"*
>
> Jo Brand, comedian

The 2022 winner of the £100,000 prize – the Horniman – was announced by broadcaster Huw Stephens at an award ceremony at the Design Museum, London, in July. The event was broadcast live on the BBC's *The One Show*, hosted by Matt Allwright. Videos of the shortlisted venues were broadcast too, generating huge excitement for UK museums across a family audience of millions. The videos, presented by well-known personalities such as Jo Brand and Brenda Emmanus, attracted 57,000 views on our own channels alone and were also featured on BBC Arts online.

To further boost awareness of what museums can offer younger audiences, we engaged TikTok influencer @_theiconoclass in a partnership which generated 600,000 views across the campaign. And this year's Museum of the Year Student Road Trip deserves particular note: four young people were paid, as part of our Student Opportunities programme, to visit the shortlisted museums, where they created compelling content, driving awareness of the museums and attracting 800 new enquiries for our Student Art Pass.

We now look forward to celebrating all our wonderful museums, and all that has been achieved by the prize, in the run-up to Art Fund Museum of the Year's tenth anniversary in 2023.

The clock tower, Horniman Museum and Gardens, London. © Andrew Lee



"It has been an amazing experience, and one that we've been able to share really widely across all our staff, visitors and stakeholders. Everyone is so very proud!"

Horniman Museum and Gardens, winner of Art Fund Museum of the Year 2022

The panel of judges celebrate with the team from the Horniman Museum and Gardens, winner of Art Fund Museum of the Year 2022. © Janie Airey/ Art Fund 2022

Thank you

We are grateful for the generosity of our network of supporters: trusts, foundations, partner funders, Art Partners and individuals, as well as our 135,000 members who buy the National Art Pass. You make our work possible.

With the cost-of-living crisis ongoing, museums and galleries need our help as keenly as ever. Thank you for your commitment to Art Fund, and for enabling such a wide range of vital activity.

In 2022 the Garfield Weston Foundation helped smaller museums to borrow important works from the UK's outstanding collections as part of the Weston Loan Programme with Art Fund. 12 exhibitions featuring these loans are taking place nationwide in 2023.

As part of our partnership with the Freelands Foundation, the Freelands Art Fund Acquisition is increasing public access to work by women artists. Two inaugural awards were made in 2022, enabling work by Veronica Ryan and Lis Rhodes to join UK collections.

With the support of the Headley Trust, the third round of the Headley Fellowships with Art Fund continued to help museum professionals carry out new research into their collections and deepen specialist skills.

A consortium of individuals supported a dedicated New Collecting Award, in memory of Sir Nicholas Goodison, former chair of Art Fund. This exceptional grant is supporting two early-career curators to develop their museum's collection of contemporary craft.





This page and opposite: Potter and painter unknown, attributed to Benjamin Lund's porcelain factory, two blue and white vases, c1750, Bristol Museum & Art Gallery, acquired 2022 with Art Fund support (with a contribution from the Wolfson Foundation). © Bristol Museums: Bristol Museum & Art Gallery

Our Jonathan Ruffer curatorial grants provided 36 museum professionals with funding for travel and research, to advance professional expertise and collections-based knowledge.

Two more curators were announced as part of the National Gallery Curatorial Traineeship Programme, which gives professional experience to emerging curators in partnership with regional museums, supported by the Vivmar Foundation.

And the exceptional generosity of the Wolfson Foundation continues to support our acquisitions programme, as we respond to museums' renewed confidence in acquiring and collecting art following the pandemic.

In 2022 our crowdfunding platform, Art Happens, helped museums bring five exciting projects to fruition with £117,700 raised. The platform's infrastructure has been generously supported by the National Lottery Heritage Fund, as well as by private individuals and charitable trusts.

Over 250 museums are now using Art Tickets, our free ticketing system, supported by charitable trusts and private individuals.

Supported by the Clore Duffield Foundation, in 2022 we continued to research the needs of teachers in engaging their pupils with museums; as a result, our Teacher Art Pass was launched in 2023. And the Student Art Pass continues to connect museums with students in full-time education through a range of content and opportunities. The programme has been made possible by private funders including the Stavros Niarchos Foundation, the National Heritage Museums Action Movement and the 29th May 1961 Charitable Trust.

Finally, The Wild Escape, our major UK-wide project connecting museums, schools and families, was made possible thanks to funding from Arts Council England's National Lottery Project Grants, with additional support from Bloomberg Philanthropies, Kusuma Trust, Foyle Foundation and a group of generous trusts and supporters including many of our Art Partners.



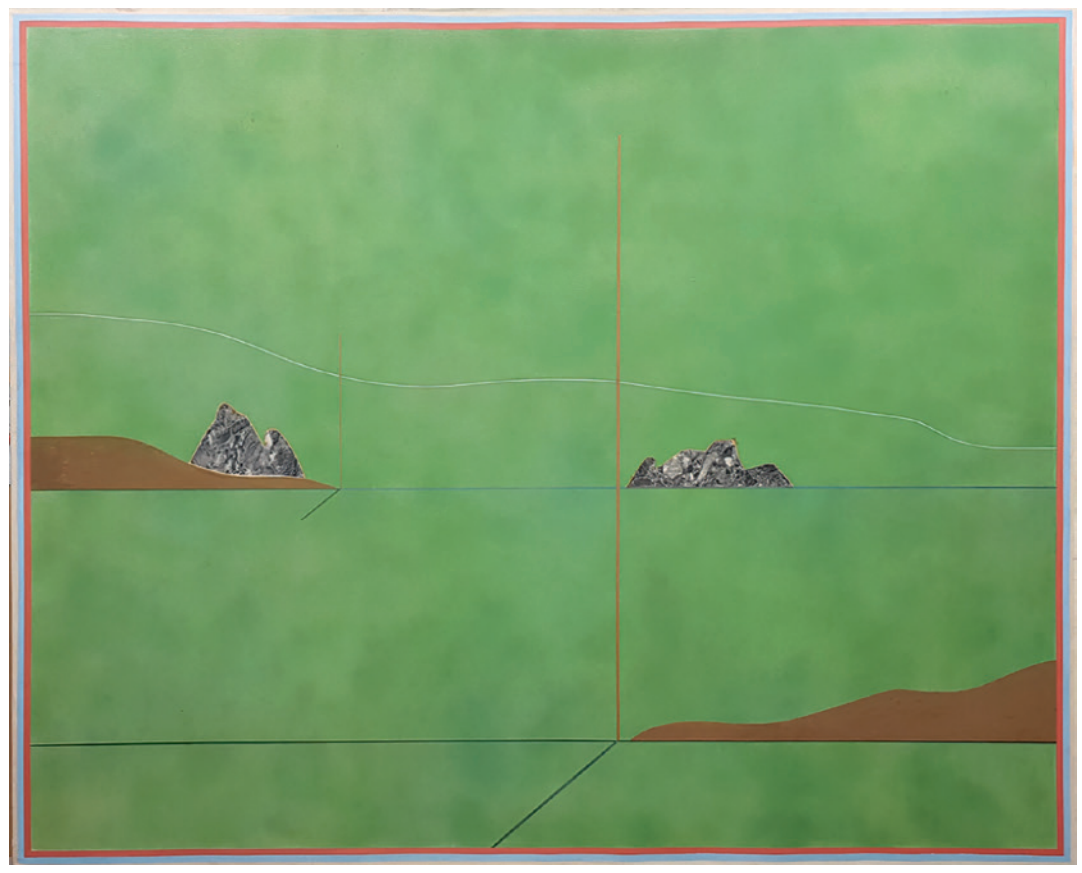
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Lawson Oyekan, *Trial with Light* bowl (detail), 1996, Crafts Study Centre, Farnham, acquired 2022 with Art Fund support. © Lawson Oyekan. From the collections of the Crafts Study Centre, University for the Creative Arts

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Derek Jarman, *Landscape with Sandbars*, 1967, the Hunterian, Glasgow, acquired 2022 with Art Fund support. © The Keith Collins Will Trust; Derek Jarman 1967. Courtesy The Hunterian



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We would like to thank our Art Partners, a special group of patrons who champion the UK's museums and galleries in the same spirit of private philanthropy as Art Fund's founders once did. Their commitment, passion and generous support of all aspects of our work have been hugely appreciated over the last year.



Manchester Institute of Science & Technology, undated, Bradshaw Gass & Hope Architectural Archive, 1862-1960, Bolton Library and Museum Services, acquired 2022 with Art Fund support.
© Bolton Council. From the collection of Bolton Library and Museum Services



Unknown maker, 'Blue-Dash' Tulip Delft charger, c1680, bequeathed by Margaret Macfarlane with Art Fund support.
© The Holburne Museum, Bath

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Phoebe Collings-James, *How many times can I surrender to you? (your living has taught me how not to die)*, 2021, York Art Gallery, acquired 2022 with Art Fund support. © the artist. Courtesy the artist and Arcadia Missa, London. Photo: Tim Bowditch

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We thank all those donors who prefer to remain anonymous.

And we are grateful to those members who regularly give on top of their membership.

Thank you.

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Louise Forbes, *Jigsaw Eating Spoon*, 2020, Aberdeen Archives, Gallery & Museums, acquired 2022 with Art Fund support. © Louise Forbes. Courtesy Aberdeen City Council (Archives, Gallery & Museums Collection)



Portrait of Mai (Omai)

We would like to thank those who supported Art Fund and the National Portrait Gallery's campaign to save Joshua Reynolds' *Portrait of Mai (Omai)* (c1776). This generosity helped the National Portrait Gallery to raise £25 million which, thanks in huge part to a grant of £10m from the National Heritage Memorial Fund, an Art Fund grant of £2.5m, together with a matching amount from Getty in the US, makes up the £50m needed to acquire the painting.

Donations from over 2,000 Art Fund members, National Portrait Gallery supporters and members of the public have played a crucial part in bringing the painting into public view in the UK. We are hugely grateful to those who donated to both Art Fund and the National Portrait Gallery with gifts of all sizes, including those who prefer to remain anonymous.

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Joshua Reynolds, *Mai (Omai)*, c1776. Courtesy National Portrait Gallery

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How we work

All that we have achieved and plan for the future is underpinned by our values: we are independent, responsive to need, pioneering and inclusive, placing people at the heart of our activities. With this in mind, we are looking constantly at ways to strengthen our organisation and we rely on a broad range of expertise across our staff who bring new thinking and fresh ideas to the charity.

Digital capability is critical to our future and that of museums. We recognise that resourcing digital platforms can be expensive, as can developing skills. But these are investments we are prepared to make so that we can support our colleagues externally. We aim to strengthen expertise at a senior level, provide increased training for our staff and make our online processes user-friendly for all.

We are continuing to develop a more diverse and inclusive workforce and aim to expand our Board expertise in this area. Our Equality, Diversity and Inclusion (EDI) action plan guides our work, and we are looking at how we can attract, recruit and nurture staff from a wider range of backgrounds to bring in new and relevant skills and experience.

In an increasingly fragile global environment, sustainability must also be at the centre of how we operate. We are working hard to embed this across all of our activities. We have commissioned a carbon audit to look at how we can reduce our environmental impacts – in our building's energy use, and in our programmes, practices and policies. Our new project, The Wild Escape, creatively engages children with museum collections in relation to the issue of biodiversity.

By ensuring we are robust in these areas, and with the dedication, expertise and hard work of our team, we aim to be equipped to support museums in a fast-changing world.

© Holly Pickering/ Art Fund. Styling: Clare Piper



Financial reports

The past three years have been among the most challenging in the history of museums and galleries. No sooner had museums begun to navigate their way out of the pandemic than the cost-of-living crisis with high inflation and soaring energy costs hit hard. We have therefore taken the view that we should spend more at this difficult time in order to provide support when need is at its greatest, to lay the foundations for a more confident future.



Jayne Stokes, *Day by Day*, 2020, John Gray Centre, Haddington, acquired 2022 with Art Fund support. © Jayne Stokes. Courtesy John Gray Centre. Photo: Dr Claire Pannell



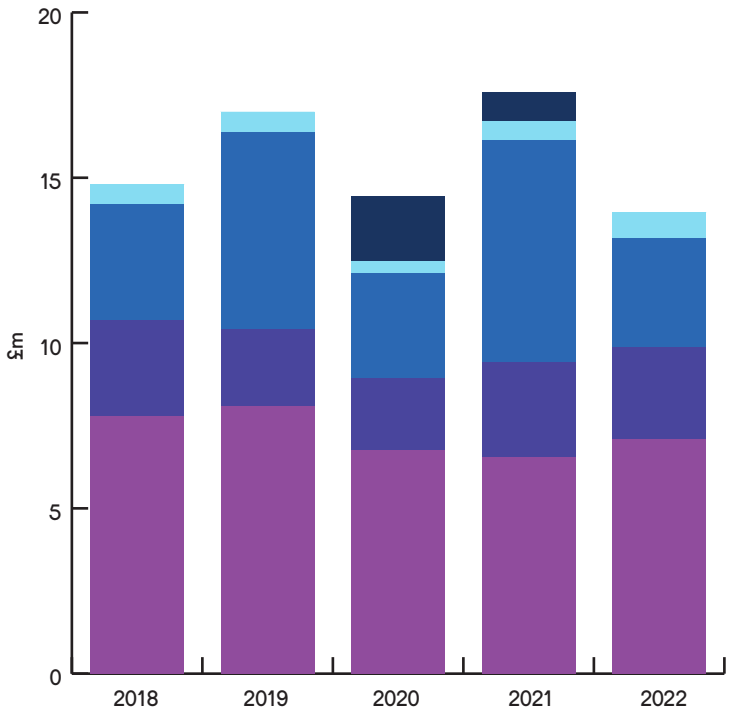
Unknown maker (Meiji period), Japanese lacquer incense ceremony box, 1868-1912, Bristol Museum & Art Gallery, acquired 2022 with Art Fund support. © Bristol Museums: Bristol Museum & Art Gallery

The global crises have inevitably had an impact on our organisation too. We are not immune to the challenges facing charities across the UK. However, thanks to judicious financial management across our 120-year history, our diversified investment portfolio and the continued loyalty of our members, we have been able to make available the necessary funds at this time. Our approach to a planned financial deficit this year has been that the 'rainy day' for museums is here, so we are spending our money wisely to support and strengthen the sector and its activities.

Our charitable programme extends well beyond grant-giving and we have been able to support our partner museums in a wide range of ways. By raising the profile of museums among the visiting public through sustained efforts in marketing, and flagship projects such as Art Fund Museum of the Year, we continue to help boost visitor figures and income. And through platforms such as Art Happens and Art Tickets we help museums to generate revenue and funds for special projects.

The loyalty of our membership, the generosity of our supporters and those who leave a legacy in their will; it is through this exceptional support that our work is made possible.

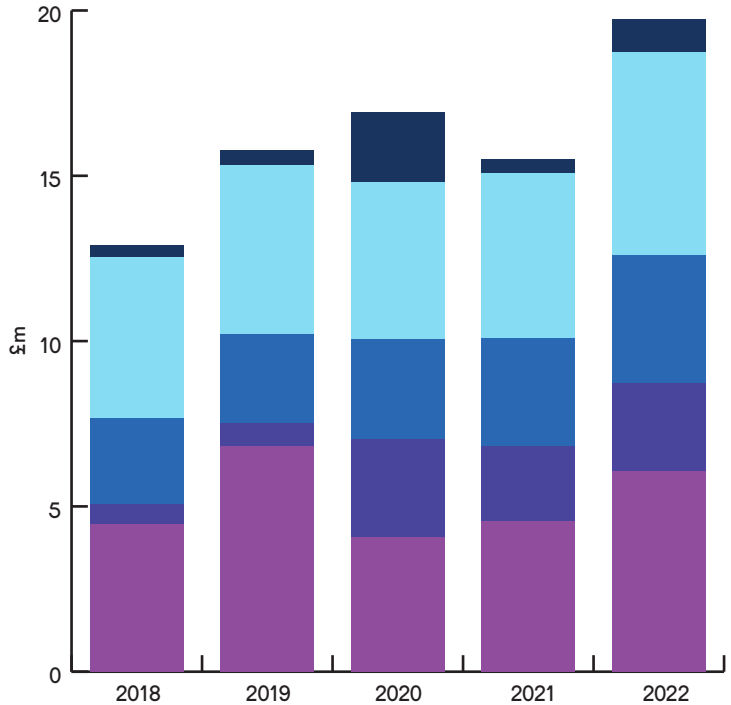
Performance



This chart shows how our total income has fluctuated over the past five years. The data reveals volatility in special appeals and legacy income and that membership and trading income, which was reduced in 2020 due to the Covid-19 pandemic, is still recovering in 2021 and 2022.

- Prospect Cottage appeal
- Trading, investments & other
- Legacies
- Donations & fundraising
- Membership

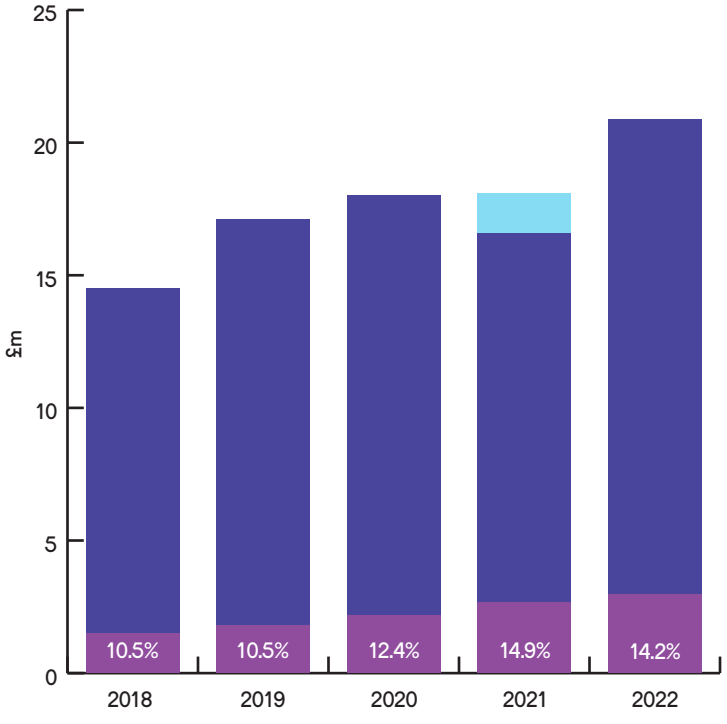
Impact



This chart illustrates the changing scale and composition of our charitable expenditure over the past five years. In 2020, 2021 and 2022 we adapted our funding programme to respond to the needs of the sector as a result of the pandemic.

- Reaching audiences
- Making connections – National Art Pass
- Making connections – Museums network
- Shaping futures
- Building collections

Efficiency



This chart illustrates support costs as a proportion of total expenditure. Support costs have increased in 2022 in terms of quantum (driven in part by heightened inflation and also staff churn following the pandemic), however, support costs have reduced as a percentage of total costs. Total costs in 2022 includes £2.5m committed to help the National Portrait Gallery secure Joshua Reynolds' *Portrait of Mai (Omai)* for the public.

- Prospect Cottage (heritage asset in statutory accounts)
- Total expenditure
- Support costs

Building collections: Helping museums and galleries add to and strengthen their collections, including grant-giving for acquisitions, conservation and towards strategic collecting initiatives, and placing gifts and bequests of works of art.

Reaching audiences: Facilitating the sharing of art as widely as possible, including grant-giving to support touring and display.

Shaping futures: Supporting the professional development of curators and museum professionals, including grant-giving towards curatorial research and training.

Making connections:

Museums network: Supporting museums including through advocacy and campaigning, promotional and digital activity.

National Art Pass: Servicing our membership of 135,000 individuals and investing in the future growth of our membership.

Report of the Board and Financial Statements for the year ended 31 December 2022

Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2022.

The financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Memorandum and Articles of Association of Art Fund Services Limited, and 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 2018).

Treasurer's report

The Covid pandemic continued to have an impact on museums and galleries in the early part of 2022 with both reduced visitor figures and income, although it has been encouraging to see how institutions have adapted to visiting trends and behaviours. As 2022 has progressed, museums and galleries have needed to meet the additional challenges of heightened inflation, rising energy prices and cost-of-living concerns impacting both visitors, employees and business models.

Art Fund's finances have exhibited resilience in 2022 albeit they have also been impacted by the economic headwinds impacting both our sector and the wider economy. It was thanks to our membership, donors, partner organisations and prudent financial management that we were in a strong position to support the sector throughout the year and have a stable foundation underpinning our charitable programme in 2023.

As in 2021, Art Fund's priority was to respond to sector need and support museums, galleries and historic houses across the UK through a challenging period. As a result of the collaborative and agile approach of our staff and trustees, we consulted our network partners to assess what was possible and continued to adapt our programme and adjust our financial strategy accordingly. At the same time we were developing longer-term plans to ensure we are in a strong position to be growing our membership and income in the future.

Alongside the responsive support provided in 2022 through our Reimagine grants, growing and sharing museum collections remain at the heart of Art Fund's charitable purpose, and in order to meet our obligation to deliver the broadest public benefit possible we continued to shape our programme in direct consultation with our network of museum partners. Art Fund's Trustees are proud of our organisation's long-standing support for the collecting of works of art and moreover, are committed to the expansion of our charitable programme to support those activities which underpin and amplify the impact of museum collections such as curation, conservation, commissioning, touring and display. Art Fund's Trustees will continue to respond to our partners' needs in determining how our charitable resources can be put to best effect and deliver benefit not only to our 135,000 members, but to the widest and most diverse public possible.

Art Fund's financial performance and sustainability is overseen by the Finance & General Purposes Committee, a sub-group of the Board of Trustees. I would like to thank my fellow committee members and our non-trustee special advisor, Brendan Finucane QC, who retired in September, for their support and counsel during the year.

This year saw some significant programme commitments. Notably, Art Fund committed £2.5 million – the largest in our history – to help the National Portrait Gallery secure Joshua Reynolds' *Portrait of Mai (Omai)* (c1776) for the public. While across 2022/23 Art Fund has led The Wild Escape, a UK-wide initiative with over 500 participating museums to engage children both in museum and gallery collections and the biodiversity crisis, which secured the largest ever grant to museums by Arts Council England.

Our grant-giving programme provides vital funding every year to help museums acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums.

Overall in 2022 the total value of Art Fund's charitable programme was £19.7m (2021: £15.5m). As per the analysis of total expenditure in note 5, our total charitable spend comprised *grants for acquisitions* of £4.5m (2021: £3.3m) (see note 3). Recognising the needs of the sector, Art Fund's Trustees made the strategic decision to operate at a deficit in 2022 enabling us to continue our support during the challenging year for the sector. With reference to our grant-giving beyond acquisitions we committed £0.3m (2021: £0.2m) to *strategic collecting* initiatives, £1.0m (2021: £0.4m) to the touring and display of art via our *reaching audiences* strand, and £2.7m towards development of curatorial skills, through our *shaping futures* initiative (2021: £2.3m).

We committed £3.9m (2021: £3.3m) to our museum support services which comprise policy, promotional and digital support to museums and £6.1m (2021: £5.0m) to promoting museum visiting through the National Art Pass and servicing our membership of 135,000 individuals (2021: 130,000). The investment in increasing memberships, and the 4% rise in memberships, reflects museums across all four nations being open for the majority of 2022.

Performance

Total income decreased to £13.9m in 2022 (2021: £17.6m) with legacy income decreasing to £3.3m (2021: £6.7m) and other income increasing to £0.4m (2021: £0.3m). Donations decreased to £2.8m (2021: £3.7m) and membership income increased to £7.1m (2021: £6.6m) as we increased our marketing activities to invest in membership recruitment post the pandemic. We are enormously grateful to all our members and supporters who make Art Fund's vital work possible.

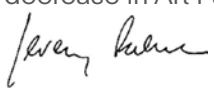
Efficiency

Art Fund is focused on delivering the greatest possible public benefit to the widest possible public; this requires that our Trustees keep our support costs and overall return on investment under close scrutiny.

In 2022 Art Fund's support costs increased to £3.0m (2021: £2.7m) inclusive of associated staff costs, driven in part by continued investment in technical infrastructure, rising costs generally due to inflation and staff costs specifically in response to cost-of-living concerns.

Year end position

Our financial statements show a deficit of £6.9m (2021: a surplus of £1.1m), a value that is reported before the application of our total return investment policy, which allows us to treat a portion of the value of our portfolio as income which is then used to support our operating and administrative costs, meaning that the highest possible proportion of donated funds can be applied directly to charitable purposes (this is affected by a transfer from the perpetuity fund to the general fund). The net losses on our investment portfolio reported in the consolidated statement of financial activity were £0.9m (2021: gain of £4.7m), resulting from the general turbulence and uncertainty in financial markets resulting from macro-economic factors outside our control. The combined impact of our deficit and investment portfolio performance resulted in an overall decrease in Art Fund's total funds to £54.1m (2021: £62.0m).



Jeremy Palmer
Treasurer

Objectives and activities

Summary of aims and strategic objectives

Art Fund exists to help museums and galleries across the UK buy, show and share great art so that it can be experienced and enjoyed by everyone. Set up over a hundred years ago, Art Fund is the leading national fundraising charity for art and is independently funded and supported by 135,000 members.

During 2022 we developed and operationalised our new 5-year strategy based on our 2022-2027 vision. The strategy covers four main areas being:

- **Funding Art:** To continue to fund art as both a fundraiser and grant-maker for museums. Building on Art Fund's history, including increasingly funding a broader range of perspectives, artists, cultures, forms, tangible and experiential;
- **Audience-making:** To help grow the audience for art. By expanding the community of National Art Pass members, by helping find new audiences (the next generation of museum-goers) and by helping people not just to visit but to use museums as a vital resource;
- **Amplifying the museum sector:** To help shape a confident and inclusive museums sector. Supporting and accelerating the changes museums want to make by advocating, influencing and celebrating the sector. By funding and sharing new ideas and by incubating new cross-sector projects; and
- **Strengthening our organisation:** Focusing on our business model, our capabilities (including a diverse workforce and making the most of digital opportunities) and our ways of working (including processes and environmental sustainability).

Art Fund will be measuring success against these four main areas over the duration of the 5-year plan. Financial achievements during the year are detailed in the Treasurer's report.

Structure, governance & management

Appointment of Trustees

Art Fund is governed by its Board of Trustees, which meets six times a year. It currently has 15 members. Vacant Trustee positions are advertised openly to the membership in *Art Quarterly* and via external recruitment websites and head-hunters, and are appointed by the Board, on the recommendation of the Nominations Committee. The subsequent appointment is then notified to the membership at the Annual General Meeting (AGM) following their appointment. The one-third of Trustees who have been longest in office since their last election must 'retire' each year at the AGM and are eligible for re-election. Trustees can serve for a maximum of two consecutive terms of four years.

Trustee induction & training

All new Trustees undertake an induction process in which they are briefed on their legal obligations under charity law, the Charity Commission guidance on public benefit, the content of Art Fund's Royal Charter, the board structure and decision-making processes, Art Fund's strategy and recent financial performance.

During the induction each new Trustee will meet the Director of Art Fund, Senior Management Team and other key Art Fund personnel. New Trustees are issued with a portfolio of documents outlining their responsibilities as a charity trustee including a Board policies and procedures manual.

Organisation

The Board, while retaining overall responsibility, delegates certain functions to four sub-committees and executive staff as described below and in the trustees' principles of delegation policy.

The Finance and General Purposes Committee, which meets up to five times a year; chaired by the Treasurer, considers all matters relating to finance, investments, risk management and the administration of the charity including its property. It currently has three Trustee members and one non-Trustee advisory member.

The Nominations Committee, which meets at least annually; chaired by the Chair of Trustees, undertakes an annual Trustee skills audit, considers and recommends candidates for membership of the Board, terms of appointment and Trustee recruitment and induction policies.

The Remuneration Committee, which meets at least annually; chaired by the Chair of Trustees, considers the remuneration approach and annual pay review for the organisation, including approving discretionary cost-of-living awards and remuneration packages for the director and senior management team. The Committee also oversees key workforce metrics including equality, diversity and inclusion with a view to improving representation within the staff team.

The Ethics Committee, which meets at least annually, chaired by a trustee and currently with three trustee members and one non-trustee advisory member, advises the Board of Trustees on the acceptance of donations, gifts of property and sponsorships.

The day-to-day direction of Art Fund's affairs is the responsibility of the Director who reports to the Board through the Chair. The Director is supported by a Senior Management Team consisting of the Director of Finance & Resources, Director of Development, Director of Programme and Policy, Director of Marketing, Director of Communications and a Chief Information Officer.

Related parties and co-operation with other organisations

None of Art Fund's Trustees receive remuneration or other benefit from their work with the charity. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The trading activities of Art Fund are carried out by its service company, Art Fund Services Limited, a company incorporated in England and Wales (registered number 01487654). The company is wholly owned by Art Fund and it donates all its profits in the year to Art Fund by way of Gift Aid.

Art Fund's Director is also a director of American Friends of the Art Fund (AFAF), a US-based non-profit organisation which provides grants to Art Fund and other institutions to encourage the appreciation and enjoyment of art in general. As such, AFAF is considered to be a related party and so grants received in the year have been disclosed in note 16 of the accounts.

Pay policy for senior staff

The pay of the Senior Management Team is reviewed and approved by the Remuneration Committee on an annual basis. Remuneration is benchmarked against similar roles within the not-for-profit and cultural sector and is assessed against key inflation measures and cost-of-living benchmarks along with affordability considerations.

Risk Management

The major risks to Art Fund as identified by the Board fall into five categories: Compliance, external, financial, governance and operational. These risks have been reviewed by the board and discussed at each Finance and General Purposes Committee meeting. A risk matrix and register has been established with systems in place to mitigate risks.

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within Art Fund is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted takes into account the Charity Commission guidance on management of risk with reference to best practice risk management standards. Art Fund assesses risk through consideration of the likelihood of an event occurring, and the impact that would arise if the event were to occur. Risk management within Art Fund includes:

- identifying and assessing risks (the "inherent risks");
- assigning each of those risks to a risk owner;
- evaluating the effectiveness of relevant mitigating controls;
- assessing the risks remaining given the controls in place (the "residual risks"); and
- agreeing, implementing and monitoring controls to reduce the residual risks.

The principal risks and uncertainties facing Art Fund, along with mitigations are shown below:

Risk	Explanation and mitigations
Loss of income caused by, cost-of-living concerns and wider economic headwinds	At present key income streams (notably NAP and major giving) have shown resilience to economic headwinds. The cumulative impact of cost-of-living and recessionary concerns on our income streams could mean either using unrestricted reserves to maintain support levels, or reducing our charitable and operational expenditure. This is not considered to be a risk to Art Fund's going concern, due to the level of unrestricted reserves held and the discretionary nature of the majority of expenditure.
Technology, digital systems and frameworks	Technology systems, skills and processes are inadequate to facilitate a scaling-up of the organisation's ambition and output, constraining ability to grow its charitable impact. Significant investment in systems, staff and processes has been, and will continue to be, made to ensure that Art Fund delivers the best possible user experience when interacting with all stakeholders.
Charter and byelaws	Art Fund's byelaws and royal charter were last amended in 1991 and do not reflect the many advances in technology and changes to the environment in which the charity operates. A review of the charter is currently underway with a view to modernising and future proofing our governing documents. The review is due to conclude in 2023. Any amendments will be reviewed by the charity commission, privy council and our members before being put to a vote at an EGM.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes," and such amounts receivable are presented in our accounts as "voluntary activities" income and includes legacies. In relation to the above we confirm that all solicitations are managed internally, without the involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Senior Management Team, who are accountable to the Trustees. The charity is not bound by any undertaking to participate in any regulatory scheme, however the charity is a member of the Fundraising Regulator and complies with the relevant codes of practice. Art Fund also has a sub-committee to oversee Ethics which advises the Board of Trustees on the acceptance of donations, gifts of property and sponsorships.

Art Fund has established a formal complaints policy to facilitate the monitoring and reporting of relevant issues, there were no formal complaints in 2022. This policy is available online. Also available online is our fundraising promise which confirms that Art Fund is registered with the Fundraising Regulator and affirms our organisational commitment to conducting open, honest and respectful fundraising practices.

Grant making

Art Fund provides grants to help museums and galleries acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums. Grants are made via various programmes, all of which are aligned with one or more of the strategic objectives listed on page 69. Payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme are disclosed in note 4 of the accounts. Further detail on the grant programmes offered can be found at artfund.org.

Heritage Assets

At Dungeness, visionary British filmmaker, artist and activist Derek Jarman transformed a Victorian fisherman's hut into a sanctuary of art and imagination. Prospect Cottage and its iconic garden stand testament to his defiant spirit and have the potential to inspire artists and visitors long into the future.

On 31 March 2020, Art Fund successfully closed a campaign to save Prospect Cottage securing £3.728m against a target of £3.5m for the purpose of purchasing the cottage, garden and contents and to create a fund to support maintenance and operating costs as well as an associated artistic programme. In December 2021 the transaction was completed with Art Fund paying £1.5m for the heritage assets of Prospect Cottage which have been capitalised on our balance sheet.

Creative Folkestone have become the custodians of the cottage under a peppercorn lease, responsible for its care and maintenance, loaning the most vulnerable items to Tate and managing a programme of residencies and managed public visits. An Advisory Committee including representatives of Art Fund, Tate and the vendors, the Keith Collins Will Trust, has been established and will be chaired by a trustee of Creative Folkestone, calling on expert advisors to support them and to engage key stakeholders.

Art Fund will retain the fund (the Prospect Cottage Fund) to be used primarily for the care of the cottage and the collection, but also when possible to support activities with public benefit in relation to Jarman at Prospect Cottage.

Going concern

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. The ongoing cost-of-living and macro-economic headwinds are concerns to Art Fund however, they are not considered a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. At the date of signing these financial statements, the trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

Reserves policy

General funds

The Trustees review Art Fund's reserves policy on an annual basis to consider the gap between the spending and receiving of income and to ensure that sufficient liquid resources are available to meet liabilities as they fall due, in the event of a sudden shortfall in income. Moreover, the responsive nature of Art Fund's programme, especially around special appeals, means it is essential that adequate resources are always available to meet the cost of providing grants for exceptional works of art that may be under threat of export.

The Trustees of Art Fund have set a target for general funds of between 3-6 months of total unrestricted operating expenditure. At the end of 2022 free reserves stand at £4.6m (2021: £6.9m) and are therefore within the thresholds of the policy (£4.5m to £9.0m). The trustees have allocated a total of £2.9m in funds from the designated perpetuity fund to ensure that general reserves are maintained within the target levels, whilst continuing to provide financial support to the sector. This transfer was also required, in part, due to recognising in 2022 the £2.5m exceptional grant awarded to the NPG for the *Portrait of Mai (Omai)*.

The Parker fund

In 2016 the Trustees designated the value of £2.9m to the Parker fund following the receipt of a legacy from Mr Donald Parker, who had been a member of Art Fund since 1977. The Parker fund represents the aggregate amount set aside to fund internal income and efficiency projects and is available to supplement resources in any particular year, if needed, to meet the cost of major initiatives of this kind.

There is no specific target for this fund and it is anticipated this will be topped up from annual surpluses to ensure that sufficient funds are available for investment when required. At the end of 2022 the value of this fund was £1.1m (2021: £1.2m).

Perpetuity fund

This designated fund serves as the core component of Art Fund's capital distribution policy. The annual value drawn from this fund guarantees the existence of Art Fund in perpetuity by contributing to the cost of core operating and administrative expenses, thereby ensuring that the maximum proportion of donated income is applied to charitable purposes.

The long-term target for this fund is based on a distribution rate of 3.5% of the trailing 12 quarter value of the investment portfolio. At the end of 2022 the target value for this fund was £35.0m (2021: £37.1m).

Fixed asset fund

This designated fund represents the carrying value of Art Fund's fixed asset base. At the end of 2022 the value of this fund was £5.6m (2021: £5.6m).

Challenge fund

This fund was generously gifted by Sir David Verey to be used for leveraging match funding in support of Art Fund's charitable programme. The current value of the fund is £79k (2021: £83k) and it is anticipated that the reserve will be expended in full over five years.

Wedgwood future fund

The Wedgwood future fund was established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum. There is no target value for the fund. The current value of the fund is £381k (2021: £508k) and it is anticipated that the reserve will be expended in full within a period of approximately 20 years, or as required by the beneficiaries.

2021 Reimagine fund

This was established at the end of 2021 as a £472k designated fund for the final phase of the Reimagine grants which were delayed from Q4 2021 into Q1 2022. The fund was fully spent in January 2022.

Investment policy

The Trustees adopt a total return policy regarding Art Fund's investment portfolio and so Art Fund withdraws 3.5% of the trailing 12 quarter value of the portfolio each year (recorded as a transfer from the perpetuity fund to the general fund – refer to note 13) as a contribution towards core operating and administrative costs. The intention is to produce a consistent and sustainable amount to contribute to core costs while maintaining the purchasing power of the portfolio over the long term and ensuring that the maximum possible proportion of donated funds are applied to charitable activities. Art Fund's investments lost 1.4% overall during the year. The long-term investment strategy remains unchanged, and the trustees maintained the distribution at 3.5% in the year.

Public benefit

The Trustees have taken the Charity Commission's guidance on public benefit into consideration when reviewing the aims and objectives of Art Fund. In setting out the strategy and developing its programme of activity, Art Fund has focused on increasing the breadth and accessibility of public benefit, in particular through works of art being acquired by public collections in the UK and being available for the public to enjoy; by works of art being shown and shared by public collections, backed up by the curatorial expertise to understand and interpret them to the public; by celebrating creativity and excellence in museums which benefit the public through the annual Art Fund Prize for Museum of the Year; and by encouraging the enjoyment, understanding and appreciation of works of art through the National Art Pass, Art Fund website, *Art Quarterly* and other editorial channels.

