

Art Fund_

Annual Review
2023 – 2024



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(May 2024)

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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

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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.

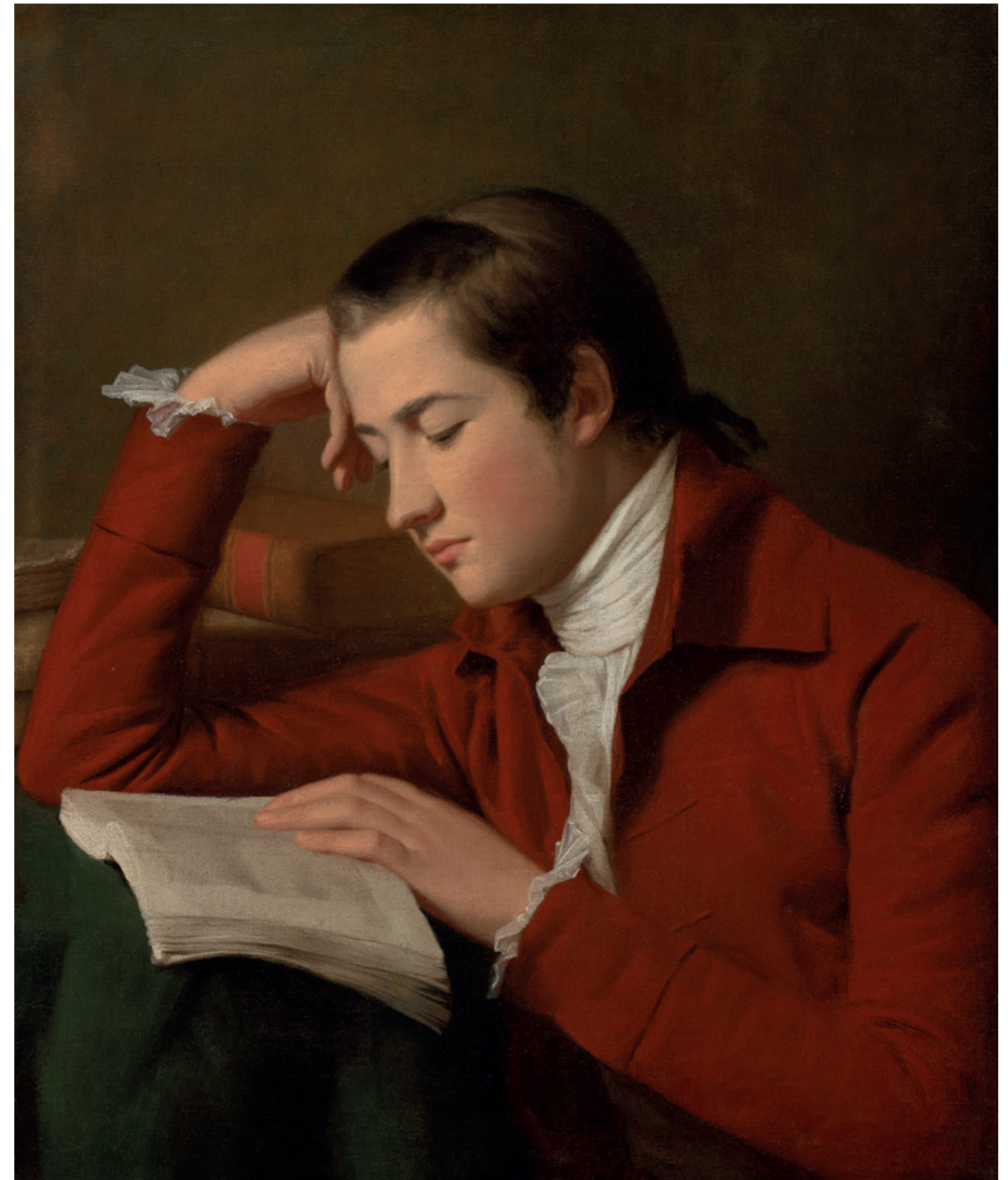
Today we work with a network of over 900 museums, galleries and historic places, promoting them to our 135,000 members, who buy the National Art Pass, and hundreds of thousands more visitors. We have made strides in widening these audiences, too, including by introducing the Student Art Pass in 2017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

A handwritten signature in black ink, reading 'Jenny Waldman'.

