

# The Board of Trustees of the Tate Gallery Annual Accounts 2018-2019

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Presented to Parliament pursuant to section 9(8) of the Museums and Galleries Act 1992

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# Advisers

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# Annual report

## Presentation of the financial statements

The accounts have been prepared in accordance with the Charities Statement of Recommended Practice 2015 (the SORP) FRS102 (updated for reporting from 2016) and in compliance with the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport (DCMS).

The consolidated statement of financial activities set out on page 40 has been prepared in line with the SORP. The Trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of Tate.

## Mission

Tate's mission, drawn from the 1992 Museums and Galleries Act, is to increase the public's understanding and enjoyment of British art from the sixteenth century to the present day and of international modern and contemporary art.

The four aims listed by the Act are to:

- care for, preserve and add to the works of art and documents in Tate's Collection;
- secure that the works of art are exhibited to the public;
- secure that the works of art and documents are available to persons seeking to inspect them in connection with study or research; and
- generally promote the public's enjoyment and understanding of British art and of twentieth-century and contemporary art, both by means of Tate's Collection and by such other means as it considers appropriate.

All Tate's activities and aspirations are driven by this statutory purpose. Tate's strategic objectives in fulfilling this mission can be summarised as follows:

- to consolidate, manage and research the Collection in ways that respond to changes in the world around Tate;
- to devise innovative programmes that engage with existing and new audiences, both in the galleries and through digital media and partnerships, whose expectations of their relationship with the museum are changing and whose participation will be a part of what Tate does; and
- to improve Tate by investing in staff development and the working culture and develop Tate's self-reliance and business model for a sustainable future.

Major activities that Tate undertakes in doing this include:

- engaging new audiences by being inclusive and open;
- collecting and displaying art from around the world;
- embarking upon new partnerships that open new opportunities;
- ensuring that the benefit of Tate's work is felt across the UK;
- developing Tate's digital offer;
- generating revenue in addition to the amount received in Grant in Aid;
- an enhanced programme of employee engagement.

A review of Tate's key business activities during 2018-19, including its finances and key performance indicators, has been included within the foreword, together with commentary on Tate's future development plans and its policies and performance on employees, environmental and social and community issues. Tate's reserves and investments policies are also included within the foreword.

## History and statutory background

### History

The Tate Gallery was founded at Millbank, London in 1897. Although officially known as The National Gallery of British Art, it was commonly called the Tate Gallery after Henry Tate, with its name being changed officially in 1932. During the early and mid-twentieth century, the original building at Millbank was added to as Tate's Collection grew and expanded to include modern works.

The last two decades of the twentieth century saw considerable expansion of Tate with the Clore Gallery, housing the Turner collection, opening in 1987 and Tate Liverpool opening the following year. Tate St Ives opened in 1993 and in March 2000 the Tate Gallery Millbank site was re-dedicated as Tate Britain. Tate Modern opened to the public in May 2000 and June 2016 saw the opening of a new, ten-storey extension to Tate Modern, adding significantly to the space available to visitors and for the display of art. A new extension to the gallery at St Ives opened in October 2017.

### Background

From its foundation in 1897 until 1917, the Board of Trustees of the National Gallery administered the Tate Gallery. A separate Board of Trustees for the Tate Gallery was first established by Treasury Minute of 24 March 1917, although all works of art remained vested in the Trustees of the National Gallery, whose Director remained responsible for the financial affairs of the Tate Gallery.

The Tate Gallery was established as an independent institution by the National Gallery and Tate Gallery Act, 1954. A further Treasury Minute of 5 February 1955 defined the scope of the Tate Gallery Collection and vested in its Board of Trustees the responsibility for the Collection and for the management of the Gallery.

The Museums and Galleries Act, 1992, which repealed the 1954 Act, established the Board of Trustees of the Tate Gallery as a corporate body and added it to the list of exempt charities under the 1960 Charities Act. An Order in Council enabling the new Act was issued on 1 September 1992.

In March 2000 the Trustees launched a new organisational identity, re-branding the Tate Gallery as Tate. For statutory purposes the corporate body remains the Board of Trustees of the Tate Gallery.

Tate is a non-departmental public body (NDPB) under the auspices of the Department for Digital, Culture, Media and Sport (DCMS). Tate is an exempt charity as defined by Schedule 3 to the Charities Act 2011.

### Associated charities

Tate has three associated charities. These charities are independent and do not impact on Tate's operating policies, however they work closely with Tate and have the aim of helping it to fulfil its mission for the public benefit.

**Tate Foundation:** an independent charity created to further the charitable purposes of the Board of Trustees of the Tate Gallery through active fundraising, investment and membership schemes.

**Tate Americas Foundation:** an independent charity based in New York that supports the work of Tate in the United Kingdom.

**Tate Canada Foundation:** an independent charity based in Toronto that supports the work of Tate in the United Kingdom.

## Auditors

Tate's principal auditor is the Comptroller and Auditor General. The audit fee for the year ended 31 March 2019 was £58,000 (£54,000 in 2017-18).

So far as the Accounting Officer and Trustees are aware, at the time of approving the annual report, there is no relevant audit information of which the charitable NDPB's auditors are unaware. The Accounting Officer and Trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charitable NDPB's auditors are aware of that information.

Signed

*Maria Balshaw* 3 July 2019

Director, Tate

Signed

*Lionel Barber* 3 July 2019

Chairman, Tate



# Foreword

The accounts have been prepared in accordance with the Charities Statement of Recommended Practice 2015 (the SORP) Financial Reporting Standard (FRS) 102 under a direction issued by the Secretary of State for Digital, Culture, Media and Sport under the Museums and Galleries Act 1992.

## Review of activities in 2018-19

The key achievements of 2018-19 include:

- the launch of Tate Collective, a new membership scheme providing young people aged 16 to 25 with access to art, including discounted tickets;
- the recognition of the success of the Tate St Ives Project through the award of the Art Fund's Museum of the Year Award, 2018;
- several high profile exhibitions including: *The CC Land Exhibition: Pierre Bonnard: The Colour of Memory, Anni Albers, The Shape of Light* and *Franz West*, as well as the conclusion of *The EY Exhibition: Picasso, 1932* at Tate Modern; *Don McCullin, Edward Burne-Jones* and *The Turner Prize*, together with the opening of *The EY Exhibition: Van Gogh and Britain* at Tate Britain; *Fernand Léger* at Tate Liverpool; and *Patrick Heron* at Tate St Ives;
- significant success in touring exhibitions, including *Landscapes of the Mind: Masterpieces from Tate Britain*, which received more than 614,000 visitors at the Shanghai Museum, making it the most-visited Tate exhibition in history;
- the appointment of Helen Legg as the new Director, Tate Liverpool and of Anne Barlow as the Director, Tate St Ives;
- exceptionally strong digital performance, with visits to the website up 10% to almost 19 million, and continued strength in social media channels, particularly Twitter and Instagram.

None of these achievements would have been possible without the commitment and expertise of those who work at Tate and the interest, support and continuing generosity of all those who support Tate. The report below presents highlights of Tate's work this year.

## Tate's objectives

2018-19 was a transitional year as the Director led Tate in developing a new Vision and objectives that will guide it for the following five years. As such, 2018-19 was planned against the preceding objectives and progress and achievements are reported here accordingly. The objectives that Tate has pursued this year have been to:

- champion art and artists;
- develop a sustainable operating model for the future;
- welcome broad and diverse audiences;
- create rewarding experiences for visitors;
- inspire learning and research;
- promote digital growth and engagement;
- develop and nurture UK and global partnerships; and
- develop the people and culture of Tate.

## Championing art and artists

### Collection

Tate cares for the national Collection of British art from 1500 and international modern and contemporary art. It does so on behalf of the public, presenting and developing the Collection and sharing it as widely as possible in its galleries, online and through loans and partnerships.

Collections and displays across the galleries continued to reflect Tate's commitment to strengthening the representation of work from areas identified as needing greater focus, such as work by women artists and from

areas of the world that have, in the past, been marginalised. Major additions to the British Collection include works by Sylvia Pankhurst and Mary Beale, the earliest known woman professional painter in British history. A further acquisition, made with the kind assistance of a number of supporters and groups (detailed later in this foreword), was Yinka Shonibare's *The British Library*, a work that explores the stories of migration and migrants to the UK. In respect of the International Collection, Lady Atcherley made a transformative gift that supported the acquisition of three paintings by Australian artist Emily Kame Kngwarreye. These works constitute the first by an indigenous Australian artist to enter the Collection. At Tate Modern, Jordon Wolfson's *Coloured Sculpture*, acquired with the help of a generous gift from Joe and Marie Donnelly, went on display in The Tanks. Elsewhere, the recently established European Collection Circle met for the first time, allocating funds toward the acquisition of a number of works by the French artist Jean-Luc Moulène.