Charity Governance Code

The Board of Trustees is committed to good governance and to its own and the charity's continuous improvement in delivering its purposes most effectively for the public benefit. It is clear about the charity's aims and seeks to ensure that these are being delivered effectively and sustainably, keeping under review the Code's recommended practice and seven principles of organisational purpose: leadership, integrity, decision-making, risk and control, board effectiveness, diversity, and openness and accountability. The Board strives for best practice in accordance with the Charity Governance Code; many of the measures it takes in achieving this are addressed in this report. In 2022 the Board's strategy, work-plan and risk management activity was informed by the principles of the Code.

Plans for future period

Art Fund has developed a five-year strategy, informed by discussions on the major societal challenges facing museums and galleries, that has been guiding its direction throughout 2022. The key strands of the vision were detailed above in the Treasurer's report.

Central to the strategy, Art Fund will continue to develop its support to UK museums and galleries, collaborating with beneficiaries and supporters to develop grant-giving programmes that deliver charitable impact where it is most needed.

This report was approved by the Board of Trustees at its meeting on 22 May 2023 and the Chair of Trustees was authorised to sign the report and the annual financial statements on its behalf.



Lord Smith of Finsbury
Chairman
22 May 2023

Laura Wilson, *Deepening* (film still), 2020, Norwich Castle, acquired 2022 with Art Fund support. © Laura Wilson. Image courtesy of the artist.



Reference and administrative details

Year ended 31 December 2022

Art Fund was established in 1903 as the National Art Collections Fund and was granted a Royal Charter in 1928 and Supplemental Charter dated 8th February 1977. It is registered as a charity in England and Wales under number 209174 and in Scotland under SC038331. In May 2006 'Art Fund' was adopted as its public and trading name but its full name has been retained for legal purposes.

Registered office

2 Granary Square
King's Cross
London N1C 4BH

Members of the Board

Lord Smith of Finsbury, Chairman *(N, R)*
Jeremy Palmer, Treasurer *(F, N, R)*
Katrina Brown
Professor Richard Deacon CBE RA
Dame Liz Forgan *(F, R)* – Retired December 2022
Clare Gough – appointed October 2022
Anupam Ganguli *(F, E)*
Tessa Jackson OBE *(N)*
Madeleine Kennedy *(E, F)*
Alastair Laing FSA – Retired December 2022
Professor Susan Lambert
Abadesi Osunsade – appointed October 2022
Dr Satish Padiyar
Professor Marcia Pointon *(N)*
Axel Rüger
Monisha Shah *(N, E)*
Desmond Shawe-Taylor CVO – appointed October 2022

E: Also a member of the Ethics Committee
F: Also a member of the Finance and General Purposes Committee
N: Also a member of the Nominations Committee
R: Also a member of the Remuneration Committee

Advisory Member of the Finance and General Purposes Committee

Brendan Finucane KC – Retired September 2022
Sir Nigel Carrington – appointed November 2022

Advisory Member of the Ethics Committee

Laura Soley

Director and Senior Management Team

Jenny Waldman	Director
Rachel Mapplebeck	Director of Communications
Sarah Philp	Director of Programme and Policy
Andrew Durrant	Director of Finance and Resources
Amy Ross	Director of Development (resigned May 2022)
Alice Regent	Director of Development (appointed November 2022)
Carolyn Young	Director of Marketing
Yvonne Hanson-Mills	Chief Information Officer (appointed October 2022)

Professional advisers

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Investment advisors

Cambridge Associates LLP
80 Victoria Street
London SW1E 5JL

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity 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 group and parent charity and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, including FRS 102, 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 parent charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the parent charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the parent charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditor's Report to Trustees of National Art Collections Fund

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources 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 Charities Act 2011.

We have audited the financial statements of National Art Collections Charity ("the Parent Charity") and its subsidiaries for the year ended 31 December 2022 which comprise of the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

Conclusions related 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 Group and the Parent Charity'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 Trustees are responsible for the other information. The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustees.

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.

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 themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; 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, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act[s] and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the group and parent charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK and Ireland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance, key drivers for bonus or other performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

In addition, the group and parent charity are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. In order to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, we made enquiries of management and Those Charged With Governance about whether the Group and Parent Charity is in compliance with such laws and regulations and inspected any relevant regulatory and legal correspondence.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries of the Finance & General Purposes Committee and management, and a review of minutes of meetings of those charged with governance. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We challenged assumptions made by management in their significant accounting estimates in particular in relation to the recognition of legacy income.

We did not identify any matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals including those which potentially impact remuneration and other performance targets and evaluating whether there was evidence of bias by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Edward Bawden, *St Mary The Virgin, Lindsell*, 1958, Pallant House Gallery, Chichester. Presented by a private collector with Art Fund support. © The Estate of Edward Bawden



Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
Statutory Auditor
London,
United Kingdom

Date: 22 May 2023

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities

(including consolidated income and expenditure account)
For the year ended 31 December 2022

	Note	Unrestricted 2022 £'000	Restricted 2022 £'000	Endowment 2022 £'000	Total 2022 £'000	Unrestricted 2021 £'000	Restricted 2021 £'000	Endowment 2021 £'000	Total 2021 £'000
Income from:									
Voluntary activities:									
Donations		915	1,864	-	2,779	1,348	2,388	-	3,736
Legacies		3,119	183	-	3,302	5,451	1,293	-	6,744
Charitable activities:									
Members' subscriptions		7,069	40	-	7,109	6,547	5	-	6,552
Other trading activities:									
Other income		447	-	-	447	307	-	-	307
Income from investments		311	-	-	311	301	-	-	301
Total income		11,861	2,087	-	13,948	13,954	3,686	-	17,640
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		1,006	-	-	1,006	937	-	-	937
Cost of trading subsidiary		30	-	-	30	53	-	-	53
Investment adviser's costs		97	-	-	97	93	-	-	93
Total cost of raising funds		1,133	-	-	1,133	1,083	-	-	1,083
Total charitable expenditure		17,702	2,038	-	19,740	13,384	2,112	-	15,496
Total expenditure	5	18,835	2,038	-	20,873	14,467	2,112	-	16,579
Operating surplus / (deficit)		(6,974)	49	-	(6,925)	(513)	1,574	-	1,061
Net gains / (losses) on investments		(792)	(93)	(58)	(943)	4,036	398	248	4,682
Net income / (expenditure)		(7,766)	(44)	(58)	(7,869)	3,523	1,972	248	5,743
Transfers between funds	13	(48)	48	-	-	(45)	45	-	-
Net movement in funds		(7,814)	4	(58)	(7,869)	(3,478)	2,017	248	5,743
Reconciliation of funds									
Total funds brought forward		50,514	8,726	2,765	62,005	47,036	6,709	2,517	56,262
Total funds carried forward	13	42,699	8,730	2,707	54,136	50,514	8,726	2,765	62,005

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities.

The notes on pages 94 to 115 form part of these financial statements.

Charity Statement of Financial Activities

(including income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted 2022 £'000	Restricted 2022 £'000	Endowment 2022 £'000	Total 2022 £'000	Unrestricted 2021 £'000	Restricted 2021 £'000	Endowment 2021 £'000	Total 2021 £'000
Income from:									
Voluntary activities:									
Donations		915	1,864	-	2,779	1,348	2,388	-	3,736
Legacies		3,119	183	-	3,302	5,451	1,293	-	6,744
Charitable activities:									
Members' subscriptions		7,069	40	-	7,109	6,547	5	-	6,552
Other trading activities:									
Other income		342	-	-	342	244	-	-	244
Income from investments		385	-	-	385	312	-	-	312
Total income		11,830	2,087	-	13,917	13,902	3,686	-	17,588
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		1,006	-	-	1,006	937	-	-	937
Investment adviser's costs		97	-	-	97	93	-	-	93
Total cost of raising funds		1,103	-	-	1,103	1,030	-	-	1,030
Total charitable expenditure		17,703	2,038	-	19,741	13,386	2,112	-	15,498
Total expenditure		18,806	2,038	-	20,844	14,416	2,112	-	16,528
Operating surplus / (deficit)		(6,976)	49	-	(6,927)	(514)	1,574	-	1,060
Net gains / (losses) on investments		(792)	(93)	(58)	(943)	4,036	398	248	4,682
Net income / (expenditure)		(7,768)	(44)	(58)	(7,870)	3,522	1,972	248	5,742
Transfers between funds	13	(48)	48	-	-	(45)	45	-	-
Net movement in funds		(7,816)	4	(58)	(7,870)	3,477	2,017	248	5,742
Reconciliation of funds									
Total funds brought forward		50,511	8,726	2,765	62,002	47,034	6,709	2,517	56,260
Total funds carried forward	13	42,695	8,730	2,707	54,132	50,511	8,726	2,765	62,002

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities.

The notes on pages 94 to 115 form part of these financial statements.

Consolidated and Charity Balance sheet

As at 31 December 2022

		Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed assets:					
Tangible assets	6	5,581	5,622	5,581	5,622
Heritage assets	7	1,500	1,500	1,500	1,500
Investments	8	46,061	49,135	46,061	49,135
		53,142	56,257	53,142	56,257
Current assets:					
Debtors	9	964	1,573	1,237	1,657
Cash at bank and in hand		11,882	13,210	11,593	13,098
		12,846	14,783	12,830	14,755
Liabilities:					
Creditors falling due within one year	11	(7,015)	(5,906)	(7,003)	(5,881)
Provision for grants authorised but not paid	3	(4,642)	(2,906)	(4,642)	(2,906)
		(11,657)	(8,812)	(11,645)	(8,787)
Net current assets		1,189	5,971	1,185	5,968
Total assets less current liabilities		54,331	62,228	54,327	62,225
Creditors: due after more than 1 year	12	(195)	(223)	(195)	(223)
Net assets		54,136	62,005	54,132	62,002
The funds of the charity:					
Permanent endowment funds	13	2,708	2,766	2,708	2,766
Other restricted funds	13	8,730	8,727	8,730	8,727
Designated funds	13	38,108	43,592	38,108	43,592
General funds	13	4,590	6,920	4,586	6,917
Total charity funds		54,136	62,005	54,132	62,002

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011.
The notes on pages 94 to 115 form part of these accounts.

Approved and authorised for issue by the Board on 22nd May 2023 and signed on its behalf by

Lord Smith of Finsbury
Chairman

Jeremy Palmer
Treasurer

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Group 2022 £'000	Group 2021 £'000
Cash flows from operating activities		
Net income / (expenditure)	(7,869)	5,742
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	116	109
Investment income	(311)	(301)
Loss / (Gain) on investments	943	(4,682)
Movements in working capital:		
(Increase) / decrease in debtors	609	405
(Decrease) / increase in creditors: falling due within one year	1,109	(1,046)
(Decrease) / increase in creditors: due after more than one year	(28)	(273)
Increase / (decrease) in provisions	1,736	252
Net cash generated from operating activities	(3,695)	206
Cash flows from investing activities:		
Investment income	311	301
Purchases of tangible fixed assets	(75)	(66)
Purchases of heritage assets	-	(1,500)
Purchase of investments	(8,336)	(133)
Proceeds from sale of investments	10,467	5,781
Net cash from investing activities	2,367	4,383
Net (decrease) / increase in cash and cash equivalents	(1,328)	4,590
Analysis of changes in cash:		
Cash and cash equivalents at the beginning of the year	13,210	8,620
Total cash and cash equivalents at the end of the year	11,882	13,210
Cash and cash equivalents comprise:		
Cash at bank and in hand	11,882	13,210

Notes to the accounts

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:

a. Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The organisation is a public benefit entity for the purpose of FRS 102 and a registered charity, and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), and Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the valuation of fixed-asset investments and in accordance with Art Fund's Royal Charter.

The consolidated financial statements include the accounts of the National Art Collections Fund and its subsidiary undertaking, Art Fund Services Limited, which is wholly owned and registered in England and Wales. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements.

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. The ongoing cost-of-living and macro-economic headwinds are concerns to Art Fund however, they are not considered a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. At the date of signing these financial statements, the trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

b. Income

Income is usually accounted for on a receivable basis. Voluntary income, comprising donations and legacies, are recognised as incoming resources when Art Fund becomes entitled to the income. For donations this is when there is certainty of receipt and value. For all legacies income has been recognised dependent on type which is deemed to be when the receipt and value are probable:

- Pecuniary legacy – the earlier of cash receipt or probate date
- Residuary legacy – the earlier of cash receipt or estate accounts date

Annual ordinary membership income is recognised at the point at which benefit is transferred, being the date that the membership begins. Life membership income is recognised on a straight line basis over a ten year period. Contractual or trading income is recognised as income to the extent that Art Fund has provided the goods or services. Where income is received in advance and Art Fund does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

c. Expenditure

Expenditure is recognised in the financial statements on an accruals basis. Expenditure is classified in the SoFA under the principal categories of costs of raising funds and cost of charitable activities rather than the type of expense.

Grants payable are recognised when a grant has been approved and this has been communicated to the recipient.

Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to the activities to which they relate as shown in note 5. Costs of raising funds are those incurred in seeking voluntary contributions for Art Fund, the cost of fundraising events, cost of operating the trading subsidiary and investment management fees.

Grant support costs comprise the costs of processing grant applications, including support to actual and potential applicants. Other charitable activities comprise costs incurred in attracting new members and providing services to existing members, including publications and communications. Governance costs are those costs incurred in connection with the general governance of Art Fund including compliance, constitutional and statutory requirements.

d. Fixed Asset Investments

Investments are stated at market value, which is measured at bid price, in accordance with the revised Statement of Recommended Practice. As a result the SoFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SoFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

e. Tangible Fixed Assets

Assets with an economic life greater than one year and with a value exceeding £500 or more are capitalised.

Depreciation is provided on all tangible assets at rates calculated to write-off the value of each asset over its expected useful life with no residual value assumed:

Freehold property	-	1%
Computer equipment	-	33%
Fixtures and fittings	-	20%

A full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying value of assets does not exceed their recoverable amounts.

f. Heritage Assets

Purchased heritage assets are capitalised and recognised in the year they are paid. Such items are not depreciated or revalued as a matter of routine as the assets are deemed to have indeterminable lives and it is not practical to revalue them each year. Expenditure for maintenance and operating costs as well as an associated artistic programme is included under charitable activities in the statement of financial activities.

g. Liquid resources

Liquid resources, as referred to in the Trustees' report, are current asset investments that are disposable without curtailing or disrupting Art Fund's business and are either readily convertible to known amounts of cash at or close to their carrying value or traded in an open market.

h. Pensions

Art Fund operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Art Fund in an independently administered scheme. The pension cost charge represents the amounts payable by Art Fund amounting to £310,000 (2021: £297,000).

i. Provisions

Art Fund provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that the transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

j. Leases

Art Fund has no finance leases. Costs relating to operating leases are charged on a straight-line basis over the life of the lease period to which it relates.

k. Taxation

Art Fund is eligible under Part 11 Corporation Tax Act 2010 and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of its charitable objectives. Art Fund Services Limited donates its profits to Art Fund and therefore is not liable to pay capital gains or corporation tax.

l. Funds structure

Art Fund has the following categories of funds:

- Restricted permanent endowment funds which the donors have stated are to be held as capital.
- Restricted funds whose investment or usage is subject to specific restriction imposed by sponsors and donors.
- Designated funds which have been set aside at the discretion of the Trustees for specific purposes.
- General funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of Art Fund.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are detailed in note 13.

m. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements.

1) The Charity has taken the view of the Trustees that valuing the freehold property and heritage assets at fair value would incur undue cost and effort and has therefore continued to use historical cost as the deemed cost for its freehold property.
2) The Charity considers its freehold property to be held solely for operational use and not investment use, meaning that no apportionment is required. The element of the property covered by a sub-lease is occupied by a charitable organisation whose objects are similar to Art Fund's own, therefore the property has been recognised as a tangible fixed asset.
3) The method for allocating central expenditure to income streams is a judgement. The Group allocates these costs based on head count.
4) For all legacies, income has been recognised dependent on type as disclosed in note 1b.

2. Net surplus of the trading company

Art Fund has a wholly owned trading subsidiary which is incorporated in the UK. Art Fund Services Limited has a share capital of £100 and sells advertising on behalf of Art Fund. The company donates its taxable profits to Art Fund and also pays interest on any loans from Art Fund. A summary of the results of the trading company is shown below. Audited accounts have been filed with the Registrar of Companies.

	2022 £'000	2021 £'000
Profit and loss account		
Turnover	105	63
Cost of sales	(20)	(43)
Gross profit	85	20
Administrative expenses	(11)	(10)
Interest payable	-	-
Net profit	74	10
Gift aid	(74)	(10)
Retained in subsidiary	-	-

The assets and liabilities of the trading company as at 31 December 2022 were as follows:

	2022 £'000	2021 £'000
Balance sheet		
Total assets	322	120
Total liabilities	(319)	(117)
Net assets	3	3

The total income of the parent charity was £13,917,000 (2021: £17,588,000) and the total deficit was £7,870,000 (2021: Surplus of £5,742,000). The values are the same as in the consolidated accounts because the profit of the trading company is counted as investment income to the charity.

3. Reconciliation of grants given for the purchase of works of art

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Grants outstanding at 1 January		2,906		2,653
Grants offered during the year	4,490		3,305	
Grants subsequently not taken up	-		-	
Grants from a previous year no longer required	(17)		(54)	
	4,473		3,251	
Acquisition grants committed in the year		4,473		3,251
		7,379		5,904
Grants paid during the year (see note 4)		(2,737)		(2,998)
Provision for grants for acquisitions (see balance sheet)		4,642		2,906

4. Total grants for acquisitions paid in 2022

The total value of grants offered in the year was £4.5m. The note below details the payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme, a value that amounted to £2.8m.

		£
Scotland	Aberdeen, Aberdeen Archives, Gallery and Museum	256
Yorkshire	Wakefield, the Hepworth Wakefield	35,000
South West	Bath, Beckford Tower Trust	7,000
Northern Ireland	Belfast, Ulster Museum	100,000
Northern Ireland	Belfast, Ulster Museum	40,000
North East	Berwick Upon Tweed, Paxton House	15,500
West Midlands	Birmingham Museums Trust	7,500
North West	Blackpool, Grundy Art Gallery	6,828
North West	Bolton, Bolton Museum	43,000
South West	Bristol Museum & Art Gallery	3,900
South West	Bristol Museum & Art Gallery	40,000
South West	Bristol, RWA (Royal West of England Academy)	50,000
East	Bushey, Bushey Museum Trust	33,500
East	Cambridge, Fitzwilliam Museum	30,000
South East	Cookham, Stanley Spencer Gallery	35,000
East Midlands	Derby Museum and Art Gallery	350,000
East Midlands	Derby Museum and Art Gallery	15,800
Scotland	Dundee, RSS Discovery and Discovery Point	8,229
South West	Dyrham Park, National Trust	56,834
South East	Eastbourne, Towner Eastbourne	12,000
South East	Eastbourne, Towner Eastbourne	22,000
Scotland	Edinburgh, Scottish National Gallery	70,000

		£
East Anglia	Ely, Stained Glass Museum	8,255
South West	Falmouth Art Gallery	7,450
South East	Farnham, Crafts Study Centre	5,009
South East	Farnham, Crafts Study Centre	1,850
Scotland	Glasgow, GoMA, Gallery of Modern Art	50,000
Scotland	Glasgow, GoMA, Gallery of Modern Art	12,300
Scotland	Glasgow, The Burrell Collection	104,000
Scotland	Glasgow, The Hunterian	12,333
Scotland	Glasgow, The Hunterian	12,000
London	Hackney Council	143,580
Scotland	Haddington, The John Gray Centre	950
West Midlands	Hereford Museum and Art Gallery	250,000
South East	Hitchin, North Hertfordshire Museum	2,154
Yorkshire	Leeds, The Stanley & Audrey Burton Gallery (university of Leeds) with Leeds Art Gallery	16,000
London	London, Design Museum	18,451
London	London, Foundling Museum	15,000
London	London, Hayward Gallery with Aberdeen Art Gallery, Manchester Art Gallery, Plymouth, The Box and Wolverhampton Art Gallery	77,500
London	London, Tate	100,000
London	London, Tate	60,000
London	London, Tate	100,000
London	Museum of London	10,000
Scotland	National Museums Scotland	324,000
East Anglia	Norwich, Norwich Castle Museum and Art Gallery	2,520
East Anglia	Norwich, Norwich Castle Museum and Art Gallery	7,500
East Anglia	Norwich, Sainsbury Centre	3,500
East Anglia	Norwich, Sainsbury Centre	8,775
South East	Oxford, Ashmolean Museum	35,000
South East	Oxford, Pitt Rivers Museum	120,000
Wales	Powysland Museum and Welshpool Library	360
Wales	Powysland Museum and Welshpool Library	3,937
North West	Runcorn, Norton Priory Museums and Gardens	13,420
East Anglia	Saffron Walden, Fry Art Gallery	3,000
South West	Salisbury Museum	990
North West	Sefton Metropolitan Borough Council	1,025
South East	Southampton, National Motor Museum Trust	83,500
East Anglia	Southend-on-Sea, Beecroft Art Gallery	3,750
London	Twickenham, Strawberry Hill House	90,000
Yorkshire	York Art Gallery	3,997
	Total Grants paid during the year	2,737,000

5. Analysis of total expenditure

	Staff costs	Grants & direct expenses	Support costs	Depreciation	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:						
Cost of generating voluntary income	654	0	331	21	1,006	939
Cost of trading subsidiary	-	30	-	-	30	53
Investment adviser's costs	-	97	-	-	97	93
	654	127	331	21	1,133	1,085
Expenditure on charitable activities:						
Grants for acquisitions	-	4,473	-	-	4,473	3,251
Strategic collecting	-	284	-	-	284	224
Grant support	685	370	245	16	1,316	1,077
Building collections	685	5,128	245	16	6,073	4,552
Reaching audiences	-	989	-	-	989	396
Shaping futures	-	2,673	-	-	2,673	2,294
Advocacy & campaigning	338	175	119	5	638	442
Promoting museums & museum visiting	358	822	187	12	1,379	1,177
Digital & communications	700	752	374	24	1,850	1,636
Membership servicing & recruitment	786	4,029	422	27	5,263	4,251
Publications	358	323	182	12	875	750
Making connections	2,540	6,100	1,285	79	10,005	8,255
Total charitable expenditure	3,224	14,890	1,531	95	19,740	15,497
Total expenditure	3,878	15,017	1,862	116	20,873	16,581

The audit fee for the year was £27,500 (2021: £25,000). The auditors' fees for non-audit services in the year were £3,244 (2021: £4,669).

* Support costs of £1,862,000 do not include salaries of £1,100,000, which are included in the staff costs column (2021: £859,000). Therefore total support costs are calculated as £3.0m (2021: £2.7m).

Salaries and pensions	2022 £'000	2021 £'000
Total salary and pensions costs are:		
Salaries	3,209	2,875
Social security costs	364	312
Other pension costs	310	296
	3,883	3,483

	No. of staff	No. of staff
Average number of staff employed (headcount)	72	72

During the year one employee was made redundant and one employee left by mutual agreement. Total redundancy and severance payments for the year were £57,053 (2021: £nil).

Employees with emoluments totalling £60,000 or more, excluding pension contributions and Employer's National Insurance contributions:

	2022	2021
£60,001 - £70,000	5	1
£70,001 - £80,000	1	3
£80,001 - £90,000	-	1
£90,001 - £100,000	2	-
£110,001 - £120,000	1	-
£140,001 - £150,000	1	1

The charity operates a defined contribution pension scheme. Contributions in respect of these staff were £87,755 (2021: £57,746).

Members of the Board did not receive any fees in the current or preceding year. Two (2021: three) Members of the Board received a total of £2,026 (2021: £876) reimbursement for expenses incurred in the year.

The key management personnel of the parent charity comprise the Trustees and the Senior Management Team. The total employee benefits of the key management personnel of the Charity were £799,508 (2021: £628,520).

6. Tangible assets

Group and charity	Freehold property £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
Cost:				
At 1 January 2022	6,037	270	198	6,505
Additions	-	27	47	74
Disposals	-	-	-	-
At 31 December 2022	6,037	297	245	6,579
Accumulated depreciation:				
At 1 January 2022	(481)	(215)	(186)	(882)
Charge for the year	(60)	(42)	(14)	(116)
Depreciation on disposals	-	-	-	-
At 31 December 2022	(541)	(257)	(200)	(998)
Net book value				
At 31 December 2022	5,496	40	45	5,581
At 31 December 2021	5,556	55	12	5,623

7. Heritage assets

Group and charity	Value at 1 January 2022 £'000	Additions £'000	Value at 31 December 2022 £'000
Prospect Cottage	1,500	-	1,500

8. Fixed asset investments

Group and charity	2022 £'000	2021 £'000
Investments at market value comprised:		
UK equities	7,378	8,318
Overseas equities	19,401	21,835
Private equity	1,817	1,995
Hedge funds	8,381	8,150
Inflation hedge	2,913	2,573
Overseas bonds	1,549	1,676
Cash	4,622	4,588
	46,061	49,135
Movement in investments – group and charity		
Market value at 1 January	49,135	50,102
Sale proceeds	(10,467)	(5,781)
Acquisitions at cost	8,336	132
Net (losses) / gains on revaluation	(943)	4,682
Market value at 31 December	46,061	49,135
Historical cost at 31 December	26,905	30,967

Investments constituting at least 5% of the portfolio at 31 December 2022 (at market values) were:

	2022 £'000		2021 £'000	
Artemis	3,704	(9.6%)	3,953	(8.0%)
Brummer Investment	3,715	(9.7%)	3,460	(7.0%)
Coutts 90-day notice account	3,610	(9.4%)	3,588	(7.3%)
Heron Bridge	-	-	4,365	(8.9%)
Longview Partners	6,671	(17.4%)	6,574	(13.4%)
	3,675	(9.6%)	-	-
MFG Investments	3,848	(10.0%)	5,190	(10.6%)
MAJ	3,921	(10.2%)	-	-
Orbis	-	-	4,544	(9.2%)
Stewart	2,517	(6.6%)	2,759	(5.6%)

9. Debtors

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Trade debtors	68	14	34	5
Amounts due from subsidiary undertaking	-	-	307	93
Prepayments and accrued income	216	278	216	278
Other debtors	162	84	162	84
Accrued legacy income	243	801	243	801
VAT	275	396	275	396
	964	1,573	1,237	1,657

10. Contingent assets – legacy income

As at 31 December 2022 the Charity has been notified of £3,823,258 (2021: £3,580,318) residuary legacies and £nil (2021: £nil) pecuniary legacies, however they did not meet Art Fund's recognition criteria and have therefore not been accrued.

11. Creditors

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Falling due within one year:				
Trade creditors	336	567	336	567
Tax and social security	107	117	107	100
Other creditors and accruals	6,518	4,894	6,506	4,886
Deferred income	54	328	54	328
	7,015	5,906	7,003	5,881

12. Long-term creditors

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Deferred income as at 1 January	223	497	223	497
Released during the year	(60)	(335)	(60)	(335)
Deferred during the year	32	61	32	61
Deferred income as at 31 December	195	223	195	223

The deferred income falling due after one year is the money received for life membership subscriptions, which is released to the Statement of Financial Activities over a period of ten years.

13. Net movement in funds - Group

These funds are split between permanent endowment funds where the capital must be retained and other restricted funds where both capital and income can be spent in accordance with the donor's wishes. Investment income on endowment funds is expendable in accordance with the donor's wishes. Any income unspent at the end of the year is carried forward to the next year as a restricted fund.

	Balance at 31 December 2020	Balance at 1 January 2022	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2022
General fund	5,008	6,920	11,568	(18,201)	(6)	4,309	4,590
The Parker fund	2,028	1,171	-	-	(24)	-	1,145
Perpetuity fund	33,788	35,738	292	-	(752)	(4,357)	30,922
Fixed asset fund	5,665	5,622	-	(42)	-	-	5,581
Challenge fund	75	83	-	(2)	(2)	-	79
Wedgwood future fund	472	506	-	(118)	(8)	-	381
2021 Reimagine fund	-	472	-	(472)	-	-	-
Total unrestricted funds	47,036	50,512	11,861	(18,835)	(792)	(48)	42,698
Restricted fund:							
Art Connects	40	109	-	(0)	-	-	109
Arts Council England - The Wild Escape	-	-	-	(345)	-	-	(345)
Arts Council England - Visual Arts Programme	14	29	-	(15)	-	-	14
Art Happens	(82)	(101)	201	(101)	-	-	-
Art Happens - Heritage Lottery Fund	8	8	(13)	3	-	2	-
Art Happens - Unlock campaign	129	105	-	(38)	-	-	66
Art Tickets	23	23	-	-	-	-	23
Conservation appeal	-	19	6	(14)	-	-	12
Contemporary programme	7	7	(10)	-	-	3	-
David and Liza Brown bequest	47	2	-	-	(0)	-	3
Da Costa bequest	-	70	-	(54)	(0)	-	16
David Armstrong bequest	27	30	-	-	(1)	-	29
David Harrison bequest	1	1	-	-	(0)	-	1
De Livera legacy	15	17	-	-	(0)	-	16
Energise young minds	-	105	281	-	-	-	386
Exhibition Networks - Creative Scotland	-	-	4	-	-	-	4
Export stopped acquisitions	-	-	18	-	-	-	18
Fidelity digital impact research	-	-	20	(32)	-	(12)	-
Freelands Prize	-	-	-	(106)	-	-	(106)
Garfield Weston UK Loans Programme	186	296	270	(367)	-	-	199
Greater London Authority	-	-	40	(40)	-	-	-
Headley Fellowships	387	80	-	(31)	-	-	49
International	8	-	-	-	-	-	-
Jonathan Ruffer curatorial scheme	78	88	75	(64)	-	-	99
Ivor Goudge bequest	200	1,486	120	-	(34)	-	1,573
Kusuma Trust - The Wild Escape	-	-	-	(25)	-	-	(25)
London Historic House Museums Trust	1,531	1,682	-	-	(35)	-	1,646
Michael Bassett bequest	231	-	-	-	-	-	-
Modern British Group	39	170	1	-	-	-	172
Moving Image Fund	104	104	-	-	-	-	104
National Gallery trainees	81	-	81	-	-	-	81
National Museum Wales	5	5	-	-	-	-	5
National Museums Scotland	5	5	-	-	-	-	5
New Collecting Awards	-	-	10	2	-	-	12
Omai Portrait appeal	-	-	38	-	-	-	38
Prevost appeal	107	107	-	-	-	-	107
Prospect Cottage Dungeness	2,378	1,576	136	(159)	-	-	1,549
Prospect Cottage - Heritage asset fund	-	1,500	-	-	-	-	1,500
Regional grants appeal	18	17	-	-	-	-	17
Restricted acquisitions	-	-	-	-	-	-	-
RI Gunn bequest	872	958	-	-	(20)	-	936
Richard Gordon Deeble Bequest	-	-	51	-	-	-	51
Rought Fund	50	10	30	-	-	-	40
Student Art Pass programme	1	-	-	(2)	-	2	-
The Wild Escape - Trusts and Foundations	-	-	55	(10)	-	-	45
Trustees Dinner - 2021 Energise Young Minds	-	-	76	-	-	-	76
Valerie Weston bequest	-	-	10	(40)	-	30	-
WM Bond bequest	176	193	0	-	(4)	-	189

	Balance at 31 December 2020	Balance at 1 January 2022	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2022
Winter appeal 2017 - Supporting Curators	13	13	-	(7)	-	-	6
Wolfson	10	10	600	(600)	-	-	10
Total restricted funds	6,709	8,727	2,087	(2,038)	(94)	47	8,731
Permanent endowment funds:							
Campbell Dodgson bequest	4	6	-	-	-	-	6
Cochrane trust	187	205	-	-	(4)	-	202
Fulham fund	731	803	-	-	(17)	-	786
Ramsey Dyce bequest	170	187	-	-	(4)	-	182
Reginald Jones bequest	379	417	-	-	(9)	-	408
Modern Art fund	985	1,082	-	-	(23)	-	1,060
Wakefield fund	60	66	-	-	(1)	-	65
Total endowment funds	2,517	2,765	-	-	(57)	-	2,708
Total funds	56,262	62,005	13,948	(20,873)	(943)	-	54,136

Net movement in funds – Charity

	Balance at 31 December 2020	Balance at 1 January 2022	Income	Expenditure	Net gains/ (loss) on investments	Transfers between funds	Balance at 31 December 2022
Total unrestricted funds	47,033	50,511	11,830	(18,806)	(792)	(48)	42,695
Total restricted funds	6,709	8,727	2,087	(2,038)	(94)	48	8,730
Total endowment funds	2,517	2,765	-	-	(57)	-	2,707
Total funds	56,259	62,002	13,917	(20,844)	(943)	-	54,132

ACE – The Wild Escape

This fund relates to support from Arts Council England towards the Wild Escape.

Art Connects

This fund relates to the Student Art Pass programme, specifically the development of the online platform and content / 'beyond visiting' opportunities associated with it to help students get more out of museums, galleries and public art collections. Art Connects is supported by the Stavros Niarchos Foundation, alongside a group of other private donors who support the wider Student Art Pass programme.

Art Happens

This fund relates to Art Fund's crowdfunding initiative which enables museums to make fundraising appeals to the public in support of specific works of art or projects.

Art Happens – Heritage Lottery Foundation

The funds granted to Art Fund by the Heritage Lottery Foundation are to be used towards the future development of the Art Happens crowdfunding platform.

Art Happens – Unlock campaign

This fund is to cover the direct costs of setting up and running each crowdfunding campaign on Art Happens. This includes producing a short film, creating rewards for donors and providing hands-on training throughout.

Art Tickets

This fund related to the development and launch our online ticketing platform, Art Tickets.

Conservation

This was launched in 2018 as an appeal to our Art Partners, donors and wider membership to help us make a bold new commitment towards supporting conservation projects at museums and galleries across the UK. We opened the programme in July 2019 for applications, making 11 grant offers to date and continue to develop our funding available to support conservation.

Da Costa Bequest

A bequest to support students to obtain curatorial knowledge, skills and experience which contributes to Art Fund's student opportunities programme to enable museums to recruit and pay students to work with them and gain experience of the cultural sector.

David and Liza Brown Bequest

The bequest is for the benefit of the Department of Prints and Drawings at the British Museum and the Southampton City Art Gallery, supporting cataloguing and acquisition costs. In 2019 Southampton City Art Gallery received the balance of funds from this bequest to acquire a moving-image work *Robots in Distress* by Boredomresearch. The Bequest enabled a total of 19 acquisitions to join Southampton City Art Gallery's collection.

David Armstrong Bequest

The funds are for the benefit of Stirling and Falkirk Museums.

David Harrison Bequest

Proceeds from the auctioning of a work of art bequeathed to York Art Gallery by David Harrison. This fund is available to support future acquisitions for York Art Gallery.

De Livera Legacy

The legacy was left to Art Fund to contribute towards the acquisition of decorative arts in Cornwall or Devon.

Energise young minds

This fund generated from donations from our members and donors will be directed to programmes which provide creative opportunities for children, schools and young people in and with museums.

Export stopped acquisitions

This fund relates to donations from Art Fund supporters to enable museums and galleries to acquire works of art that have been export stopped or require urgent support in order to secure them for public view.

Fidelity Digital Research

This fund relates to the development of a new funding project to support digital projects at museums and galleries across the UK beyond the pandemic.

Garfield Weston UK Loans Programme

This is a three-year programme to support loans to regional galleries across the UK from national galleries and museums.

Headley Fellowships

Headley Fellowships with Art Fund give curators focused time to research their collections either on a full-time basis for six months or part-time over a year, providing funding for their posts to be backfilled. Fellows also receive funds towards their project which can be assigned towards travel, research, training opportunities, courses of study and more. Made possible by the support of the Headley Trust, the scheme is especially intended to support those museums and galleries facing the most acute funding challenges.

Ivor Goudge Bequest

The funds are to be used for purchasing works of art that exclude paintings and prints, and that have been completed during the seventeenth, eighteenth or nineteenth centuries. Works are to be for suitable museums or galleries and are to be with an accreditation preference.

Jonathan Ruffer Curatorial Grants Scheme

This fund, provided through the auspices of Jonathan Ruffer, supports collections and exhibitions research for curators working in and with museums and galleries.

Kusuma Trust

This fund relates to support from the Kusuma Trust towards The Wild Escape. This funding specifically supports activity in London.

London Historic House Museums Trust

The funds were received from the transfer of the assets of the London Historic House Museums Trust in October 2009 and are to be applied towards the purchase of works of art for Kenwood House, Hampstead; Marble Hill House, Twickenham; The Ranger's House, Blackheath; and Chiswick House, Chiswick.

Michael Bassett Bequest

The fund is to be used to save, protect, conserve one single object or building dating before 1900.

Modern British Group

This fund is provided by a group of donors who wish to support acquisitions of work by modern British artists.

Moving Image Fund

This fund supports the acquisition of artists' moving-image work at Towner Eastbourne, Whitworth Art Gallery, Bristol Museums and Galleries and The Hunterian in Glasgow.

National Gallery trainees

The National Gallery Curatorial Traineeship Programme is supported by Art Fund with the assistance of the Vivmar Foundation, offering a training programme for future curators in partnership with regional museums and galleries. Traineeships run for 22 months, with six months spent at the National Gallery and a further 16 months at partner museums.

National Museum Wales

These funds are to be used to support the acquisition of work for the National Museum Wales.

National Museums Scotland

This fund was set up by David and Anne Hyatt King to make money available to National Museums Scotland to purchase a painting by Taki Katei.

New Collecting Awards

This programme enables promising and ambitious curators to pursue new avenues of collecting for their museums, and at the same time build critical professional skills.