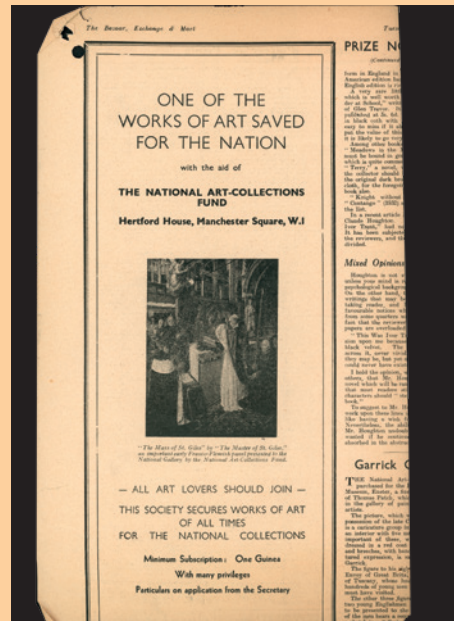
Jenny Waldman
Director, Art Fund

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.

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.



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



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

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.



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

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

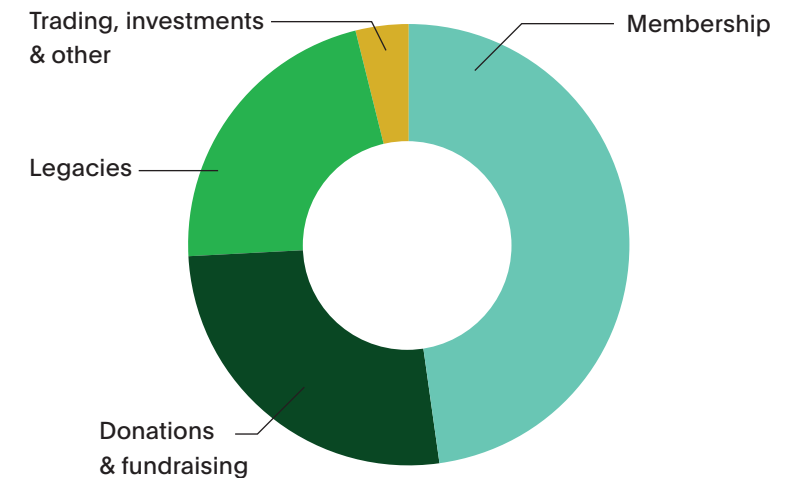
£5.8 million

in grants to support museums across the UK

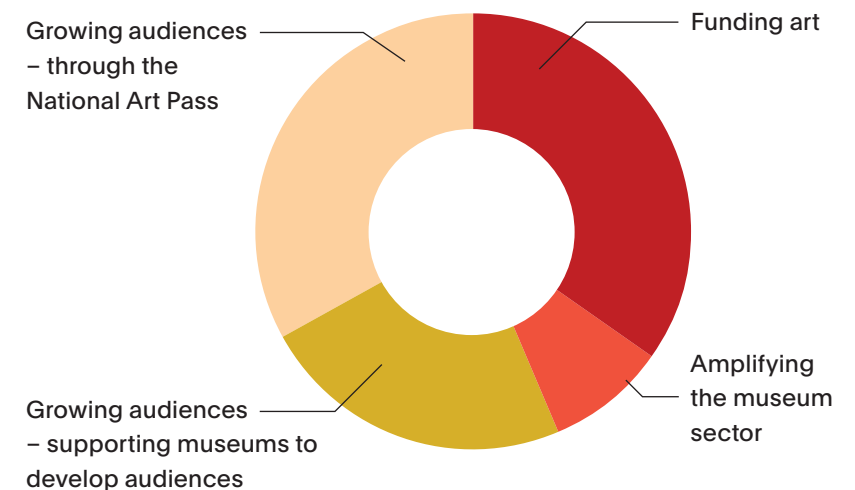
70%

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.

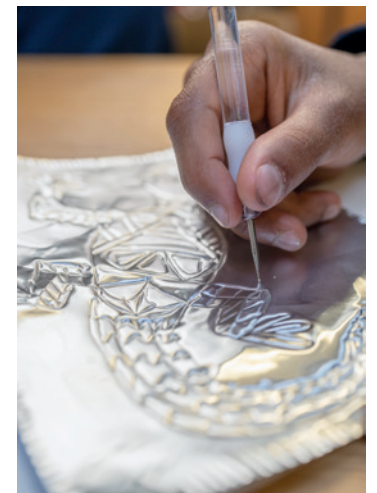
The result was an inspirational gallery of images of creatures, including birds and metalwork lizards, which gave the kids a real sense of achievement and pride.

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.