Displays gave the public the chance to see a number of major acquisitions of recent years. At Tate Modern, Christian Marclay's video installation *The Clock*, a joint acquisition between Tate, Centre Pompidou, Musée National d'Art Moderne and The Israel Museum, Jerusalem, went on display for the first time. At Tate Britain, the contemporary *Sixty Years* display featured Collection work by Black, Asian and Minority Ethnic (BAME) artists and collectives including Frank Bowling, Black Audio Film Collective, Donald Locke, Donald Rodney, Sunil Gupta, Lubaina Himid, Keith Piper, Kerry James Marshall, Denzil Forrester and Rotimi Fani-Kayode. A further display focused on the career of English painter William Dobson, which coincided with the English Civil War, addressing Dobson's painting technique from his early works made in London in the 1630s, to those painted in Oxford from 1643 to 1646.

At Tate Liverpool, an exhibition of a different kind celebrated both the Collection and those who manage, care for and help display it. *Ken's Show*, a display of 30 works selected by Ken Simons to mark Tate Liverpool's 30th birthday and his own 30-year career at the gallery, presented works from Tate's Collection that Ken had previously installed in Liverpool. The display explored the unseen or mysterious spaces in our work and pointed to Ken's particular interest in sculptural and landscape art.

Generous gifts from artists and their estates also saw major additions to the Collection. Peter Doig gave a remarkable number of prints in honour of Sir Nicholas Serota, David Hockney gave a major painting and Roger Hiorns kindly gifted a performance work. To mark the appointment of Maria Balshaw, Isaac Julien very kindly gifted his important film, *Looking for Langston*. Gifts from estates included a number of works by Wilhelmina Barns Graham.

A number of significant conservation projects were also undertaken this year. One such was on a portrait of *Frederick, 5th Earl of Carlisle*, painted by Sir Joshua Reynolds PRA in 1769, which was accepted in lieu of Inheritance Tax by HM Government from the Trustees of Lord Howard of Henderskelfe's Will Trust and allocated to Tate for display in situ at Castle Howard in 2016. The painting and its frame required conservation treatment to improve its appearance and make it displayable alongside Reynolds's portraits from the Tate Collection. A heavily discoloured layer of varnish was removed, revealing the true colours of the costume and a cooler tonality, reinstating the sense of recession created by the artist. Much of the discoloured overpaint was removed using new water-based gel techniques. The frame was cleaned and extensive losses restored, including a section of missing ornament for which a replacement was hand carved by Tate's Conservation Workshop. Technical examination of the portrait using x-ray and infrared imaging gave insight into the development of the portrait, including an earlier landscape background, a different dog at Frederick's feet and changes to the pose of the figure. Displayed this year at Tate Britain in a focus display on Reynolds, the painting will travel to Paris as part of Tate's touring show *Gainsborough to Turner: The Golden Age of British Painting*.

## Programme

At Tate Modern, *The EY Exhibition: Picasso 1932* became the second most-visited exhibition in the gallery's history, demonstrating the appeal of looking at familiar artists in a new light. Great women artists were also prominent in the programme, including a major exhibition of Anni Albers giving long overdue credit to this leading modernist and prominence to the medium of textile. An exhibition and performance in the Turbine Hall by Joan Jonas gave similar profile to a woman at the forefront of performance. Later in the year, a survey of works by Dorothea Tanning looked at an under-explored figure and themes in the conventional view of Surrealism. At the end of the year, *The C C Land Exhibition: Pierre Bonnard: The Colour of Memory*, brought together over 100 of the artist's greatest works from museums and private collections around the world. Opening in February, the Franz West exhibition drew significant large-scale loans from around the world.

The Turbine Hall saw a number of ground-breaking displays. These included the *BMW Live* exhibition by Anne Imhof and *The Head and the Load* by William Kentridge, a collaboration with the UK's *14-18 Now* programme and part of the commemoration of WWI, which drew attention to the hitherto under-represented contribution of black participants in war. The Hyundai Turbine Hall Commission was fulfilled by Tania Bruguera and explored interconnection between the global and the local, and between refugees crossing continents and the people

living in their destination countries. The project was created with those living around Tate and saw the naming of the Boiler House after Community activist Nathalie Bell.

At Tate Britain, Edward Burne-Jones's most famous narrative cycles, *The Briar Rose* c.1890 and his unfinished *Perseus* series, begun in 1875, were hung together for the first time as part of a major retrospective. In December, Charlotte Prodger was announced as the winner of Turner Prize 2018 after the exhibition from September of work by all four shortlisted artists and collectives: Prodger, Forensic Architecture, Naeem Mohaiemen and Luke Willis Thompson. Tate Britain's year began with *Aftermath*, an exhibition which examined the immediate impact of World War One on British, French and German art. It concluded on a high, with many exceptional paintings by Van Gogh arriving for the ground-breaking exhibition of his work which opened in March, showing at the same time as the acclaimed retrospective of the photography of Don McCullin.

Anthea Hamilton's *The Squash*, was created for the annual Tate Britain Commission, supported by Sotheby's and running for six months to October. Later in the year, the Winter Commission saw Monster Chetwynd's giant leopard slugs on the Millbank steps of Tate Britain over the festive season. This was followed in March with the opening of Mike Nelson's *The Asset Strippers*, a selection of machines sourced in salvage yards and auctions, which point to the decline of British industry.

At Tate Liverpool, works came from all over Europe for the *Fernand Léger* exhibition, many of which had never been seen in the UK. This followed an exhibition that juxtaposed the photographs of Francesca Woodman with drawings by Egon Schiele, offering new perspectives on the powerful portraits by these two important figures. In October 2018, Ugo Rondinone's *Liverpool Mountain*, a joint commission with Liverpool Biennial, was installed in the Mermaid Courtyard next to the Gallery as part of the Liverpool 2018 programme, marking 10 years since Liverpool was European Capital of Culture, 30 years of Tate Liverpool and 20 years of Liverpool Biennial.

At Tate St Ives, contemporary British artists Rosalind Nashashibi and Lucy Skaer explored the mythology around Paul Gauguin in an exhibition focused on exoticism and colonialism. The gallery also announced an all-women line-up for its 2019 temporary exhibition programme. This followed an exhibition of work from Patrick Heron's time in Paris and New York and a show of female artists inspired by the writing of Virginia Woolf, who spent every summer at Talland House in St Ives until she was thirteen. In February, the gallery opened the first major UK exhibition devoted to Anna Boghiguian, a collaboration with Castello di Rivoli Museo d'Arte Contemporanea.

## Developing a sustainable operating model for the future

Government grant remains the single largest element of Tate's income, vital in underpinning the running costs of Tate overall. The settlement of Grant in Aid at the current level until 2020, plus additional funding to reflect the increase in size of Tate Modern announced in the Spending Review of November 2015, provide valuable certainty, but do not take into account the costs of inflation and so significant challenges remain.

Tate generates the majority of its own funding and in recent years has concentrated on both finding new sources of revenue and consolidating existing ones, and continuously seeks further efficiency in the way that it works. Expenditure is carefully monitored to ensure that resources are concentrated on meeting Tate's objectives and strategic priorities. As ever, fundraising has been a major source of income and, after the completion of the capital projects at Tate Modern and Tate St Ives, the focus has shifted to encouraging support for Tate's ongoing activities and operations. Tate is grateful to the generosity of all its donors for the support that they offer across the range of its activities.

### **Tate Enterprises Limited**

Tate Enterprises Limited comprises three divisions: Tate Commerce, Tate Eats and Tate Corporate Events (see note 11).

Overall turnover in Tate Commerce (the shops and other retail functions, including ecommerce) in 2018-19 was £19,752,000 (£19,929,000 in 2017-18) with a net contribution of £1,347,000 (£2,222,000 in 2017-18). Sales in the first five months were disappointing as a result of reduced visitor numbers, however, from September onwards performance significantly improved, largely as visitor numbers picked up and as a result of strong secondary spend in relation to the exhibition programme.