Omai Portrait appeal

This fund relates to support from Art Fund members and donors to support the National Portrait Gallery's acquisition of *Portrait of Mai (Omai)* (c1776) by Sir Joshua Reynolds.

Prevost

In July 2018 we asked a group of donors to help the Museum of London to secure a rare 19th-century panorama of the London skyline by the French artist Pierre Prevost, ahead of sale at auction. This quick-fire fundraising helped us to provide a significant grant to enable the museum to purchase the painting.

Prospect Cottage Dungeness

In March 2020 Art Fund successfully completed the largest ever arts crowdfunding campaign to save artist and filmmaker Derek Jarman's Prospect Cottage. The success of the campaign has enabled Art Fund to purchase Prospect Cottage and to support a permanent public programme, the conservation and maintenance of the building, its collection, its contents and its renowned garden.

Regional grants appeal

The appeal was launched to support the acquisition of artworks for galleries and museums based outside of London.

R I Gunn Bequest

The bequest is to be applied towards the purchase of one or more paintings or drawings of the French Impressionist School for presentation to one or more of the museums or collections of pictures belonging to the nation in London or the University of Oxford.

Richard Gordon Deeble Bequest

A fund dedicated to supporting museums and galleries to acquire objects for their collections.

Rought Fund

The funds are to be used to acquire artworks prior to 1815. The capital and income of the fund may be accessed by the trustees from its establishment and they may use their total discretion as to what artworks within the restriction are most appropriate to acquire.

Student Art Pass programme

The funds are to be used towards the future development of the Student Art Pass programme.

Wedgwood Future Fund and Minton Archive Fund

The Wedgwood Future Fund and Minton Archive Fund were established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum and the Minton Archive at Stoke on Trent City Archives.

The Wild Escape – Trusts and Foundations

This fund relates to major support from a group of Trusts and Foundations towards The Wild Escape, a major creative project for museums encouraging children, families and visitors to be inspired by the wildlife found in museum and gallery collections, taking place from January to July 2023.

Winter Appeal 2017

In 2017 we launched a 'Regional Acquisitions Appeal' to Art Partners and donors, asking for their support to help us increase our grant-giving for museums outside London to acquire works of art for their collections.

Wolfson

The Wolfson Foundation make a major contribution towards our work to support museum collections; their funds are directly primarily to our main acquisitions grant programme and also to the New Collecting Awards.

W M Bond Bequest

The bequest is to be held in trust for the Laing Art Gallery, Newcastle upon Tyne, and is to be devoted to the purchase of the following, to be displayed in that gallery: antique china, pottery, furniture, historical painting including oil painting but in particular watercolours; and work by living artists whose work creatively utilises china, pottery or furniture.

Campbell Dodgson Bequest

The income is to be used for the benefit of the Department of Prints and Drawings in the British Museum.

Cochrane Trust

The income may be used for the purchase of works of art not being the work of any person living at the date of purchase.

Fulham Fund

The income generated is neither restricted nor designated and is therefore taken to unrestricted funds.

Ramsey Dyce Bequest

The income must be used to acquire objects of art to be added to the permanent collection of the Aberdeen Art Gallery.

Reginald Jones Bequest

The income is to be used to purchase pictures and other works of art that are at least 100 years old.

Modern Art Fund

The income is to be used towards the purchase of twentieth century art.

Wakefield Fund

The income is to be used for the purchase of contemporary craft.

14. Unrestricted funds

At the balance sheet date, Art Fund's reserves comprised the following:

	2022 £'000	2021 £'000
Total funds per Balance Sheet	54,136	62,005
Endowment funds (note 12)	(2,708)	(2,766)
Restricted funds (note 12)	(8,730)	(8,727)
Unrestricted funds as per the Balance Sheet	42,698	50,512
Parker fund	(1,146)	(1,171)
Perpetuity fund	(30,922)	(35,738)
Fixed assets held for charity use	(5,581)	(5,622)
Challenge fund	(79)	(83)
Wedgwood future fund	(381)	(506)
2021 Reimagine fund	-	(472)
General funds at 31 December	4,590	6,920

15. Analysis of net assets between funds – Group

	General funds 2022 £'000	Designated funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,581	-	-	5,581	5,622
Heritage assets	-	-	1,500	-	1,500	1,500
Investments	10,826	32,527	-	2,708	46,061	49,135
Current assets	5,616	-	7,230	-	12,846	14,783
Total liabilities	(11,852)	-	-	-	(11,852)	(9,035)
	4,590	38,108	8,730	2,708	54,136	62,005

Included above are unrealised losses on investment assets as at 31 December 2022 of £943,000.

Analysis of net assets between funds – Charity

	General funds 2022 £'000	Designated funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,581	-	-	5,581	5,622
Heritage assets	-	-	1,500	-	1,500	1,500
Investments	10,826	32,527	-	2,708	46,061	49,135
Current assets	5,600	-	7,230	-	12,830	14,755
Total liabilities	(11,840)	-	-	-	(11,840)	(9,010)
	4,586	38,108	8,730	2,708	54,132	62,002

Analysis of net assets between funds – Group (Previous Year)

	General funds 2021 £'000	Designated funds 2021 £'000	Restricted funds 2021 £'000	Endowment funds 2021 £'000	Total funds 2021 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,622	-	-	5,622
Heritage assets	-	-	1,500	-	1,500
Investments	8,399	37,970	-	2,766	49,135
Current assets	7,556	-	7,227	-	14,783
Total liabilities	(9,035)	-	-	-	(9,035)
	6,920	43,592	8,727	2,766	62,005

Included above are unrealised gains on investment assets at 31 December 2021 of £4,803,000.

Analysis of net assets between funds – Charity (Previous Year)

	General funds 2021 £'000	Designated funds 2021 £'000	Restricted funds 2021 £'000	Endowment funds 2021 £'000	Total funds 2021 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,622	-	-	5,622
Heritage assets	-	-	1,500	-	1,500
Investments	8,399	37,970	-	2,766	49,135
Current assets	7,528	-	7,227	-	14,755
Total liabilities	(9,010)	-	-	-	(9,010)
	6,917	43,592	8,727	2,766	62,002

16. Operating leases

At 31 December 2022 the charity had minimum lease commitments under operating leases which expire:

	2022 £'000	2021 £'000
In the first year	2	6
In the second to fifth years inclusive	-	2
	0	8

17. Related party transactions

During the year four Trustees (2021: five) made donations to Art Fund totalling £13,560 (2021: £12,960).

At the May 2022 Board meeting, Art Fund's Director Jenny Waldman declared a conflict of interest with regard to the Artangel application for £40,000 towards a moving-image commission, *The Directors* by Marcus Coates as she is Chair of the Board of Artangel. She left the room when this item was discussed.

At the December 2022 Board meeting, Tessa Jackson wished for it to be noted that she had a personal connection with Create London and Valence House Museum's joint application for £34,423 towards a moving-image commission, *Barking Creek Flood Barrier* by Catherine Yass.

In 2022 a total of £612,000 (2021: £530,000) was donated to Art Fund by American Friends of the Art Fund (AFAF), a US-based non-profit organisation. AFAF is considered to be a related party, as a member of Art Fund's senior management team is also a director of AFAF.

Get in touch

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Grayson Perry, *Inspiration Lives Here*, 2022. Commissioned by Create London and made possible with Art Fund support. © Grayson Perry. Courtesy Create London. Photo: Thierry Bal

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Art Fund is a charity registered in England and Wales (209174) and Scotland (SC038331)

NATIONAL ART COLLECTIONS FUND

England & Wales - Charity number 209174

Accounts



Art Fund in 2021/22

Patron: Her Majesty the Queen
Chairman: Lord Smith of Finsbury
Treasurer: Jeremy Palmer
Director: Jenny Waldman CBE

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Alastair Laing FSA
Professor Susan Lambert
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Professor Marcia Pointon
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Monisha Shah

Text: Hester Musson
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Contents

Chairman's welcome 2
Director's welcome 4

Listening and responding 7
Understanding change 15
Evolving our support 29

Thank you 44
How we work 54

Report of the Board and Financial Statements for the year ended 31 December 2021 58

Get in touch 102

Chairman's welcome

The past two years have demanded extraordinary things of both the museum sector and ourselves, and it is no exaggeration to say that the collective response has been exceptional. It is thanks to the truly remarkable generosity of Art Fund's 130,000 members, who buy the National Art Pass, and our donors and supporters that we were able to step up in the second year of Covid-19 to help museums forge new ways of working, benefitting both their collections and their communities.

Through our 'Reimagine' grants programme alone – aimed at helping museums to experiment, engage with diverse audiences and build greater expertise as they recover from the pandemic – we have distributed £2 million. Our acquisitions programme is also busy, as we continue to help museums build their collections with meaningfully placed works – such as *Portrait of Charles William Lambton* (1825), famously known as 'The Red Boy', by Thomas Lawrence, which is now rightly owned by the National Gallery. We are further delighted to be helping fund more commissions, empowering museums – singly or in partnership – to support new work from our finest contemporary artists. Sutapa Biswas's acclaimed film *Lumen* (2021) is one wonderful example. In all, in 2021 we committed £3.3m towards our acquisitions programme, and offered grants totalling £5.8m across all our grant-giving programmes.

We have always recognised the importance of letting museums lead the way, consulting them directly about where support is needed most. Our report Looking Ahead, informed by insights from hundreds of museum directors, pinpointed the priorities for museums in 2021 and has informed our activities over the last year. We are steadily increasing our research to ensure that we keep our ear close to the ground in these shifting times, and we are partnering with other organisations to offer the greatest possible benefit. Collaboration is now key for the sector to thrive.

With such sterling efforts being made by and for museums to serve their communities with even greater depth and inclusivity, we are alarmed to see the sector suffer unwarranted interference from government. Although the emergency funding they provided was vital for the sector's survival, managing and interpreting collections remains the role of dedicated professionals, who have in-depth knowledge of the nation's art and historical objects. The arm's length principle, which ensures museums are allowed to work freely and independently, is integral to the UK's cultural health – and we shall be relentless in defending it.

Despite these turbulent times, the future for museums is looking brighter now than at any point in the last two years. With the continued support of our members and donors, we can help turn this positivity into real results, building a resilient, independent, thriving sector that is stronger and more relevant than ever. Thank you, again, for your vital support.



Lord Smith of Finsbury

Sutapa Biswas, *Lumen* (still), 2021, © Sutapa Biswas. All rights reserved, DACS 2022. Co-commissioned by FVU, Bristol Museum & Art Gallery, Kettle's Yard, University of Cambridge, and BALTIC Centre for Contemporary Art with Art Fund support through the Moving Image Fund for Museums



Director's welcome

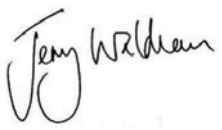
In many ways, 2021 was a pivotal year for museums. While January brought another lockdown, the following months saw a major shift towards positive future planning. It was vitally important for us to understand what had changed permanently for the sector in this time and how we might best continue to support museums across the UK – and our surveys of museum directors and staff helped to illuminate the way forward.

For museums, perhaps the biggest long-term impact brought about by the pandemic is their expanded reach – beyond their physical spaces. As well as remaining exciting places to visit, museums are now more deeply embedded within their local communities than ever, and with the development of online resources, their audience is global. Many are actively embracing a more inclusive approach, and we are proud to support this both through the art we help put on the walls and through the inventive projects we help fund. In one particularly moving example, the Foundling Museum in London commissioned five major artists to create portraits of former pupils of the Foundling Hospital to hang beside those of its historic governors, giving care-experienced children visibility and voice. In another, Newcastle's Equal Arts charity are supporting older people, especially those isolated during the pandemic, to explore the life and work of Thomas Bewick, one of the region's greatest artists.

Here at Art Fund, we have also adapted to serve a rapidly evolving sector. Our five-year vision for 2022-2027 builds on our 119-year history of saving art for the nation, and connects it with our burgeoning role helping to build and broaden audiences and amplifying the work of the more than 800 museums in our network. Through funding art, helping to grow audiences and championing the sector, we have become a three-dimensional organisation.

For many of our members and supporters, a lifelong passion for art will have begun in childhood, through early visits to museums and galleries. But for many young people today, access to this rich cultural heritage is pushed out of reach by tightening budgets and the pandemic. To help museums counter this worrying trend, our Energise Young Minds campaign, launched in 2021, has enabled us to commit to spending at least £1 million on projects aimed at connecting with children, schools and young people. My heartfelt thanks go to everyone who donated. Your generosity means that more young people will be inspired by great art and compelling storytelling nationwide.

Against the odds, museums have achieved an enormous amount during the pandemic. But meeting the various challenges this crisis has brought about, while also reaching new audiences and deepening expertise, takes money – at a time when incomes have already been so badly affected. I am immensely grateful for the support of our members and donors, and for the dedication of our staff and trustees. Together, we shall ensure museums face the future with resilience, creativity and renewed hope.



Jenny Waldman, director, Art Fund



Horse and rider figurine, a depiction of Mars, the Roman god of war, from the Ryedale Hoard, AD 150-410, York Museums Trust, acquired 2021 with Art Fund support through the New Collecting Awards. Photo: David Aaron Ltd



Listening and responding

Over the last two years, it has been more important than ever to listen to those we serve – to museums, to audiences and to our members.

Museums and galleries across the UK had to adapt extraordinarily quickly during the Covid-19 crisis. Now, they are emerging with greater knowledge of what they can bring to communities, bright ideas for resilient ways of working and exciting ambitions for the future.

By listening carefully to our colleagues across the sector, and to audiences, we are able to tailor all our activities to help museums move forward, from the fundraising campaigns we launch, to the grants we give, to the important research we publish.

Visitors at the Hepworth Wakefield with Sheila Hicks's *Nowhere to Go* (2022). © ADAGP, Paris and DACS, London 2022. Photo: Janie Airey / Art Fund 2022

Making a difference together

We only exist as a charity because of the enthusiasm, dedication and generosity of our members, our donors and the wider public. In 2021 the pandemic once again highlighted what we have always known: people love museums and galleries, not merely as a bonus or distraction, but as a meaningful and important part of their lives.

'I am fearful of what the effects of the past year mean for the museums and galleries in this country. I made many memorable visits to museums as a young child, and these were formative experiences... It is for this reason that I would like to make a donation to the Together for Museums campaign'

Together for Museums supporter

Even in a time of great collective hardship, over 4,000 supporters responded to our crowdfunding campaign, **Together for Museums**, which by March 2021 had reached a staggering £1.1 million – all of which has been funnelled straight to museums needing just such a miracle.

Thanks to the willingness of so many to come together in support of the sector – including the artists who created exclusive rewards to rally donations – many cultural and historic venues throughout the UK are not only recovering as places to visit, but are also expanding their offerings online and out in the community.

The success of these projects and outreach programmes is further testament to the great value so many people place on the UK's museums and galleries.



Visitors enjoying the Cromwell Museum's outdoor art trail in Huntingdon, May 2021, a project supported by a Respond and Reimagine grant from Art Fund, made possible by Art Fund members and donors. Photo: My Linh Le



Supporting new ideas

The vital funds raised through our Together for Museums campaign, along with valued support from members, donors, Art Partners and legacy gifts, were channelled straight to museums through three rounds of our **Reimagine grants**. To ensure these grants answered the greatest need, we surveyed UK museum directors in spring 2021, learning how best to help the sector recover stability while continuing to enable experimentation and creativity. Through this programme, we have supported many projects that are enhancing collections, improving digital offerings, engaging broader audiences and increasing professional expertise.

With our help, a new exhibition and learning events programme at Two Temple Place in London celebrated 70 years of ceramics and showcased the work of three generations of Black women artists working in clay; the Royal Shakespeare Company in Stratford-upon-Avon is working with members of the community to reimagine its permanent exhibition; across Scotland, 15 museums are bringing the collections and history of the Highlands to young people and schools through a dynamic digital hub; and Hastings Contemporary is developing a vibrant outreach programme that will build partnerships and reach more people both locally and nationally.

Phoebe Collings-James, *The subtle rules the dense (black hole suspension)*, 2021. Installation view, Two Temple Place, London, part of the exhibition Body Vessel Clay: Black Women, Ceramics & Contemporary Art, January–April 2022. The exhibition was supported by a Reimagine grant from Art Fund, made possible by Art Fund members, donors and supporters of our Together for Museums campaign. Image courtesy the artist, Two Temple Place & Arcadia Missa. Photo: Amit Lennon

Surveying the sector

It is more important than ever that we listen to museums and audiences, so that we can provide the most targeted and far-reaching support possible. We have been building on our strong record of **research** with a growing number of reports and surveys, from consulting museum directors during the pandemic to exploring curatorial diversity.

In addition to our surveys investigating the impact of Covid-19 on the sector, our Going Places report examined the future of touring works and exhibitions, and how best to share art as widely as possible. With so many organisations rapidly embracing digital in the last two years, we are reviewing how they can most effectively use it to engage audiences; and we are investigating how local campaigns can strengthen support for museums.

We also conducted a survey of our members in 2021, finding out what matters most to them in supporting the places they love.

We are immensely grateful to everyone who took the time to speak to us. This information is invaluable to our work, helping to shape our funding programmes and contributing vital knowledge and recommendations to the wider sector.



Installation view of Natural Selection, an exhibition by Andy Holden and Peter Holden, Leeds Art Gallery, 2018. Courtesy the Artangel Collection. Photo: Simon Warner.

Natural Selection toured to a number of venues across England and Scotland. Our Going Places research report explores the current landscape for developing and sharing exhibitions among museums, galleries and other cultural organisations.

Understanding change

Museums are evolving. Some of the changes brought about in the last two years are here for the long term, and it is our job to understand them thoroughly.

New opportunities have arisen, such as to develop digital services, increase awareness around sustainability and deepen connections with local communities. The pandemic has also served to highlight existing problems by compounding them – problems such as the lack of access to museums for many young people, or the lack of diversity in the sector's workforce.

We are taking action on these issues ourselves, as well as helping museums to steer their evolution, to become more inclusive, more accessible and more relevant.

A Student Art Pass member enjoys the exhibition Alice: Curiouser and Curiouser at the V&A, London, 2021.
Photo: Amaal Said / Art Fund 2021

Engaging young people

Our research in 2021 revealed that engaging **young people** is one of the most urgent priorities for museums following the pandemic.

Nearly 50% of the projects funded by the first round of our Reimagine grants focused on young and new audiences. These included a colourful installation in Regent's Park, London, designed by students as part of RIBA's schools programme; an artistic residency at Charles Causley's house in Launceston, Cornwall, engaging young people in producing displays throughout the town; and the Royal Welch Fusiliers Museum's digitisation project, which will provide a valuable resource for schools.

'I truly believe that without the exposure to ideas given to me by museums and galleries, my life, career and passions would not be what they are today'

Sharon Ament, director,
Museum of London

We are piloting the Teacher Art Pass, which will empower educators to use museums as resources in their teaching, and we continue to help inspire young people through our Student Opportunities programme, which offers students paid opportunities at museums and arts organisations across the UK.

Much more needs to be done – even before the pandemic, a third of museums had no published offer for schools and young people, and the crisis has squeezed budgets even further. But we are continuing to rally support; our major campaign, Energise Young Minds, has enabled us to commit to spending at least £1 million to help make sure that as many young people as possible can enjoy and be inspired by great art, whatever their circumstances.



Bringing Home to the Unknown, a temporary installation in Regent's Park, London, Oct-Nov 2021, designed by POoR Collective in collaboration with Year 10 students from Mayesbrook Park School, Becontree. The project was supported by a Reimagine grant from Art Fund, made possible by Art Fund members, donors and supporters of our Together for Museums campaign. Photo © Luke O'Donovan



Celebrating museums

The museum sector has much to be proud of, having risen so admirably to the enormous challenges of Covid-19, and **Art Fund Museum of the Year 2021** celebrated this in September – in person once again, and live on the BBC – at the Science Museum in London.

Contemporary arts organisation Firstsite in Colchester won the prize, in the year of its 10th anniversary, in recognition of its inspiring work with the community during the pandemic. The gallery has proved that small can still be immensely powerful, harnessing the ability of art to engage audiences in exploring contemporary issues such as Black Lives Matter, displaced people and mental health. It responded to the pandemic with projects both inspiring and practical, encouraging people to display their own art in their windows during lockdown, and lending its building to a local food bank charity.

The potential for museums to play vital roles in their communities was demonstrated by all five finalists in 2021: CCA Derry~Londonderry in Northern Ireland, Experience Barnsley, Thackray Museum of Medicine in Leeds and Timespan in Helmsdale all showed astonishing creativity in meeting the needs of their local communities at the same time as expanding digitally to reach audiences around the world.

'Together we make and show extraordinary art. When we do this together, incredible things happen. We feel happier, we feel healthier and we find exceptional solutions to some of the biggest problems that we're all facing now together'

Sally Shaw, director, Firstsite

Sally Shaw, director of Firstsite, Colchester, winner of Art Fund Museum of the Year 2021, at the award ceremony at the Science Museum in London, 21 September 2021. Photo: Doug Peters / PA Wire

Amplifying local voices

As Art Fund Museum of the Year showed, the pandemic has seen museums working more deeply within their **local communities** and connecting with broader audiences. We are helping them to continue building these relationships by supporting engagement projects, collections research and acquisitions that speak to local audiences and include underrepresented histories and groups.

Awarded in 2021, our Headley Fellowships for curators are enabling the Silk Museum in Macclesfield to reinvigorate its collection of silk machinery and uncover the hidden stories of people affected by the industry, and York Castle Museum to delve deeply into archives of recorded oral testimonies and objects relating to York's main confectionery businesses.

With support through our Reimagine programme, Wolverhampton Art Gallery's Making Space project is adapting an exhibition gallery into a new learning environment for young people, community groups, artists, families and visitors of all kinds, inspired by the city's collections.

We also helped National Museum Wales acquire Anna Boghiguian's installation *A Meteor Fell from the Sky* (2018), which explores connections between Port Talbot's Tata Steelworks and Tata's steelworks in India; and Norwich Castle Museum now owns the archive *Open Ramble East* (2018) by Ian Giles, which contains material gathered during a series of walks exploring LGBTQI+ histories in the area.



Ian Giles, *Outhouse* (displaying the *Open Ramble East* archive), 2018. Installation view. The *Open Ramble East* archive was acquired by Norwich Castle Museum & Art Gallery in 2021 with Art Fund support. Courtesy the artist. Photo: Rob Harris



Making the most of digital

As well as deepening relationships with their local communities, museums have found new, global audiences through the **shift to digital**. We are helping them make the most of this transformation by supporting projects that digitise collections and engage with more people online.

CCA Derry~Londonderry has developed online programmes that include paid digital residencies for artists, and digital 'zines created by young people in rural or deprived areas. In Oxford, the Story Museum has been working with young people to design a digital version of its Enchanted Library gallery and three new digital story realms in Minecraft. And we are helping other museums share the importance and sheer fun of their collections through podcasts – Towner Eastbourne's LGBTQIA+ podcast, Collectively, and the Handel & Hendrix Unlocked podcast both launched in 2021.

Actor Lolita Chakrabarti recording an episode of Art Fund's podcast Meet Me at the Museum, with artist Sara Shamma, at the Horniman Museum and Gardens, London, September 2021. Photo: Eric Aydin-Barberini / Art Fund 2021

We have also further developed our own digital output. Our online events series Art Pass Live gives members the chance to enjoy conversations between artists and well-known names, as well as lively panel discussions. Highlights have included Bedwyr Williams in conversation with Edith Bowman, a fascinating exchange between Veronica Ryan and David Olusoga, and explorations of topics such as humour in art and how museums can benefit our minds. And our Art Partners have continued to enjoy virtual tours of a range of brilliant locations, including Auckland Castle and David Parr House.

Meanwhile, our own award-winning podcast, Meet Me at the Museum – which sees special guests visit a favourite museum or gallery with someone they love – continues, with recent participants including actor Lolita Chakrabarti and comedian Deborah Frances-White.

'We are always looking for new ways to open up how audiences access our collection... The podcasts are accessible anywhere, and I am really looking forward to our audiences both locally and much further afield engaging with them'

Sara Cooper, head of collections and exhibitions, Towner Eastbourne

Creating dynamic teams

From students just starting out to early-career curators, it is vital that the museum sector offers viable **career paths** for people from all backgrounds across the UK. While we continue to work hard to be an inclusive recruiter and employer ourselves, valuing diversity in our team and trustees, we are also supporting museums as they work to create accessible opportunities for everyone.

Our Student Opportunities programme continues to provide hard-to-acquire paid professional experience and ways into the sector for aspiring curators, such as four curatorial assistant roles created by the Women's Art Collection at the University of Cambridge. We have also provided in-kind support to the Jerwood Arts Curatorial Accelerator programme, a 12-month pilot designed to address socio-economic diversity in curatorship, mentoring a group of early-career practitioners.

Decentralise is the first project in Somerset House's Future Producers programme, offering training, development and paid opportunities for emerging producers who are underrepresented in the sector and exploring the institution's history of Black British art. Arts organisation Screen South/Accentuate, in partnership with nine museums, is leading a project working with D/deaf, disabled and neurodivergent people to explore and reinterpret museum collections through a disability lens.

These and many other projects are helping museums to open up careers and represent audiences with greater inclusivity.



Dominique Nok, assistant curator at Midlands Arts Centre (MAC), Birmingham, installing the exhibition Sharon Walters: Seeing Ourselves, April 2022. The assistant curator role is a paid opportunity for students, supported by Art Fund. Photo: Tegen Kimbley / Art Fund 2022



Exploring sustainability

The health of our planet goes hand in hand with the health of our society, and museums are ideal places to explore pressing **climate change** concerns and examine solutions. As well as funding projects that find innovative ways to address these issues, and acquisitions of work by environmentally engaged artists, we are researching how the sector itself can become more sustainable – for example, by finding different ways of touring and sharing work.

Projects we are delighted to support include Meadow Arts' collaboration with the Riverside Youth & Community Centre, which is bringing artists and young people from Pershore together to make works inspired by the Avon Meadows floodplain; and the General Ecology Network, a new network of arts and science organisations established by the Royal Botanic Garden Edinburgh and Serpentine Galleries, which aims to foster exchanges between art and ecology.

We helped Bristol Museum & Art Gallery acquire Maeve Brennan's film *Listening in the Dark* (2018), which considers the impact of wind farms on bats; Bury Art Museum & Sculpture Centre now owns *La Pensée Férale* (2021) by Daniel Steegmann Mangrané, a series of seven photographs taken in the Atlantic Forest of South America that question our attitude towards our environment; and the illuminated, rotating *Gaia* (2021) by environmental artist Luke Jerram will be central to Dundee's transformed Discovery Point Dome.

'*La Pensée Férale* has been the impetus for us to work on and launch our Environmental Manifesto. We are excited for our audiences to see this new work and be inspired by its message, and hopefully start their own journey towards a more sustainable lifestyle'

Susan Lord, curator, Bury Art Museum & Sculpture Centre

Daniel Steegmann Mangrané and Juliana Fausto, *La Pensée Férale*, 2021. Commissioned by Liverpool Biennial with Art Fund support, acquired by Bury Art Museum & Sculpture Centre. © The artist



Visitors at the Courtauld Gallery, London, with Cecily Brown's *Unmoored from her reflection* (2021). © Cecily Brown. Courtesy the artist and Thomas Dane Gallery. Photo: Janie Airey / Art Fund 2022

Evolving our support

Our role at Art Fund has always been about offering practical assistance to museums through funding. But it has become so much more than that.

We continue to help enrich collections with important acquisitions and are now increasingly helping museums engage directly with artists through commissions. Our focus on professional development is being amplified through our support for partnership-working, empowering museums to share their expertise with one another and their work with wider audiences. And we are creating the infrastructure to enable museums and audiences to find each other easily through digital platforms.

As we grow our activities to match the ambition and dynamism of museums today, we have never been busier.

Enriching collections

We were very pleased to see an increase in applications for **acquisitions** in 2021, after an understandably quieter time in 2020. With our support, over 290 objects and works of art found permanent homes in UK museums and galleries, across all our collecting programmes.

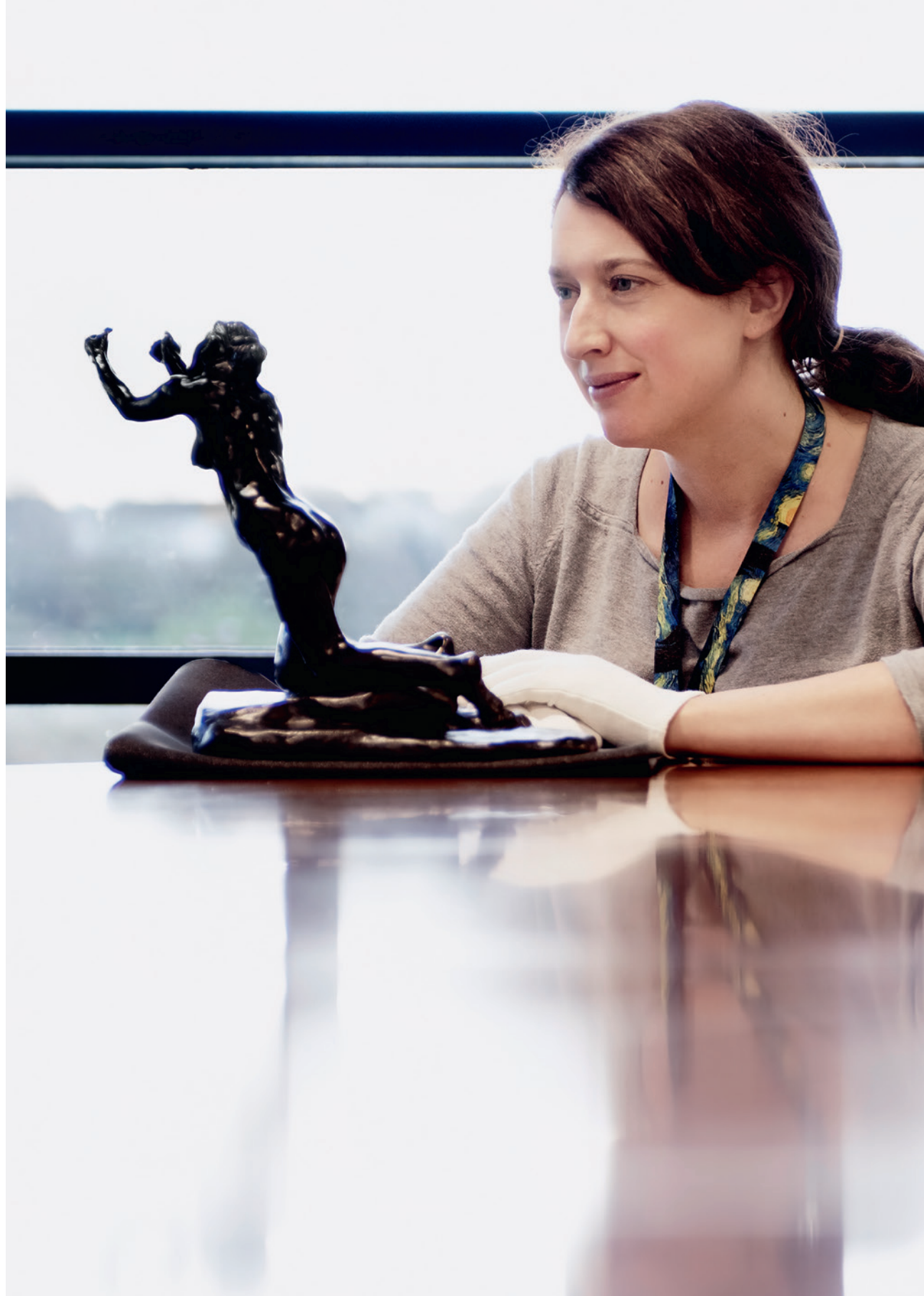
To name a few: Hew Locke's *Armada* (2019), an installation of 45 votive boats inspired by models traditionally displayed in churches, was purchased by Tate; National Museums Northern Ireland acquired *Quiet* (1881) by James (Jacques) Joseph Tissot; Kehinde Wiley's *Saint Adelaide* (2014), a stained-glass panel depicting a Black man in the pose of a medieval female saint, joins the Stained Glass Museum in Ely; and the Burrell Collection in Glasgow has acquired its first sculpture by a woman artist, the powerful *L'Implorante* (1905) by Camille Claudel.

The Ryedale Roman hoard was acquired by the Yorkshire Museum following research conducted through a New Collecting Award. Current recipients of the award include curators at the Pier Arts Centre, Stromness, which will establish a new body of artist films, and the V&A in London, where research and new collecting aims to improve the visibility of trans identities in the collection.

We have also begun a new funding partnership with the Freelands Foundation, the Freelands Art Fund Acquisition, helping museums acquire contemporary art and increase access to work by women artists in the UK.

'We are delighted to acquire this profoundly moving bronze by Camille Claudel for the Burrell Collection. This outstanding artist, although underrepresented in this country, was an important role model for women sculptors at the turn of the 20th century'

Frances Fowle, senior trustee, Sir William Burrell Trust



Curator Pippa Stephenson with Camille Claudel's *L'Implorante* (1905). Photo © CSG CIC Glasgow Museums Collections



Leaving a lasting impression

An important part of our work has always been about placing in public collections works of art that come to us as **gifts and bequests**. Nicholas Goodison, chair of Art Fund from 1986 to 2002, whom we sadly lost in 2021, gave an outstanding number of exquisite works to the Fitzwilliam Museum in Cambridge, the V&A and the Foundling Museum in London over many years, together with his wife Judith. We remain hugely grateful for his extraordinary commitment to Art Fund and museums across the country; he will be deeply missed.

Among many bequests made by Ann Turner, a copy of John Bunyan's *The Pilgrim's Progress* with wood engravings went to the Hepworth Wakefield, and a striking etching by Norman Ackroyd, *Windrush Morning* (1979), went to Leeds Art Gallery. Other important gifts include *Portrait of a Lady* (c1675) by Mary Beale, one of the few women portrait painters in 17th-century Britain; it joins a collection of her work at Moyse's Hall Museum, Bury St Edmunds, thanks to a bequest by Richard Jeffree.

We also remain extremely grateful to all those who leave a legacy to Art Fund in their will. This bedrock of support not only helps us to make a real difference for museums year-round, but enables us to act swiftly and responsively when they face challenges. This generosity makes a permanent impact on museums and collections across the UK.

Mary Beale, *Portrait of a young lady, half length, wearing a décolleté brown dress*, 17th century, Moyse's Hall Museum, Bury St Edmunds. Bequeathed by Richard Jeffree with Art Fund support, 2021. Courtesy Moyse's Hall Museum

Enabling new work

We are delighted to be supporting more **commissions** as part of our acquisitions programme. Commissioning new work keeps collections dynamic and relevant, and we are empowering museums and artists to be ambitious in this way.

Among work that came to fruition in 2021, highlights include a public sculpture by Veronica Ryan to honour the Windrush generation, commissioned by Hackney council (a sculpture by Thomas J Price will follow); and two commissions by Studio Voltaire: Phyllida Barlow's five-metre-high site-specific sculpture *act* (2021) is both a dramatic and a contemplative response to Highgate Cemetery's architecture, and Joanne Tatham and Tom O'Sullivan's vibrant *The Institute For The Magical Effect Of Actually Giving A Shit (a note to our future self)* (2021) employs humour and absurdity in the context of a public bathroom.

The Jerwood Art Fund Makers Open commissioned five artists working in glass, clay and concrete, embroidery, and silver, whose work is being toured nationally to Penzance and Aberdeen. And we continue to support Future Collect, an initiative that sees Iniva (Institute of International Visual Arts) partner with regional museums to commission work by artists of African and/or Asian descent, British born or based. This year, Emii Alrai has created a series of hand-blown glass vessels that evoke ancient funerary urns for the Hepworth Wakefield.



Phyllida Barlow, *act*, 2021. Installation view, Highgate Cemetery, London, Jul-Aug 2021. Commissioned by Studio Voltaire with Art Fund support. © Courtesy the artist and Hauser & Wirth. Photo: Benedict Johnson

Connecting audiences

For the second year in the pandemic, our free ticketing service for museums, **Art Tickets**, helped museums welcome back visitors with its easy-to-use platform that includes an analytics dashboard for monitoring sales and audience data. In 2021, over 200 museums took advantage of the system, which also allows visitors to make donations.

'As a small, independent museum with limited ticketing facilities, reopening after the pandemic brought additional challenges. Even now that restrictions are lifted, Art Tickets enables us to manage numbers and visitor flow as well as providing invaluable visitor data. We wouldn't be without it!'

Rebecca Yorke, interim director, The Brontë Society and Brontë Parsonage Museum

Through our research, we knew that people were eager to return to the museums they love, but that some had concerns. With capacity restrictions reducing the numbers of visitors allowed into exhibitions, long queues or booked-out shows were putting people off. For this reason, we developed **Art Pass Unbooked**, an online tool which finds museums and galleries with tickets available in any given area. It makes it easy for art lovers to plan where to go, or to find a nearby alternative if their first choice looks too busy. This also offers benefits to smaller and lesser-known museums, giving them publicity and access to potential new audiences.

Visitors to Russell-Cotes Art Gallery & Museum, Bournemouth, September 2021. Photo: Andy Smith / Art Fund 2021

Making art happen

The last two years have shown us how readily museums of all sizes reach out to their communities in times of need. At the same time, we have witnessed how willingly those same communities step up for museums, helping them to realise exciting projects that benefit all. This support is absolutely vital for the sector to thrive, and our unique crowdfunding platform, **Art Happens**, continues to facilitate successful fundraising campaigns throughout the UK.