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 Freeland's Art Fund Acquisition. Run in partnership with the Freeland's 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.

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

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

Individuals

Robert and Jenny Akester
Richard and Diana Allan
Steve and Claire Almond
George and Kirsty Anson
Tim Ashley and John Booth
Keith and Barbara Bain
Timothy Barker
Victoria Barnsley and Nicholas Howard
Penny Baylis
David Beard
Orietta Benocci Adam
Richard and Rosamund Bernays
Ian Boulton
Robert Burgess
Richard and Catherine Burns
Clive Butler
David Butler
Richard and Sarah Buxton
Lysiane Bysh
Peter Cadbury
Eric and Virginia Campus
Stephanie Camu
Nigel Carrington
Julian and Jenny Cazalet
Emma Chamberlain OBE
Christine Charlton
Peter Claydon

Frances Cloud
Tim Compton
Michael Craig-Martin
Liz Cratchley OBE
R Creed
Martin Cutts
Professor Tony Davenport
John Drewitt
Richard Duncalf OBE and Oscar Pinto-Hervia OBE
Elisabeth Duncan
Dr J Lindsay Duncan
William Eccleshare and Carol Seigel Eccleshare
Hugo Eddis
Portia File
Brendan Finucane KC and Fiona Horlick KC
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John Freeman
Sara Galbraith and Robert Ham
Madeleine Gantley
Helen and Peter Ghosh
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Diana and Terence Kyle
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Lionel Leader Esq
Amanda Leathers
Ian Lennox
A Leslie
Ann Lewis
Humphrey and Ann Lloyd
Rosemary Lomax-Simpson





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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 Béatrice Lupton
 Sir John Mactaggart
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 A Wye
 Pat and Paul Zatz

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.

Grantmakers

The 29th May 1961 Charitable Trust
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 Arts Council England
 The Arts Society Tonbridge
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 The Loveday Charitable Trust
 The Sir Denis Mahon Foundation
 The McCorquodale Charitable Trust
 The Anthony and Elizabeth Mellows Charitable Settlement
 National Heritage: The Museums Action Movement
 The National Lottery Heritage Fund
 Nesta
 The NOSWAD Charity



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



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
PF Charitable Trust
The Rought Fund
The Society of Decorative Art Collections
Henry and Rebecca Tinsley Charitable Trust
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The Wolfson Foundation
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A Yaffey
ED Yeo

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

Anis Akhtar
Noorah Al-Gailani
Layla Bloom
Sue Brunning
Caroline Campbell
Gus Casely-Hayford
Ekow Eshun
Brendan Finucane KC
Chris Gosden
Miles Greenwood
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Cornelia Parker
Martin Parr
Bob and Roberta Smith
Mitra Tabrizian
Clare Twomey
Jonathan Yeo

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

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.



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

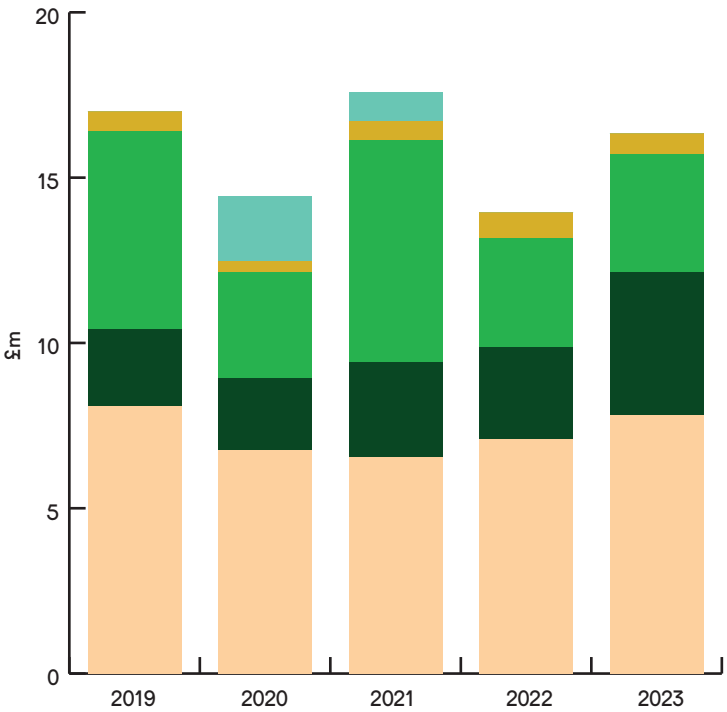
Heightened inflation, rising energy prices and the cost-of-living crisis have had an effect both on museums' ability to operate and on visitors' ability to access and enjoy them. This comes on top of the remaining impact of the pandemic, with visitor numbers, while increasing, still not quite where they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