Notable successes in the year included a different approach to the offer at the *Anni Albers* exhibition at Tate Modern, tailoring the offer to the audience profile and investing more in product than the expected visitor numbers would have suggested. Tate Edit and custom print sales both saw significant improvements on the prior year and the launch of eight new limited edition prints by Damien Hirst, in collaboration with HENI, proved particularly popular.

2018-19 was an outstanding year for Tate Eats, which delivered a net contribution of £1,587,000 (£1,151,000 in 2017-18). Revenue grew by 4%, while both conversion and average spend were ahead of the previous year. The

year included several notable successes: the north landscape at Tate Modern saw the launch of a wood-fired pizza container that was well-received by families, and elsewhere there was significant improvement in performance in the premium dining outlets in Tate Modern and Tate Britain, which had returned substantial losses in the previous year.

In 2018-19 Tate Corporate Events generated a net contribution of £3,138,000 (£3,327,000 in 2017-18) from corporate events and memberships, education, media services and international training activities. These results were driven by strong performance in events activity, notably large-scale events in the Turbine Hall and The Tanks at Tate Modern and sustained levels in the number of corporate memberships.

### **Funding, sponsorship and donations**

Tate consistently maintains and grows income from individual, foundation, public sector and corporate supporters. At the same time, the support that visitors, Members and Patrons provide is fundamental to the delivery of the public programme. Tate is grateful for all the support that it receives.

Tate Members are among Tate's closest supporters. The scheme has gone from strength to strength with numbers of memberships this year exceeding 147,500. Membership, including Tate Collective, described in further detail below, is a vital part of Tate's engagement with audiences. Looking specifically at the financial performance of membership, sales were particularly strong around major exhibitions, such as *The EY Exhibition: Picasso: 1932* and *The EY Exhibition: Van Gogh and Britain*. Elsewhere, Philippe Parreno's *Marquee 2016* was among the works acquired by Tate with support from Tate Members, in this case along with the Art Fund and Tate International Council. This work was produced for and installed in the Turbine Hall as part of the Hyundai Commission 2016 and its acquisition marks in perpetuity the work's connection to the history and expansion of Tate Modern and the opening of the Blavatnik building.

Individual supporters play an often vital part in helping Tate fulfil its ambitions. Supporters Circles helped bring about exhibitions including *The CC Land Exhibition: Bonnard: The Colour of Memory* and *Don McCullin* and provided vital support for *Anni Albers*, *Franz West* and *Dorothea Tanning*. A number of major acquisitions were also made possible through the generosity of donors. The Abrishamchi Foundation supported the acquisition of Nicole Eisenman's *The Darkwood Trail 2018*. Thanks to the support of the Asia-Pacific Acquisitions Committee, as well as generous gifts from Kyung-soo Huh, Sung-Moon Kwon, Tae Won Hahn and Byucksan Foundation, Tate was able to acquire Haegue Yang's major work *Sol LeWitt Upside Down – Structure with Three Towers, Expanded 23 Times, Split into Three, 2015*, which went on display in *Materials and Objects* Collection display at Tate Modern on 10 December 2018. *The British Library 2014* by Yinka Shonibare, which was also installed at Tate Modern at the end of the year, was acquired thanks to the combined support of Art Fund, Tate International Council, the Tate Africa Acquisitions Committee, Wendy Fisher and THE EKARD COLLECTION.

Marking the centenary of women's suffrage in Britain, Tate received a generous grant from the Denise Coates Foundation, dedicated to supporting British women artists active from 1918 to today. This has enabled major acquisitions by Pauline Boty, Gluck, Lubaina Himid, Mona Hatoum, Liliane Lijn, Marlow Moss, Fiona Rae and Valentine Dobree. This gift enabled Tate to highlight further the contributions that women have made, and continue to make, to art and culture in the UK and mark the anniversary of this key event in modern history.

This year also saw the first year of support towards *Art Now* from the Art Now Supporters Circle. The circle comprises 16 individual donors, who are keen to support with the view of ensuring new and emerging art remains at the heart of Tate Britain's mission. Support from The Frieze Tate Fund supported by Endeavor continued, enabling the acquisition of works by British artists Sonia Boyce and Claudette Johnson, Chilean artist Johanna Unzueta and Italian artist Giorgio Griffa. 2018 was the final year of the existing three-year funding commitment and Tate are delighted that Endeavor has renewed its support for another three years.

The Marie-Louise von Motesiczky Charitable Trust has pledged significant support to the Tate Archive, with grants toward forthcoming archive projects totalling over £1 million. These projects include: the cataloguing and digitalisation *Émigré Art Archives* Project; a display on Marie-Louise von Motesiczky in the Archive Gallery at Tate Britain this autumn; and a major gift toward other activities within the Archive. This long-term, high-level support will be recognised through the re-naming of the Archive Gallery in the Trust's honour.

A number of Tate's operations and activities are also supported by sponsorship. A total of £89,320 was secured for Collection care projects, including further cataloguing and digitalisation of works in the Hepworth archive from the Porthmeor Fund. £33,000 of this funding is pledged against two new research projects, the first toward the Rineke Dijkstra photographs in Tate's Collection and the second toward exploration of the acquisition and documentation of virtual reality. Both new and regular donors have contributed a total of £68,900 toward the Learning programme this year, £43,900 of which is allocated to activating the Schools and Teachers Programme across both Tate Modern and Tate Britain. The Rory and Elizabeth Brooks Foundation is supporting a newly-structured Brooks International Fellowship, which will welcome two 6-month fellowships: one working with Tate Exchange and the second with the Senior Curator, International Art (Photography).

## Welcoming broad and diverse audiences

This year, Tate launched Tate Collective, a major initiative designed with and for young people aged 16-25, offering access to £5 exhibition tickets, free events, creative opportunities and discounts across Tate. This is part of Tate's commitments to engage younger audiences in art and also diversify its own audiences. By the end of year, ambitions had been exceeded with over 62,000 young people having signed up.

Reaching audiences also requires listening to them. *Talking about our Collection* is a project that invites audiences in the galleries and online to get in touch if they see text at Tate which they believe overlooks or misrepresents an important perspective or uses language that could be improved or changed. This is an ongoing area of work that will inform written texts, labels and how stories are told at Tate.

A major project launched this year combines learning activity and displays with the ambition to represent London's creative future. Working with Oscar- and Turner Prize-winning filmmaker Steve McQueen, Tate Britain will display *Year 3*, featuring school photographs of every child in that year group in London. By the end of the year, over 60% of schools in London had signed up. Work with schools began this year, in anticipation of the show itself in late 2019. Planning has also begun for work with schools and families that will accompany the event, seeking to engage as wide an audience as possible.

Elsewhere, in collaboration with the Mayor of London, Tate Collective Producers curated *LDN WMN*, a series of 20 free public artworks across London created by women and non-binary artists, inspired by unsung women heroes from the city's history as part of Mayor Sadiq Khan's *#BehindEveryGreatCity* campaign which marked 100 years since the first women won the right to vote in the UK.

Tate has also launched *Inclusive Futures*, a project led by Dr Karen Salt, Director of the Centre for Research in Race and Rights at the University of Nottingham. Over two years, this project will identify points from which to learn and develop to improve inclusion across Tate. In this way, Tate seeks to build on prior success. A further example is the *Queer and Now* festival at Tate Britain, now established as part of the summer season and this year attracting more than 10,000 people of all ages.

## Creating rewarding experiences for visitors

Much work goes on behind the scenes to ensure that visitors enjoy the experience of Tate and its galleries. Tate's Audio Visual team, for example, supported over 2,000 public programme events across the galleries, including *Late at Tate Britain*, *Uniqlo Late Tate*, *BMW live series*, *Queer and Now*, *Tate Exchange* and *the TM Film programme*. It also helped stage and mount public displays, contributing to over 40 complex installations or interpretation, notably the Turner Prize, which featured four film installations. At Tate Modern, new signage screens were installed and the audio systems in the Clore Auditorium were upgraded. Tania Bruguera's Turbine Hall installation required significant expansion of Wi-Fi capability in the Turbine Hall.

Technological advance has also played a role in supporting Tate's commitment to diversity and reaching new audiences. An upgrade of Tate's Collection Information Service this year supported both Western and Non-Western diacritics, ahead of a wider upgrade of the Collection Management System, planned for 2019-20.