Thanks to funders through Art Happens, the West Highland Museum in Fort William was able to 'bring Bonnie Prince Charlie home', borrowing 13 portraits of the Stuart family, some of which have not been displayed in the UK before, for an exhibition at the museum this summer. In Milton Keynes, MK Gallery presented the largest exhibition of work by pioneering artist Laura Knight since her solo retrospective show at the Royal Academy in 1965. And the Royal West of England Academy (RWA) in Bristol is creating a space of informal creativity for everyone to enjoy, especially children and vulnerable groups who might not otherwise access the museum's beautiful building and rich collections.



Rosalba Carriera, *Portrait of Prince Charles Edward Stuart, half-length, wearing the Order of the Garter*, 1737. In the collection of the Pininski Foundation, Liechtenstein. One of the works featured in the exhibition Return of the Stuarts at the West Highland Museum, Fort William, summer 2022, made possible by over 100 funders through an Art Happens crowdfunding campaign in 2021.



Achieving more together

One of the great positives to come out of the pandemic is an increased interest in **partnerships** between organisations to share work, expertise and audiences.

Museums told us they want to collaborate more and in new ways, including on touring exhibitions. With that in mind, through the Weston Loan Programme we helped fund a new model of partnership-working: Wessex Museums Trust's Thomas Hardy project, which will see four simultaneous exhibitions across the region this summer, each drawing out themes of local significance. And 2021 saw MAGNET – the Museums and Galleries Network for Exhibition Touring, a partnership between 10 museums with the aim of pooling resources and sharing collections with diverse national audiences – produce its first exhibition, Hair: Untold Stories, at the Horniman Museum in London.

Installing Hair: Untold Stories, the inaugural exhibition created for the Museums and Galleries Network for Exhibition Touring (MAGNET), at the Horniman Museum and Gardens, London, December 2021. The exhibition is supported by Art Fund and tours to Museums Sheffield and Tullie House, Carlisle. Photo: Eric Aydin-Barberini / Art Fund 2021

We have also partnered with the Museum Development Network to give devolved funding across all four UK nations to smaller museums that didn't receive emergency funding from national bodies. In 2021/22, this funding was allocated to over 150 museums across England, Scotland, Wales and Northern Ireland.

Through funding acquisitions, we have helped museums come together to share or co-commission important work: Tate and Kettle's Yard, Cambridge, have partnered to exhibit and digitise the sketchbooks of Alfred Wallis; and five museums have co-commissioned *Show Me The World Mister* (2022), a film shot in Nigeria by Ayo Akingbade, which will tour to each partner venue.

'We are delighted to have worked with so many talented artists, collaborators and co-curators in the realisation of this show. We know it will start some new and unexpected conversations for our visitors'

Sarah Byrne, senior curator of anthropology, Horniman Museum and Gardens

Empowering professionals

For many museums during the pandemic, it was all hands on deck as they dealt with huge financial losses, the complexity of closures and reopenings, and uncertainty about the future. We wanted to ensure that there was still funding and support for important curatorial work, collections research and **career development opportunities** despite the unusual pressures placed on museum professionals.

'My research trips have been extremely beneficial in developing my curatorial expertise in ceramics. They have also enabled me to develop connections with curators around the country'

Katie Morton, exhibitions team leader, Birmingham Museums Trust

In 2021, our Headley Fellowships reopened, providing 11 curators with the means to study their collections – which range from the Museum of Cornish Life to the Egyptology collections at Derby Museum – in depth. We continued to help curators increase their knowledge and expertise through our Jonathan Ruffer curatorial grants, with recipients undertaking research trips both nationally and internationally, and attending courses and conferences. With our support, Open Eye Gallery in Liverpool is providing a training programme for curators on partnering with noncultural organisations and commissioning socially engaged photographers. And we are helping early-career curators through the National Gallery Curatorial Traineeship programme, and the Jerwood Art Fund Makers Open, which included a curator role offering extensive practical experience.



Zorian Clayton, curator of prints at the V&A, London, and recipient of a New Collecting Award.
Photo: Emli Bendixen / Art Fund 2022

Thank you

In order to support the museum sector in so many different ways, we depend on a wide network of supporters: trusts, foundations and individuals, who all share our belief in the importance of museums and galleries for everyone. This includes our 130,000 members who buy the National Art Pass, our Art Partners, private donors and many partner funders. We are extremely grateful to them all.

The Weston Loan Programme with Art Fund, supported by the Garfield Weston Foundation, continues to provide smaller museums with the means to borrow works from some of the UK's most significant collections, boosting visitor numbers and sharing great art more widely. The latest round of the programme has supported seven exhibitions taking place in 2022.

We were delighted to reopen the Headley Fellowships with Art Fund in 2021, after a year's deferral due to the pandemic. With the support of the Headley Trust, 11 museum professionals shared over £300,000 in funding to research their collections and increase specialist knowledge and skills.

Four curators received funding through our New Collecting Awards, enabling them to research and buy works that will strengthen their museums' existing collections or grow them in new directions. The awards are supported by individual donors and trusts, including the Wolfson Foundation, the Ruddock Foundation for the Arts and the Coral Samuel Charitable Trust.

Our acquisitions programme, helping museums purchase important works of art and safeguarding them for the nation, remains strong thanks to the continued support of the Wolfson Foundation.

Announced in autumn 2021, a new partnership between Freelands Foundation and Art Fund, the Freelands Art Fund Acquisition, offers grants of up to £50,000 for museums to acquire contemporary art and increase public access to work by women artists in the UK.

Through our Jonathan Ruffer curatorial grants, we were able to support 27 museum professionals to undertake travel, research and other practical activities, helping to develop their professional expertise and collections-based knowledge.

With the assistance of the Vivmar Foundation, we are proud to continue supporting the National Gallery Curatorial Traineeship Programme, which gives on-the-job training and professional experience to emerging curators in partnership with regional museums.

In 2021 our crowdfunding platform, Art Happens, helped museums raise over £114,000 to bring exciting projects to life across the UK. The platform's infrastructure has been generously supported by the National Lottery Heritage Fund and the Fidelity UK Foundation, as well as by private individuals and charitable trusts.

Over 200 museums are now using Art Tickets, our free ticketing system that saves venues time and money, helps them reach new audiences – and proved essential when advance booking was necessary. Art Tickets is supported by the Fidelity UK Foundation and private individuals.

Over 28,000 students in full-time higher education across the UK are enjoying the £5 Student Art Pass, which includes reduced-price entry to museums alongside a host of exclusive connections and opportunities. The programme has been made possible by private funders including the Stavros Niarchos Foundation, the Roger De Haan Charitable Trust and the 29th May 1961 Charitable Trust.

With funding from the Clore Duffield Foundation in 2021 we were able to pilot the Teacher Art Pass, providing 1,000 free National Art Passes to teachers at primary and secondary schools across the UK as the beginning of a long-term programme to engage more young people with museums and their collections.

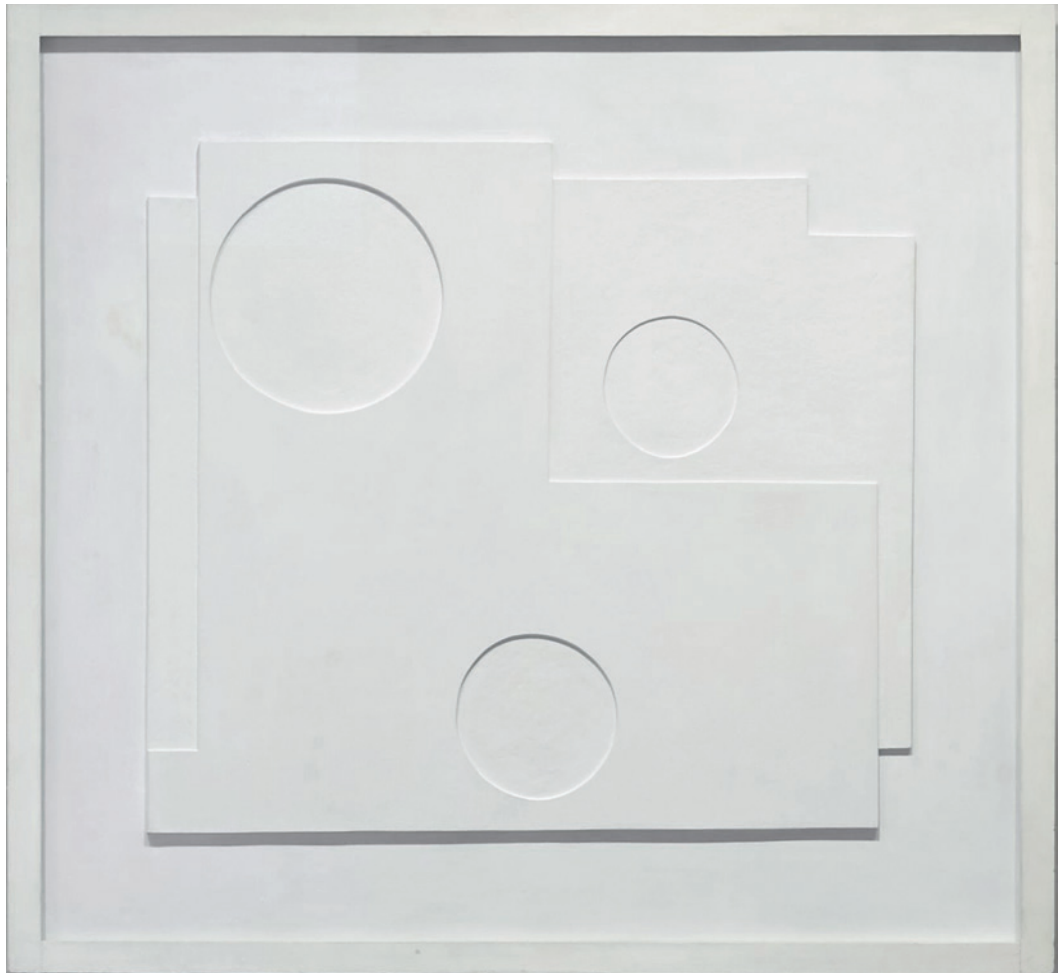
Silver casket believed to have belonged to Mary, Queen of Scots, National Museums Scotland, acquired 2022 with Art Fund support. Courtesy National Museums Scotland



Individuals

Robert and Jenny Akester
Richard and Diana Allan
Stephen and Claire Almond
George and Kirsty Anson
Tim Ashley and John Booth
Rubia Atkinson
Keith and Barbara Bain
Elizabeth Baker
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Graham and Joanna Barker
Timothy Barker
Victoria Barnsley and Nicholas Howard
Penny Baylis
Linda Beecham
Orietta Benocci Adam
Richard and Rosamund Bernays
Susan Boorman
Paul Brown
Robert Burgess
Richard and Catherine Burns
Agneta Burton
Richard and Sarah Buxton
L W Bysh
Jill Cadbury

Ben Nicholson, *1934-35 (white relief Quai d'Auteuil)*,
© Angela Verren Taunt. All rights reserved, DACS 2022.
The Hepworth Wakefield, acquired 2021 with Art Fund
support (with a contribution from the Wolfson Foundation)



Peter Cadbury
Eric and Virginia Campus
Julian and Jenny Cazalet
Keith and Helen Clark
Frances Cloud
Tim Compton
Patricia Davenport
Sue Davey
Clare Dawson
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Richard Duncalf and Oscar Pinto-Hervia
Dr J Lindsay Duncan
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Janet Martin
John and Bridget Maynard
Professor Richard Mayou
Kenneth and Patricia McAlpine
Ailsa McDonald
Judith Mellor



James (Jacques) Joseph Tissot, *Quiet*, 1881, Ulster Museum, Belfast, National Museums NI, acquired 2021 with Art Fund support (with a contribution from the Wolfson Foundation). Courtesy of National Museums Northern Ireland

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Michael and Jane Wilson
Pauline Woodhouse
John Wren
Pat and Paul Zatz

We would like to thank our Art Partners, a special group of patrons who champion the UK's museums and galleries in the same spirit of private philanthropy as Art Fund's founders once did. Their commitment, passion and generous support of all aspects of our work have been hugely appreciated over the last year.

Grantmakers

The 29th May 1961 Charitable Trust
The Aldama Foundation
American Friends of Art Fund
Arts4Kent
The Ian Askew Charitable Trust
The Michael Bishop Foundation
The Deborah Loeb Brice Foundation
The Dana & Albert R Broccoli Foundation
Mrs S L Chambers' Charitable Trust
Clore Duffield Foundation
The John S Cohen Foundation
The Sir Jeremiah Colman Gift Trust
The O J Colman Charitable Trust
The Roger De Haan Charitable Trust
The John & Tessa Fearnley Charitable Trust
Freelands Foundation
The Godinton Charitable Trust
The Headley Trust
The Derek Hill Foundation
The Antony Hornby Charitable Trust
The Inverforth Charitable Trust
The Kirby Laing Foundation
Lempriere Pringle 2015
The Linbury Trust
The Loveday Charitable Trust
Luma Foundation
The Sir Denis Mahon Foundation
The McCorquodale Charitable Trust
The Anthony and Elizabeth Mellows Charitable Settlement
National Heritage Memorial Fund
The National Lottery Heritage Fund
National Philanthropic Trust

Stavros Niarchos Foundation (SNF)
The NOSWAD Charity
The Ofenheim Charitable Trust
Rought Fund
The Ruddock Foundation for the Arts
Sabina Sutherland Charitable Trust
Harry and Rebecca Tinsley Charitable Trust
The Topinambour Trust
The Albert Van den Bergh Charitable Trust
Vivmar Foundation
Garfield Weston Foundation
The Wolfson Foundation
The Wyseliot Rose Charitable Trust

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Jennifer Ann Pinney
Bella D'Arcy Reed
Ann Barbara Helen Rennie
Veronica Angela Robinson
Anne Margaret Ross
Barbara Hazel Sydenham Rouse
Elisabeth Robin Rowell
Geoffrey Thomas Skipper
Eleanor Judith Stinson

Algernon Talmage, *Wounded Horses Returning from the Front, France*, 1918, National Army Museum, London, acquired 2021 with Art Fund support. Courtesy National Army Museum





Installation view of Laura Knight: A Panoramic View, an exhibition at MK Gallery, Milton Keynes, Oct 2021–Feb 2022, made possible by over 200 funders through an Art Happens crowdfunding campaign in 2021. © Estate of Dame Laura Knight. All rights reserved 2022 / Bridgeman Images. Photo © Rob Harris 2022

Ian Millen Stupples
James Dyson Sykes
Eric Vickers
Isabella Mackenzie Vlandy
Hugh Bourne John Watson
Walter Gordon Wheeler
Joyce Middlemiss Whitelaw
Sheila Mary Williams
Muriel Wilson
Richard Wisker
Florence Irene Wood
Joan Wrenn
Angela Yaffey

Gifts in memory

Irene Burton
Anne Llewellyn Kilner
Lynn Stephens

We thank all those donors who prefer to remain anonymous.

And we are grateful to those members who regularly give on top of their membership.

Thank you.

Advisers

Brendan Finucane QC
Robert Leckie
Anthony Mould
Tessa Murdoch
Mike Neill
Tim Ritchie
Frank Salmon
Laura Soley
Sam Thorne

Artist Partners

Zarina Bhimji
Richard Deacon
Jeremy Deller
Isaac Julien
Anish Kapoor
Michael Landy
Cornelia Parker
Martin Parr
Bob and Roberta Smith
Mitra Tabrizian
Clare Twomey
Jonathan Yeo

We would like to thank all those who supported our Energise Young Minds campaign, helping us to reach our £1 million target to fund museum projects that inspire young people.

In 2021/22, over 1,300 Art Fund members and supporters responded to the campaign. This generosity will enable us to spend at least £1m on a range of museum projects to engage children, schools and students across the UK in new ways.

The commitment of our supporters and their fantastic response to appeals like this enables us to be ambitious, and to respond to the challenges and opportunities facing museums swiftly and effectively. We are so grateful for this support.

Gillian Lowndes, *Mug Sculpture*, 2000, Fry Art Gallery, Saffron Walden, acquired 2021 with Art Fund support. © Gillian Lowndes, courtesy The Sunday Painter



How we work

Our financial resilience and ability to quickly adapt funding programmes under pressure were proven in 2020 following the outbreak of Covid-19, and in 2021 we continued to strengthen our position, enabling us to serve museums, galleries and collections consistently and effectively.

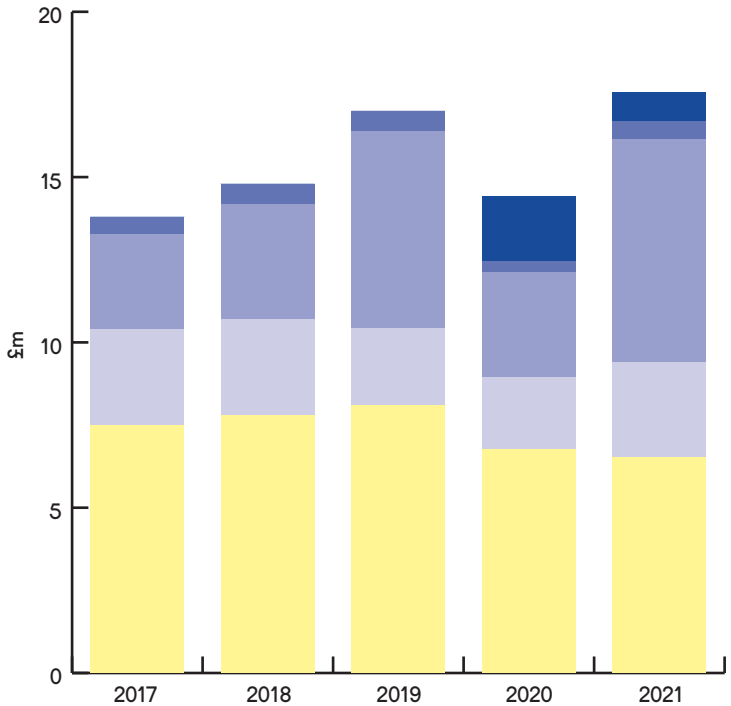
Many museums are still struggling with the fallout from the pandemic. We were able to support them through 2021 without drawing on our reserves (a necessary step we took in 2020) because of the loyalty of our membership and the generosity of those who leave a legacy to Art Fund in their will. It is this exceptional level of support from our members and donors that makes our work possible.

Despite further lockdowns during 2021, our membership of 130,000 remains steadfast – a testament to members' commitment to museums and to the skilful work of our team in keeping them connected and engaged with the places and art they love. We expect membership to climb again as the public appetite for visiting museums returns.

Our strong financial position is also thanks to sound financial management and a diversified investment portfolio, which continues to perform well. This has enabled us to remain a solid pillar of support for the sector. This historically robust position, together with the immensely valued dedication of all our supporters, means that we are able to look to the future with renewed confidence.



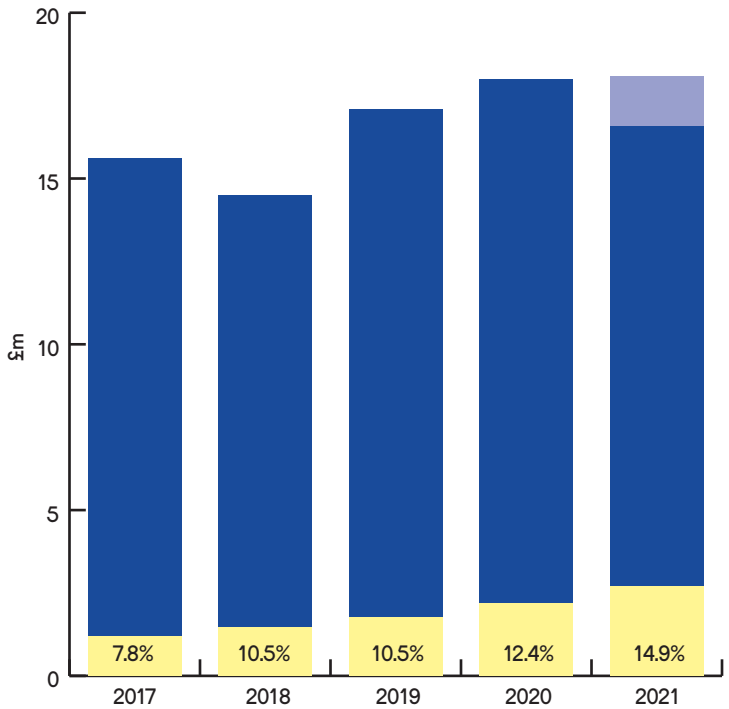
Performance



This chart shows how our total income has fluctuated over the past five years. The data reveals volatility in special appeals and legacy income, and that membership and trading income, which was reduced in 2020 due to the Covid-19 pandemic, is still recovering in 2021.

- Prospect Cottage appeal
- Trading, investments & other
- Legacies
- Donations & fundraising
- Membership

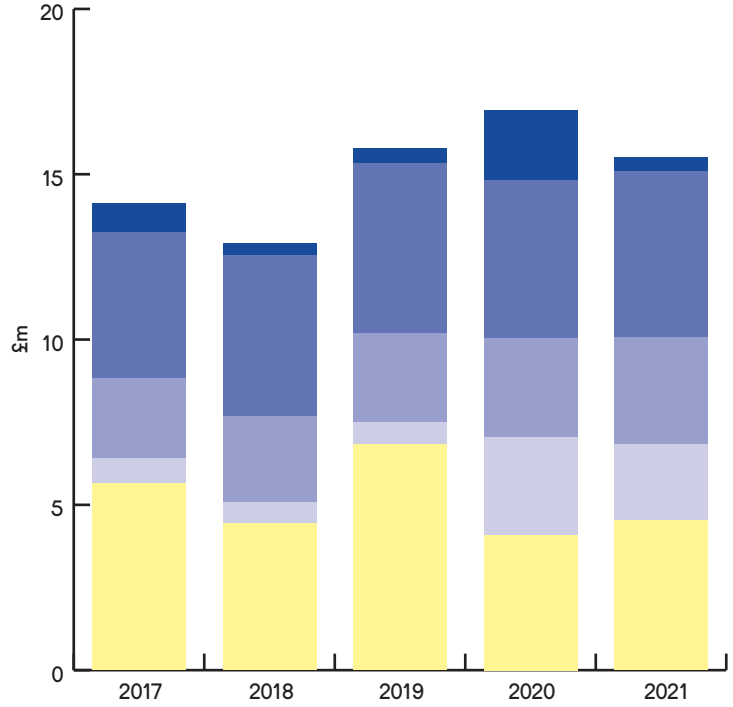
Efficiency



This chart illustrates support costs as a proportion of total expenditure. Support costs have increased in 2021, both in quantum and as a percentage of total costs, as a result of one-off legal costs and continued investment in IT systems and staff. Total costs in 2021 includes £1.5m spent on Prospect Cottage which has been capitalised on the balance sheet as a heritage asset.

- Prospect Cottage (heritage asset in statutory accounts)
- Total expenditure
- Support costs

Impact



This chart illustrates the changing scale and composition of our charitable expenditure over the past five years. In 2020 and 2021 we adapted our funding programme to respond to the needs of the sector as a result of the pandemic.

- Reaching audiences
- Making connections – National Art Pass
- Making connections – Museums network
- Shaping futures
- Building collections

Building collections: Helping museums and galleries add to and strengthen their collections, including grant-giving for acquisitions, conservation and towards strategic collecting initiatives, and placing gifts and bequests of works of art.

Reaching audiences: Facilitating the sharing of art as widely as possible, including grant-giving to support touring and display.

Shaping futures: Supporting the professional development of curators and museum professionals, including grant-giving towards curatorial research and training.

Making connections:

Museums network: Supporting museums including through advocacy and campaigning, promotional and digital activity.

National Art Pass: Servicing our membership of 130,000 individuals.

Report of the Board and Financial Statements for the year ended 31 December 2021

Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2021.

The financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Memorandum and Articles of Association of Art Fund Services Limited, and 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 2018).

Treasurer's report

The Covid-19 pandemic continued to have a major impact on museums and galleries in 2021, although it has been encouraging to see how institutions have adapted to visiting trends and behaviours. Art Fund's finances have also exhibited resilience in 2021. It was thanks to our membership, donors, partner organisations and prudent financial management that we were in a strong position to support the sector throughout the year and have a stable foundation underpinning our charitable programme in 2022.

Similar to 2020, as a result of the collaborative and agile approach of our staff and trustees, we consulted our network partners to assess what was possible and continued to pivot our programme and adjust our financial strategy to support the sector. This support was provided to the sector whilst ensuring we're in a strong position to be growing our income and membership when museums are less disrupted in the future.

Alongside the reactive support provided in 2021, museum collections remain at the heart of Art Fund's charitable purpose, and in order to meet our obligation to deliver the broadest public benefit possible we continued to shape our programme in direct consultation with our network of museum partners. Art Fund's Trustees are proud of our organisation's long-standing support for the collecting of works of art and moreover, are committed to the expansion of our charitable programme to support those activities which underpin and amplify the impact of museum collections such as curation, conservation, commissioning, touring and display. Art Fund's Trustees will continue to respond to our partners' needs in determining how our charitable resources can be put to best effect and deliver benefit not only to our 130,000 members, but to the widest and most diverse public possible.

Art Fund's financial performance and sustainability is overseen the Finance & General Purposes Committee, a sub-group of the Board of Trustees. I would like to thank my fellow committee members and our non-trustee special adviser, Brendan Finucane QC for their support and counsel during the year.

Impact

Our grant-giving programme provides vital funding every year to help museums acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums. In 2021 Art Fund's grant-giving to museums and galleries across the UK were partially altered to respond to the needs brought about by the Covid-19 pandemic.

Overall in 2021 the total value of Art Fund's charitable programme was £15.5m (2020: £16.9m). As per the analysis of total expenditure in note 5, our total charitable spend comprised *grants for acquisitions* of £3.3m (2020: £2.8m) (see note 3). Recognising the needs of the sector, Art Fund's Trustees made funds available from general reserves to continue our support during the period, despite a reduction in income. With reference to our grant-giving beyond acquisitions we committed £0.2m (2020: £0.5m) to *strategic collecting* initiatives, £0.4m (2020: £2.1m) to the touring and display of art via our *reaching audiences* strand, and £2.3m towards development of curatorial skills, through our *shaping futures* initiative (2020: £3.0m).

We committed £3.3m (2020: £3.0m) to our museum support services which comprise policy, promotional and digital support to museums and £5.0m (2020: £4.8m) to promoting museum visiting through the National Art Pass and servicing our membership of 130,000 individuals (2020: 130,000).

Museums across all four nations didn't fully reopen until May 2021, which delayed recovery of member recruitment, but we expect memberships to start increasing again in 2022 as museums and galleries are able to reopen as pre-pandemic.

Performance

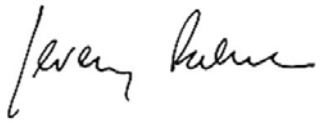
Total income increased to £17.6m in 2021 (2020: £14.5m) with legacy income increasing to £6.7m (2020: £3.2m) and other income increasing to £0.3m (2020: £0.1m). Donations decreased to £3.7m (2020: £4.0m) and membership income decreased to £6.6m (2020: £6.8m). We are enormously grateful to all our members and supporters who make Art Fund's vital work possible.

Efficiency

Art Fund is focussed on delivering the greatest possible public benefit to the widest possible public; this requires that our Trustees keep our support costs and overall return on investment under close scrutiny. In 2021 Art Fund's support costs increased to £2.7m (2020: £2.2m) inclusive of associated staff costs, driven in part by continued significant investment in technical infrastructure in the year.

Year end position

Our financial statements show a surplus of £1.1m (2020: a deficit of £3.6m), a value that is reported before the application of our total return investment policy, which allows us to treat a portion of the value of our portfolio as income which is then used to meet our operating and administrative costs, meaning that the highest possible proportion of donated funds can be applied directly to charitable purposes. The net gains on our investment portfolio reported in the consolidated statement of financial activity were £4.7m (2020: £1.6m) resulting in an overall increase in Art Fund's total funds to £62.0m (2020: £56.3m).



Jeremy Palmer
Treasurer

Objectives and activities

Summary of aims and objectives

Art Fund exists to help museums and galleries across the UK to buy, show and share great art so that it can be experienced and enjoyed by everyone. Set up over a hundred years ago, Art Fund is the leading national fundraising charity for art and is independently funded and supported by 130,000 members.

Our four strategic objectives to 2020 were as follows:

- *Art*:
  Building our national funding programme to help public art collections to grow, be seen, shared and enjoyed.
- *Sector*:
  Reach a widening range of museums and visual arts organisations, helping them to be more creative, innovative and ambitious.
- *Community*:
  Broadening our community of members and museum visitors to generate more support and income for UK public collections.
- *Resources*:
  Increasing our income, building our support systems and making efficient use of our resources to maximise our charitable impact.

Art Fund used the above objectives as criteria against which it measured success in the reporting period. Financial achievements during the year are detailed in the Treasurer's report.

Structure, governance & management

Appointment of Trustees

Art Fund is governed by its Board of Trustees, which meets six times a year. It currently has 15 members. Vacant Trustee positions are advertised openly to the membership in *Art Quarterly* and via external recruitment websites and head-hunters, and are appointed by the Board, on the recommendation of the Nominations Committee. The subsequent appointment is then notified to the membership at the Annual General Meeting (AGM) following their appointment. The five Trustees who have been longest in office since their last election must 'retire' each year at the AGM and are eligible for re-election. Trustees can serve for a maximum of two consecutive terms of four years.

Trustee induction & training

All new Trustees undertake an induction process in which they are briefed on their legal obligations under charity law, the Charity Commission guidance on public benefit, the content of Art Fund's Royal Charter, the board structure and decision-making processes, Art Fund's strategy and recent financial performance.

During the induction each new Trustee will meet the Director of Art Fund, Senior Management Team members and other key Art Fund personnel. New Trustees are issued with a portfolio of documents outlining their responsibilities as a charity trustee including a Board policies and procedures manual.

Organisation

The Board, while retaining overall responsibility, delegates certain functions to four sub-committees and executive staff as described below and in the trustees' principles of delegation policy.

The Finance and General Purposes Committee, which meets up to five times a year; chaired by the Treasurer, considers all matters relating to finance, investments, risk management and the administration of the charity including its property. It currently has four Trustee members and one non-Trustee advisory member.

The Nominations Committee, which meets at least annually; chaired by the Chair of Trustees, undertakes an annual Trustee skills audit, considers and recommends candidates for membership of the Board, terms of appointment and Trustee recruitment and induction policies.

The Remuneration Committee, which meets at least annually; chaired by the Chair of Trustees, considers the remuneration approach and annual pay review for the organisation, including approving discretionary cost of living awards and remuneration packages for the director and senior management team. The Committee also oversees key workforce metrics including equality, diversity and inclusion with a view to improving representation within the staff team.

Newly established in 2021, the Ethics Committee, which meets at least annually, chaired by a trustee and currently with three trustee members and one non-trustee advisory member, advises the Board of Trustees on the acceptance of donations, gifts of property and sponsorships.

The day-to-day direction of Art Fund's affairs is the responsibility of the Director who reports to the Board through the Chair. The Director is supported by a Senior Management Team consisting of the Director of Finance & Resources, Director of Development, Director of Programme and Policy, Director of Marketing and Director of Communications.

Related parties and co-operation with other organisations

None of Art Fund's Trustees receive remuneration or other benefit from their work with the charity. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The trading activities of Art Fund are carried out by its service company, Art Fund Services Limited, a company incorporated in England and Wales (registered number 01487654). The company is wholly owned by Art Fund and it donates all its profits in the year to Art Fund by way of Gift Aid.

A member of Art Fund's Senior Management Team is also a director of American Friends of the Art Fund (AFAF), a US based non-profit organisation which provides grants to Art Fund and other institutions to encourage the appreciation and enjoyment of art in general. As such, AFAF is considered to be a related party and so grants received in the year have been disclosed in note 16 of the accounts.

Pay policy for senior staff

The pay of the Senior Management Team is reviewed and approved by the Remuneration Committee on an annual basis. Remuneration is benchmarked against similar roles within the not-for-profit and cultural sector and is considered against key inflation measures and cost-of-living benchmarks.

Risk Management

The major risks to Art Fund as identified by the Board fall into five categories: Compliance, external, financial, governance and operational. These risks have been reviewed by the board and discussed at each Finance and General Purposes Committee meeting. A new risk matrix and register has been established with systems in place to mitigate risks.

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within Art Fund is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted takes into account the Charity Commission guidance on management of risk with reference to best practice risk management standards. Art Fund assesses risk through consideration of the likelihood of an event occurring, and the impact that would arise if the event were to occur. Risk management within Art Fund includes:

- identifying and assessing risks (the "inherent risks");
- assigning each of those risks to a risk owner;
- evaluating the effectiveness of relevant mitigating controls;
- assessing the risks remaining given the controls in place (the "residual risks"); and
- agreeing, implementing and monitoring controls to reduce the residual risks.

The principal risks and uncertainties facing Art Fund, along with mitigations are shown below:

Risk	Explanation and mitigations
Loss of income caused by Covid-19	Further lockdowns and periods of museum closures in 2021 have affected the recovery of income from membership and trading. A continued slower income recovery would mean either using unrestricted reserves to maintain support levels, or reducing our charitable and operational expenditure. This is not considered to be a risk to Art Fund's going concern, due to the level of unrestricted reserves held and the discretionary nature of the majority of expenditure.
Technology, digital systems and frameworks	Technology systems, skills and processes are inadequate to facilitate a scaling-up of the organisation's ambition and output, constraining ability to grow its charitable impact. Significant investment in systems, staff and processes has been, and will continue to be, made to ensure that Art Fund delivers the best possible user experience when interacting with all stakeholders.
Charter and byelaws	Art Fund's byelaws and royal charter were last amended in 1991 and do not reflect the many advances in technology and changes to the environment in which the charity operates. Addressing these issues and making changes is likely to be a long process. A review was carried out in 2020, with a Governance Manager appointed in 2021 to implement key changes and make recommendations on the next steps for changing the charter and byelaws.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes," and such amounts receivable are presented in our accounts as "voluntary activities" income and includes legacies. In relation to the above we confirm that all solicitations are managed internally, without the involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Senior Management Team, who are accountable to the Trustees. The charity is not bound by any undertaking to participate in any regulatory scheme, however the charity is a member of the Fundraising Regulator and complies with the relevant codes of practice. In 2021, Art Fund also established a sub-committee to oversee Ethics which advises the Board of Trustees on the acceptance of donations, gifts of property and sponsorships.

Art Fund has established a formal complaints policy to facilitate the monitoring and reporting of relevant issues, there were no formal complaints in 2021. This policy is available online. Also available online is our fundraising promise which confirms that Art Fund is registered with the Fundraising Regulator and affirms our organisational commitment to conducting open, honest and respectful fundraising practices.

Grant making

Art Fund provides grants to help museums and galleries to acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums. Grants are made via various programmes, all of which are aligned with one or more of the strategic objectives listed on page 61. Payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme are disclosed in note 4 of the accounts. Further detail on the grant programmes offered can be found at artfund.org.

Heritage Assets

At Dungeness, visionary British filmmaker, artist and activist Derek Jarman transformed a Victorian fisherman's hut into a sanctuary of art and imagination. Prospect Cottage and its iconic garden stand testament to his defiant spirit and have the potential to inspire artists and visitors long into the future.

On 31 March 2020, Art Fund successfully closed a campaign to save Prospect Cottage securing £3.728m against a target of £3.5m for the purpose of purchasing the cottage, garden and contents and to create a fund to support maintenance and operating costs as well as an associated artistic programme. In December 2021 the transaction was completed with Art Fund paying £1.5m for the heritage assets of Prospect Cottage which have been capitalised on our balance sheet.

Creative Folkestone have become the custodians of the cottage under a peppercorn lease, responsible for its care and maintenance, loaning the most vulnerable items to Tate and managing a programme of residencies and managed public visits. An Advisory Committee including representatives of Art Fund, Tate and the vendors, the Keith Collins Will Trust, has been established and will be chaired by a trustee of Creative Folkestone, calling on expert advisers to support them and to engage key stakeholders.

Art Fund will retain the fund (the Prospect Cottage Fund, a description of which follows) to be used primarily for the care of the cottage and the collection, but also when possible to support activities with public benefit in relation to Jarman at Prospect Cottage.

Going concern

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. Although the ongoing coronavirus pandemic has required significant changes to activities, it is not a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. Membership and commercial income decreased in 2021 as a result of the measures in place to control the virus and are expected to take some time to recover to 2019 levels. However legacy income in 2021 was almost double that of 2020. Art Fund's charitable programmes will continue to adapt in response to the changing needs of the sector. At the date of signing these financial statements, the trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

Reserves policy

General funds

The Trustees review Art Fund's reserves policy on an annual basis to consider the gap between the spending and receiving of income and to ensure that sufficient liquid resources are available to meet liabilities as they fall due, in the event of a sudden shortfall in income. Moreover, the responsive nature of Art Fund's programme, especially around special appeals, means it is essential that adequate resources are always available to meet the cost of providing grants for exceptional works of art that may be under threat of export.

The Trustees of Art Fund have set a target for general funds of between 3-6 months of total unrestricted operating expenditure. At the end of 2021 free reserves stand at £6.9m (2020: £5.0m) and are therefore within the thresholds of the policy (£4.1m to £8.2m).

The Parker fund

In 2016 the Trustees designated the value of £2.9m to the Parker fund following the receipt of a legacy from Mr Donald Parker, who had been a member of Art Fund since 1977. The Parker fund represents the aggregate amount set aside to fund internal income and efficiency projects and is available to supplement resources in any particular year, if needed, to meet the cost of major initiatives of this kind.

There is no specific target for this fund and it is anticipated this will be topped up from annual surpluses to ensure that sufficient funds are available for investment when required. At the end of 2021 the value of this fund was £1.2m (2020: £2.0m).