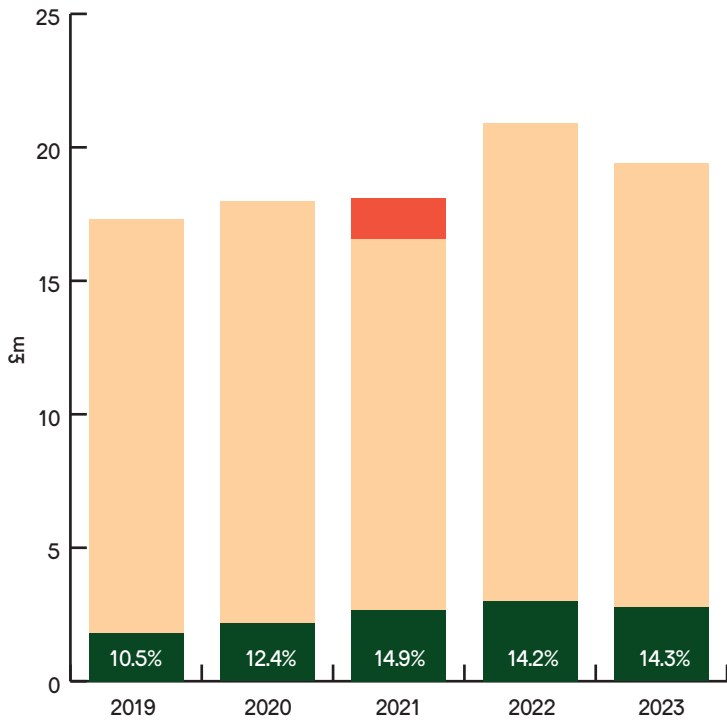
Performance



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

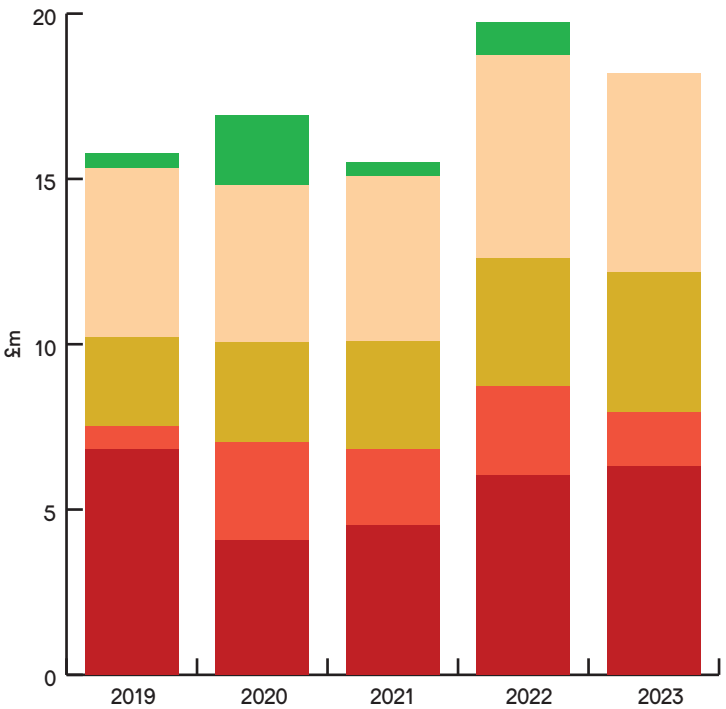
Efficiency



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

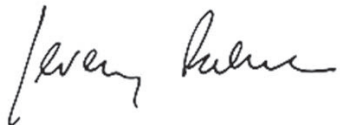
Total income increased to £16.3m in 2023 (2022: £13.9m) with legacy income increasing to £3.6m (2022: £3.3m) and donations increasing to £4.3m (2022: £2.8m). This was driven in part by a substantial donation to increase the Rought Fund, a restricted fund to support museum acquisitions of pre-1815 art 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