The experience that Tate can offer goes beyond the art on display. As well as the development of the external catering options at Tate Modern, Tate Eats developed specific menus and events based on key shows such as *Pierre Bonnard* at Tate Modern and *Van Gogh* at Tate Britain. These were marketed online, linking the food and drink experience with programme. Elsewhere, more experiential shopping has been offered via 'Try Me' tables at weekends, where visitors can try out the art materials on sale. A rich events programme in the shops has included talks, debates and book launches. A further significant step has been taken with the commitment that the Tate children's book offer will include titles featuring BAME protagonists, addressing a recognised deficit in the wider market in the UK.

## Inspiring learning and research

Tate's Learning teams work across all age groups. Activities with special educational needs and disability groups have been further developed to offer radically different programme for young people excluded from 'mainstream' education. *Testing Testing Testing* invited young people with learning disabilities to create and host events for the public. In other activity, over 25,000 people took part in conversations through a diverse programme of artist talks, discussions, workshops and courses, conferences and seminars, with an artist talk by Don McCullin during the run of his monographic exhibition at Tate Britain proving particularly popular.

As well as the partnership with the Mayor of London's office to curate *LDN WMN*, Tate Collective worked in partnership with the British Council on a project for the British Pavilion at the Venice Architecture Biennale in

2018, exploring the relationship between cultural production and the built environment, looking at pockets of inner-city London culture through poetry, sound and the Black-British musical experience.

The third year of Tate Exchange took the theme of 'movement' and opened with a month-long programme produced by Tania Bruguera in tandem with her Turbine Hall commission. Other activity included 'Our Neighbours' a series of lunch-time discussions, mini-lectures and workshops to equip visitors with skills and ideas for neighbourly action; a weekend takeover of the space by Latin Elephant, a London-based charity focusing on migrant experience; and, a workshop on community leadership and food redistribution and neighbourhood activism. Over the year, the programme with Tate Exchange associates saw on average 492 visitors daily and a total of 94,704 unique page views to the new Tate Exchange pages of the website.

The Associates meet on a quarterly basis as a whole group and the level of collaboration and co-programming, within and without Tate Exchange, continues to increase. The cohort is being developed as a community of practice through a programme of guided facilitation and knowledge exchange. Building on the evaluation reports from the last two years, a bespoke evaluation methodology is being created in collaboration with MoMA that uses the emerging Theory of Change and network analysis of Tate Exchange's impact. Tate Exchange is also being developed as a research centre with Tate Learning and Research colleagues and higher education Associates.

Collection Care Research began a 3-year interdisciplinary research project funded by the Andrew W. Mellon Foundation that aims to develop the museum's capacity to collect, document and engage with forms of art and art making that challenge the practices and definitions of the museum and its collections. The research takes an experimental approach, engaging a broad range of audiences with the lives of these art works and the practices of the museum. 2018-19 also saw the conclusion of Tate's contribution to the *Cleaning Modern Oil Paints* project (CMOP), which publicly celebrated with a 3-day international Conference on Modern Oil Paints in Amsterdam in May where outputs from the CMOP project contributed 35% of the conference content.

The autumn saw the publication of the thirtieth issue of *Tate Papers*, Tate's pioneering online research journal and reached another milestone by the end of the year with news that a quarter of a million people had read articles from *Tate Papers* in 2018-19.

This year also saw 35 active PhD students funded through the Arts and Humanities Research Council Collaborative Doctoral Partnership (CDP) scheme. Partnering with over 20 higher education institutions, the CDP programme fosters diverse research projects spanning the fields of conservation science, Collection care, creative learning, museology and art history.

## Promoting digital growth and engagement

The Tate website had another strong year, with the online audience increasing 10% to almost 19 million. There was also a 14% increase in returning visits, showing that visitors are coming back to the site time and again.

Depth as well as frequency provides a good measure of digital engagement and these metrics continue to improve, with over 3 pages viewed per visit and an average dwell time of 2 minutes and 36 seconds. Work has also been done to adapt to changing digital habits; the optimisation of web pages for mobile devices, for instance, has led to an increased share of traffic from mobile devices, now up to 37%. The session bounce rates for mobile phones and tablets have decreased and these users are also spending more time on the site. Tate's digital platforms are an important means of attaining global reach and this year saw an increase in users from overseas, taking an additional 2% share of the traffic.

Social media platforms are also a very important means of reaching different audiences and Tate works consistently to ensure that its communications adapt to rapidly changing digital habits. A 5% increase in followers on Twitter was recorded in 2018-19, along with a 32% increase in followers on Instagram, a platform that continues to provide high quality engagement and click-throughs to exhibition tickets and content. Facebook and Twitter continue to account for the highest share of referral traffic, but large increases in traffic from Ecosia Search (an alternative search engine that donates 80% of its surplus income to non-profit conservation organisations) and The Guardian show the importance of Tate's reach through different channels. With the institutional focus on learning, it was encouraging to see new referral routes, such as Google Classroom (a virtual classroom environment that allows teachers and students to link from their work) and the National Museums website. Likewise, 2018-19 saw a significant increase in traffic share for the Learn section of the website. The YouTube channel saw a 14% increase and the Yayoi Kusama video has proved consistently popular, along with videos that focus on conservation at Tate such as 'Restoring Rothko' and 'Conserving Whaam!'. Tate Kids saw its traffic share increase by 2% and the Tate Shop saw its traffic share increase by 4%, following its full migration to the new platform. Ecommerce had another strong year, with revenue up 3%, driven by a 19% increase in tickets, a 7% increase for the shop and some hugely popular events.

Tate has been broadcasting live streams from Facebook since June 2016 and on Instagram since March 2017. May 2018 saw the broadcast of the first British Sign Language (BSL) Facebook live exhibition tour in the UK cultural sector, marking Deaf Awareness Week. It looked in detail at three works by Picasso. Tate also produced an hour-long Facebook broadcast of a panel discussion with Frances Morris, Susie Orbach and Chidera Eggerue and an Instagram live stream around #5womenartists, an international campaign.

## Developing and nurturing UK and global partnerships

Partnerships with museums and galleries across the UK and internationally have ensured that the Collection has been shared as widely and seen by as many people as possible. The Ferryman Partnership Programme was instigated around the acquisition of William Stott of Oldham's *Le Passeur* (The Ferryman) 1881 and has seen the work visit Oriol y Parc in St David's, Southampton City Art Gallery and Gallery Oldham. In September 2019, the tour will finish in Aberdeen Art Gallery. The Ferryman Partnership offers a programme of training and sector support in Sharing Works of Art. In 2018, Tate Registrars led six workshops exploring the principles of Collection management, loans and acquisitions. The training was attended by 92 participants from 78 different organisations. The programme has subsequently awarded 11 strategic loan bursaries to participants, extending the reach and capacity of Tate's UK loans programme.

A similar model continues through Aspire, the partnership built around John Constable's *Salisbury Cathedral from the Meadows*, which returned to Tate Britain at the end of March 2018. The painting was reframed and installed in the Turner galleries as part of *Fire and Water*, a display which opened in May 2018, recreating its initial display alongside the work of Constable's great rival J.M.W. Turner's *Caligula's Palace and Bridge* at the Royal Academy in 1831. Overall, the learning programme associated with Aspire has reached nearly 15,000 students and young people via Artist-led Workshops, a dedicated Aspire Learning Resource and the Play up game. The opening, on 1 June 2018, was marked by a successful *Late at Tate* event which attracted 1,325 participants.

Plus Tate, the network of thirty-five UK visual arts organisations has continued to share, support and collaborate over the last year. This year saw the launch of the Ampersand Foundation Award, open to the 35 member organisations, which enables the winning institution to realise an exhibition, new commission, public space intervention or any other kind of project. £125,000 is awarded to realise the project and an additional £25,000 to produce a related publication. Shortlisted institutions receive £5,000.

It was announced this year that Tate will partner with the Paul Mellon Centre to expand the British Art Network. This will build from the success of the network to date, across the programme of lectures, seminars, conferences, development opportunities for early career curators and subgroup support, providing greater visibility and engagement with all aspects of British Art. Continued funding has also been secured from Arts Council England's Subject Specialist Network Fund.

2019 marks a decade of ARTIST ROOMS touring programme. The presentation of international modern and contemporary art of the highest quality, in focused exhibitions, travelling to venues of all kinds and sizes in all regions of the UK and available to visitors free of charge has achieved popular recognition and had a huge impact on the public understanding and appreciation of contemporary art. Nearly 50 million people have visited some 180 displays at 85 museums and galleries since 2009, from Penzance to the Hebrides and from Belfast to Llandudno. Learning and engagement programmes have given young people the chance to get involved in creative projects, discover more about art and artists and learn new skills. The growing network of partner organisations has also facilitated sharing of experiences, skills and knowledge in relation to the display of contemporary art and audience engagement.