Perpetuity fund

This designated fund serves as the core component of Art Fund's capital distribution policy. The annual value drawn from this fund guarantees the existence of Art Fund in perpetuity by contributing to the cost of core operating and administrative expenses, thereby ensuring that the maximum proportion of donated income is applied to charitable purposes.

The long-term target for this fund is the grossed-up value of Art Fund's core operating and administrative costs based on a distribution rate of 3.5% of the trailing 12 quarter value of the investment portfolio. At the end of 2021 the target value for this fund was £37.1m (2020 £33.8m).

Fixed asset fund

This designated fund represents the carrying value of Art Fund's fixed asset base. At the end of 2021 the value of this fund was £5.6m (2020: £5.7m).

Challenge fund

This fund was generously gifted by Sir David Verey to be used for leveraging match funding in support of Art Fund's charitable programme. The current value of the fund is £83k (2020: £75k) and it is anticipated that the reserve will be expended in full over five years.

Wedgwood future fund

The Wedgwood future fund was established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum. There is no target value for the fund. The current value of the fund is £508k (2020: £472k) and it is anticipated that the reserve will be expended in full within a period of approximately 20 years, or as required by the beneficiaries.

2021 Reimagine fund

This was established at the end of 2021 as a £472k designated fund for the final phase of the Reimagine grants which were delayed from Q4 2021 into Q1 2022. The fund was fully spent in January 2022.

Investment policy

The Trustees adopt a total return policy regarding Art Fund's investment portfolio and so Art Fund withdraws 3.5% of the trailing 12 quarter value of the portfolio each year as a contribution towards core operating and administrative costs. The intention is to produce a consistent and sustainable amount to pay for core costs while maintaining the purchasing power of the portfolio over the long term and ensuring that the maximum possible proportion of donated funds are applied to charitable activities. Art Fund's investments gained 10.7% overall during the year. The long-term investment strategy remains unchanged, and the trustees maintained the distribution at 3.5% in the year.

Public benefit

The Trustees have taken the Charity Commission's guidance on public benefit into consideration when reviewing the aims and objectives of Art Fund. In setting out the strategy and developing its programme of activity, Art Fund has focused on increasing the breadth and accessibility of public benefit, in particular through works of art being acquired by public collections in the UK and being available for the public to enjoy; by works of art being shown and shared by public collections, backed up by the curatorial expertise to understand and interpret them to the public; by celebrating creativity and excellence in museums which benefit the public through the annual Art Fund Prize for Museum of the Year; and by encouraging the enjoyment, understanding and appreciation of works of art through the National Art Pass, Art Fund website, *Art Quarterly* and other editorial channels.

Charity Governance Code

The Board of Trustees is committed to good governance and to its own and the charity's continuous improvement in delivering its purposes most effectively for the public benefit. It is clear about the charity's aims and seeks to ensure that these are being delivered effectively and sustainably, keeping under review the Code's recommended practice and seven principles of organisational purpose: leadership, integrity, decision-making, risk and control, board effectiveness, diversity, and openness and accountability. The Board strives for best practice in accordance with the Charity Governance Code; many of the measures it takes in achieving this are addressed in this report. In 2021 the Board's strategy, work-plan and risk management activity was informed by the principles of the Code.

Plans for future period

Having reacted to the effects of the Covid pandemic throughout 2020 and 2021, Art Fund have developed a five-year strategic vision, informed by discussions on the major societal challenges facing museums and galleries, that will guide its direction from 2022.

The strategic vision covers four main strands being:

- Funding Art: A country where the most remarkable art and objects, from different cultures and in different forms, are in public collections, open to everyone;
- Audience-making: A country where everyone feels empowered to discover, visit and use our wonderful museums;
- Amplifying the museum sector: A country whose museums are confident and valued, central to their communities and constantly becoming more inclusive and more sustainable; and
- Strengthening our organisation: to make all this possible.

Central to this strategic vision, Art Fund will continue to develop its support to UK museums and galleries, collaborating with beneficiaries and supporters to develop grant-giving programmes that deliver charitable impact where it is most needed.

This report was approved by the Board of Trustees at its meeting on 9th May 2022 and the Chair of Trustees was authorised to sign the report and the annual financial statements on its behalf.



Lord Smith of Finsbury
Chairman

9th May 2022

Reference and administrative details Year ended 31 December 2021

Art Fund was established in 1903 as the National Art Collections Fund and was granted a Royal Charter in 1928. It is registered as a charity in England and Wales under number 209174 and in Scotland under SC038331. In May 2006 'Art Fund' was adopted as its public and trading name but its full name has been retained for legal purposes.

Registered office

2 Granary Square
King's Cross
London N1C 4BH

Members of the Board

Lord Smith of Finsbury, Chairman *(N, R)*

Jeremy Palmer, Treasurer *(F, N, R)*

Katrina Brown

Professor Richard Deacon CBE RA

Dame Liz Forgan *(F, R)*

Anupam Ganguli *(F, E)*

Philippa Glanville FSA OBE
– retired July 2021

Tessa Jackson OBE *(N)*

Isaac Julien CBE
– retired December 2021

Madeleine Kennedy *(E)*

Alastair Laing FSA

Professor Susan Lambert

Dr Satish Padiyar

Professor Marcia Pointon *(N)*

Axel Rüger

Monisha Shah *(N, E)*

E: Also a member of the Ethics Committee

F: Also a member of the Finance and General Purposes Committee

N: Also a member of the Nominations Committee

R: Also a member of the Remuneration Committee

Advisory Member of the Finance and General Purposes Committee

Brendan Finucane QC

Advisory Member of the Ethics Committee

Laura Soley
– appointed September 2021

Director and Senior Management Team

Jenny Waldman, Director

Rachel Mapplebeck, Director of Communications

Sarah Philp, Director of Programme and Policy

Clive Rosen, Director of Finance & Resources *(resigned January 2022)*

Andrew Durrant, Director of Finance & Resources *(appointed January 2022)*

Amy Ross, Director of Development

Carolyn Young, Director of Marketing

Professional advisers

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Investment advisers

Cambridge Associates LLP
80 Victoria Street
London SW1E 5JL

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Veronica Ryan, *Custard Apple (Annonaceae)*, *Breadfruit (Moraceae)* and *Soursop (Annonaceae)*, 2021. Commissioned by Hackney Council, curated and produced by Create London. The Hackney Windrush Art Commission is made possible with Art Fund support. Photo: Andy Keate



Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity 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 group and parent charity and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, including FRS 102, 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 parent charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the parent charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the parent charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditor's Report to Trustees of National Art Collections Fund

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2021 and of the Group's incoming resources and application of resources 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 Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of the National Art Collections Fund ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2021 which comprise the consolidated and charity statement of financial activities (including income and expenditure account), the consolidated and charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

Independence

We are independent of the Group and the Parent Charity in accordance with the ethical requirements 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 related 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 Group and the Parent Charity'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 Trustees are responsible for the other information. The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustees.

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. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the group and parent charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK and Ireland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance, key drivers for bonus or other performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

In addition, the group and parent charity are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

We understood how the parent charity is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes and correspondences with HMRC and the various charity regulators.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries of the Board of Trustees and management, and a review of minutes of meetings of those charged with governance. We made enquiries regarding any matters identified as a Serious Incident as reportable to the Charity regulators. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We challenged assumptions made by management in their significant accounting estimates in particular in relation to accruals, legacy accrued income, deferred income, depreciation and bad debt provision.

We did not identify any matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals including those which potentially impact remuneration and other performance targets and evaluating whether there was evidence of bias by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: **www.frc.org.uk/auditorsresponsibilities.** This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP

Statutory Auditor
London, United Kingdom

Date: 26th May 2022

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities

(including consolidated income and expenditure account)
For the year ended 31 December 2021

	Note	Unrestricted 2021 £'000	Restricted 2021 £'000	Endowment 2021 £'000	Total 2021 £'000	Unrestricted 2020 £'000	Restricted 2020 £'000	Endowment 2020 £'000	Total 2020 £'000
Income from:									
Voluntary activities:									
Donations		1,348	2,388	-	3,736	606	3,428	-	4,034
Legacies		5,451	1,293	-	6,744	2,763	423	-	3,186
Charitable activities:									
Members' subscriptions		6,547	5	-	6,552	6,775	5	-	6,780
Other trading activities:									
Fundraising events		-	-	-	-	71	-	-	71
Other income		307	-	-	307	78	-	-	78
Income from investments		301	-	-	301	321	-	-	321
Total income		13,954	3,686	-	17,640	10,614	3,856	-	14,470
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		937	-	-	937	986	-	-	986
Cost of trading subsidiary		53	-	-	53	52	-	-	52
Cost of fundraising events		-	-	-	-	5	-	-	5
Investment adviser's costs		93	-	-	93	93	-	-	93
Total cost of raising funds		1,083	-	-	1,083	1,136	-	-	1,136
Total charitable expenditure		13,384	2,112	-	15,496	15,388	1,543	-	16,931
Total expenditure	5	14,467	2,112	-	16,579	16,524	1,543	-	18,067
Operating surplus / (deficit)		(513)	1,574	-	1,061	(5,910)	2,313	-	(3,597)
Net gains on investments		4,036	398	248	4,682	1,378	96	82	1,556
Net income / (expenditure)		3,523	1,972	248	5,743	(4,532)	2,409	82	(2,041)
Transfers between funds	13	(45)	45	-	-	(701)	701	-	-
Net movement in funds		(3,478)	2,017	248	5,743	(5,233)	3,110	82	(2,041)
Reconciliation of funds									
Total funds brought forward		47,036	6,709	2,517	56,262	52,269	3,599	2,434	58,303
Total funds carried forward	13	50,514	8,726	2,765	62,005	47,036	6,709	2,517	56,262

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities.

The notes on pages 81 to 101 form part of these financial statements.

Charity Statement of Financial Activities (including income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted 2021 £'000	Restricted 2021 £'000	Endowment 2021 £'000	Total 2021 £'000	Unrestricted 2020 £'000	Restricted 2020 £'000	Endowment 2020 £'000	Total 2020 £'000
Income from:									
Voluntary activities:									
Donations		1,348	2,388	-	3,736	606	3,428	-	4,034
Legacies		5,451	1,293	-	6,744	2,763	423	-	3,186
Charitable activities:									
Members' subscriptions		6,547	5	-	6,552	6,775	5	-	6,780
Other trading activities:									
Fundraising events		-	-	-	-	71	-	-	71
Other income		244	-	-	244	22	-	-	22
Income from investments		312	-	-	312	325	-	-	325
Total income		13,902	3,686	-	17,588	10,562	3,856	-	14,418
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		937	-	-	937	986	-	-	986
Cost of fundraising events		-	-	-	-	5	-	-	5
Investment adviser's costs		93	-	-	93	93	-	-	93
Total cost of raising funds		1,030	-	-	1,030	1,084	-	-	1,084
Total charitable expenditure		13,386	2,112	-	15,498	15,388	1,543	-	16,931
Total expenditure		14,416	2,112	-	16,528	16,472	1,543	-	18,015
Operating surplus / (deficit)		(514)	1,574	-	1,060	(5,910)	2,313	-	(3,597)
Net gains / (losses) on investments		4,036	398	248	4,682	1,378	96	82	1,556
Net income / (expenditure)		3,522	1,972	248	5,742	(4,532)	2,409	82	(2,041)
Transfers between funds	13	(45)	45	-	-	(701)	701	-	-
Net movement in funds		3,477	2,017	248	5,742	(5,233)	3,110	82	(2,041)
Reconciliation of funds									
Total funds brought forward		47,034	6,709	2,517	56,260	52,267	3,599	2,434	58,300
Total funds carried forward	13	50,511	8,726	2,765	62,002	47,034	6,709	2,517	56,259

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities.
The notes on pages 81 to 101 form part of these financial statements.

Consolidated and Charity Balance sheet

As at 31 December 2021

		Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets:					
Tangible assets	6	5,622	5,665	5,622	5,665
Heritage assets	7	1,500	-	1,500	-
Investments	8	49,135	50,102	49,135	50,102
		56,257	55,767	56,257	55,767
Current assets:					
Debtors	9	1,573	1,978	1,657	2,066
Cash at bank and in hand		13,210	8,619	13,098	8,511
		14,783	10,597	14,755	10,577
Liabilities:					
Creditors falling due within one year	11	(5,906)	(6,952)	(5,881)	(6,935)
Provision for grants authorised but not paid	3	(2,906)	(2,653)	(2,906)	(2,653)
		(8,812)	(9,605)	(8,787)	(9,588)
Net current assets		5,971	992	5,968	989
Total assets less current liabilities		62,228	56,759	62,225	56,756
Creditors: due after more than 1 year	12	(223)	(497)	(223)	(497)
Net assets		62,005	56,262	62,002	56,259
The funds of the charity:					
Permanent endowment funds	13	2,766	2,517	2,766	2,517
Other restricted funds	13	8,727	6,709	8,727	6,709
Designated funds	13	43,592	42,028	43,592	42,028
General funds	13	6,920	5,008	6,917	5,006
Total charity funds		62,005	56,262	62,002	56,259

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011.

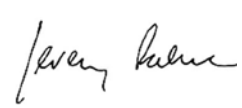
The notes on pages 81 to 101 form part of these accounts.

Approved and authorised for issue by the Board on 9th May 2022 and signed on its behalf by

Lord Smith of Finsbury
Chairman



Jeremy Palmer
Treasurer



Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Group 2021 £'000	Group 2020 £'000
Cash flows from operating activities		
Net income/(expenditure)	5,742	(2,041)
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	109	108
Investment income	(301)	(321)
Loss/(Gain) on investments	(4,682)	(1,819)
Movements in working capital:		
(Increase)/decrease in debtors	405	52
(Decrease)/increase in creditors: falling due within one year	(1,046)	1,629
(Decrease)/increase in creditors: due after more than one year	(273)	(285)
Increase/(decrease) in provisions	253	(884)
Net cash generated from operating activities	206	(3,561)
Cash flows from investing activities:		
Investment income	301	321
Purchases of tangible fixed assets	(66)	(55)
Purchases of heritage assets	(1,500)	-
Purchase of investments	(133)	(1,638)
Proceeds from sale of investments	5,781	1,601
Net cash from investing activities	4,383	229
Net increase in cash and cash equivalents	4,590	(3,332)
Analysis of changes in cash:		
Cash and cash equivalents at the beginning of the year	8,620	11,951
Total cash and cash equivalents at the end of the year	13,210	8,619
Cash and cash equivalents comprise:		
Cash at bank and in hand	13,210	8,619

Notes to the accounts

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:

a. Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The organisation is a public benefit entity for the purpose of FRS 102 and a registered charity, and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), and Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the valuation of fixed-asset investments and in accordance with Art Fund's Royal Charter.

The consolidated financial statements include the accounts of the National Art Collections Fund and its subsidiary undertaking, Art Fund Services Limited, which is wholly owned and registered in England and Wales. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements.

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. Although the ongoing coronavirus pandemic has required significant changes to activities, it is not a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. Membership and commercial income decreased in 2021 as a result of the measures in place to control the virus and are expected to take some time to recover to 2019 levels. However legacy income in 2021 was almost double that of 2020. Art Fund's charitable programmes will continue to adapt in response to the changing needs of the sector. At the date of signing these financial statements, the trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

b. Income

Income is usually accounted for on a receivable basis. Voluntary income, comprising donations and legacies, are recognised as incoming resources when Art Fund becomes entitled to the income. For donations this is when there is certainty of receipt and value. For all legacies income has been recognised dependent on type which is deemed to be when the receipt and value are probable:

- Pecuniary legacy – the earlier of cash receipt or probate date
- Residuary legacy – the earlier of cash receipt or estate accounts date

Annual ordinary membership income is recognised at the point at which benefit is transferred, being the date that the membership begins. Life membership income is recognised on a straight line basis over a ten year period. Contractual or trading income is recognised as income to the extent that Art Fund has provided the goods or services. Where income is received in advance and Art Fund does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

c. Expenditure

Expenditure is recognised in the financial statements on an accruals basis. Expenditure is classified in the SoFA under the principal categories of costs of raising funds and cost of charitable activities rather than the type of expense.

Grants payable are recognised when a grant has been approved and this has been communicated to the recipient.

Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to the activities to which they relate as shown in note 5. Costs of raising funds are those incurred in seeking voluntary contributions for Art Fund, the cost of fundraising events, cost of operating the trading subsidiary and investment management fees.

Grant support costs comprise the costs of processing grant applications, including support to actual and potential applicants. Other charitable activities comprise costs incurred in attracting new members and providing services to existing members, including publications and communications. Governance costs are those costs incurred in connection with the general governance of Art Fund including compliance, constitutional and statutory requirements.

d. Fixed Asset Investments

Investments are stated at market value, which is measured at bid price, in accordance with the revised Statement of Recommended Practice. As a result the SoFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SoFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

e. Tangible Fixed Assets

Assets with an economic life greater than one year and with a value exceeding £500 or more are capitalised.

Depreciation is provided on all tangible assets at rates calculated to write-off the value of each asset over its expected useful life with no residual value assumed:

Freehold property	-	1%
Computer equipment	-	33%
Fixtures and fittings	-	20%

A full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying value of assets does not exceed their recoverable amounts.

f. Heritage Assets

In 2021, heritage assets have been added to accounting policies with the purchase of Prospect Cottage including its garden and contents. This addition has been capitalised and recognised in the balance sheet at the cost and value of the acquisition. Purchased heritage assets are capitalised and recognised in the year they are paid. Such items are not depreciated or revalued as a matter of routine as the assets are deemed to have indeterminable lives and it is not practical to revalue them each year. Expenditure for maintenance and operating costs as well as an associated artistic programme is included under charitable activities in the statement of financial activities.

g. Liquid resources

Liquid resources, as referred to in the Trustees' report, are current asset investments that are disposable without curtailing or disrupting Art Fund's business and are either readily convertible to known amounts of cash at or close to their carrying value or traded in an open market.

h. Pensions

Art Fund operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Art Fund in an independently administered scheme. The pension cost charge represents the amounts payable by Art Fund amounting to £297,000 (2020: £260,000).

i. Provisions

Art Fund provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that the transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

j. Leases

Art Fund has no finance leases. Costs relating to operating leases are charged on a straight-line basis over the life of the lease period to which it relates.

k. Taxation

Art Fund is eligible under Part 11 Corporation Tax Act 2010 and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of its charitable objectives. Art Fund Services Limited donates its profits to Art Fund and therefore is not liable to pay capital gains or corporation tax.

l. Funds structure

Art Fund has the following categories of funds:

- Restricted permanent endowment funds which the donors have stated are to be held as capital.
- Restricted funds whose investment or usage is subject to specific restriction imposed by sponsors and donors.
- Designated funds which have been set aside at the discretion of the Trustees for specific purposes.
- General funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of Art Fund.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are detailed in note 13.

m. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements.

1) The Charity has taken the view of the Trustees that valuing the freehold property and heritage assets at fair value would incur undue cost and effort and has therefore continued to use historical cost as the deemed cost for its freehold property.
2) The Charity considers its freehold property to be held solely for operational use and not investment use, meaning that no apportionment is required. The element of the property covered by a sub-lease is occupied by a charitable organisation whose objects are similar to Art Fund's own, therefore the property has been recognised as a tangible fixed asset.
3) The method for allocating central expenditure to income streams is a judgement. The Group allocates these costs based on head count.
4) For all legacies, income has been recognised dependent on type as disclosed in note 1b.

2. Net surplus of the trading company

Art Fund has a wholly owned trading subsidiary which is incorporated in the UK. Art Fund Services Limited has a share capital of £100 and sells advertising on behalf of Art Fund. The company donates its taxable profits to Art Fund and also pays interest on any loans from Art Fund. A summary of the results of the trading company is shown below. Audited accounts have been filed with the Registrar of Companies.

	2021 £'000	2020 £'000
Profit and loss account		
Turnover	63	56
Cost of sales	(43)	(43)
Gross profit	20	13
Administrative expenses	(10)	(9)
Interest payable	-	-
Net profit	10	4
Gift aid	(10)	(4)
Retained in subsidiary	-	-

The assets and liabilities of the trading company as at 31 December 2021 were as follows:

	2021 £'000	2020 £'000
Balance sheet		
Total assets	120	116
Total liabilities	(117)	(113)
Net assets	3	3

The total income of the parent charity was £17,467,000 (2020: £14,418,000) and the total surplus was £5,742,000 (2020: Deficit of £2,041,000). The values are the same as in the consolidated accounts because the profit of the trading company is counted as investment income to the charity.

3. Reconciliation of grants given for the purchase of works of art

	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Grants outstanding at 1 January		2,653		3,537
Grants offered during the year	3,305		2,754	
Grants subsequently not taken up	-		-	
Grants from a previous year no longer required	(54)		-	
	3,251		2,754	
Acquisition grants committed in the year		3,251		2,754
		5,904		6,291
Grants paid during the year (see note 4)		(2,998)		(3,638)
Provision for grants for acquisitions (see balance sheet)		2,906		2,653

4. Total grants for acquisitions paid in 2021

The total value of grants offered in the year was £3.3m. The note below details the payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme, a value that amounted to £3.0m.

		£
Scotland	Aberdeen Art Gallery	9,500
North West	Armitt Library and Museum Centre	2,600
South West	Bath, Victoria Art Gallery	4,334
Northern Ireland	Belfast, Ulster Museum	70,000
South West	Bristol Museum & Art Gallery, jointly with Leeds Art Gallery	45,000
South West	Bristol Museum & Art Gallery, jointly with Wolverhampton Art Gallery	75,000
East Anglia	Cambridge University Library	20,000
Wales	Cardiff, National Museum Cardiff	20,000
Wales	Cardiff, National Museum Cardiff	25,000
Wales	Cardiff, National Museum Cardiff	41,500
Wales	Carmarthen, Carmarthenshire Museum	10,110
South West	Dorchester, Dorset County Museum	40,000
Scotland	Dundee, The McManus	20,000
Scotland	Edinburgh, Scottish National Gallery	35,000
East Anglia	Ely, Stained Glass Museum	106,535
Scotland	Glasgow, GOMA	12,300
Scotland	Glasgow, The Hunterian	6,000
North East	Hartlepool Art Gallery	3,800
South East	Herne Bay, The Seaside Museum	622
East Anglia	Ipswich, Christchurch Mansion	7,997
West Midlands	Leamington Spa Art Gallery & Museum	1,600
East Midlands	Leicester Museum and Art Gallery	2,700
East Midlands	Lincoln, The Collection	20,000
Wales	Llanefni, Oriel Môn	8,000
London	London, British Museum	45,000
London	London, Create London	22,370
London	London, Forma Arts & Media, jointly with Cardiff, National Museum Cardiff; Edinburgh, National Galleries Scotland; Liverpool, Tate Liverpool; London, Guildhall Art Gallery; Norwich Castle Museum and Art Gallery; and Plymouth, The Box	20,000
London	London, Garden Museum	3,152
London	London, Hackney Council	47,860
London	London, Hayward Gallery	50,000
London	London, Imperial War Museum	85,000
London	London, Leighton House	5,500
London	London, National Army Museum	6,500
London	London, National Army Museum	9,450
London	London, National Army Museum	135,320
London	London, National Gallery	300,000
London	London, Royal College of Music Museum	3,500
London	London, Royal College of Music Museum	18,895
London	London, Science Museum	32,000
London	London, Science Museum	126,925
London	London, Studio Voltaire	57,250
London	London, The Queen's House, National Maritime Museum	60,000
London	London, V&A	40,000
London	London, V&A	50,000
London	London, V&A East	86,000
Central Southern	Luton, Wardown House Museum & Gallery	2,046
North West	Manchester Art Gallery	5,318
North West	Manchester, The Whitworth	1,232
North West	Manchester, The Whitworth	6,800
North West	Manchester, The Whitworth	30,000
North West	Manchester, Walker Art Gallery	36,681
East Anglia	Norwich Castle Museum & Art Gallery	1,620
East Anglia	Norwich Castle Museum & Art Gallery	1,850
East Midlands	Nottingham, Nottingham Castle	11,245
North West	Oldham, Gallery Oldham	9,800
South West	Oxford, Ashmolean Museum	151,810
South West	Oxford, Ashmolean Museum	15,000
South West	Oxford, The Ashmolean	23,000
South East	Portsmouth, National Museum of the Royal Navy	200,000
North West	Rochdale, Touchstones Rochdale	3,852
East Anglia	Saffron Walden, Fry Art Gallery	2,000
South West	Salisbury, The Salisbury Museum	6,075
East Anglia	Spalding, Ayscoughfee Hall Museum	6,500
East Anglia	St Albans, Verulamium Museum	1,100

		£
Scotland	Stirling, University of Stirling Art Collection	4,400
Scotland	Stromness, Pier Arts Centre	1,350
Scotland	Stromness, Pier Arts Centre	2,500
East Anglia	Sudbury, Gainsborough's House	150,000
Scotland	Turriff, Fyvie Castle (National Trust for Scotland)	28,939
Yorkshire	Wakefield, Hepworth Wakefield	500,000
South West	Woodstock, Oxfordshire Museum	2,000
	Total Grants paid during the year	2,997,501

5. Analysis of total expenditure

	Staff costs	Grants & direct expenses	Support costs	Depreciation	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:						
Cost of generating voluntary income	573	82	267	16	939	986
Cost of trading subsidiary	-	53	-	-	53	52
Cost of fundraising events	-	-	-	-	-	5
Investment adviser's costs	-	93	-	-	93	93
	573	228	267	16	1,085	1,136
Expenditure on charitable activities:						
Grants for acquisitions	-	3,251	-	-	3,251	2,753
Strategic collecting	-	224	-	-	224	512
Grant support	553	223	284	17	1,077	820
Building collections	553	3,698	242	17	4,552	4,085
Reaching audiences	-	396	-	-	396	2,105
Shaping futures	-	2,294	-	-	2,294	2,969
Advocacy & campaigning	306	-	130	6	442	352
Promoting museums & museum visiting	298	711	159	9	1,177	1,141
Digital & communications	575	688	351	22	1,636	1,521
Membership servicing & recruitment	839	2,934	450	28	4,251	4,063
Publications	339	210	190	11	750	695
Making connections	2,357	4,543	1,279	76	8,255	7,772
Total charitable expenditure	2,910	10,931	1,563	93	15,497	16,931
Total expenditure	3,483	11,159	1,830	109	16,581	18,067

The audit fee for the year was £25,000 (2020: £19,150). The auditors' fees for non-audit services in the year were £4,669 (2020: £4,020).

* Support costs of £1,830,000 do not include salaries of £859,000, which are included in the staff costs column (2020: £763,000). Therefore total support costs are calculated as £2.7m (2020: £2.2m).

Salaries and pensions	2021 £'000	2020 £'000
Total salary and pensions costs are:		
Salaries	2,875	2,648
Social security costs	312	283
Other pension costs	296	260
	3,483	3,191

	No. of staff	No. of staff
Average number of staff employed (headcount)	72	69

Employees with emoluments totalling £60,000 or more, excluding pension contributions and Employer's National Insurance contributions:

£60,001 - £70,000	1	2
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
£100,001 - £110,000	-	1
£140,001 - £150,000	1	-

The highest paid employee joined the organisation part way through 2020 with 2021 representing a full year of emoluments.

The charity operates a defined contribution pension scheme. Contributions in respect of these staff were £57,746 (2020: £50,938).

Members of the Board did not receive any fees in the current or preceding year. Three (2020: three) Members of the Board received a total of £876 (2020: £539) reimbursement for expenses incurred in the year.

The key management personnel of the parent charity comprise the Trustees and the Senior Management Team. The total employee benefits of the key management personnel of the Charity were £628,520 (2020: £613,759).

6. Tangible assets

Group and charity	Freehold property £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
Cost:				
At 1 January 2021	6,037	214	187	6,438
Additions	-	56	11	67
Disposals	-	-	-	-
At 31 December 2021	6,037	270	198	6,505
Accumulated depreciation:				
At 1 January 2021	(420)	(172)	(181)	(773)
Charge for the year	(61)	(43)	(5)	(109)
Depreciation on disposals	-	-	-	-
At 31 December 2021	(481)	(215)	(186)	(882)
Net book value				
At 31 December 2021	5,556	55	12	5,623
At 31 December 2020	5,617	42	6	5,665

7. Heritage assets

Group and charity	Value at 1 January 2021 £'000	Additions £'000	Value at 31 December 2021 £'000
Prospect Cottage	-	1,500	1,500

8. Fixed asset investments

Group and charity	2021 £'000	2020 £'000
Investments at market value comprised:		
UK equities	8,318	6,925
Overseas equities	21,835	23,966
Private equity	1,995	2,313
Hedge funds	8,150	8,249
Inflation hedge	2,573	2,339
Overseas bonds	1,676	1,727
Cash	4,588	4,583
	49,135	50,102
Movement in investments – group and charity		
Market value at 1 January	50,102	48,245
Sale proceeds	(5,781)	(1,338)
Acquisitions at cost	132	1,639
Net gains on revaluation	4,682	1,556
Market value at 31 December	49,135	50,102
Historical cost at 31 December	30,967	37,462

Investments constituting at least 5% of the portfolio at 31 December 2021 (at market values) were:

	2021 £'000		2020 £'000	
Artemis	3,953	(8.0%)	3,513	(7.0%)
Brummer Investment	3,460	(7.0%)	3,540	(7.1%)
Coutts 90-day notice account	3,588	(7.3%)	3,583	(7.2%)
Heron Bridge	4,365	(8.9%)	3,412	(6.8%)
Longview Partners	6,574	(13.4%)	5,467	(10.9%)
MFG Investments	5,190	(10.6%)	7,002	(14.0%)
Orbis	4,544	(9.2%)	4,137	(8.3%)
Stewart	2,759	(5.6%)	2,653	(5.3%)

9. Debtors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade debtors	14	195	5	186
Amounts due from subsidiary undertaking	-	-	93	96
Prepayments and accrued income	278	999	278	999
Other debtors	84	26	84	26
Accrued legacy income	801	448	801	448
VAT	396	310	396	310
	1,573	1,978	1,657	2,065

10. Contingent assets – legacy income

As at 31 December 2021 the Charity has been notified of £3,580,318 (2020: £3,480,661) residuary legacies and £nil (2020: £nil) pecuniary legacies, however they did not meet Art Fund's recognition criteria and have therefore not been accrued.

11. Creditors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Falling due within one year:				
Trade creditors	567	344	567	337
Tax and social security	117	94	100	92
Other creditors and accruals	4,894	6,185	4,886	6,177
Deferred income	328	329	328	329
	5,906	6,952	5,881	6,935

12. Long-term creditors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Deferred income as at 1 January	497	781	497	781
Released during the year	(335)	(333)	(335)	(333)
Deferred during the year	61	49	61	49
Deferred income as at 31 December	223	497	223	497

The deferred income falling due after one year is the money received for life membership subscriptions, which is released to the Statement of Financial Activities over a period of ten years.

13. Net movement in funds - Group

These funds are split between permanent endowment funds where the capital must be retained and other restricted funds where both capital and income can be spent in accordance with the donor's wishes. Investment income on endowment funds is expendable in accordance with the donor's wishes. Any income unspent at the end of the year is carried forward to the next year as a restricted fund.

	Balance at 31 December 2019	Balance at 1 January 2021	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2021
General fund	7,994	5,008	13,954	(13,452)	542	868	6,920
The Parker fund	2,383	2,028	-	(962)	105	-	1,171
Perpetuity fund	35,498	33,788	-	-	3,335	(1,385)	35,738
Fixed asset fund	5,719	5,665	-	(43)	-	-	5,622
Challenge fund	218	75	-	-	8	-	83
Wedgwood future fund	458	472	-	(13)	47	-	506
2021 Reimagine fund	-	-	-	-	-	472	472
Total unrestricted funds	52,270	47,036	13,954	(14,470)	4,037	(45)	50,512
Restricted fund:							
Art Connects	50	40	75	(6)	-	-	109
Arts Council England - Visual Arts Programme	-	14	26	(11)	-	-	29
Art Happens	(54)	(82)	69	(88)	-	-	(101)
Art Happens - Heritage Lottery Fund	-	8	-	-	-	-	8
Art Happens - Unlock campaign	138	129	-	(24)	-	-	105
Art Tickets	56	23	-	-	-	-	23
Conservation appeal	-	-	19	-	-	-	19
Contemporary programme	7	7	-	-	-	-	7
David and Liza Brown bequest	77	47	-	(45)	-	-	2
Da Costa bequest	-	-	100	(36)	6	-	70
David Armstrong bequest	26	27	-	-	3	-	30
David Harrison bequest	-	1	-	-	-	-	1
De Livera legacy	15	15	-	-	2	-	17
Energise young minds	-	-	110	(5)	-		105
Garfield Weston UK Loans Programme	226	186	270	(160)	-	-	296
Headley Fellowships	190	387	-	(307)	-	-	80
International	31	8	-	(8)	-	-	-
Jonathan Ruffer curatorial scheme	53	78	75	(65)	-	-	88
Ivor Goudge bequest	-	200	1,193	(40)	133	-	1,486

	Balance at 31 December 2019	Balance at 1 January 2021	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2021
London Historic House Museums Trust	1,480	1,531	-	-	151	-	1,682
Michael Bassett bequest	-	231	-	(238)	-	7	-
Modern British Group	35	39	131	-	-	-	170
Moving Image Fund	104	104	-	-	-	-	104
National Gallery trainees	-	81	81	(164)	-	2	-
National Museum Wales	5	5	-	-	-	-	5
National Museums Scotland	5	5	-	-	-	-	5
New Collecting Awards	-	-	25	(34)	-	9	-
Prevost appeal	107	107	-	-	-	-	107
Prospect Cottage Dungeness	6	2,378	863	(165)	-	(1,500)	1,576
Prospect Cottage - Heritage asset fund	-	-	-	-	-	1,500	1,500
Regional grants appeal	15	18	-	(1)	-	-	17
Restricted acquisitions	-	-	29	(29)	-	-	-
RI Gunn bequest	842	872	-	-	86	-	958
Rought Fund	-	50	20	(60)	-	-	10
Student Art Pass programme	-	1	-	(28)	-	27	-
WM Bond bequest	172	176	-	-	17	-	193
Winter appeal 2017 - Supporting Curators	13	13	-	-	-	-	13
Wolfson	-	10	600	(600)	-	-	10
Total restricted funds	3,599	6,709	3,686	(2,112)	398	45	8,727
Permanent endowment funds:							
Campbell Dodgson bequest	4	4	-	-	2	-	6
Cochrane trust	181	187	-	-	18	-	205
Fulham fund	707	731	-	-	71	-	803
Ramsey Dyce bequest	164	170	-	-	17	-	187
Reginald Jones bequest	367	379	-	-	38	-	417
Modern Art fund	953	985	-	-	97	-	1,082
Wakefield fund	58	60	-	-	6	-	66
Total endowment funds	2,434	2,517	-	-	248	-	2,765
Total funds	58,303	56,262	17,640	(16,579)	4,682	-	62,005

Net movement in funds – Charity

	Balance at 31 December 2019	Balance at 1 January 2021	Income	Expenditure	Net gains/ (loss) on investments	Transfers between funds	Balance at 31 December 2021
Total unrestricted funds	52,266	47,033	13,902	(14,415)	4,036	(45)	50,511
Total restricted funds	3,599	6,709	3,686	(2,112)	398	45	8,726
Total endowment funds	2,435	2,517	-	-	248	-	2,765
Total funds	58,300	56,259	17,588	(16,527)	4,682	-	62,002

Art Connects
This fund relates to the Student Art Pass programme, specifically the development of the online platform and content / 'beyond visiting' opportunities associated with it to help students get more out of museums, galleries and public art collections. Art Connects is supported by the Stavros Niarchos Foundation, alongside a group of other private donors who support the wider Student Art Pass programme.

Art Happens
This fund relates to Art Fund's crowdfunding initiative which enables museums to make fundraising appeals to the public in support of specific works of art or projects.

Art Happens – Heritage Lottery Foundation
The funds granted to Art Fund by the Heritage Lottery Foundation are to be used towards the future development of the Art Happens crowdfunding platform.

Art Happens – Unlock campaign
This fund is to cover the direct costs of setting up and running each crowdfunding campaign on Art Happens. This includes producing a short film, creating rewards for donors and providing hands-on training throughout.

Art Tickets
This fund related to the development and launch our online ticketing platform, Art Tickets.

Conservation
This was launched in 2018 as an appeal to our Art Partners, donors and wider membership to help us make a bold new commitment towards supporting conservation projects at museums and galleries across the UK. We opened the programme in July 2019 for applications, making 11 grant offers to date and continue to develop our funding available to support conservation.

Da Costa Bequest
A bequest to support students to obtain curatorial knowledge, skills and experience which contributes to Art Fund's student opportunities programme to enable museums to recruit and pay students to work with them and gain experience of the cultural sector.

David and Liza Brown Bequest
The bequest is for the benefit of the Department of Prints and Drawings at the British Museum and the Southampton City Art Gallery, supporting cataloguing and acquisition costs. In 2019 Southampton City Art Gallery received the balance of funds from this bequest to acquire a moving image work Robots in Distress by Boredomresearch. The Bequest enabled a total of 19 acquisitions to join Southampton City Art Gallery's collection.

David Armstrong Bequest
The funds are for the benefit of Stirling and Falkirk Museums.

David Harrison Bequest
Proceeds from the auctioning of a work of art bequeathed to York Art Gallery by David Harrison. This fund is available to support future acquisitions for York Art Gallery.

De Livera Legacy
The legacy was left to Art Fund to contribute towards the acquisition of decorative arts in Cornwall or Devon.

Energise young minds
This fund generated from donations from our members and donors will be directed to programmes which provide creative opportunities for children, schools and young people in and with museums.