Solicitors

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

Barclays Bank PLC
1 Churchill Place
London E14 5HP

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 Stone Kirk 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:									
<i>Voluntary activities:</i>									
Donations		301	4,035	-	4,336	915	1,864	-	2,779
Legacies		3,528	33	-	3,561	3,119	183	-	3,302
<i>Charitable activities:</i>									
Members' subscriptions		7,812	6	-	7,818	7,069	40	-	7,109
<i>Other trading activities:</i>									
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:									
<i>Raising funds:</i>									
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:									
<i>Voluntary activities:</i>									
Donations		301	4,035	-	4,336	915	1,864	-	2,779
Legacies		3,528	33	-	3,561	3,119	183	-	3,302
<i>Charitable activities:</i>									
Members' subscriptions		7,812	6	-	7,818	7,069	40	-	7,109
<i>Other trading activities:</i>									
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:									
<i>Raising funds:</i>									
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

	Balance at 31 December 2021	Balance at 1 January 2023	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2023
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

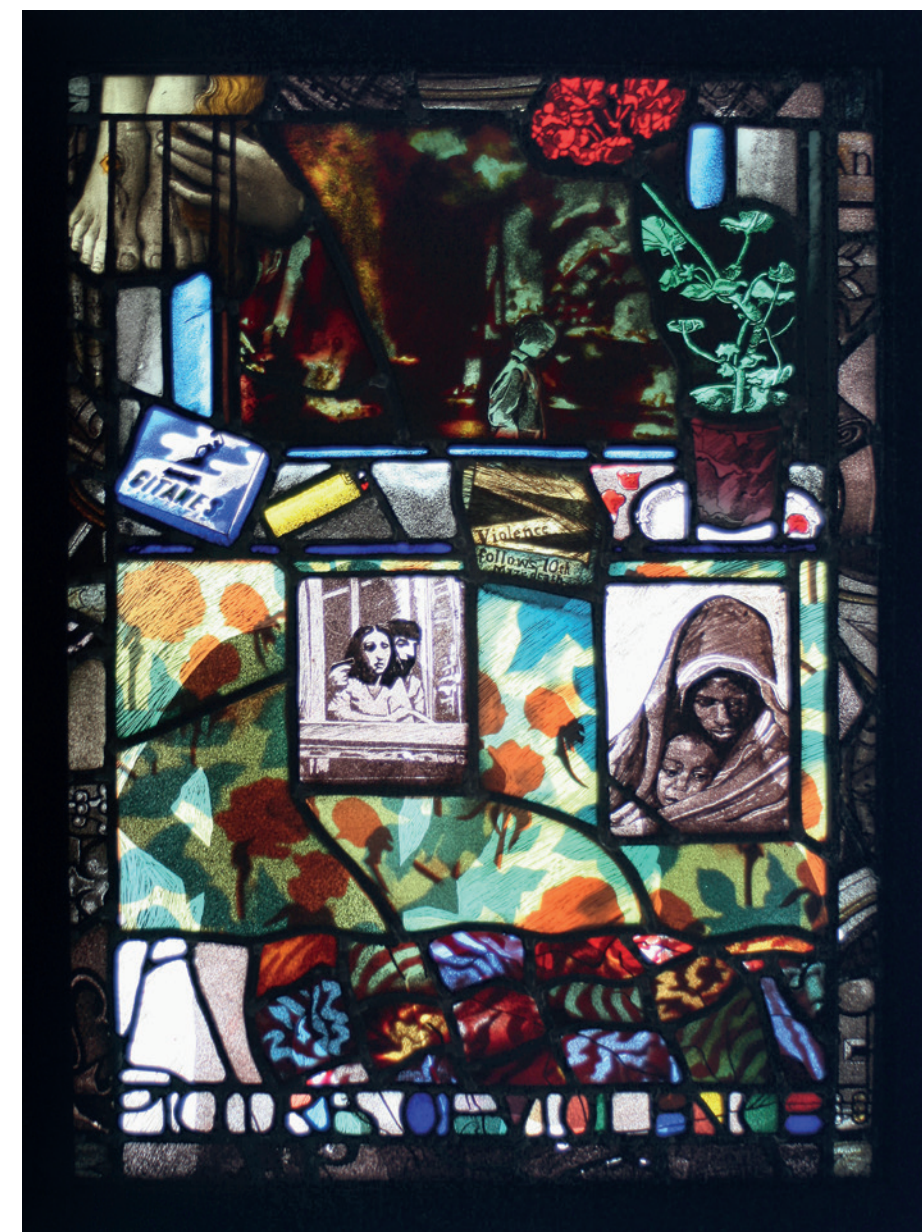
During the year one Trustee (2022: Four) made donations to Art Fund totalling £1,500 (2022: £13,560).

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

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