This year saw the National Galleries of Scotland and Tate taking sole responsibility for ensuring the high standards of ARTIST ROOMS displays following the retirement of the donor as Ex-Officio curator in December 2017. The programme this year extended its profile with exhibitions across England and Scotland from Dundee to Southampton, including five of England's nine regions and six exhibitions hosted by associates new to the programme. This included a display of work by Lawrence Weiner at The McManus, Dundee, the first time ARTIST ROOMS had worked in the city. The exhibition was particularly successful, attracting 42,201 visitors. A new Scots version of Weiner's text was created by the artist for the exhibition, translated by author James Robertson. The exhibition also featured material on loan from Tate and the Artists' Books Collection Dundee (abcD) at the University of Dundee.

As detailed above, a number of exhibitions at Tate Britain, Tate Liverpool, Tate Modern and Tate St Ives were either co-produced with, or toured to international venues. Separately, exhibitions created by Tate from its Collection specifically for touring are an integral part of promoting the experience of British art overseas, contributing to the UK's profile and a major business area for Tate. This year, more than 1.3 million visitors around the world saw such exhibitions, including Tate's first exhibitions in Argentina and Taiwan and an

important exhibition of 20th and 21st century British sculpture at the newly opened PalaisPopulaire, Berlin. *Landscapes of the Mind: Masterpieces from Tate Britain*, stands out as a particular success, attracting more than 614,000 visitors at the Shanghai Museum, making it the most-visited exhibition in Tate's history.

## Developing the people and culture of Tate

Tate could not achieve what it does without those who work and volunteer there; it is therefore imperative that they are supported well. From a technological perspective, this year has seen the replacement of over 1,000 legacy Desktop PCs and laptops and significant work to improve the resilience and performance of the organisation's email service.

The organisation also continued its work on inclusion, dignity and respect. It was therefore pleasing that in January, Tate was able to announce that it is one of the Stonewall Top 100 Employers for the third year running, with an improved ranking of 55 in the Stonewall Workplace Equality Index 2019, up from 67 last year. Tate remains the highest placed organisation in the sector.

Tate has also sought to give greater reflection of lived experience in the way that it talks about art, in the galleries and online. A cross-team working group was established this year to consider how diverse art histories are represented in Collection display labels and online summaries. A particular focus has been on Empire and black history as reflected in the British Collection at Tate Britain. The group was inspired by conversations internally and externally and particularly with colleagues on the BAME staff network.

## Sustainability

### Operations and sustainability

Environmental sustainability is a prime consideration across Tate's work, from the way food is sourced for cafés and restaurants, to the way buildings are managed and exhibitions created. Since 2007, Tate has been working to reduce the environmental impact of its estate and operations, lead and influence the cultural sector and inspire and engage visitors on sustainability.

### Greenhouse gas emissions

Tate has been measuring and reporting emissions since 2007 and set 2007-08 as a baseline year for reductions, mainly for Scope 1 and 2 emissions. Tate has since achieved the Carbon Trust Certification twice.

Overall Tate's carbon emissions for Scopes 1 and 2 have reduced by 31% since the baseline year as a result of a number of energy-saving initiatives being implemented in recent years. Initiatives in the current year have included the installation of more efficient Motor Control Centre panels and the ongoing program of upgrading LED lighting across the Tate sites.

Energy expenditure increased in 2018-19 as a result of the impact of the hot summer and the conditioning needs of the galleries, together with need to replace the borehole water abstraction cooling system at Tate Modern with a dry air-cooling system. Tate's overall exposure to financial risk is reduced by purchasing energy up to 30 months in advance of consumption through the Crown Commercial Service framework agreement. The Carbon Reduction Commitment is a legislative scheme which requires payment for carbon emissions associated with energy use.

Business travel emissions data is based on a combination of actual business travel mileage from centralised travel providers and estimated mileage using the Carbon Trust methodology. Scope 3 emissions from business travel are 44% lower than the baseline year (2013-14).

Scope 3 emissions from water use have significantly reduced since 2017-18 due to the closure of the borehole cooling system at Tate Modern which has eradicated water abstraction. Electricity transmission and distribution emissions have fallen by 40% since the base year, reflecting the savings made through the energy reduction programme.



<b>Greenhouse gas emissions (tCO<sub>2</sub>e)</b>		2015-16	2016-17	2017-18	<b>2018-19</b>	% change on base yr
Greenhouse gas emissions (tCO <sub>2</sub> e) <sup>1</sup>	Scope 1 & 2 emissions					
	Scope 1 <sup>2</sup>	3,084	3,420	3,421	<b>3,335</b>	(14)
	Scope 2	11,973	10,941	9,206	<b>7,746</b>	(44)
	Total Scope 1 & 2	15,057	14,361	12,627	<b>11,081</b>	(37)
	Total Scope 1 & 2 tCO <sub>2</sub> e per m <sup>2</sup>	0.160	0.122	0.107	<b>0.094</b>	(48)
	Scope 3 emissions					
	Business travel <sup>3</sup>	777	907	740	<b>549</b>	(44)
	Water use <sup>4</sup>	142	200	191	<b>101</b>	(13)
	Electricity transmission & distribution	989	990	861	<b>660</b>	(40)
	Total Scope 3	1,908	2,097	1,792	<b>1,310</b>	(40)
Total Scope 1-3	16,965	16,458	14,419	<b>12,391</b>	(41)	
Energy use (million kWh)	Electricity, non-renewable <sup>5</sup>	22.0	22.2	21.9	<b>24.1</b>	(14)
	Electricity, renewable <sup>6</sup>	3.9	4.4	4.3	<b>3.3</b>	-
	Total electricity	25.9	26.6	26.2	<b>27.4</b>	(2)
	Gas	16.3	18.6	18.6	<b>18.1</b>	9
	Total kWh per visitor	6.4	5.3	5.6	<b>6.4</b>	10
Expenditure (£000)	Energy	3,025	3,032	3,070	<b>3,433</b>	51
	Carbon Reduction Commitment	266	242	257	<b>172</b>	(9)
	Business travel	620	741	680	<b>682</b>	(7)

### Waste and finite resources

Tate's approach to waste management is guided by the waste hierarchy of "reduce, re-use, recycle, recovery, disposal" as set out in Article 4 of the revised EU Waste Framework Directive. Tate has committed to attaining zero waste to landfill and between 70-75% of the waste produced each month is recycled. In addition to recycling, Tate also aims to reduce the amount of waste produced and to re-use or upcycle products. Overall production of waste has decreased by 10% from the baseline year, despite an expansion of the estate, due to a significant increase in waste being recycled or re-used, composted (via anaerobic digestion) and also sent to energy from waste. Waste costs have increased by 47% since the baseline year, mainly due to the addition of different waste streams, together with the opening of the new buildings and the overall increase in waste costs and tax levies.

Water use under Scope 2 (Finite Resource Consumption) reduced significantly in the year as a result of the reduction in water abstraction from the closure of the borehole cooling system at Tate Modern. A water harvesting facility is now operational in the Blavatnik Building at Tate Modern that allows the collection, storage and distribution of recycled rainwater for flushing the toilets. Moving forward, Automated Meter Reading technology for water will be installed across the London sites in 2019 to more closely monitor water usage.