Garfield Weston UK Loans Programme
This is a three year programme to support loans to regional galleries across the UK from national galleries and museums.

Headley Fellowships
Headley Fellowships with Art Fund give curators focused time to research their collections either on a full-time basis for six months or part-time over a year, providing funding for their posts to be backfilled. Fellows also receive funds towards their project which can be assigned towards travel, research, training opportunities, courses of study and more. Made possible by the support of the Headley Trust, the scheme is especially intended to support those museums and galleries facing the most acute funding challenges.

Ivor Goudge Bequest
The funds are to be used for purchasing works of art that exclude paintings and prints, and that have been completed during the seventeenth, eighteenth or nineteenth centuries. Works are to be for suitable museums or galleries and are to be with an accreditation preference.

Jonathan Ruffer Curatorial Grants Scheme
This fund, provided through the auspices of Jonathan Ruffer, supports collections and exhibitions research for curators working in and with museums and galleries.

London Historic House Museums Trust
The funds were received from the transfer of the assets of the London Historic House Museums Trust in October 2009 and is to be applied towards the purchase of works of art for Kenwood House, Hampstead; Marble Hill House, Twickenham; The Ranger's House, Blackheath; and Chiswick House, Chiswick.

Michael Bassett Bequest
The fund is to be used to save, protect, conserve one single object or building dating before 1900.

Modern British Group
This fund is provided by a group of donors who wish to support acquisitions of work by modern British artists.

Moving Image Fund
This fund supports the acquisition of artists' moving image work at Towner Eastbourne, Whitworth Art Gallery, Bristol Museums and Galleries and The Hunterian in Glasgow.

National Gallery trainees
The National Gallery Curatorial Traineeship Programme is supported by Art Fund with the assistance of the Vivmar Foundation, offering a training programme for future curators in partnership with regional museums and galleries. Traineeships run for 22 months, with six months spent at the National Gallery and a further 16 months at partner museums.

National Museum Wales
These funds are to be used to support the acquisition of work for the National Museum Wales.

National Museums Scotland
This fund was set up by David and Anne Hyatt King to make money available to National Museums Scotland to purchase a painting by Taki Katei.

New Collecting Awards
This programme enables promising and ambitious curators to pursue new avenues of collecting for their museums, and at the same time build critical professional skills.

Prevost
In July 2018 we asked a group of donors to help the Museum of London to secure a rare 19th-century panorama of the London skyline by the French artist Pierre Prevost, ahead of sale at auction. This quick-fire fundraising helped us to provide a significant grant to enable the museum to purchase the painting.

Prospect Cottage Dungeness
In March 2020 Art Fund successfully completed the largest ever arts crowdfunding campaign to save artist and filmmaker Derek Jarman's Prospect Cottage. The success of the campaign has enabled Art Fund to purchase Prospect Cottage and to support a permanent public programme, the conservation and maintenance of the building, its collection, its contents and its renowned garden.

Regional grants appeal
The appeal was launched to support the acquisition of artworks for galleries and museums based outside of London.

R I Gunn Bequest
The bequest is to be applied towards the purchase of one or more paintings or drawings of the French Impressionist School for presentation to one or more of the museums or collections of pictures belonging to the nation in London or the University of Oxford.

Rought Fund
The funds are to be used to acquire artworks prior to 1815. The capital and income of the fund may be accessed by the trustees from its establishment and they may use their total discretion as to what artworks within the restriction are most appropriate to acquire.

Student Art Pass programme
The funds are to be used towards the future development of the Student Art Pass programme.

Wedgwood Future Fund and Minton Archive Fund
The Wedgwood Future Fund and Minton Archive Fund were established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum and the Minton Archive at Stoke on Trent City Archives.

Winter Appeal 2017
In 2017 we launched a 'Regional Acquisitions Appeal' to Art Partners and donors, asking for their support to help us increase our grant-giving for museums outside London to acquire works of art for their collections.

Wolfson
The Wolfson Foundation make a major contribution towards our work to support museum collections; their funds are directly primarily to our main acquisitions grant programme and also to the New Collecting Awards.

W M Bond Bequest
The bequest is to be held in trust for the Laing Art Gallery, Newcastle upon Tyne, and is to be devoted to the purchase of the following, to be displayed in that gallery: antique china, pottery, furniture, historical painting including oil painting but in particular watercolours; and work by living artists whose work creatively utilises china, pottery or furniture.

Campbell Dodgson Bequest
The income is to be used for the benefit of the Department of Prints and Drawings in the British Museum.

Cochrane Trust
The income may be used for the purchase of works of art not being the work of any person living at the date of purchase.

Fulham Fund
The income generated is neither restricted nor designated and is therefore taken to unrestricted funds.

Ramsey Dyce Bequest
The income must be used to acquire objects of art to be added to the permanent collection of the Aberdeen Art Gallery.

Reginald Jones Bequest
The income is to be used to purchase pictures and other works of art that are at least 100 years old.

Modern Art Fund
The income is to be used towards the purchase of twentieth century art.

Wakefield Fund
The income is to be used for the purchase of contemporary craft.

14. Unrestricted funds

At the balance sheet date, Art Fund's reserves comprised the following:

	2021 £'000	2020 £'000
Total funds per Balance Sheet	62,005	56,262
Endowment funds (note 12)	(2,766)	(2,517)
Restricted funds (note 12)	(8,727)	(6,709)
Unrestricted funds as per the Balance Sheet	50,512	47,036
Parker fund	(1,171)	(2,028)
Perpetuity fund	(35,738)	(33,788)
Fixed assets held for charity use	(5,622)	(5,665)
Challenge fund	(83)	(75)
Wedgwood future fund	(506)	(472)
2021 Reimagine fund	(472)	-
General funds at 31 December	6,920	5,008

15. Analysis of net assets between funds – Group

	General funds 2021 £'000	Designated funds 2021 £'000	Restricted funds 2021 £'000	Endowment funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,622	-	-	5,622	5,665
Heritage assets	-	-	1,500	-	1,500	-
Investments	8,399	37,970	-	2,766	49,135	50,102
Current assets	7,556	-	7,227	-	14,783	10,597
Total liabilities	(9,035)	-	-	-	(9,035)	(10,102)
	6,920	43,592	8,727	2,766	62,005	56,262

Included above are unrealised gains on investment assets at 31 December 2021 of £4,803,000.

Analysis of net assets between funds – Charity

	General funds 2021 £'000	Designated funds 2021 £'000	Restricted funds 2021 £'000	Endowment funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,622	-	-	5,622	5,665
Heritage assets	-	-	1,500	-	1,500	-
Investments	8,399	37,970	-	2,766	49,135	50,102
Current assets	7,528	-	7,227	-	14,755	10,577
Total liabilities	(9,010)	-	-	-	(9,010)	(10,085)
	6,917	43,592	8,727	2,766	62,002	56,259

Analysis of net assets between funds – Group (Previous Year)

	General funds 2020 £'000	Designated funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,665	-	-	5,665
Heritage assets	-	-	-	-	-
Investments	11,222	36,363	-	2,517	50,102
Current assets	3,888	-	6,709	-	10,597
Total liabilities	(10,102)	-	-	-	(10,102)
	5,008	42,028	6,709	2,517	56,262

Included above are unrealised gains on investment assets at 31 December 2021 of £4,803,000.

Analysis of net assets between funds – Charity (Previous Year)

	General funds 2020 £'000	Designated funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,665	-	-	5,665
Heritage assets	-	-	-	-	-
Investments	11,222	36,363	-	2,517	50,102
Current assets	3,868	-	6,709	-	10,577
Total liabilities	(10,085)	-	-	-	(10,085)
	5,006	42,028	6,709	2,517	56,259

16. Operating leases

At 31 December 2021 the charity had minimum lease commitments under operating leases which expire:

	2021 £'000	2020 £'000
In the first year	6	6
In the second to fifth years inclusive	2	8
	8	14

17. Related party transactions

During the year five Trustees (2020: seven) made donations to Art Fund totalling £12,960 (2020: £13,103).

At the February 2021 Board meeting, Chris Smith declared a conflict with regard to the Cambridge University Library application for £20,000 towards a painting Researching Lung Development, Gurdon Institute as he was syndic of the Cambridge University Library. He left the room when this item was discussed.

At the July 2021 Board meeting, Katrina Brown declared a conflict of interest with regard to the Glasgow, Gallery of Modern Art application towards three works by Nathan Coley as she was the partner of the artist of the works. She left the room when this item was discussed.

At the July 2021 Board meeting, Tessa Jackson declared a conflict of interest with regard to the Royal West of England Academy application for £55,000 towards a commission, *Espaliered tree lift façade* by Peter Randall-Page as her husband is partner of Childs Sulzmann Architects who are the appointed architects for the Royal West of England Academy's capital development project. She left the room when this item was discussed.

At the October 2021 Board meeting, Tessa Jackson declared an indirect conflict of interest with Chisenhale Gallery's application for £30,000 for *Show Me The World Mister!* by Ayo Akingbade as she is trustee of Spike Island, a commissioning partner for the work. She left the room when this item was discussed.

Also at the October 2021 Board meeting, Monisha Shah wished for it to be noted in relation to Art Fund partnering on a project receiving funding from AHRC that she is a senior independent member of AHRC.

Get in touch

Join us to support museums and galleries, now and in the future.

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artfund.org/national-art-pass

/corporate-membership to become a corporate member and offer the National Art Pass for companies

/art-partners to become one of our closest supporters

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Staff (May 2022)

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Sophie Brooke-Smith
Rachael Browning
Natalie Cahillane
Jane Cairns
Freya Case
Robin Clark
Sarah Cosby
Edward Cutcher
Victoria Diaz Vilas
Robert Dingle
Andrew Durrant
Catriona Gallagher
Jessica Gallagher
Samantha Grayson
Yvonne Hanson-Mills
Lucy Hawes
Rosalind Hayes
Kathy Hughes
Emma Hutchins
Joe Jefford
Paul Julier
Merrin Kalinowski
Sarah Kaye
Mike Keating
Charlotte Keeble
Dhruv Kesra
Sean Lawrence
Katie Lloyd
Jorge Lugo Andere
Rachel Mapplebeck
Philippa Masters
Rhys Mathews
Peter McAndrew
Paul McQueen
Anwar Meah
Scarlett Millar
Emma Mills
Nisha Mohamed Sultan
Catherine Monks
Laura Murphy
Ben Murray
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Claire Noakes
Rebecca Passmore
Jo Paton
Sarah Philp
Ross Rees
Alice Regent
Lizzie Richards
Melissa Richards
Amy Ross
Irene Ruiz Garrido
Nancy Saul
Rebecca Scott
Amy Sharp
Lauren Strain
Helen Sumpter
Ying Tan
Sarah Timmins
Silvana Vallecorsa
Nadia Vistisen
Jenny Waldman
Laura Wells
Richard Wilkinson
Ben Williams
Charlotte Wood
Carolyn Young

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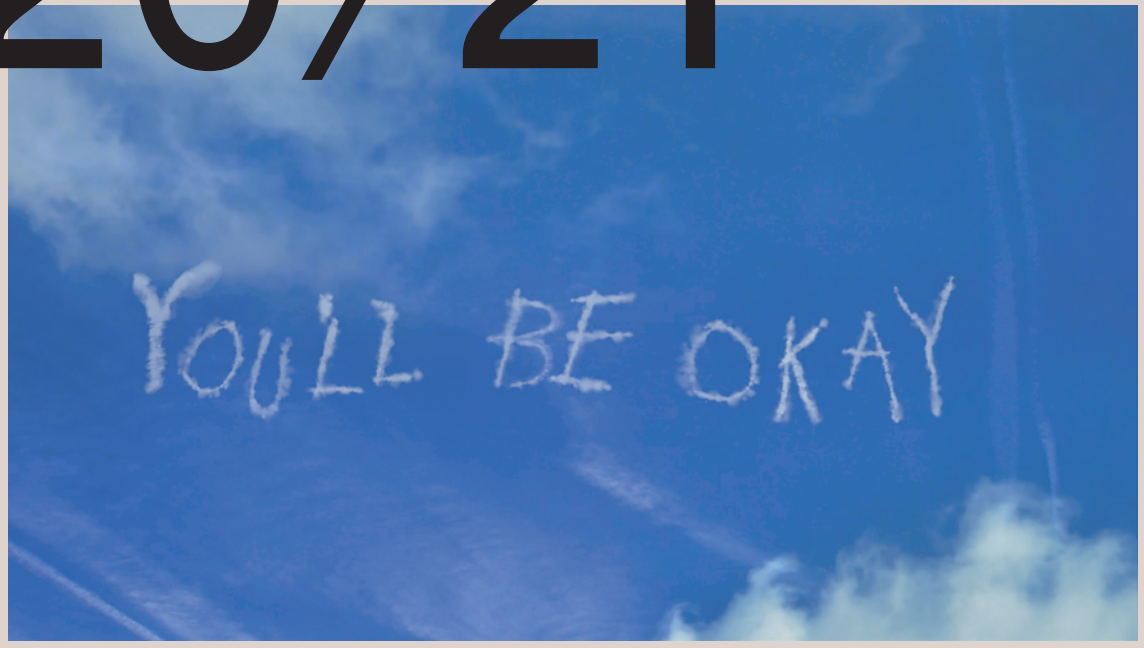
Art Fund is a charity registered in England and Wales (209174) and Scotland (SC038331)

NATIONAL ART COLLECTIONS FUND

England & Wales - Charity number 209174

Accounts

Art Fund in 20/21



Patron: Her Majesty the Queen
Chairman: Lord Smith of Finsbury
Treasurer: Jeremy Palmer
Director: Jenny Waldman CBE

Board of Trustees (May 2021)

Katrina Brown
Professor Richard Deacon CBE RA
Dame Liz Forgan
Anupam Ganguli
Philippa Glanville OBE FSA
Tessa Jackson OBE
Isaac Julien CBE RA
Madeleine Kennedy
Alastair Laing FSA
Professor Susan Lambert
Dr Satish Padiyar
Professor Marcia Pointon
Axel Rüger
Monisha Shah

Art Fund_

Chairman's welcome 2

Director's welcome 4

Art Fund in action 6

Thank you 24

How we work 34

Report of the Board and Financial Statements for the year ended 31 December 2020 38

Get in touch 76

Chairman's welcome

In what has been – and continues to be – an incredibly challenging time for many, our donors and members have proved as passionate as ever about supporting the UK's museums and galleries.

This steadfast commitment, together with Art Fund's history of strong financial management, allowed us to step up with crucial support from the beginning of the Covid-19 pandemic, and we will continue to do so as this year begins the story of recovery.

After speaking with hundreds of museum and gallery professionals, in spring 2020 we adapted our funding programme to address the catastrophic damage threatened by the pandemic, distributing £3.6 million in a range of grants and partnerships. Much of that was made available through our 'Respond and Reimagine' programme (£2.25m) – quick-turnaround critical funding – which aimed not only to meet the pressing immediate needs of museums but also to encourage bold and creative ways of navigating the future.

Possibly attributed to Robert Adams, The Astor Armada Drawings, c1589, National Museum of the Royal Navy, acquired 2021 with Art Fund support. Photo courtesy National Museum of the Royal Navy



I would like to thank our wonderful staff, who adapted with lightning speed and have achieved so much while working from home – their dedication and imagination under pressure ensured our work didn't falter for a moment.

Despite the new and varied demands of the crisis, our core commitments to helping UK museums build their collections and share them widely remain as important as ever. Our New Collecting Awards supported five fascinating projects across the country this year, including the acquisition of new works by contemporary indigenous artists at the Pitt Rivers Museum in Oxford. Altogether in 2020 we committed £2.8 million towards our acquisitions programme; and more than 240 objects and works of art joined public collections with our support, across all our collecting programmes.

Last year also saw the success of our 20-year campaign to strengthen the government's Export Review system and better protect works of national importance from being sold privately overseas. This means that museums will be able to fundraise to buy irreplaceable works – such as the export-stopped 16th-century maps depicting the defeat of the Spanish Armada which were recently saved for the nation with our support – with total confidence. A brilliant achievement.

It has been a year of great effort, strong partnerships and unparalleled creativity, but the pandemic and its consequences are far from over. With shattered incomes and the challenges of reopening in an altered world, many museums still face uncertainty. We are working hard to help them build a sustainable future. Together with our donors and members, we know we will make a difference.

Thank you.



Lord Smith of Finsbury

Director's welcome

For over a century, Art Fund has been helping the UK's museums and galleries to prosper. Rarely has this mission felt so urgent.

A year ago, almost overnight, museums that were thriving found themselves plunged into crisis. At Art Fund we sprang into action, and with the commitment of our supporters and our deep understanding of how museums operate, we were uniquely positioned to offer targeted help.

One thing left in no doubt by this past year is the vital role that museums play in their communities. Their determination to bring joy, alleviate isolation and aid wellbeing during lockdowns has been extraordinary. We were delighted to support so many imaginative initiatives, both digital and physical – from Ditchling Museum of Art + Craft's #CreateToRelate project, which engaged local people and new audiences in artist-run workshops online, to the Lowry's 'Days Like These' exhibition, which brought together contributions from Salford residents sharing their experiences of 2020.

Art Fund Museum of the Year provided a much-needed boost to the spirits as we celebrated our five winners across a week of broadcasts and online events. And it was heartening to see artists come together with the public to support the places we love – I am deeply grateful to all those who donated to our Together for Museums crowdfunding campaign.

Any crisis throws up opportunities, and we are already helping museums to build on their resilience as they give us much to look forward to. We're thrilled to be supporting a range of exciting exhibitions across the UK to help welcome visitors back, as well as the return of several festivals, including Glasgow International, Liverpool Biennial and British Art Show 9. And we're here to help as many venues as we can manage the challenges of reopening with Art Tickets, our free online ticketing system, which helped 120 museums to reopen safely last summer.



Jenny Waldman and artist Melanie Manchot at a special Art Partners event – a behind-the-scenes tour of Manchot's studio in east London

But while there is hope on the horizon, the picture remains stark: over half of museums are concerned about their survival. Sustained investment, buoyed by the return of visitors, is needed to ensure as many museums as possible come through this experience. As an independent organisation we are able to be flexible in addressing the needs of the sector, and alongside our core funding for acquisitions we will continue to direct our support where it can be most useful. Whether it's to mount an exhibition, develop digital projects or invest in skills and expertise, museums will be able to apply to our new 'Reimagine' programme to help them transform their activities. We will also continue to advocate loudly for museums to policy makers and our fellow funders; and, of course, to inspire people everywhere to visit.

We are only as strong as our supporters. My heartfelt thanks go to our donors and members, whose generosity means we can continue to help museums through the greatest challenge they have faced in a generation. I believe that together we will see them thrive again and grow to play an even greater role in our recovering society.



Jenny Waldman, director, Art Fund

Art Fund in action

Responding to the crisis

The brutal speed with which the pandemic closed museums and galleries and cut them off from their audiences demanded an equally swift response. We went straight to the sector to identify the most pressing challenges as they were unfolding, and through this research we were able to quickly provide support where it was most needed, distributing £3.6 million in **urgent funding** to 317 museums across the UK in 2020. This included £2.25m in 'Respond and Reimagine' grants, as well as a range of other targeted grants and partnerships.

These grants not only enabled museums to plan vital activity and reach audiences but also, in many cases, to contribute to the wellbeing of their communities. With our support, Ceredigion Museum in Aberystwyth have been documenting and exhibiting local people's experiences of Covid-19; a newly recruited bilingual digital engagement officer at Museum nan Eilean in Stornoway is helping the museum to attract new audiences; Bradford's Impressions Gallery are creating outdoor 'capsule' exhibitions in the city centre alongside their online offering; and the Barber Institute of Fine Arts in Birmingham have been addressing the Covid mental health crisis directly through a pioneering partnership with the university's medical college – including welcoming a nurse-in-residence to the museum.

'As a child I visited museums with my mother. It's essential that museums are there to inspire the next generation'

Lubaina Himid, artist and advocate for our Together for Museums campaign

Bringing everyone together

In a crisis of such colossal proportions, with so many museums' incomes devastated at a single stroke, the demand for emergency funding was of course far greater than we were able to meet. Our **Together for Museums** campaign showed once again that Art Fund's lifeblood is its members and donors. Turning first to our existing supporters in the summer of 2020, we later launched a public crowdfunding campaign which ran from November to March. In less than a year, over £1 million was raised, every penny of which is going directly to museums, whose survival depends on their ability to adapt creatively. And as museums strive to recover, we will continue rallying the support that they need. Thanks to the generosity of our donors, many more museums will be able to realise game-changing ideas, from community engagement projects that connect more people with art, to investments in staff and technology that will help secure museums' futures beyond the pandemic.

Carolyn Mendelsohn, *Being Inbetween* (detail), from the first exhibition in Impressions Gallery's OPEN OUT programme, supported by Art Fund, © Carolyn Mendelsohn, courtesy Impressions Gallery, Bradford





Offering practical help

In 2020 **Art Tickets**, our free ticket management system for museums, became a lifeline for venues concerned about reopening safely and effectively in a world still dominated by Covid-19. Social distancing measures have affected the number of visitors a venue can host, and for many museums this has meant drastically reduced income even when open. Quick to set up and simple to use for museums new to online ticketing, Art Tickets makes it easy for them to control visitor flow, encourage people to book ahead, and forecast ticket sales. And with options for visitors to make donations, the system also helps museums to develop their relationships with audiences and increase income. Last year 120 museums made the most of Art Tickets and our dedicated support team – a threefold increase on the year before.



The studio at Charleston, East Sussex. Charleston raised over £180,000 through our crowdfunding platform, Art Happens, to help them reopen – the biggest museum-run campaign on the platform to date. Photo © Electric Egg



Shahrzad Ghaffari, *Oneness* (study), 2018. More than 200 Art Happens donors helped Leighton House Museum in London to commission Ghaffari to create a mural for their redevelopment. Image courtesy the artist

Helping museums fundraise

For many museums, especially those that receive no public money, fundraising has never been more important. In 2020 our unique crowdfunding platform **Art Happens** continued to connect museums with generous supporters, helping them to raise money for exciting arts projects and get ready for life after lockdown. Following successful Art Happens campaigns, Dovecot Studios in Edinburgh have been able to tell the story of Scottish weaver and pop artist Archie Brennan in the first major exhibition of his work; Leighton House Museum in London have commissioned their first contemporary artwork to go on permanent display, a spectacular 11-metre-high mural, *Oneness*, which will decorate a grand helical staircase as part of a major redevelopment; and Charleston in East Sussex have been able to complete works to ensure that the exquisite home of radical and pioneering artists Vanessa Bell and Duncan Grant can reopen to the public. These success stories mean that, thanks to Art Happens, museum lovers have contributed nearly £1 million to causes they care about since the launch of the platform in 2015.

2020 stories

When the pandemic temporarily closed museums in spring 2020, Ceredigion Museum in Aberystwyth invited local people to contribute patches to a quilt, helping them record their experiences of Covid-19. The resulting digital and physical quilts will be shown in the museum's reopening exhibition, Human Threads.

'We created our digital offer immediately [when the first lockdown began], but there was a sense that this wasn't enough; it's not possible to reach everyone. We are very rural and have an ageing population. There is very poor internet access.

The council were sending out food packages to the most vulnerable people, and there was a special wellbeing one that we managed to feed into. We put together a leaflet with information about the project, and reminiscence cards, to encourage people to think about our collections and interact with us. We also put in a physical patch for them to send back; they could draw or sew onto it if they wanted to.

We've had some really wonderful responses. Somebody created beautiful crocheted patches from wool from their farm. A gentleman wrote us a lockdown song and recorded it. Some carers recorded interviews, talking about their own experiences – gentlemen whose wives went into care homes and they weren't able to see them for months, a father who couldn't bubble with his son because he was caring for an elderly relative. They are really emotional.

We want the exhibition to be really fabulous when we reopen. It will be quite impactful when people come in and see these quilts hanging from the balconies; hopefully [it will give them] that sense of pride in something they've produced.'

Alice Briggs, assistant curator, Ceredigion Museum

The Human Threads project was supported by a grant from Art Fund.



A contribution to the Human Threads quilt project. Courtesy Ceredigion Museum



Gairloch Museum, joint winner Art Fund Museum of the Year 2020, © Marc Atkins / Art Fund 2020

Celebrating museums

In a year when good news seemed hard to come by, we were determined to make **Art Fund Museum of the Year 2020** a resounding celebration of the sector's achievements and a beacon of support at a time of widespread uncertainty. Acknowledging the financial pressures caused by Covid, we increased the prize money by 40% to £200,000 and divided it equally between five winners: Aberdeen Art Gallery, Gairloch Museum, the Science Museum, South London Gallery and Towner Eastbourne, who had all shown outstanding innovation in serving their audiences. The traditional award ceremony became a week-long online celebration in October, starting with the live announcement of the winners on the BBC's The One Show, and people up and down the country joined us for talks, demonstrations, films, behind-the-scenes tours, games and more. Winning the prize has helped all five museums to reach new and diverse audiences, inspire their local communities at a difficult time and prepare for the future with renewed confidence.

'The recognition that comes with this award brings our small, independent museum to the national stage. With the prize money, we will be able to invest in our planned outdoor museum space and procure expertise and equipment to redesign our events and outreach programme for a sustainable, digital future'

Karen Buchanan, curator, Gairloch Museum, joint winner Art Fund Museum of the Year 2020

Taking conversations online

Like many organisations in 2020, we embraced digital to stay connected with our members and supporters and to deliver exciting arts events and insights for everyone. Our **events programme** moved online, broadening access to panel discussions, talks and virtual tours for both our Art Partners – our closest supporters – and wider audiences. Highlights included an exploration of 'The Role of Public Art Today' with leading artists including Yinka Shonibare CBE; a celebration of groundbreaking artists for International Women's Day 2021 with Turner Prize nominees Christine Borland and Rosalind Nashashibi; an evening with Magdalene Odundo, whose work *Asymmetric I* was recently acquired by National Museum Wales with Art Fund support; and a tour of Melanie Manchot's studio. We also began hosting webinars to open up our ways of working and help museum professionals access support during a challenging year, running sessions on our rapid-response funding, on borrowing and lending works of art, and more.



Art Fund webinar: International Women's Day 2021, Groundbreakers in the Arts, featuring Art Fund trustee Katrina Brown, artists Christine Borland and Rosalind Nashashibi, and Chisenhale Gallery director Zoé Whitley, © Art Fund 2021



Actor Ben Whishaw reading from Derek Jarman's diaries. Courtesy Creative Folkestone

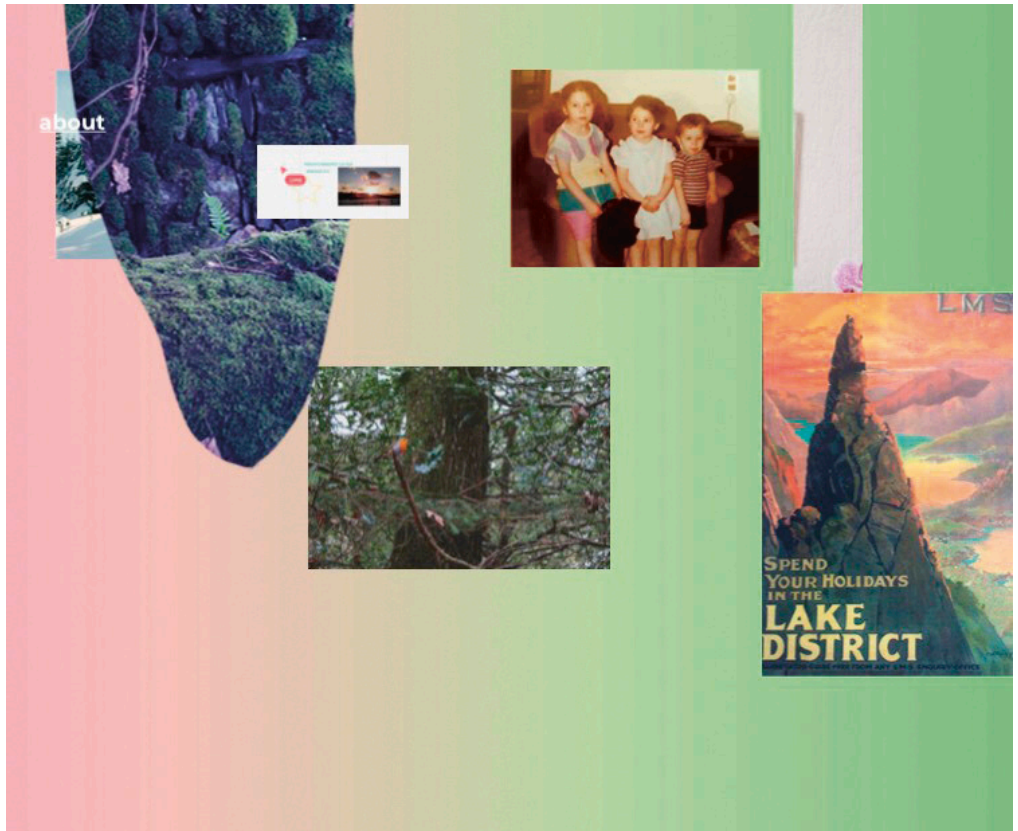
Nurturing creativity

Following our crowdfunding campaign in early 2020 to save **Prospect Cottage**, the home and garden of visionary filmmaker, artist and activist Derek Jarman, the first seeds of artistic activity were planted in November with Creative Folkestone's Autumn Reads festival. This online event allowed people virtual access to the cottage during lockdown, with four days of film, talks, music and more, exploring and celebrating the themes of Jarman's diaries, *Modern Nature*. In a beautiful 70-minute film recorded at the cottage, acclaimed actor Ben Whishaw read a selection of Jarman's thoughts, observations and memories, with music from John Zorn and Henryk Górecki. Other activities included the *Observer*'s Allan Jenkins talking about the role that gardening plays in mental wellbeing, and the writer Hisham Matar on the relationship between art and life. Alongside the many charitable trusts, individuals and organisations who helped us secure the future of this remarkable place, we look forward to seeing it develop into a hub for creative practice, appreciation and research under the custodianship of Creative Folkestone, while Jarman's archive from the cottage will become publicly available at Tate Britain.

Enabling change

Events of the past year have headlined the urgent need to address inequality throughout our society. Alongside commissioning a report into inequalities in the museum sector, we have been developing our support for initiatives that tackle these problems head on and we are striving harder to embed the principles of **equality, diversity and inclusion** in our own work. In collaboration with the US-based Association of Art Museum Curators (AAMC), we presented a webinar series, Beyond Statements, discussing tangible actions for addressing racial diversity in museums. We also ringfenced 10 funded fellowships to attend the AAMC's conference for members of Museum Detox, a network of people of colour working in the sector. Elsewhere with our support, Grizedale Forest commissioned artist Jessica El Mal to explore how non-western narratives can improve our relationship with nature, for their 'Digital Forest' project; the newly founded Queer Heritage and Collections Network recruited a project manager to help develop their research; and the charity Outside In have been working to bring together artists living with mental health issues to reinterpret patient-created work at several museums.

A page from the Forest of Cultures website featuring contributions from participants in the Digital Forest project, led by artist Jessica El Mal



2020 stories

In a year when the great outdoors provided respite and inspiration for so many, arts organisation Grizedale Forest set out to explore our relationship with nature and how to make the forest more accessible for everyone. Artist Jessica El Mal led socially distanced workshops with participants from Cumbria to get their perspectives.

'My artistic practice is all around themes of climate justice and post-colonial ecologies, so working with minority ethnic groups in Cumbria seemed like a great opportunity.

The aims of the project were to address the fact that Grizedale Forest's visitors are not very diverse. Actually, numbers are not low among black and brown communities because black and brown people don't like nature; there are systemic things at play like costs, transport, language, etc. So I flipped the narrative a little to address that: what can Grizedale Forest learn from minority groups?

We spent one day together in the forest. Then we used a range of online tools to work collaboratively. People could upload anything they wanted to be on [the project website]. It started out that each page had a brief heading like 'Food' or 'Activities'. It was really nice keeping it open, so my prejudices or what I thought people might like about nature isn't what came through; it was genuinely what came up for the participants. We had quite a few Syrian participants and I had no idea how big barbecues were, but it's the common thing to do on a Friday apparently – go and have a barbecue in nature. Hopefully people visiting [the site] will find a way to engage with nature from wherever they are, particularly through non-western narratives.

It was great to develop more of an online practice and build my skills. Because of Covid, that's become more and more important. I like working collaboratively and with groups, so adapting to do that almost 100% online was a really valuable experience.'

Jessica El Mal, artist, The Digital Forest

The Digital Forest project, a co-commission between Grizedale Forest and Signal Film and Media, was supported by a grant from Art Fund.

Shaping inspiring collections

With museums facing financial hardship and difficult budget decisions, we are keen to ensure that **collections** can continue to grow and develop. In 2020 we helped over 70 organisations acquire more than 240 objects and works of art. Among many highlights, National Galleries Scotland now permanently owns *Portrait of a Girl in Grey* (c1915-25) by Gwen John, one of only two oil paintings by the artist in Scotland; while National Museum Wales is now home to 21 watercolour views of north Wales by Paul Sandby, painted in the early 1770s. Important contemporary works include Jenny Holzer's sculpture *For Science* (2020), commissioned by the Science Museum; Turner Prize nominee Goshka Macuga's *Make Tofu Not War* (2018), a woven tapestry highlighting environmental issues, acquired by Nottingham Castle; and Deborah Roberts' striking collage *Untitled* (2018), depicting a young girl with her fist raised in a suggested symbol of power, which helps Manchester Art Gallery to develop its collection of work by women and black artists. Also with our support, the British Museum acquired 103 rare block-ready drawings (1829) by Katsushika Hokusai, containing themes previously unseen in his work.



'Portrait of a Girl in Grey has hardly been off the gallery wall since we took it on loan over 20 years ago, so we are thrilled that such a popular and important work should now be part of the permanent collection'

Simon Groom, director of modern and contemporary art, National Galleries Scotland

Gwen John, *Portrait of a Girl in Grey*, c1915-25, Scottish National Gallery, Edinburgh, acquired 2020 with Art Fund support (with a contribution from the Wolfson Foundation). Photo © National Galleries Scotland



Nicholas Lees, *Blue Floating Bowls 19.36, 19.37, 19.38*, 2019, the Fitzwilliam Museum, Cambridge, acquired 2020 with Art Fund support, © Nicholas Lees. Photo courtesy of Cavaliero Finn. Gift of Nicholas and Judith Goodison through Art Fund

Helping donors make a difference

The generosity of donors who make **gifts and bequests** to museums through Art Fund has helped us to keep supporting collections in the most turbulent of years. In 2020 a number of museums acquired works by Wilfred Avery in a series of gifts from the late artist's estate, including several museums in Devon, where Avery was born; and we have been privileged to place a range of works by avant-garde and performance artist Bruce Lacey with museums in Glasgow, Leeds, Manchester and Norwich, with thanks to his family. Among the latest in a series of gifts made by Nicholas and Judith Goodison to the Fitzwilliam Museum in Cambridge are *Blue Floating Bowls* (2019), three exquisite, lathe-turned porcelain vessels by Nicholas Lees. And Birmingham Museum & Art Gallery have acquired *Study of Head (John the Baptist III)* (1992) by Brazilian artist Ana Maria Pacheco, bequeathed by Robin Thompson in memory of Hendrika Thompson-Dielessen. The sculpture joins four existing works by Pacheco, including an installation acquired with our help in 2005. This year we have also been especially thankful to those who choose to leave a legacy to Art Fund in their will – such generosity allows us to act with vital speed when museums need us most.



Empowering people

Our commitment to supporting and developing the careers of curators and **museum professionals** has remained unwavering. At a time when many have been furloughed and feeling isolated from their peers, we have been helping them to make connections and strengthen networks. The International Curators Forum received a grant towards their conversation series 'Blue Skies', which saw participants joining from all over the world. The project fostered one-to-one and group conversations on topics exploring the impact of Covid-19 on creative practice and personal and public life. Fair Museum Jobs, a grassroots collective who aim to establish a more inclusive standard of museum recruitment, presented a free week-long careers event with our support. And in autumn we ran two training days for museums interested in working with students and young people, sharing insights into these audiences as well as raising awareness of our new Student Opportunities grants – which help museums to harness the talent of our student membership while offering students paid work experience.

Painting porcelain, Gen'emon Workshop, Arita, Japan, February 2020. Curator Kate Newnham of Bristol Museum & Art Gallery visited Japan in February 2020 to attend a symposium, 'Creating Diverse Narratives: The Arts of Japan in Museum exhibitions', and to spend time learning about Japanese ceramics, supported by a Jonathan Ruffer curatorial grant. Image courtesy Kate Newnham

Keeping our community connected

Without **our members**, we couldn't support UK museums to the extent that we do – and in 2020 we wanted to help keep everyone connected to their favourite places, even when they couldn't visit. We launched a new podcast, Art & Stuff, which delves into the hidden stories behind intriguing museum objects; while our Art Pass Recommends film series takes viewers on an in-depth tour of some of the UK's most fascinating collections. And right at the beginning of the pandemic, we partnered with the BBC's Museum from Home initiative, co-producing a series of films which took audiences inside exhibitions that had been forced to close prematurely. Meanwhile our grants have supported museums in creating their own digital content for audiences, helping the Garden Museum to take their Derek Jarman exhibition online, Carmarthen's Oriel Myrddin gallery to produce a nature and music podcast for families and schools, and much more. For Student Art Pass members navigating disrupted courses and social isolation, we offered a range of activities, including the chance to interview museum professionals over Instagram Live, creative competitions, paid opportunities and a monthly art book giveaway.

'Ahu 'ula, or Hawaiian feather cloak, c1840, Pitt Rivers Museum. Featured in the Art Pass Recommends film 'Stories from Pitt Rivers Museum'. Courtesy Pitt Rivers Museum, University of Oxford



2020 stories

When lockdown closed university campuses and impacted employment, many students were worried about the future. We wanted to ensure that they could still benefit from being a Student Art Pass member, gain work experience and stay connected to each other. Ysabel Gregorio De Souza took part in a series of broadcasts on Instagram Live, where students interviewed museum professionals about working in the arts.

'One of the biggest benefits [of being a Student Art Pass member] was the #WeAreArtful live series and planning my own interview with Kim Kish at Hastings Contemporary. That was amazing.

It's honestly given me the fire in my belly, because when you go through the education system, they tell you what [working in the arts] is like, but you have to experience it. During second year I wanted to apply for gallery jobs, but they were looking for graduates. Student Art Pass is giving space for opportunities in all years, which is really smart.

My final year during this pandemic has been a fight – not only to do the work but to still find meaning in what I'm doing. When the lockdowns lifted, I found myself in a gallery more than ever; there's a certain therapeutic element. It's not just looking at our heritage – these beautiful relics – but reflecting on how our heritage relates to what's going on now. It's been really calming and reassuring.

Following Student Art Pass on Instagram, I feel like I'm following a friend. It shows they are listening to young people and [offering] different opportunities. I definitely feel there is a community growing.'

Ysabel Gregorio De Souza, Student Art Pass member

The #WeAreArtful Instagram Live series is available to watch on IGTV at instagram.com/studentartpass

@studentartpass



Visitors to Aberdeen Art Gallery, © Marc Atkins / Art Fund 2020

Thank you

Our work is only possible thanks to the generosity and commitment of many trusts, foundations and individuals, including our members, who support museums through the National Art Pass, our Art Partners, and those who leave a gift to Art Fund in their will. This year more than ever we are grateful for the invaluable support of funders with whom we work in partnership.

With the support of the Garfield Weston Foundation, the Weston Loan Programme with Art Fund continues to empower smaller museums to bring works from national or major collections to local audiences, with 15 grants awarded in 2020 and 18 exhibitions scheduled across the UK in 2021.

We are looking forward to reopening the Headley Fellowships with Art Fund, supported by the Headley Trust, after these were deferred last year due to the pandemic. Meanwhile, existing fellows have been busy sharing their research widely through publication and transforming their collection displays to increase audience access.

Supporting the next generation of curatorial leaders, our New Collecting Awards enabled five curators to develop their collections in 2020. The awards are supported by individual donors and trusts including the Wolfson Foundation, the Ruddock Foundation for the Arts and the Coral Samuel Charitable Trust.

We are also grateful to the Wolfson Foundation for their continued support of our acquisitions programme. Art Fund's longest-standing supporter, in 2020 they extended their generous support for this programme for a further three years, helping museums across the UK to keep investing in their collections at a challenging time.

Our Jonathan Ruffer curatorial grants remained open in 2020 and supported 43 curators in developing their expertise, despite travel being restricted. Several recipients completed international research trips before the first lockdown, and many have benefited from online professional development opportunities.

And the National Gallery Curatorial Traineeship Programme continued in 2020, with two new trainees benefiting from the opportunity to develop their skills within the National Gallery and at two partner museums. We support the programme with the assistance of the Vivmar Foundation.

Alongside Together for Museums, our own campaign responding to the Covid-19 crisis which raised over £1 million, our crowdfunding platform Art Happens hosted three further campaigns in 2020, with donations reaching over £235,000. The platform's infrastructure has been supported by the National Lottery Heritage Fund, the Fidelity UK Foundation, private individuals and charitable trusts.

In 2020, 120 museums used Art Tickets, our free ticket management system, to help manage visitors and sales between lockdowns – a significant scaling-up of the service. Art Tickets is supported by the Fidelity UK Foundation and private individuals.

And the £5 Student Art Pass continues to offer university students exclusive paid opportunities, reduced-priced entry to museums and access to vibrant online communities. The programme has been made possible by private funders including the Stavros Niarchos Foundation, the Roger De Haan Charitable Trust and the 29th May 1961 Charitable Trust.



Doris Zinkeisen, *Janet and Anne Grahame Johnstone and Julia Heseltine*, c1949-55, Colchester & Ipswich Museums, acquired 2020 with Art Fund support, © Johnstone Estate: Colchester & Ipswich Museums Service: Ipswich Borough Council Collection



Mark Laban, *Rustic Stool series* (series of 5), 2017, Crafts Council, acquired 2020 with Art Fund support, © Mark Laban. Photo: Jon Stokes

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Professor Richard Mayou
Aisla McDonald

Unknown makers (Romano-British), The Peover Hoard, AD 180-275, Congleton Museum, acquired 2020 with Art Fund support. Photo: British Museum, courtesy Congleton Museum



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Alan Swerdlow and Jeremy Greenwood

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Hazel Trapnell

David Trotter

Keith Tyson and Elisabeth Murdoch



Élisabeth Sonrel, *Les Rameaux (Palm Sunday)*, 1897, Ashmolean Museum, acquired 2020 with Art Fund support, © the artist. Photo © Ashmolean Museum, University of Oxford



Ashraf Hanna, *Yellow Undulating Vessel Form with Grey Interior*, 2019, Ceramics Gallery, Aberystwyth Arts Centre, acquired 2020 with Art Fund support, © the artist. Photo: Ashraf Hanna

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We would like to thank our Art Partners, a special group of patrons who champion the UK's museums and galleries in the same spirit of private philanthropy as Art Fund's founders once did. Their commitment, passion and generous support of all aspects of our work have been hugely appreciated over the last year.

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The Ampersand Foundation

Arts4Kent

The Ian Askew Charitable Trust

Bedhampton Charitable Trust

The Michael Bishop Foundation

The Deborah Loeb Brice Foundation

The Dana & Albert R Broccoli Foundation



William Wade Ellis, *Mangianooa [Mangaia, Cook Islands]*, 1779, Captain Cook Memorial Museum, Whitby, acquired 2020 with Art Fund support. Courtesy Captain Cook Memorial Museum

The John Browne Charitable Trust

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A visitor enjoying Jenny Holzer's sculpture *For Science* (2020), commissioned by the Science Museum with Art Fund support, © Jenny Holzer. ARS, NY and DACS, London 2021. Photo © The Board of Trustees of the Science Museum, London



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Paul Sandby, Pont-Aber-Glasllin, 21 Views of North Wales, c1771-75, Amgueddfa Cymru – National Museum Wales, acquired 2020 with Art Fund support (with a contribution from the Wolfson Foundation). Photo © Sotheby's





Goshka Macuga, *Make Tofu Not War* (installation view), 2018, Nottingham Castle Museum and Art Gallery, acquired 2020 with Art Fund support, © Courtesy of the Artist and Kate MacGarry, London. Photo: Angus Mill

Gifts in memory

Michele Paule Aline Albert Allen
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We thank all those donors who prefer to remain anonymous.

And we are grateful to those members who regularly give on top of their membership.

Thank you.

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How we work

No organisation can predict or completely prepare for a crisis as sweeping as the Covid-19 pandemic. Despite the speed with which it hit last year, we were able to steady our own ship and at the same time act swiftly in support of the sector. This was down to two main historical factors – the exceptional loyalty of our many and varied supporters and donors, including those who leave legacies to Art Fund, and decades of prudent financial management.

From this strong base, our staff and trustees worked quickly and collaboratively to assess what was possible, planning and implementing our revised funding programme by the summer of 2020. Our financial strategy inevitably had to be adjusted, and with special permission from our trustees we took the necessary step of drawing on our reserves to continue the vital work of supporting museums. We are ready to do this once more in 2021 as we prepare for what is expected to be only a gradual return to pre-Covid growth both for the sector and ourselves.

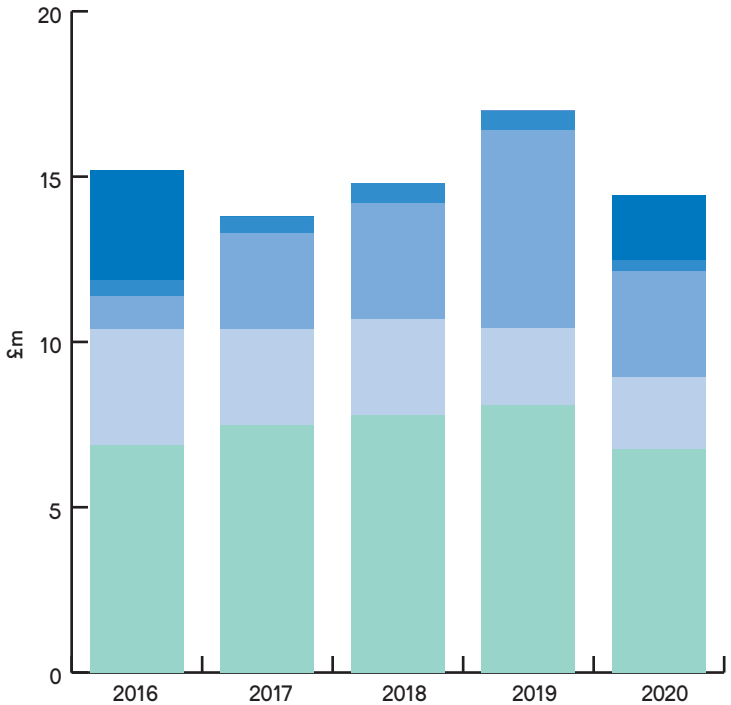
This recovery will be greatly supported by the robustness of our investments, which performed comparatively well thanks to long-term diversification, and by the range of our income as donors support the sector in many different ways. We remain hugely grateful to those who leave us a legacy, thereby providing the means to respond quickly when urgency is called for.

While the pandemic naturally had an impact on recruitment of new members, we hope many will join again when museums can remain open. Meanwhile, the loyalty of our 130,000 existing members has been invaluable in helping us to keep supporting the UK's museums and galleries. Their continued commitment strengthens our position greatly, as we begin building on the activity detailed over the following pages.



Katsushika Hokusai, *Dragon head Kannon*, one of 103 block-ready drawings (hanshita-e) for an unpublished illustrated book, Banbutsu ehon taizen zu 万物絵本大全図 (*Great Picture Book of Everything*), 1829, The British Museum, acquired 2020 with Art Fund support (with a contribution from the Wolfson Foundation), © The Trustees of the British Museum, London

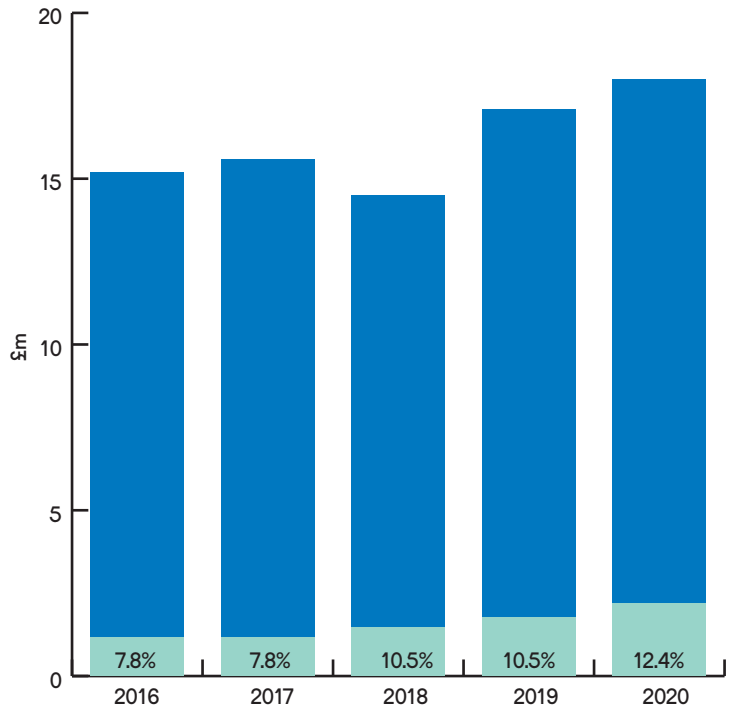
Performance



This chart shows how our total income has fluctuated over the past five years. The data reveals volatility in special appeals and legacy income, but shows a steady year-on-year increase in our underlying income, arising from membership subscriptions. In 2020, membership and trading income was reduced due to the Covid-19 pandemic.

- Special appeals
- Trading, investments & other
- Legacies
- Donations & fundraising
- Membership

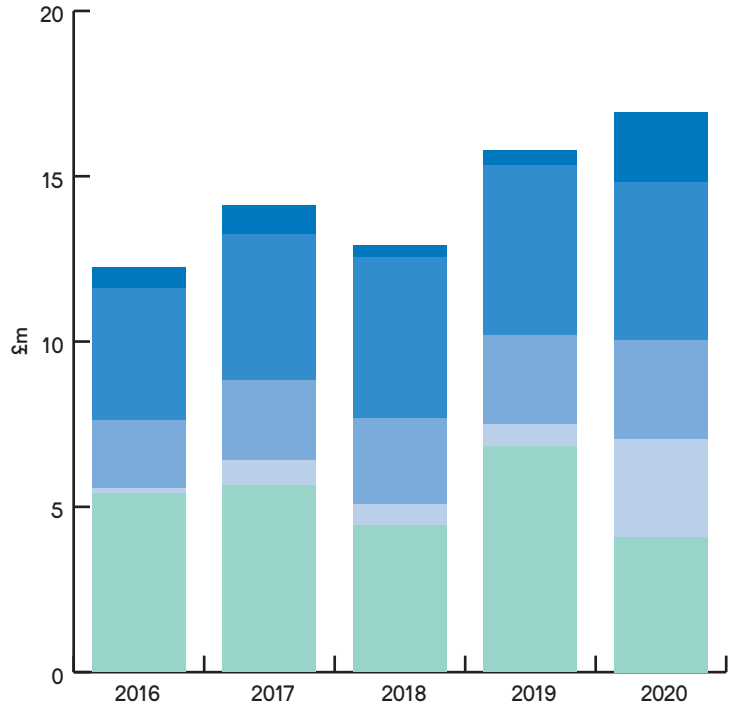
Efficiency



This chart illustrates support costs as a proportion of total expenditure, excluding special appeals. Support costs have risen in 2020, primarily due to investment in technology infrastructure and staffing.

- Total expenditure (exc. special appeals costs)
- Support costs

Impact



This chart illustrates the changing scale and composition of our charitable expenditure over the past five years. In 2020 we adapted our funding programme to respond to the needs of the sector as a result of the pandemic.

- Reaching audiences
- Making connections – National Art Pass
- Making connections – Museums network
- Shaping futures
- Building collections

Building collections: Helping museums and galleries add to and strengthen their collections, including grant-giving for acquisitions, conservation and towards strategic collecting initiatives, and placing gifts and bequests of works of art.

Reaching audiences: Facilitating the sharing of art as widely as possible, including grant-giving to support touring and display.

Shaping futures: Supporting the professional development of curators and museum professionals, including grant-giving towards curatorial research and training.

Making connections:

Museums network: Supporting museums including through advocacy and campaigning, promotional and digital activity.

National Art Pass: Servicing our membership of 130,000 individuals.

Report of the Board and Financial Statements for the year ended 31 December 2020

Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Memorandum and Articles of Association of Art Fund Services Limited, and 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 2018).

Treasurer's report

The Covid-19 pandemic had a major impact on museums and galleries in 2020, with Art Fund's finances also affected. It was thanks to our membership, donors, partner organisations and prudent financial management that we were in a strong position to support the sector throughout the year.

As a result of the collaborative and agile approach of our staff and trustees, we consulted our network partners to assess what was possible, pivot our programme in the summer of 2020 and adjust our financial strategy. We drew on our reserves, built up over a number of years, to continue supporting the sector, and to ensure we're in a strong position to be growing our income and membership when museums reopen.

Alongside the reactive support provided in 2020, museum collections remain at the heart of Art Fund's charitable purpose, and in order to meet our obligation to deliver the broadest public benefit possible we continued to shape our programme in direct consultation with our network of museum partners. Art Fund's Trustees are proud of our organisation's long-standing support for the collecting of works of art and moreover, are committed to the expansion of our charitable programme to support those activities which underpin and amplify the impact of museum collections such as curation, conservation, commissioning, touring and display. Art Fund's Trustees will continue to respond to our partners' needs in determining how our charitable resources can be put to best effect and deliver benefit not only to our 130,000 members, but to the widest and most diverse public possible.

Art Fund's financial performance and sustainability is overseen by the Finance & General Purposes Committee, a sub-group of the Board of Trustees. I would like to thank my fellow committee members and our non-trustee special advisers, Brendan Finucane QC and Ruth Jarratt, for their support and counsel during the year, in particular Ruth, who in 2020 moved on after 8 years of providing valuable advice to Art Fund.

Impact

Our grant-giving programme provides vital funding every year to help museums acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums. In 2020 Art Fund's grant-giving to museums and galleries across the UK were partially altered to respond to the needs brought about by the Covid-19 pandemic.

Overall in 2020 the total value of Art Fund's charitable programme was £16.9m (2019: £15.8m). As per the analysis of total expenditure in note 5, our total charitable spend comprised *grants for acquisitions* of £2.8m (2019: £4.7m) (see note 3). Recognising the needs of the sector, Art Fund's Trustees made funds available from general reserves to continue our support during the period, despite a reduction in income. With reference to our grant-giving beyond acquisitions we committed £0.5m (2019: £1.5m) to *strategic collecting* initiatives, £2.1m (2019: £0.4m) to the touring and display of art via our *reaching audiences* strand, and £3.0m towards development of curatorial skills, through our *shaping futures* initiative (2019: £0.7m).

We committed £3.0m (2019: £2.7m) to our museum support services which comprise policy, promotional and digital support to museums and £4.8m (2019: £5.1m) to promoting museum visiting through the National Art Pass and servicing our membership of 130,000 individuals (2019: 159,000). Whilst membership numbers and income reduced in the year, we expect these to start increasing again in 2021 once museums and galleries are able to reopen.

Performance

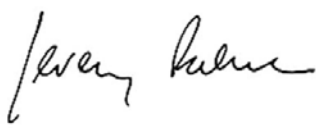
Total income decreased to £14.5m in 2020 (2019: £17.1m) in part as a result of a decrease in membership income to £6.8m (2019: £8.1m) and income from other trading activities to £0.1m (2019: £0.7m). Voluntary income from donors and legacy gifts totalled £7.2m (2019: £8.0m). We are enormously grateful to all our members and supporters who make Art Fund's vital work possible.

Efficiency

Art Fund is focused on delivering the greatest possible public benefit to the widest possible public; this requires that our Trustees keep our support costs and overall return on investment under close scrutiny. In 2020 Art Fund's support costs increased to £2.2m (2019: £1.8m) inclusive of associated staff costs, driven in part by continued significant investment in technical infrastructure in the year.

Year end position

Our financial statements show a deficit of £3.6m (2019: a break-even balance of £nil), a value that is reported before the application of our total return investment policy, which allows us to treat a portion of the value of our portfolio as income which is then used to meet our operating and administrative costs, meaning that the highest possible proportion of donated funds can be applied directly to charitable purposes. The net gains on our investment portfolio reported in the consolidated statement of financial activity were £1.6m (2019: £5.4m) resulting in an overall decrease in Art Fund's total funds to £56.3m (2019: £58.3m).



Jeremy Palmer
Treasurer

Objectives and activities

Summary of aims and objectives

Art Fund exists to help museums and galleries across the UK to buy, show and share great art so that it can be experienced and enjoyed by everyone. Set up over a hundred years ago, Art Fund is the leading national fundraising charity for art and is independently funded and supported by 130,000 members.

Our four strategic objectives to 2020 are as follows:

— *Art*:
Building our national funding programme to help public art collections to grow, be seen, shared and enjoyed.

— *Sector:*
Reach a widening range of museums and visual arts organisations, helping them to be more creative, innovative and ambitious.

— *Community:*
Broadening our community of members and museum visitors to generate more support and income for UK public collections.

— *Resources:*
Increasing our income, building our support systems and making efficient use of our resources to maximise our charitable impact.

Art Fund used the above objectives as criteria against which it measured success in the reporting period. Financial achievements during the year are detailed in the Treasurer's report.

Structure, governance & management

Appointment of Trustees

Art Fund is governed by its Board of Trustees, which meets six times a year. It currently has 16 members. Vacant Trustee positions are advertised to the membership in *Art Quarterly* and via external recruitment websites, and are appointed by the Board, on the recommendation of the Nominations Committee. The subsequent appointment is then notified to the membership at the Annual General Meeting (AGM) following their appointment. The five Trustees who have been longest in office since their last election must 'retire' each year at the AGM and are eligible for re-election. Trustees can serve for a maximum of two consecutive terms of four years.

Trustee induction & training

All new Trustees undertake an induction process in which they are briefed on their legal obligations under charity law, the Charity Commission guidance on public benefit, the content of Art Fund's Royal Charter, the board structure and decision-making processes, Art Fund's strategy and recent financial performance.

During the induction each new Trustee will meet the Director of Art Fund, Senior Management Team members and other key Art Fund personnel. New Trustees are issued with a portfolio of documents outlining their responsibilities as a charity trustee including a Board policies and procedures manual.

Organisation

The Board, while retaining overall responsibility, delegates certain functions to three sub-committees and executive staff as described here.

The Finance and General Purposes Committee, which meets up to five times a year under the chairmanship of the Treasurer, considers all matters relating to finance, investments, risk management and the administration of the charity including its property. It currently has three Trustee members and one non-Trustee advisory member.

The Nominations Committee, which meets at least annually under the chairmanship of the Chairman, considers candidates for membership of the Board and terms of appointment.

The Remuneration Committee, which meets at least annually under the chairmanship of the Chairman, considers the remuneration of senior management and oversees key workforce metrics. The committee has been set up to ensure transparency and clearer governance for donors and interested parties on this issue.

The day-to-day direction of Art Fund's affairs is the responsibility of the Director who reports to the Board through the Chairman. The Director is supported by a Senior Management Team consisting of the Director of Finance & Resources, Director of Development, Director of Programme and Policy, Director of Marketing and Director of Communications.

Related parties and co-operation with other organisations

None of Art Fund's Trustees receive remuneration or other benefit from their work with the charity. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The trading activities of Art Fund are carried out by its service company, Art Fund Services Limited, a company incorporated in England and Wales (registered number 01487654). The company is wholly owned by Art Fund and it donates all its profits in the year to Art Fund by way of Gift Aid.

A member of Art Fund's Senior Management Team is also a director of American Friends of the Art Fund (AFAF), a US-based non-profit organisation which provides grants to Art Fund and other institutions to encourage the appreciation and enjoyment of art in general. As such, AFAF is considered to be a related party and so grants received in the year have been disclosed in note 16 of the accounts.

Pay policy for senior staff

The pay of the Senior Management Team is reviewed and approved by the Remuneration Committee on an annual basis. Remuneration is benchmarked against similar roles within the not-for-profit and cultural sector and is considered against key inflation measures and cost-of-living benchmarks.

Risk management

The major risks to Art Fund's business, finance and reputation, as identified by the Board, have been reviewed and systems have been established to mitigate those risks.

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within Art Fund is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted takes into account the Charity Commission guidance on management of risk with reference to best-practice risk management standards. Art Fund assesses risk through consideration of the likelihood of an event occurring, and the impact that would arise if the event were to occur.

Risk management within Art Fund includes:

- identifying and assessing risks (the "inherent risks");
- assigning each of those risks to a risk owner;
- evaluating the effectiveness of relevant mitigating controls;
- assessing the risks remaining given the controls in place (the "residual risks"); and
- agreeing, implementing and monitoring controls to reduce the residual risks.

The principal risks and uncertainties facing Art Fund, along with mitigations, are shown below:

Risk	Explanation and mitigations
Loss of income caused by Covid-19	As a result of fewer members joining and renewing whilst museums and galleries are closed, income from membership sales reduced in 2020 but is expected to increase as lockdown measures are eased. Trading income from advertising and holiday commissions has also been temporarily reduced due to the pandemic. Whilst income levels recover it is expected that Art Fund will need to use unrestricted reserves if it wishes to maintain the same levels of charitable and operational expenditure. This is not considered to be a risk to Art Fund's going concern, due to the level of unrestricted reserves held and the discretionary nature of the majority of expenditure.
Technology, digital systems and frameworks	Art Fund's technology systems, skills and processes have been inadequate to facilitate a scaling-up of the organisation's ambition and output, constraining ability to grow its charitable impact. Significant investment in systems, staff and processes has been and will continue to be made to ensure that Art Fund delivers the best possible user experience when interacting with all stakeholders.
Charter and byelaws	Art Fund's byelaws and royal charter were last amended in 1991, and are not reflective of the many advances in technology and changes to the environment in which the charity operates. A review was carried out in 2020, with recommendations on potential changes to the charter currently under consideration.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities.
The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes," and such amounts receivable are presented in our accounts as "voluntary activities" income and includes legacies. In relation to the above we confirm that all solicitations are managed internally, without the involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Senior Management Team, who are accountable to the Trustees. The charity is not bound by any undertaking to participate in any regulatory scheme, however the charity is a member of the Fundraising Regulator and complies with the relevant codes of practice.

Art Fund has established a formal complaints policy to facilitate the monitoring and reporting of relevant issues, there were no formal complaints in 2020. This policy is available online. Also available online is our fundraising promise which confirms that Art Fund is registered with the Fundraising Regulator and affirms our organisational commitment to conducting open, honest and respectful fundraising practices.

Grant making

Art Fund provides grants to museums and galleries to acquire great works of art, and to help the public make the most of them. Grants are made via various programmes, all of which are aligned with one or more of the strategic objectives listed on page 40. Payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme are disclosed in note 4 of the accounts. Further detail on the grant programmes offered can be found at artfund.org.

Going concern

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. Although the Covid-19 pandemic has required significant changes to activities, it is not a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. Membership and commercial income decreased in 2020 as a result of the measures in place to control the virus and are expected to take some time to recover to 2019 levels. Art Fund's charitable programmes will continue to adapt in response to the changing needs of the sector. In 2020 it was necessary to utilise some of Art Fund's unrestricted reserves to provide support whilst income was lower than usual and it is expected that this will also be required in future years. At the date of signing these financial statements, the Trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

Reserves policy

General funds

The Trustees review Art Fund's reserves policy on an annual basis to consider the gap between the spending and receiving of income and to ensure that sufficient liquid resources are available to meet liabilities as they fall due, in the event of a sudden shortfall in income. Moreover, the responsive nature of Art Fund's programme, especially around special appeals, means it is essential that adequate resources are always available to meet the cost of providing grants for exceptional works of art that may be under threat of export.

The Trustees of Art Fund have set a target for general funds of between 3-6 months of total unrestricted operating expenditure. At the end of 2020 free reserves stand at £5.0m (2019: £8.0m) and are therefore within the thresholds of the policy (£4.7m to £9.5m). The Trustees have allocated a total of £5.0m in funds from the designated perpetuity fund to ensure that general reserves are maintained within the target levels, whilst continuing to provide financial support to the sector in 2020 and 2021. Given the probable continued impact on Art Fund's revenue streams in the coming years, it is expected that the Trustees will need to further reallocate funds that are currently designated part of the perpetuity fund to ensure that general reserves are maintained within the target levels, whilst continuing to provide financial support to the sector.

The Parker fund

In 2016 the Trustees designated the value of £2.9m to the Parker fund following the receipt of a legacy from Mr Donald Parker, who had been a member of Art Fund since 1977. The Parker fund represents the aggregate amount set aside to fund internal income and efficiency projects and is available to supplement resources in any particular year, if needed, to meet the cost of major initiatives of this kind.

There is no specific target for this fund and it is anticipated this will be topped up from annual surpluses to ensure that sufficient funds are available for investment when required. At the end of 2020 the value of this fund was £2.0m (2019: £2.4m).

Perpetuity fund

This designated fund serves as the core component of Art Fund's capital distribution policy. The annual value drawn from this fund guarantees the existence of Art Fund in perpetuity by contributing to the cost of core operating and administrative expenses, thereby ensuring that the maximum proportion of donated income is applied to charitable purposes.

The long-term target for this fund is the grossed-up value of Art Fund's core operating and administrative costs based on a distribution rate of 3.5% of the trailing 12 quarter value of the investment portfolio. At the end of 2020 the target value for this fund was £33.8m (2019: £35.5m).

Fixed asset fund

This designated fund represents the carrying value of Art Fund's fixed asset base. At the end of 2020 the value of this fund was £5.7m (2019: £5.7m).

Challenge fund

This fund was generously gifted by Sir David Verey to be used for leveraging match funding in support of Art Fund's charitable programme. The current value of the fund is £75k (2019: £218k), and it is anticipated that the reserve will be expended in full over five years.

Wedgwood future fund

The Wedgwood future fund was established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum. There is no target value for the fund. The current value of the fund is £472k (2019: £458k) and it is anticipated that the reserve will be expended in full within a period of approximately 20 years, or as required by the beneficiaries.

Investment policy

The Trustees adopt a total return policy regarding Art Fund's investment portfolio and so Art Fund withdraws 3.5% of the trailing 12 quarter value of the portfolio each year as a contribution towards core operating and administrative costs. The intention is to produce a consistent and sustainable amount to pay for core costs while maintaining the purchasing power of the portfolio over the long term and ensuring that the maximum possible proportion of donated funds are applied to charitable activities. Although Art Fund's investments fell by approximately 12% in the first four months of 2020 due to the Covid-19 pandemic, they recovered to gain 3.6% overall during the year. The long-term investment strategy remains unchanged and the Trustees maintained the distribution at 3.5% in the year. A reallocation of £1.8m was made from the portfolio to maintain Art Fund's general reserves levels in the year, which would otherwise have fallen due to the operating deficit. A further distribution of up to £3.2m has been approved by Trustees to maintain general reserve levels in 2021 and future reallocations may be required over the coming years whilst Art Fund's income recovers to pre-pandemic levels.

Public benefit

The Trustees have taken the Charity Commission's guidance on public benefit into consideration when reviewing the aims and objectives of Art Fund. In setting out the strategy and developing its programme of activity, Art Fund has focused on increasing the breadth and accessibility of public benefit, in particular through works of art being acquired by public collections in the UK and being available for the public to enjoy; by works of art being shown and shared by public collections, backed up by the curatorial expertise to understand and interpret them to the public; by celebrating creativity and excellence in museums which benefit the public through the annual Art Fund Prize for Museum of the Year; and by encouraging the enjoyment, understanding and appreciation of works of art through the National Art Pass, Art Fund website, *Art Quarterly* and other editorial channels.

Charity Governance Code

The Board of Trustees is committed to good governance and to its own and the charity's continuous improvement in delivering its purposes most effectively for the public benefit. It is clear about the charity's aims and seeks to ensure that these are being delivered effectively and sustainably, keeping under review the Code's recommended practice and seven principles of organisational purpose: leadership, integrity, decision-making, risk and control, board effectiveness, diversity, and openness and accountability. The Board strives for best practice in accordance with the Charity Governance Code; many of the measures it takes in achieving this are addressed in this report. In 2020 the Board's strategy, work-plan and risk management activity was informed by the principles of the Code.

Plans for future period

Having reacted to the effects of the Covid-19 pandemic throughout 2020, Art Fund is developing a long-term strategy that will guide its direction in future years.

Art Fund will continue to develop its support to UK museums and galleries, collaborating with beneficiaries and supporters to develop grant-giving programmes that deliver charitable impact where it is most needed.

Art Fund will continue the process of critically appraising its internal infrastructure to ensure the organisation is able to operate on an efficient, robust and agile basis in the years ahead. The organisation will continue to seek innovative new ways to leverage income for the benefit of our museum and gallery partners and develop and diversify our membership of 130,000 individuals.

This report was approved by the Board of Trustees at its meeting on 10th May 2021 and the Chair of Trustees was authorised to sign the report and the annual financial statements on its behalf.

Lord Smith of Finsbury



Chairman

10 May 2021

Reference and administrative details Year ended 31 December 2020

Art Fund was established in 1903 as the National Art Collections Fund and was granted a Royal Charter in 1928. It is registered as a charity in England and Wales under number 209174 and in Scotland under SC038331. In May 2006 'Art Fund' was adopted as its public and trading name but its full name has been retained for legal purposes.

Registered office

2 Granary Square
King's Cross
London N1C 4BH

Members of the Board

Lord Smith of Finsbury, Chairman *(N, R)*

Jeremy Palmer, Treasurer *(F, N, R)*

Katrina Brown

Professor Richard Deacon CBE RA

Dame Liz Forgan *(F, R)*

Anupam Ganguli *(F)*
– appointed February 2020

Philippa Glanville OBE FSA

Professor Chris Gosden FBA *(N)*
– retired October 2020

Professor Antony Griffiths FBA
– retired September 2020

Tessa Jackson OBE *(N)*

Isaac Julien CBE RA (N)

Madeleine Kennedy
– appointed February 2021

Alastair Laing FSA

Professor Susan Lambert
– appointed February 2021

Dr Satish Padiyar
– appointed February 2021

Professor Marcia Pointon *(N)*

Axel Rüger

Monisha Shah (N)

Professor Lisa Tickner FBA *(N)*
– retired December 2020

Michael G Wilson OBE *(F)*
– retired May 2020

F: Also a member of the Finance and General Purposes Committee
N: Also a member of the Nominations Committee
R: Also a member of the Remuneration Committee

Advisory Members of the Finance and General Purposes Committee

Brendan Finucane QC

Ruth Jarratt – retired November 2020

Director and Senior Management Team

Jenny Waldman CBE, Director (appointed April 2020)

Sir Stephen Deuchar CBE, Director (resigned April 2020)

Rachel Mapplebeck, Director of Communications

Sarah Philp, Director of Programme and Policy

Clive Rosen, Director of Finance & Resources

Amy Ross, Director of Development

Carolyn Young, Director of Marketing

Professional advisers

Auditors
BDO LLP
55 Baker Street
London W1U 7EU

Investment advisers
Cambridge Associates LLP
80 Victoria Street
London SW1E 5JL

Bankers
Coutts & Co
440 Strand
London WC2R 0QS

Solicitors
Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity 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 group and parent charity and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charity for that period.

In preparing these financial statements, the Trustees are required to:

— select suitable accounting policies and then apply them consistently;

— make judgements and accounting estimates that are reasonable and prudent;

— state whether applicable UK Accounting Standards have been followed, including FRS 102, 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 parent charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the parent charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the parent charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent auditor's report to Trustees of The National Art Collections Fund

Opinion on the financial statements

In our opinion, the financial statements:

— give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources 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 Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of the National Art Collections Fund ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the consolidated and charity statement of financial activities (including income and expenditure account), the consolidated and charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements 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 related 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 Group and the Parent Charity'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 Trustees are responsible for the other information. The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustees. 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. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the group and parent charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK and Ireland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance, key drivers for bonus or other performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

In addition, the group and parent charity are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

We understood how the parent charity is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes and correspondences with HMRC and the various charity regulators.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries of the Board of Trustees and management, and a review of minutes of meetings of those charged with governance. We made enquiries regarding any matters identified as a Serious Incident as reportable to the Charity regulators. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We challenged assumptions made by management in their significant accounting estimates in particular in relation to accruals, legacy accrued income, deferred income, depreciation and bad debt provision.

We did not identify any matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals including those which potentially impact remuneration and other performance targets and evaluating whether there was evidence of bias by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: https://www.frc.org.uk/auditorsresponsibilities.This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP
Statutory Auditor
London,
United Kingdom

Date: 17 May 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities (including consolidated income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted 2020 £'000	Restricted 2020 £'000	Endowment 2020 £'000	Total 2020 £'000	Unrestricted 2019 £'000	Restricted 2019 £'000	Endowment 2019 £'000	Total 2019 £'000
Income from:									
Voluntary activities:									
Donations		606	3,428	-	4,034	1,136	942	-	2,078
Legacies		2,763	423	-	3,186	5,964	-	-	5,964
Charitable activities:									
Members' subscriptions		6,775	5	-	6,780	8,097	9	-	8,106
Other trading activities:									
Fundraising events		71	-	-	71	257	-	-	257
Other income		78	-	-	78	396	-	-	396
Income from investments		321	-	-	321	228	20	12	260
Total income		10,614	3,856	-	14,470	16,078	971	12	17,061
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		986	-	-	986	999	-	-	999
Cost of trading subsidiary		52	-	-	52	64	-	-	64
Cost of fundraising events		5	-	-	5	158	-	-	158
Investment adviser's costs		93	-	-	93	93	-	-	93
Total cost of raising funds		1,136	-	-	1,136	1,314	-	-	1,314
Total charitable expenditure		15,388	1,543	-	16,931	14,211	1,568	-	15,779
Total expenditure	5	16,524	1,543	-	18,067	15,525	1,568	-	17,093
Operating (deficit) / surplus		(5,910)	2,313	-	(3,597)	553	(597)	12	(32)
Net gains / (losses) on investments		1,378	96	82	1,556	4,840	269	251	5,360
Net (expenditure)/income		(4,532)	2,409	82	(2,041)	5,393	(328)	263	5,328
Transfers between funds	12	(701)	701	-	-	(325)	325	-	-
Net movement in funds		(5,233)	3,110	82	(2,041)	5,068	(3)	263	5,328
Reconciliation of funds									
Total funds brought forward		52,269	3,599	2,434	58,303	47,201	3,603	2,171	52,975
Total funds carried forward	12	47,036	6,709	2,517	56,262	52,269	3,600	2,434	58,303

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities. The notes on pages 57 to 75 form part of these financial statements.