<sup>1</sup> All emissions calculated and updated using relevant Defra conversion factors <http://www.ukconversionfactorscarbonsmart.co.uk/>

<sup>2</sup> Includes emissions from natural gas consumption and refrigerants

<sup>3</sup> All business travel including international air and rail travel

<sup>4</sup> Mains water only and boreholes abstraction, in line with government guidance. All figures updated with water treatment and supply conversion factors, in line with Defra guidance

<sup>5</sup> Electricity procurement through Crown Commercial Services, all other Tariffs Fuel Mix info <https://ccs.edfenergy.com/fuel-mix>

<sup>6</sup> Includes renewable average of 11.7% on total electricity consumption

<b>Finite resources: Waste</b>		2015-16	2016-17	2017-18	<b>2018-19</b>	% change on base yr
Waste (tonnes)	Landfilled	9	1	0	<b>0</b>	(100)
	Reused/recycled	448	771	569	<b>608</b>	249
	ICT waste reused/recycled	6	1	4	<b>4</b>	300
	Composted <sup>7</sup>	206	252	267	<b>244</b>	264
	Energy from waste	282	278	363	<b>416</b>	206
	Incineration without energy recovery	0	0	0	<b>0</b>	
	<b>Total waste<sup>8</sup></b>	<b>951</b>	<b>1,303</b>	<b>1,203</b>	<b>1,272</b>	(10)
Total waste tonnes/m <sup>2</sup>		0.0110	0.0119	0.0109	<b>0.0116</b>	(19)
Spend (£000)	Landfilled	4	0	0	<b>0</b>	(100)
	Reused/recycled	54	86	87	<b>82</b>	47
	ICT waste reused/recycled	N/A	N/A	N/A	<b>N/A</b>	
	Composted	47	35	40	<b>36</b>	156
	Energy from waste	44	42	54	<b>66</b>	74
	Incineration without energy recovery	0	0	0	<b>0</b>	
	<b>Total waste</b>	<b>149</b>	<b>163</b>	<b>181</b>	<b>184</b>	47

<b>Finite resources: Water</b>		2015-16	2016-17	2017-18	<b>2018-19</b>	% change on base yr
Water use (m <sup>3</sup> )	Total scope 1 & 2	144,820	190,495	181,224	<b>96,207</b>	(13)
	Scope 2 m <sup>3</sup> per m <sup>2</sup>	1.54	1.62	1.54	<b>0.82</b>	(36)
	Total scope 2 litres per visitor	21.80	22.55	22.71	<b>11.79</b>	(19)
Expenditure (£000)	Water supply	172	205	276	<b>302</b>	97

### Biodiversity action planning

Tate, in partnership with its ISO 14001-certified landscape contractor, actively works to preserve and enhance biodiversity within its estate. Varied habitats are provided wherever possible and this year has seen a review of the types of plants in Tate gardens, including the addition of more bee-friendly plants and the introduction of bug hotels to encourage wildlife activity further. Tate has kept bees on the roofs of Tate Modern and Tate Britain since 2010.

### Fulfilment of Museums and Galleries Act aims

Tate's fulfilment of the Museums and Galleries Act aims is best reflected by its expenditure on charitable activities. Charitable activities expenditure is broken down into three main areas: gallery activities, gallery operations and Collections. Gallery activities comprises all those costs associated with the public programmes of the four Tate galleries and of the media programmes and website; this includes exhibitions, education and communications and marketing expenditure. Gallery operations comprises visitor services and operations costs. Collections comprises all those costs associated with the Tate Collection; this includes conservation, art handling, photography and acquisitions related expenditure.

### Immunity from seizure

From 18 June 2008 Tate is an approved body under Section 136 of the Tribunals, Courts and Enforcement Act 2007. This means that, subject to meeting the conditions set out in the Act, objects on loan from outside the United Kingdom for the purposes of a temporary exhibition may not be seized or forfeited by a United Kingdom court order (unless the court is required to make the order under European Community or international obligations). In accordance with regulations made under the Act, Tate publishes on its website specified information about such protected objects. This includes details of the provenance of the objects, including a statement indicating whether or not Tate possesses a complete history of ownership between the years 1933 and 1945.

<sup>7</sup> Disposal via anaerobic digestion

<sup>8</sup> Excludes waste from Tate St Ives and Chadwell Heath; current contractors cannot provide tonnages

Tate's Due Diligence Policy is published online as part of the Freedom of Information Publication Scheme and on the Immunity from Seizure pages of Tate's website. Tate has its own staff training materials for provenance research and internal staff meetings are held to discuss issues relating to immunity from seizure and due diligence.

Over the 2018-19 period 15 exhibitions were shown at Tate containing works for which Immunity from Seizure was granted, covering 500 works; plus one loan to a Collection display, covering 501 works in total. The exhibitions are listed below.

<i>The EY Exhibition: Picasso 1932 – Love, Fame, Tragedy</i>	74
<i>Magic Realism</i>	60
<i>Shape of Light: 100 Years of Photography and Abstract Art</i>	100
<i>Anni Albers</i>	63
<i>Pierre Bonnard: The Colour of Memory</i>	31
<i>Dorothea Tanning</i>	22
<i>Franz West</i>	36
<i>AFTERMATH: Art in the Wake of World War One</i>	42
<i>Edward Burne-Jones</i>	3
<i>Van Gogh and Britain</i>	17
<i>All Too Human: Bacon, Freud and a Century of Painting Life</i>	7
<i>Impressionists in London: French Artists in Exile, 1870-1904</i>	12
<i>Life in Motion: Egon Schiele &amp; Francesca Woodman</i>	19
<i>Fernand Léger: New Times, New Pleasures</i>	14
<i>Expanded Painting (TM Collection Display)</i>	1
<b>TOTAL</b>	<b>501</b>

## Performance indicators

Performance indicators agreed with DCMS as part of the annual funding agreement process were achieved as follows:

<b>Performance indicators</b>	<b>Actual 2019 000s</b>	Actual 2018 000s
<b>Access</b>		
Number of actual visits	<b>8,158</b>	8,166
Number of unique users visiting the website	<b>18,901</b>	17,169
<b>Audience profile</b>		
Number of visits by children under 16	<b>686</b>	699
Number of overseas visits	<b>3,627</b>	3,883
<b>Learning/outreach</b>		
<b>Children</b>		
Number of facilitated and self-directed visits to the museum by visitors under 18 in formal education	<b>176</b>	181
Number of instances of visitors under 18 participating in on-site organised activities	<b>615</b>	1,200
<b>Visitor satisfaction</b>		
Percentage of visitors who would recommend a visit	<b>96%</b>	93%
<b>Income generation</b>		
	<b>£000</b>	£000
<b>Self-generated income</b>		
Admissions	<b>10,835</b>	10,941
Trading income	<b>39,338</b>	38,606
Fundraising (including capital)	<b>32,058</b>	34,329
Fees and other income	<b>10,876</b>	10,914
Donated works of art	<b>10,805</b>	15,884
	<b>103,912</b>	110,674
<b>Regional engagement</b>		
Number of UK loan venues	<b>154</b>	149

Visitor figures at Tate Modern in 2018-19 were 5.8 million, a reflection of its strong exhibition programme and similar to the 5.7 million who visited in 2017-18. In the year ending 31 December 2018, Tate Modern was ranked the top visitor attraction by the Association of Leading Visitor Attractions, with 5.9 million visitors. Visitor figures at Tate Britain for 2018-19 were 1.4 million, a decrease from 1.5 million in 2017-18, which included *Hockney* in the programme, the most successful exhibition ever to be held at Tate Britain. The new St Ives had a successful year, achieving 300,000 visitors. Tate Liverpool had 702,000 visitors coming to visit the exhibitions and Collection displays in comparison to 643,000 in 2017-18. The number of unique users visiting the website has increased from 17 million to almost 19 million after significant investment in the website and the digital platform project.

The decrease in fundraising income from 2017-18 reflects the completion of the major capital programme at Tate Modern and Tate St Ives. The number and value of donated works of art varies from year to year and this year decreased by 32% in comparison to 2017-18.

## Financial review

In line with relevant reporting requirements, the consolidated statement of financial activities combines income and expenditure, capital (including major capital projects) and acquisitions for the Collection (including donated works of art). In terms of controllable revenue and expenditure items in the income and expenditure statement, Tate has again managed to deliver a surplus in a volatile and challenging economic environment. This is as a result of tightly controlling costs, in addition to a successive year of high attendance from a strong

exhibition programme driving admissions income, Membership income and secondary spend through Tate Eats and Tate Commerce.

The consolidated statement of financial activities on page 40 shows total income and endowments of £142,003,000 (£149,186,000 in 2017-18). Of this amount £3,338,000 (£8,488,000 in 2017-18) was applied to the ongoing capital programme, £18,427,000 (£22,807,000 in 2017-18) to Collection acquisitions and £nil (£997,000 in 2017-18) to endowments. The remaining £120,238,000 (£116,894,000 in 2017-18) was taken to general funds to be applied to ongoing operations (see expenditure below).

Tate received £37,566,000 of Grant in Aid (£38,066,000 in 2017-18), provided through DCMS. Grant in Aid is made up of two elements:

- revenue grant used to support ongoing operations of £35,126,000 (£35,626,000 in 2017-18);
- general capital expenditure grant used to support the purchase and maintenance of fixed assets of £2,440,000 (£2,440,000 in 2017-18).

Tate continues to supplement this grant from other sources and self-generated income from trading, admissions and fundraising amounted to £104,437,000 for the year (£111,120,000 in 2017-18).

Expenditure includes the costs of generating donations and legacies, trading and other costs, investment management costs and costs of charitable activities. The consolidated statement of financial activities on page 40 shows total expenditure of £151,515,000 (£149,328,000 in 2017-18). Of this amount £33,785,000 (£34,585,000 in 2017-18) was applied to capital, including an impairment of fixed assets of £11,914,000 (£nil in 2017-18), £63,000 (£59,000 in 2017-18) to Collection acquisitions and £117,667,000 (£114,684,000 in 2017-18) was applied to ongoing operations (see above).

Over the past year, Tate has added works of art valued at £18,121,000 to the Collection (£22,527,000 in 2017-18). Of this figure, £10,805,000 has been donated by individuals either directly or in lieu of tax (£15,884,000 in 2017-18). Funding for purchased works of art has come from many sources, including the Art Fund, Tate Members, Tate Patrons, Tate International Council, Tate's Acquisition Committees, individual donors and foundations and self-generated income.

Reserves and funds carried forward of £1,698,196,000 (£1,633,877,000 in 2017-18) are:

	<b>2019</b>	2018
	<b>£000</b>	£000
Revaluation reserve	<b>683,794</b>	656,535
Capital reserves	<b>492,908</b>	477,532
Works of art reserves	<b>485,820</b>	467,587
General reserve	<b>20,063</b>	17,475
Endowment funds	<b>14,091</b>	13,422
Other restricted reserves	<b>1,520</b>	1,326
	<b>1,698,196</b>	1,633,877

For more details on reserves, please refer to note 16. For pensions accounting, please refer to note 8.

## Fixed assets

Tate has property holdings in London, Liverpool, St Ives and Dean Hill, Salisbury. A full revaluation of the Trustees' property holding was undertaken at 31 March 2019 by Avison Young, independent property consultants.

The freeholds of the gallery and land at Millbank, London and the Barbara Hepworth Museum at St Ives were transferred from the Secretary of State for the Environment to the Board of Trustees of the Tate Gallery on 14 December 1994. The freehold for Tate Modern was transferred from Tate Gallery Projects Limited to Tate on 18 December 2017. The Trustees hold the property on the Liverpool and Dean Hill sites on long leases. Tate St Ives was constructed for and is owned by Cornwall County Council; the Board of Trustees of the Tate Gallery manages the gallery on behalf of Cornwall County Council. The Trustees purchased the freehold of the Collection Store at Southwark on 31 March 1999.

Additions to tangible fixed assets during the year of £3,038,000 (£8,153,000 in 2017-18) comprise negative £6,000 (£4,973,000 in 2017-18) in relation to buildings and leasehold improvements and £3,044,000 (£3,180,000 in 2017-18) on plant and fit-out and other assets. A transfer of assets of £141,463,000 (£nil in 2017-18) to freehold buildings from plant and fit-out reflects a change in the apportionment of the valuation between the

respective asset classes. Following the revaluation, the net book value of tangible fixed assets at 31 March 2019 was £1,176,702,000 (£1,134,066,000 in 2017-18). A gain on the revaluation of fixed assets of £73,082,000 (£11,586,000 in 2017-18) and an impairment of fixed assets of £11,914,000 (£nil in 2017-18) is shown in the consolidated statement of financial activities.

Heritage assets comprise works of art; additions of £18,121,000 in the year (£22,527,000 in 2017-18) include items donated, bequeathed or given in lieu of tax to Tate with an approximate value of £10,805,000 (£15,884,000 in 2017-18). All works of art acquired during the year have been capitalised in accordance with section 34 FRS102, as detailed in note 10.

## Subsidiary undertakings

The results of Tate's trading subsidiary are summarised in note 11 to the financial statements, together with other consolidated companies.

## Payment of creditors

Tate aims to settle all bills within 30 days or in accordance with the suppliers' terms of business. In 2018-19 66% (56% in 2017-18) of invoices were settled in 30 days or less.

## Going concern

The accounts have been prepared on the going concern basis. The anticipated income from government grant and self-generated income will be sufficient to meet Tate's ongoing expenses. There are no material uncertainties which may create significant doubt over Tate's ability to continue as a going concern.

## Reserves policy

The Trustees review the reserves held annually. This review encompasses the nature of the income and expenditure streams, the need to match potentially variable income streams with largely fixed commitments and the nature of the reserves. The most recent review concluded that, in order to allow efficient financial management and to provide a buffer to give some assurance against interruption to the charitable activities, a general reserve equivalent to two months' worth of charitable expenditure should be maintained. At the year end the general reserve was £20,063,000 (£17,475,000 in 2017-18) equivalent to sixteen weeks' (fourteen weeks' in 2017-18) worth of charitable expenditure, excluding capital. It is the intention to reduce the general reserves back to the value of two months' worth of charitable expenditure with a number of projects set to be undertaken during 2019-20. All other reserves are maintained at a level appropriate for their intended purpose. For more information on reserves, please refer to note 16.

## Investments

An Investment Committee monitors the performance of the investment portfolio. Only funds intended to be held as long-term endowments are held as investments. Tate's investment managers must ensure that all investments are suitable under the Standard Investment Criteria of the Trustee Act 2000. The objective is to seek to achieve an income yield of 2.5% of the preceding year's closing value under normal market conditions, whilst aiming to grow capital ahead of inflation as defined by the Consumer Price Index over time. Both income generated and capital gains realised may be utilised by Tate for the purpose specified under each endowment. Tate's investment managers advise on the investment strategy required to meet the objective.

The investment return for the year was 8.0% (3.6% in 2017-18). At 31 March 2019, the investment fund was valued at £15,235,000 (£14,365,000 in 2017-18); historic cost £12,472,000 (£12,232,000 in 2017-18).

## Fundraising

Tate follows the regulation scheme established by the Fundraising Regulator and complies with the Code of Fundraising Practice.

## Future developments

Tate's mission is to increase public enjoyment and understanding of British art from the sixteenth century to the present day and of international modern and contemporary art. Its strategy is designed to fulfil this mission within the policy and resources framework available.

2018-19 was a transitional year as the Director led Tate in developing a new Vision and objectives that will guide it for the following five years. Developing these was a major achievement of the year and the new Vision and Plan was approved by Trustees in March 2019. In the following five years, Tate will:

- support artistic risk taking and scholarly excellence across the five centuries of British Art and the international modern and contemporary collections;
- grow audiences and membership to become more reflective of the UK and continue to attract a diverse global audience as visitors to Tate's exhibitions and digital spaces;
- enhance Tate's role as a global innovator by promoting a more diverse art history, reflecting how art is made and seen now;
- expand the possibilities of museum spaces as sites of learning, playing a leading role in practice and advocacy regarding the importance of creative learning and access to the arts for young people;
- redefine museum experiences for the 21st century, offering greater depth and range of experiences and offering visitors multiple points of engagement with Tate's Collection and ideas about art;
- expand access to the Collection across the four nations of the UK, taking a leading role in supporting and working in partnership with the regional museums ecology;
- make digital part of everything Tate does by placing audiences at the centre of experiences which span online, gallery and commerce spaces and collaborating across departments;
- maximise partnerships internationally to advance research, contribute to international dialogue about art and increase international fundraising;
- enable Tate's people to thrive and shift the workforce to more closely reflect the UK population today;
- develop Tate's estate and digital and technical infrastructure to preserve buildings and the growing Collection for the future and expand access to it through digital and physical means;
- develop a business model that has the flexibility to allow Tate to be bold and innovative with the art it shows and the audiences it reaches;
- reduce Tate's carbon footprint and take a lead on environmental sustainability and addressing the challenge of climate change within the cultural sector.

## Employee involvement

Tate aims to promote a sense of ownership and involvement for all those who work and contribute towards its success. A range of formal and informal mechanisms operate to inform, engage, involve and gather ideas and feedback from employees.

Information is cascaded throughout the organisation through all staff emails and briefings, divisional briefings, departmental meetings and individual one-to-one meetings with employees. Efforts are made at all levels to give employees the chance to ask questions and provide feedback in order to help shape the organisation's future plans and working practices. Tate has a dedicated Internal Communications Manager and operates its own intranet site, Tatenet, which contains a wide range of information from news and updates about what is happening within Tate to vacancies and more detailed information on Tate's teams, policies and processes.