Charity Statement of Financial Activities (including income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted 2020 £'000	Restricted 2020 £'000	Endowment 2020 £'000	Total 2020 £'000	Unrestricted 2019 £'000	Restricted 2019 £'000	Endowment 2019 £'000	Total 2019 £'000
Income from:									
Voluntary activities:									
Donations		606	3,428	-	4,034	1,136	942	-	2,078
Legacies		2,763	423	-	3,186	5,964	-	-	5,964
Charitable activities:									
Members' subscriptions		6,775	5	-	6,780	8,097	9	-	8,106
Other trading activities:									
Fundraising events		71	-	-	71	249	-	-	249
Other income		22	-	-	22	190	-	-	190
Income from investments		325	-	-	325	378	20	12	410
Total income		10,562	3,856	-	14,418	16,014	971	12	16,996
Expenditure on:									
Raising funds:									
Cost of generating voluntary income		986	-	-	986	999	-	-	999
Cost of fundraising events		5	-	-	5	158	-	-	158
Investment adviser's costs		93	-	-	93	93	-	-	93
Total cost of raising funds		1,084	-	-	1,084	1,250	-	-	1,250
Total charitable expenditure		15,388	1,543	-	16,931	14,211	1,568	-	15,779
Total expenditure		16,472	1,543	-	18,015	15,461	1,568	-	17,029
Operating (deficit) / surplus		(5,910)	2,313	-	(3,597)	552	(597)	12	(33)
Net gains / (losses) on investments		1,378	96	82	1,556	4,840	269	251	5,360
Net income / (expenditure)		(4,532)	2,409	82	(2,041)	5,391	(328)	263	5,327
Transfers between funds	12	(701)	701	-	-	(325)	325	-	-
Net movement in funds		(5,233)	3,110	82	(2,041)	5,067	(3)	263	5,327
Reconciliation of funds									
Total funds brought forward		52,267	3,599	2,434	58,300	47,198	3,603	2,171	52,972
Total funds carried forward	12	47,034	6,709	2,517	56,259	52,266	3,600	2,434	58,300

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities.

The notes on pages 57 to 75 form part of these financial statements.

Consolidated and Charity Balance sheet

As at 31 December 2020

		Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Fixed assets:					
Tangible assets	6	5,665	5,718	5,665	5,718
Investments	7	50,102	48,245	50,102	48,245
		55,767	53,963	55,767	53,963
Current assets:					
Debtors	8	1,978	2,031	2,066	2,224
Cash at bank and in hand		8,619	11,951	8,511	11,730
		10,597	13,982	10,577	13,954
Liabilities:					
Creditors falling due within one year	10	(6,952)	(5,324)	(6,935)	(5,299)
Provision for grants authorised but not paid	3	(2,653)	(3,537)	(2,653)	(3,537)
		(9,605)	(8,861)	(9,588)	(8,836)
Net current assets		992	5,121	989	5,118
Total assets less current liabilities		56,759	59,084	56,756	59,081
Creditors: due after more than 1 year	11	(497)	(781)	(497)	(781)
Net assets		56,262	58,303	56,259	58,300
The funds of the charity:					
Permanent endowment funds	12	2,517	2,434	2,517	2,434
Other restricted funds	12	6,709	3,599	6,709	3,599
Designated funds	12	42,028	44,271	42,028	44,271
General funds	12	5,008	7,999	5,006	7,996
Total charity funds		56,262	58,303	56,259	58,300

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The notes on pages 57 to 75 form part of these accounts.

Approved and authorised for issue by the Board on 10th May 2021 and signed on its behalf by

Lord Smith of Finsbury
Chairman

Jeremy Palmer
Treasurer

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Group 2020 £'000	Group 2019 £'000
Cash flows from operating activities		
Net (expenditure)/income	(2,041)	5,328
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	108	97
Investment income	(321)	(260)
Loss/(Gain) on investments	(1,819)	(4,961)
Movements in working capital:		
(Increase)/decrease in debtors	52	(930)
Increase in creditors: falling due within one year	1,629	925
Increase/(decrease) in creditors: due after more than one year	(285)	527
Increase/(decrease) in provisions	(884)	895
Net cash generated from operating activities	(3,561)	1,621
Cash flows from investing activities:		
Investment income	321	260
Purchases of tangible fixed assets	(55)	(44)
Purchase of investments	(1,638)	(6,722)
Proceeds from sale of investments	1,601	7,505
Net cash from investing activities	229	999
Net increase in cash and cash equivalents	(3,332)	2,620
Analysis of changes in cash:		
Cash and cash equivalents at the beginning of the year	11,951	9,331
Total cash and cash equivalents at the end of the year	8,619	11,951
Cash and cash equivalents comprise:		
Cash at bank and in hand	8,619	11,951

Notes to the accounts

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:

a. Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The organisation is a public benefit entity for the purpose of FRS 102 and a registered charity, and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), and Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the valuation of fixed-asset investments and in accordance with Art Fund's Royal Charter.

The consolidated financial statements include the accounts of the National Art Collections Fund and its subsidiary undertaking, Art Fund Services Limited, which is wholly owned and registered in England and Wales. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements.

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern for the foreseeable future and the accounts have been prepared on that basis. Although the Covid-19 pandemic has required significant changes to activities, it is not a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. Membership and commercial income decreased in 2020 as a result of the measures in place to control the virus and are expected to take some time to recover to 2019 levels. Art Fund's charitable programmes will continue to adapt in response to the changing needs of the sector. In 2020 it was necessary to utilise some of Art Fund's unrestricted reserves to provide support whilst income was lower than usual and it is expected that this will also be required in future years. At the date of signing these financial statements, the Trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

b. Income

Income is usually accounted for on a receivable basis. Voluntary income, comprising donations and legacies, are recognised as incoming resources when Art Fund becomes entitled to the income. For donations this is when there is certainty of receipt and value. For all legacies income has been recognised dependent on type which is deemed to be when the receipt and value are probable:

- Pecuniary legacy – the earlier of cash receipt or probate date
- Residuary legacy – the earlier of cash receipt or estate accounts date

Annual ordinary membership income is recognised at the point at which benefit is transferred, being the date that the membership begins. Life membership income is recognised on a straight line basis over a ten year period. Contractual or trading income is recognised as income to the extent that Art Fund has provided the goods or services. Where income is received in advance and Art Fund does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

c. Expenditure

Expenditure is recognised in the financial statements on an accruals basis. Expenditure is classified in the SoFA under the principal categories of costs of raising funds, and cost of charitable activities rather than the type of expense.

Grants payable are recognised when a grant has been approved and this has been communicated to the recipient.

Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to the activities to which they relate as shown in note 5. Costs of raising funds are those incurred in seeking voluntary contributions for Art Fund, the cost of fundraising events, cost of operating the trading subsidiary and investment management fees.

Grant support costs comprise the costs of processing grant applications, including support to actual and potential applicants. Other charitable activities comprise costs incurred in attracting new members and providing services to existing members, including publications and communications. Governance costs are those costs incurred in connection with the general governance of Art Fund including compliance, constitutional and statutory requirements.

d. Fixed Asset Investments

Investments are stated at market value, which is measured at bid price, in accordance with the revised Statement of Recommended Practice. As a result the SoFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SoFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

e. Tangible Fixed Assets

Assets with an economic life greater than one year and with a value exceeding £500 or more are capitalised.

Depreciation is provided on all tangible assets at rates calculated to write-off the value of each asset over its expected useful life with no residual value assumed:

Freehold property	-	1%
Computer equipment	-	33%
Fixtures and fittings	-	20%

A full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying value of assets does not exceed their recoverable amounts.

f. Liquid resources

Liquid resources, as referred to in the Trustees' report, are current asset investments that are disposable without curtailing or disrupting Art Fund's business and are either readily convertible to known amounts of cash at or close to their carrying value or traded in an open market.

g. Pensions

Art Fund operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Art Fund in an independently administered scheme. The pension cost charge represents the amounts payable by Art Fund amounting to £260,000 (2019: £216,000).

h. Provisions

Art Fund provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that the transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

i. Leases

Art Fund has no finance leases. Costs relating to operating leases are charged on a straight-line basis over the life of the lease period to which it relates.

j. Taxation

Art Fund is eligible under Part 11 Corporation Tax Act 2010 and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of its charitable objectives. Art Fund Services Limited donates its profits to Art Fund and therefore is not liable to pay capital gains or corporation tax.

k. Funds structure

Art Fund has the following categories of funds:

- Restricted permanent endowment funds which the donors have stated are to be held as capital.
- Restricted funds whose investment or usage is subject to specific restriction imposed by sponsors and donors.
- Designated funds which have been set aside at the discretion of the Trustees for specific purposes.
- General funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of Art Fund.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are described in note 12.

I. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements.

1) The Charity has taken the view of the Trustees that valuing the property at fair value would incur undue cost and effort and has therefore continued to use historical cost as the deemed cost for its freehold property.
2) The Charity considers its property to be held solely for operational use and not investment use, meaning that no apportionment is required. The element of the property covered by a sub-lease is occupied by a charitable organisation whose objects are similar to Art Fund's own, therefore the property has been recognised as a tangible fixed asset.
3) The method for allocating central expenditure to income streams is a judgement. The Group allocates these costs based on head count.
4) For all legacies, income has been recognised dependent on type as disclosed in note 1b.

2. Net surplus of the trading company

Art Fund has a wholly owned trading subsidiary which is incorporated in the UK. Art Fund Services Limited has a share capital of £100 and sells merchandise, advertising and affinity promotions on behalf of Art Fund. The company donates its taxable profits to Art Fund and also pays interest on any loans from Art Fund.

A summary of the results of the trading company is shown below. Audited accounts have been filed with the Registrar of Companies.

	2020 £'000	2019 £'000
Profit and loss account		
Turnover	56	214
Cost of sales	(43)	(44)
Gross profit	13	170
Administrative expenses	(9)	(20)
Interest payable	-	-
Net profit	4	150
Gift aid	(4)	(150)
Retained in subsidiary	-	-

The assets and liabilities of the trading company as at 31 December 2020 were as follows:

	2020 £'000	2019 £'000
Balance sheet		
Total assets	116	244
Total liabilities	(113)	(241)
Net assets	3	3

The total income of the parent charity was £14,418,000 (2019: £16,995,000) and the total deficit was £2,041,000 (2019: Surplus of £5,326,000). The values are the same as in the consolidated accounts because the profit of the trading company is counted as investment income to the charity.

3. Reconciliation of grants given for the purchase of works of art

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Grants outstanding at 1 January		3,537		2,642
Grants offered during the year	2,754		4,697	
Grants subsequently not taken up	-		-	
Grants from a previous year no longer required	-		-	
	2,754		4,697	
Acquisition grants committed in the year		2,754		4,697
		6,291		7,339
Grants paid during the year (see note 4)		(3,638)		(3,802)
Provision for grants for acquisitions (see balance sheet)		2,653		3,537

4. Total grants for acquisitions paid in 2020

The total value of grants offered in the year was £2.8m. The note below details the payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme, a value that amounted to £3.6m.

		£
Scotland	Aberdeen Art Gallery	7,000
Wales	Aberystwyth, Ceramics Gallery, Aberystwyth Arts Centre	1,020
Northern Ireland	Belfast, Ulster Museum	7,000
North East	Berwick-upon-Tweed, Berwick Museum and Art Gallery	142,533
West Midlands	Birmingham Museum and Art Gallery	50,000
North West	Bowness-on-Windermere, The Arts and Crafts House (Lakeland Arts)	7,500
South West	Bristol Museum & Art Gallery	75,000
Central Southern	Buckingham Old Gaol	15,000
East Anglia	Cambridge, Pembroke College, University of Cambridge	30,000
Wales	Cardiff, National Museum Cardiff	75,000
Wales	Cardiff, National Museum Cardiff	37,500
South East	Chawton, Jane Austen's House Museum	3,000
South West	Cheltenham, The Wilson: Cheltenham Art Gallery and Museum	24,000
North West	Congleton Museum	18,000
Central Southern	Cookham, Stanley Spencer Gallery	100,000
Scotland	Edinburgh, National Museums Scotland	14,000
Scotland	Edinburgh, Scottish National Gallery	58,519
Scotland	Edinburgh, Scottish National Gallery of Modern Art	40,000
Northen Ireland	Enniskillen, Fermanagh County Museum	20,000
South West	Exeter, Royal Albert Memorial Museum and Art Gallery	10,500
Scotland	Fort William, West Highland Museum	6,500
Scotland	Glasgow, Gallery of Modern Art	9,721
Scotland	Glasgow, Kelvingrove Art Gallery and Museum	175,000
Scotland	Glasgow, The Hunterian at Kelvin Hall	5,000
Central Southern	Hitchin, North Hertfordshire Museum	10,836
East Anglia	Ipswich, Christchurch Mansion	3,000
Scotland	Kirkcaldy, Kirkcaldy Galleries	3,625
Scotland	Kirkcudbright, Kirkcudbright Galleries	20,000
Yorkshire	Leeds Art Gallery	9,000
Yorkshire	Leeds City Museum	11,000
East Midlands	Leicester Museum & Art Gallery	45,000
South East	Lewes, Charleston	6,000
North West	Liverpool, Walker Art Gallery	30,000
Wales	Llandrindod, Radnorshire Museum	1,000
London	London, British Library	50,000
London	London, British Museum	125,000
London	London, British Museum	120,000
London	London, Crafts Council	51,364
London	London, Create London	23,600
London	London, Garden Museum	6,782
London	London, Gunnersbury Park Museum	11,000
London	London, Horniman Museum and Gardens	15,000
London	London, Imperial War Museum	35,438
London	London, Leighton House Museum	10,000
London	London, Museum of Fulham Palace	350
London	London, Museum of Fulham Palace	1,875
London	London, National Army Museum	10,000
London	London, National Portrait Gallery	150
London	London, National Portrait Gallery	40,000
London	London, South London Gallery	38,160
London	London, Southbank Centre	50,000
London	London, Southbank Centre	12,000
London	London, Tate	100,000
London	London, Tate Britain	100,000
London	London, The National Gallery	1,000,000
London	London, Vestry House Museum	4,133
Central Southern	Luton, Wrest Park	5,139
South West	Malmesbury, Athelstan Museum, Malmesbury	150,000
North East	Middlesbrough, mima, Middlesbrough Institute of Modern Art	3,061
South West	Newport Roman Villa	1,500
East Anglia	Norwich Castle Museum & Art Gallery	6,000
East Anglia	Norwich Castle Museum and Art Gallery	4,250
East Anglia	Norwich, Norwich Castle Museum & Art Gallery	223,750
East Anglia	Norwich, Sainsbury Centre	6,000
East Midlands	Nottingham Castle	21,900
Central Southern	Oxford, Ashmolean Museum	45,000
Central Southern	Oxford, Ashmolean Museum	35,000
South West	Plymouth, The Box	20,000
South West	Plymouth, The Box Plymouth	30,050
London	Richmond, Ham House and Garden	80,000
East Anglia	Saffron Walden, Saffron Walden Museum	12,500
South West	Salisbury, John Creasey Museum	2,400
South East	Southampton City Art Gallery	12,500
South East	Southampton City Art Gallery	4,500
West Midlands	Stoke-on-Trent, The Potteries Museum and Art Gallery	4,500
South West	Swindon Museum and Art Gallery	1,100
North East	Teesdale, The Bowes Museum	2,360
Yorkshire	Whitby, Captain Cook Memorial Museum	2,800
South East	Winchester, The Royal Green Jackets (Rifles) Museum	2,580
Yorkshire	York, National Railway Museum	85,000
	Total Grants paid during the year	**3,637,998**

5. Anaysis of total expenditure

	Staff costs	Grants & direct expenses	*Support costs	Depreciation	2020 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:						
Cost of generating voluntary income	641	42	283	20	986	999
Cost of trading subsidiary	-	52	-	-	52	64
Cost of fundraising events	-	5	-	-	5	158
Investment advisers' costs	-	93	-	-	93	93
	641	192	283	20	1,136	1,314
Expenditure on charitable activities:						
Grants for acquisitions	-	2,753	-	-	2,753	4,711
Strategic collecting	-	512	-	-	512	1,520
Grant support	394	212	199	15	820	622
Building collections	394	3,477	199	15	4,085	6,853
Reaching audiences	-	2,105	-	-	2,105	430
Shaping futures	-	2,969	-	-	2,969	667
Advocacy & campaigning	270	-	77	5	352	336
Promoting museums & museum visiting	241	775	116	9	1,141	1,094
Digital & communications	679	498	321	23	1,521	1,261
Membership servicing & recruitment	683	3,003	351	26	4,063	4,431
Publications	283	267	135	10	695	707
Making connections	2,156	4,543	1,000	73	7,772	7,829
Total charitable expenditure	2,550	13,094	1,199	88	16,931	15,779
Total expenditure	3,191	13,286	1,482	108	18,067	17,093

The audit fee for the year was £19,150 (2019: £16,650). The auditors' fees for non-audit services in the year were £4,020 (2019: £3,998).

* Support costs of £1,482,000 do not include salaries of £763,000, which are included in the staff costs column (2019: £609,000). Therefore total support costs are calculated as £2.2m (2019: £1.8m).

Salaries and pensions	2020 £'000	2019 £'000
Total salary and pensions costs are:		
Salaries	2,648	2,364
Social security costs	283	245
Other pension costs	260	216
	3,191	2,825

	No. of staff	No. of staff
Average number of staff employed (headcount)	69	68

Employees with emoluments totalling £60,000 or more, excluding pension contributions and Employer's National Insurance contributions:

£60,001 - £70,000	2	1
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	-
£160,001 - £170,000	-	1

The charity operates a defined contribution pension scheme. Contributions in respect of these staff were £50,938 (2019: £19,878).

Members of the Board did not receive any fees in the current or preceding year. Three (2019: three) Members of the Board received a total of £539 (2019: £2,826) reimbursement for expenses incurred in the year.

The key management personnel of the parent charity comprise the Trustees and the Senior Management Team. The total employee benefits of the key management personnel of the Charity were £613,759 (2019: £581,434).

6. Tangible assets

Group and charity	Freehold property £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
Cost:				
At 1 January 2020	6,037	161	185	6,383
Additions	-	53	2	55
Disposals	-	-	-	-
At 31 December 2020	6,037	214	187	6,438
Accumulated depreciation:				
At 1 January 2020	(359)	(131)	(174)	(664)
Charge for the year	(61)	(41)	(7)	(109)
Depreciation on disposals	-	-	-	-
At 31 December 2020	(420)	(172)	(181)	(773)
Net book value				
At 31 December 2020	5,617	42	6	5,665
At 31 December 2019	5,677	30	11	5,718

7. Fixed asset investments

Group and charity	2020 £'000	2019 £'000
Investments at market value comprised:		
UK equities	6,925	7,714
Overseas equities	23,966	22,266
Private equity	2,313	2,382
Hedge funds	8,249	7,437
Inflation hedge	2,339	2,213
Overseas bonds	1,727	1,661
Cash	4,583	4,572
	50,102	48,245
Movement in investments – group and charity		
Market value at 1 January	48,245	44,066
Sale proceeds	(1,338)	(7,915)
Acquisitions at cost	1,639	6,734
Net gains on revaluation	1,556	5,360
Market value at 31 December	50,102	48,245
Historical cost at 31 December	37,462	37,346

Investments constituting at least 5% of the portfolio at 31 December 2020 (at market values) were:

	2020 £'000		2019 £'000	
Artemis	3,513	(7.0%)	3,953	(8.2%)
Brummer Investment	3,540	(7.1%)	3,147	(6.5%)
Coutts 90-day notice account	3,583	(7.2%)	3,572	(7.4%)
Heron Bridge	3,412	(6.8%)	3,761	(7.8%)
Longview Partners	5,467	(10.9%)	5,573	(11.6%)
Matthews Asia	3,227	(6.4%)	2,593	(5.4%)
MFG Investments	7,002	(14.0%)	6,560	(13.6%)
Orbis	4,137	(8.3%)	3,674	(7.6%)
Stewart	2,653	(5.3%)	2,268	(4.7%)

8. Debtors

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'00	Charity 2019 £'000
Trade debtors	195	81	186	61
Amounts due from subsidiary undertaking	-	-	96	216
Prepayments and accrued income	999	1,475	999	1,473
Other debtors	26	98	26	98
Accrued legacy income	448	120	448	120
VAT	310	257	310	257
	1,978	2,031	2,065	2,225

9. Contingent assets – legacy income

As at 31 December 2020 the Charity has been notified of £3,480,661 (2019: £3,760,320) residuary legacies and £nil (2019: £nil) pecuniary legacies, however they did not meet Art Fund's recognition criteria and have therefore not been accrued.

10. Creditors

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Falling due within one year:				
Trade creditors	344	498	337	488
Tax and social security	94	92	92	82
Other creditors and accruals	6,185	4,367	6,177	4,363
Deferred income	329	367	329	366
	6,952	5,324	6,935	5,299

11. Long-term creditors

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Deferred income as at 1 January	781	254	781	254
Released during the year	(333)	(64)	(333)	(64)
Deferred during the year	49	591	49	591
Deferred income as at 31 December	497	781	497	781

The deferred income falling due after one year is the money received for life membership subscriptions, which is released to the Statement of Financial Activities over a period of ten years.

12. Net movement in funds – Group

These funds are split between permanent endowment funds where the capital must be retained and other restricted funds where both capital and income can be spent in accordance with the donor's wishes. Investment income on endowment funds is expendable in accordance with the donor's wishes. Any income unspent at the end of the year is carried forward to the next year as a restricted fund.

	Balance at 31 December 2018	Balance at 1 January 2020	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2020
General fund	6,749	7,994	10,293	(16,045)	77	2,689	5,008
The Parker fund	1,130	2,383	-	(422)	67	-	2,028
Perpetuity fund	32,843	35,498	321	(3)	1,212	(3,240)	33,788
Fixed asset fund	5,772	5,719	-	(54)	-	-	5,665
Challenge fund	200	218	-	-	7	(150)	75
Wedgwood future fund	507	458	-	-	15	-	472
Total unrestricted funds	47,201	52,270	10,614	(16,524)	1,378	(701)	47,036
Restricted funds:							
Art Connects	106	50	-	(10)	-	-	40
Arts Council England - Visual Arts Programme	-	-	14	-	-	-	14
Art Happens	-	(54)	149	(177)	-	-	(82)
Art Happens - Heritage Lottery Fund	11	-	9	(1)	-	-	8
Art Happens - Unlock campaign	109	138	-	(9)	-	-	129
Art Tickets	57	56	-	(14)	-	(19)	23
Conservation appeal	114	-	5	(8)	-	3	-
Contemporary programme	-	7	-	-	-	-	7
David and Liza Brown bequest	-	77	-	(4)	2	(28)	47
David Armstrong bequest	23	26	-	-	1	-	27
David Harrison bequest	-	-	1	-	-	-	1
De Livera legacy	11	15	-	-	-	-	15
Garfield Weston UK Loans Programme	422	226	270	(310)	-	-	186
Headley Fellowships	200	190	200	(3)	-	-	387
International	-	31	24	(47)	-	-	8
Jonathan Ruffer curatorial scheme	110	53	75	(50)	-	-	78
Ivor Goudge bequest	-	-	200	-		-	200
London Historic House Museums Trust	1,321	1,480	-	-	51	-	1,531
Michael Bassett bequest	-	-	223	-	8	-	231
Modern British Group	21	35	4	-	-	-	39
Moving Image Fund	62	104	-	-	-	-	104
National Gallery trainees	-	-	81	-	-	-	81
National Museum Wales	5	5	-	-	-	-	5
National Museums Scotland	5	5	-	-	-	-	5
New Collecting Awards	(2)	-	10	(105)	-	95	-
Prevost appeal	28	107	-	-	-	-	107
Prospect Cottage Dungeness	-	6	1,937	(215)	-	650	2,378
Regional grants appeal	14	15	3	-	-	-	18
RI Gunn bequest	750	842	-	-	30	-	872
Rought Fund	-	-	50	-	-	-	50
Student Art Pass programme	7	-	1	-	-	-	1
WM Bond bequest	223	172	-	-	4	-	176
Winter appeal 2017 - Supporting Curators	6	13	-	-	-	-	13
Wolfson	-	-	600	(590)	-	-	10
Total restricted funds	3,603	3,599	3,856	(1,543)	96	701	6,709
Permanent endowment funds:							
Campbell Dodgson bequest	4	4	-	-	-	-	4
Cochrane trust	162	181	-	-	6	-	187
Fulham fund	630	707	-	-	24	-	731
Ramsey Dyce bequest	146	164	-	-	6	-	170
Reginald Jones bequest	327	367	-	-	12	-	379
Modern Art fund	850	953	-	-	32	-	985
Wakefield fund	52	58	-	-	2	-	60
Total endowment funds	2,171	2,434	-	-	82	-	2,517
Total funds	52,975	58,303	14,470	(18,067)	1,556	-	56,262

Net movement in funds – Charity

	Balance at 31 December 2018	Balance at 1 January 2020	Income	Expenditure	Net gains/ (loss) on investments	Transfers between funds	Balance at 31 December 2020
Total unrestricted funds	47,198	52,266	10,562	(16,472)	1,378	(701)	47,033
Total restricted funds	3,603	3,599	3,856	(1,543)	96	701	6,709
Total endowment funds	2,171	2,435	-	-	82	-	2,517
Total funds	52,972	58,300	14,418	(18,015)	1,556	-	56,259

Art Connects
This fund relates to the Student Art Pass programme, specifically the development of the online platform and content / 'beyond visiting' opportunities associated with it to help students get more out of museums, galleries and public art collections. Art Connects is supported by the Stavros Niarchos Foundation, alongside a group of other private donors who support the wider Student Art Pass programme.

Art Happens
This fund relates to Art Fund's crowdfunding initiative which enables museums to make fundraising appeals to the public in support of specific works of art or projects.

Art Happens – Heritage Lottery Foundation
The funds granted to Art Fund by the National Lottery Heritage Fund are to be used towards the future development of the Art Happens crowdfunding platform.

Art Happens – Unlock campaign
This fund is to cover the direct costs of setting up and running each crowdfunding campaign on Art Happens. This includes producing a short film, creating rewards for donors and providing hands-on training throughout.

Art Tickets
This fund related to the development and launch our online ticketing platform, Art Tickets.

Conservation
This was launched in 2018 as an appeal to our Art Partners, donors and wider membership to help us make a bold new commitment towards supporting conservation projects at museums and galleries across the UK. We opened the programme in July 2019 for applications, making 11 grant offers to date, and we continue to develop our funding available to support conservation.

David and Liza Brown Bequest
The bequest is for the benefit of the Department of Prints and Drawings at the British Museum and the Southampton City Art Gallery, supporting cataloguing and acquisition costs. In 2019 Southampton City Art Gallery received the balance of funds from this bequest to acquire a moving-image work, *Robots in Distress,* by Boredomresearch. The Bequest enabled a total of 19 acquisitions to join Southampton City Art Gallery's collection.

David Armstrong Bequest
The funds are for the benefit of Stirling and Falkirk Museums.

David Harrison Bequest
Proceeds from the auctioning of a work of art bequeathed to York Art Gallery by David Harrison. This fund is available to support future acquisitions for York Art Gallery.

De Livera Legacy
The legacy was left to Art Fund to contribute towards the acquisition of decorative arts in Cornwall or Devon.

Garfield Weston UK Loans Programme
This is a three-year programme commencing in 2018 to support loans to regional galleries across the UK from national galleries and museums supported by the Garfield Weston Foundation.

Headley Fellowships
Headley Fellowships with Art Fund give curators focused time to research their collections either on a full-time basis for six months or part-time over a year, providing funding for their posts to be backfilled. Fellows also receive funds towards their project which can be assigned towards travel, research, training opportunities, courses of study and more. Made possible by the support of the Headley Trust, the scheme is especially intended to support those museums and galleries facing the most acute funding challenges.

Ivor Goudge Bequest
The funds are to be used for purchasing works of art that exclude paintings and prints, and that have been completed during the 17th, 18th or 19th centuries. Works are to be for suitable museums or galleries and are to be with an accreditation preference.

Jonathan Ruffer Curatorial Grants Scheme
This fund, provided through the auspices of Jonathan Ruffer, supports collections and exhibitions research for curators working in and with museums and galleries.

London Historic House Museums Trust
The funds were received from the transfer of the assets of the London Historic House Museums Trust in October 2009 and are to be applied towards the purchase of works of art for Kenwood House, Hampstead; Marble Hill House, Twickenham; The Ranger's House, Blackheath; and Chiswick House, Chiswick.

Michael Bassett Bequest
The fund is to be used to save, protect, conserve one single object or building dating before 1900.

Modern British Group
This fund is provided by a group of donors who wish to support acquisitions of work by modern British artists.

Moving Image Fund
This fund supports the acquisition of artists' moving-image work at Towner Eastbourne, Whitworth Art Gallery, Bristol Museums and Galleries and The Hunterian in Glasgow.

National Gallery trainees
The National Gallery Curatorial Traineeship Programme is supported by Art Fund with the assistance of the Vivmar Foundation, offering a training programme for future curators in partnership with regional museums and galleries. Traineeships run for 22 months, with six months spent at the National Gallery and a further 16 months at partner museums.

National Museum Wales
These funds are to be used to support the acquisition of work for the National Museum Wales.

National Museums Scotland
This fund was set up by David and Anne Hyatt King to make money available to National Museums Scotland to purchase a painting by Taki Katei.

New Collecting Awards
This programme enables promising and ambitious curators to pursue new avenues of collecting for their museums, and at the same time build critical professional skills.

Prevost
In July 2018 we asked a group of donors to help the Museum of London to secure a rare 19th-century panorama of the London skyline by the French artist Pierre Prevost, ahead of sale at auction. This quick-fire fundraising helped us to provide a significant grant to enable the museum to purchase the painting.

Prospect Cottage Dungeness
In March 2020 Art Fund successfully completed the largest ever arts crowdfunding campaign to save artist and filmmaker Derek Jarman's Prospect Cottage. The success of the campaign will enable Art Fund to purchase Prospect Cottage and to support a permanent public programme, the conservation and maintenance of the building, its collection, its contents and its renowned garden.

Regional grants appeal
The appeal was launched to support the acquisition of artworks for galleries and museums based outside of London.

R I Gunn Bequest
The bequest is to be applied towards the purchase of one or more paintings or drawings of the French Impressionist School for presentation to one or more of the museums or collections of pictures belonging to the nation in London or the University of Oxford.

Rought Fund
The funds are to be used to acquire artworks prior to 1815. The capital and income of the fund may be accessed by the Trustees from its establishment and they may use their total discretion as to what artworks within the restriction are most appropriate to acquire.

Student Art Pass programme
The funds are to be used towards the future development of the Student Art Pass programme.

Wedgwood Future Fund and Minton Archive Fund
The Wedgwood Future Fund and Minton Archive Fund were established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum and the Minton Archive at Stoke-on-Trent City Archives.

Winter Appeal 2017
In 2017 we launched a 'Regional Acquisitions Appeal' to Art Partners and donors, asking for their support to help us increase our grant-giving for museums outside London to acquire works of art for their collections.

Wolfson
The Wolfson Foundation make a major contribution towards our work to support museum collections; their funds are directly primarily to our main acquisitions grant programme and also to the New Collecting Awards.

W M Bond Bequest
The bequest is to be held in trust for the Laing Art Gallery, Newcastle upon Tyne, and is to be devoted to the purchase of the following, to be displayed in that gallery: antique china, pottery, furniture, historical painting including oil painting but in particular watercolours; and work by living artists whose work creatively utilises china, pottery or furniture.

Campbell Dodgson Bequest
The income is to be used for the benefit of the Department of Prints and Drawings in the British Museum.

Cochrane Trust
The income may be used for the purchase of works of art not being the work of any person living at the date of purchase.

Fulham Fund
The income generated is neither restricted nor designated and is therefore taken to unrestricted funds.

Ramsey Dyce Bequest
The income must be used to acquire objects of art to be added to the permanent collection of the Aberdeen Art Gallery.

Reginald Jones Bequest
The income is to be used to purchase pictures and other works of art that are at least 100 years old.

Modern Art Fund
The income is to be used towards the purchase of 20th-century art.

Wakefield Fund
The income is to be used for the purchase of contemporary craft.

13. Unrestricted funds

At the balance sheet date, Art Fund's reserves comprised the following:

	2020 £'000	2019 £'000
Total funds per balance sheet	56,262	58,303
Endowment funds (note 12)	(2,517)	(2,434)
Restricted funds (note 12)	(6,709)	(3,599)
Unrestricted funds as per the balance sheet	47,036	52,270
Parker fund	(2,028)	(2,382)
Perpetuity fund	(33,788)	(35,495)
Fixed assets held for charity use	(5,665)	(5,718)
Challenge fund	(75)	(218)
Wedgwood future fund	(472)	(458)
General funds at 31 December	5,008	7,999

14. Analysis of net assets between funds – Group

	General funds 2020 £'000	Designated funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,665	-	-	5,665	5,718
Investments	11,222	36,363	-	2,517	50,102	48,245
Current assets	3,888	-	6,709	-	10,597	13,982
Total liabilities	(10,102)	-	-	-	(10,102)	(9,642)
	5,008	42,028	6,709	2,517	56,262	58,303

Included above are unrealised gains on investment assets at 31 December 2020 of £1,556,000.

Analysis of net assets between funds – Charity

	General funds 2020 £'000	Designated funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,665	-	-	5,665	5,718
Investments	11,222	36,363	-	2,517	50,102	48,245
Current assets	3,868	-	6,709	-	10,577	13,954
Total liabilities	(10,085)	-	-	-	(10,085)	(9,617)
	5,006	42,028	6,709	2,517	56,259	58,300

Analysis of net assets between funds – Group (Previous Year)

	General funds 2019 £'000	Designated funds 2019 £'000	Restricted funds 2019 £'000	Endowment funds 2019 £'000	Total funds 2019 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,718	-	-	5,718
Investments	7,258	38,553	-	2,434	48,245
Current assets	10,383	-	3,599	-	13,982
Total liabilities	(9,642)	-	-	-	(9,642)
	7,999	44,271	3,599	2,434	58,303

Included above are unrealised gains on investment assets at 31 December 2019 of £5,599,000.

Analysis of net assets between funds – Charity (Previous Year)

	General funds 2019 £'000	Designated funds 2019 £'000	Restricted funds 2019 £'000	Endowment funds 2019 £'000	Total funds 2019 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,718	-	-	5,718
Investments	7,258	38,553	-	2,434	48,245
Current assets	10,355	-	3,599	-	13,954
Total liabilities	(9,617)	-	-	-	(9,617)
	7,996	44,271	3,599	2,434	58,300

15. Operating leases

At 31 December 2020 the charity had minimum lease commitments under operating leases which expire:

	2020 £'000	2019 £'000
In the first year	6	6
In the second to fifth years inclusive	8	16
	14	22

16. Related party transactions

During the year seven Trustees (2019: four) made donations to Art Fund totalling £13,103 (2019: £6,668). One Trustee made a donation to Art Fund via the American Friends of Art Fund of £32,373 (2019: £20,412).

A donation was made of £24,727 (2019: £24,948) by the Dana and Albert Broccoli Charitable Foundation of which Michael Wilson is a trustee via the American Friends of Art Fund.

At the February 2020 Board meeting, Anupam Ganguli declared a conflict with regard to the Liverpool Biennial with Liverpool, Walker Art Gallery (National Museums Liverpool) application for £45,000 towards the commission of a moving-image work *STEPHEN* (2022) by Melanie Manchot, as he worked closely with the artist Melanie Manchot as a trustee at the Whitechapel Gallery. He left the room when this item was discussed.

At the February 2020 Board meeting, Michael Wilson declared a conflict with regard to an application for £1,000,000 towards the ARTIST ROOMS Fund from National Galleries of Scotland jointly with Tate, as he had been considering making a gift to the ARTIST ROOMS collection. He left the room when this item was discussed.

Also at the February 2020 Board meeting, Lisa Tickner declared a conflict with regard to an application by Ham House (National Trust) for £80,000 towards a painting Cathedral Interior (1621) by Hendrick van Steenwijck, the Younger offered by Agnews for £197,000, as her husband was a trustee of the National Trust. She left the room when this item was discussed.

In addition, also at the February 2020 Board meeting, Michael Wilson wished it to be minuted that he owned works by the artists under consideration in a joint application from Forma Arts & Media with National Museum Wales, National Galleries Scotland, Tate Liverpool, Guildhall Art Gallery, Norwich Castle Museum and Art Gallery and The Box for £60,000 towards six portfolios of 12 photographs from the commission *Ledger* (2021) by Broomberg & Chanarin offered by the artists through Forma Arts & Media. It was not felt that he would need to leave the room when this application was discussed.

At the February 2020 Board meeting, Monisha Shah also wished for it to be noted, in reference to the application of £1,000,000 towards the ARTIST ROOMS Fund by National Galleries of Scotland jointly with Tate, that she was a trustee at Tate when the original ARTIST ROOMS acquisitions were made.

At the July 2020 Board meeting, Chris Gosden declared a conflict of interest with regard to an application by the Ashmolean Museum for £200,000 towards a painting *Portrait of a Woman* (c1618-20) by Anthony van Dyck and a collection of silver offered by the Executors of the Estate of the late Countess of Mountbatten through Sotheby's for £500,000 as he was Director of the Institute of Archaeology at the University of Oxford. He left the online meeting when this item was discussed.

In 2020 a total of £530,000 was donated to Art Fund by American Friends of the Art Fund (AFAF), a US-based non-profit organisation. AFAF is considered to be a related party, as a member of Art Fund's Senior Management Team is also a director of AFAF.

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Cover images: Front: 'Blue Skies' conversation series, organised by the International Curators Forum; Jillian Mayer, *You'll Be Okay* video still (2014). Courtesy the artist and David Castillo.
Back: Magdalene Odundo, *Tall Bottle*, 2009, Aberystwyth University, Ceramic Collection, acquired 2010 with Art Fund support, © Magdalene Anyango Namakhiya Odundo.

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