To promote engagement and involvement of staff, Tate has created the following staff networks: Tate Staff Council (a consultative body that brings together senior managers and employee representatives from all sections of Tate) and Tate's four Diversity Networks (Black, Asian and Minority Ethnic (BAME) network, the Disability (disABILITY) network, Parents and Carers Network and the Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) network). Tate's staff networks allow people who work at Tate to come together to focus on issues that are important to them and to Tate as a whole. They play an important role in helping Tate achieve its objectives by improving decision making and working towards a more inclusive culture.

Tate recognises three trade unions: First Division Association (FDA), Public and Commercial Services Union (PCS) and Prospect. The trade unions negotiate pay and pay-related conditions of service for all employees other than directors.

Tate is committed to understanding how employees feel about working for Tate and continuously improving this experience. This includes carrying out bi-annual employee surveys. The last survey was carried out in September 2017 and a follow up survey is planned for 2019.

## Disability and access

Tate is committed to becoming a truly inclusive organisation with a workforce and audience that represents the communities it serves. This includes addressing barriers to access for those who are disabled so that opportunities to visit its galleries, participate in its programmes and work at Tate are open to everyone.

Tate is committed to ensuring that opportunities to work at Tate are open to all, including disabled people and that disabled employees feel valued and able to be themselves in the workplace. To support this, Tate has signed up to the Disability Confident Scheme and achieved 'Employer' level. This year, two members of Tate staff took part in ACCELERATE 2018, a programme delivered by a consortium including the South Bank Centre, National Theatre and the Royal Opera House aimed at providing career development opportunities for staff from a Black, Asian and Minority Ethnic (BAME) background and/or those who identify as deaf or disabled. Tate is committed as a core partner of this initiative in 2019 and 2020.

In terms of audiences, over the last year Tate has commissioned Shape Arts to deliver a programme of 'Disability Confident' training that focusses on creating an inclusive welcome for disabled visitors. It is expected that 100 colleagues will attend this training every year. Tate St Ives has established an Access Working Group that is reviewing barriers to disabled people at the gallery. In March, all Tate sites recognised Disabled Access Day and provided visitors with an explicit inclusive welcome on the day and communicated the access provision that is available every day. To better understand the experience of disabled visitors the Audience Research team has included an access question into all evaluation studies. In 2019, Tate will be relaunching its Access Advisory Panel and creating a long-term commitment to access for disabled visitors, staff and volunteers.

In March 2019, Tate employed 44 staff (40 in March 2018) who declared that they have a disability, as defined by the Equality Act 2010.

## Sickness absence data

The average number of days absent through sickness per full-time equivalent staff member was 6.8 in 2018-19 (6.9 in 2017-18).

## Social policy and wider public benefit

Tate aims to serve as wide a public and be as inclusive as possible, and the Vision and plan developed this year make this central. The Vision is for Tate:

- to serve as artistically adventurous and culturally inclusive art museums for the UK and the world that are open, bold, rigorous and kind in all that they do;
- to celebrate the art of the past and present in its complexity and diversity, supporting artistic risk-taking and deep scholarship, shared with all its audiences, in its buildings, in exhibitions it tours, through works it loans, and across its digital spaces;
- to welcome audiences that better reflect the towns and cities in the nation and attract a diverse international public. Tate's reach is already powerful. Tate intends to increase its impact across society, with art that will resonate around the world;
- to champion the importance of making art and encourage people to explore the many ways in which art is created and how they can develop their own creative potential;
- to share and celebrate access to the Collection and deepen knowledge and understanding of its importance.

The projects described earlier in this foreword demonstrate this Vision. The announcement of *Year 3* and the work being undertaken to prepare for the project's launch in late 2019 is a particular example: it will represent a major artistic statement of the creative potential of a generation of London school children and will also provide a starting point for engaging them and their families in art.

Tate Collective, Tate Exchange and Tania Bruguera's Turbine Hall commission are further examples of how Tate has planned and programmed activity that addresses social concerns, both in response to wider discussion and debate and by providing the spaces and opportunities through which artists and visitors can express their views through art.



Tate looks forward to continuing and developing this commitment in the years to come.

Signed

*Maria Balshaw* 3 July 2019

Director, Tate

Signed

*Lionel Barber* 3 July 2019

Chairman, Tate

# Remuneration report

## Membership

The Remuneration Committee, advising on contractual terms and remuneration for the Director, Managing Director and senior directors who report to the Director on an annual basis, is made up of the following Trustees: Lionel Barber (Chair), Tim Davie CBE, Dame Moya Greene DBE and Dame Jayne-Anne Gadhia DBE.

## Policy on the remuneration of senior managers

Annual pay increases for those members of staff who come under the scope of the Committee are determined on the basis of an assessment of performance against agreed objectives and with reference to internal and external market comparisons.

All senior employees are members of the Civil Service Pension Scheme with associated redundancy and retirement conditions.

## Policy on duration of contracts, notice periods and termination payments

Senior staff are permanent employees of Tate. Notice periods for directors are six months; termination payments are in accordance with Tate contractual terms.

## Senior directors

In accordance with Treasury guidance per the Financial Reporting Manual (FRM) paragraph 5.3.1, all entities are required to prepare a remuneration report containing certain information about the directors' remuneration. "Directors" shall be interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the entity. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or sections within the entity.

Following a change to the Executive Group members in January 2018, the Accounting Officer and the Audit Committee have decided that this requirement encompasses the two posts listed below, whose emoluments and pension details are disclosed. Tate considers that no other key management staff details need to be disclosed under this guidance for 2018-19.

The following paragraphs have been subject to audit.

The Director is eligible to receive a contractual bonus of up to 15% of salary, of which an amount equivalent to the average annual pay increase across Tate can be consolidated into her salary. The Managing Director is eligible to receive a contractual bonus of £25,000. Both are paid annually in arrears.

<b>Salary entitlements</b>		<b>2018-19</b>	2017-18
		<b>£</b>	<b>£</b>
Sir Nicholas Serota, Director	a	–	213,480
Maria Balshaw, Director	b	<b>185,625</b>	189,750
Kerstin Mogull, Managing Director	c	<b>182,683</b>	182,470

a Until May 2017; includes a non-consolidated performance-related bonus of £nil (2017-18: £27,845);

b From June 2017; includes a non-consolidated performance-related bonus of £17,820 (2017-18: nil);

c Includes a non-consolidated performance-related bonus of £25,000 (2017-18: £25,000).

The salary entitlements above represent one full year contractual salary including bonus entitlements. The actual amounts paid are disclosed in the following table.

	2018-19				2017-18					
	Salary (excluding non-consolidated performance-related pay) £000	Non-consolidated performance pay £000	Benefits-in-kind £000	Pension benefits <sup>c</sup> (to the nearest £1,000) remuneration £000	Total remuneration £000	Salary (excluding non-consolidated performance pay) £000	Non-consolidated performance pay £000	Benefits-in-kind £000	Pension benefits (to the nearest £1,000) remuneration £000	Total remuneration £000
Sir Nicholas Serota, Director	-	-	Nil	-	-	70-75	30	Nil	-	100-105
Maria Balshaw, Director	165-170	18	Nil	41	225-230	135-140	-	Nil	34	170-175
Kerstin Mogull, Managing Director	155-160	25	Nil	39	220-225	155-160	25	Nil	39	220-225
Band of highest-paid director's remuneration		185,000-190,000					210,000-215,000			
Median remuneration		27,650					26,374			
Ratio		6.8					8.1			

<sup>c</sup>The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in Tate in the financial year 2018-19 was £185,000-190,000 (2017-18 £210,000-215,000). This was 6.8 times (2017-18 8.1) the median remuneration of the workforce, which was £27,650 (2017-18 £26,374). In 2018-19, no employees (2017-18 nil) received remuneration in excess of the highest-paid director. Remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions. No compensation for loss of office was paid to board members during the year.

	Accrued pension at end date at 31 March 2019	Real increase/ (decrease) in pension at end date	CETV at 31 March 2019	CETV at 31 March 2018 or start date	Real increase/ (decrease) in CETV
	£	£	£	£	£
Maria Balshaw, Director					
Pension	47,673	3,893	560,207	453,482	32,239
Lump sum	-	-	-	-	-
Kerstin Mogull, Managing Director					
Pension	19,205	3,658	275,125	203,691	38,501
Lump sum	-	-	-	-	-

Maria Balshaw and Kerstin Mogull are both members of the Civil Service defined benefit pensions scheme, and contributed 8.05% of their annual salary, subject to the relevant capped limit, to their pensions.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pensions Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction in benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in CETV reflects the increase that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The Board of Trustees of the Tate Gallery, who hold overall responsibility for Tate, are not remunerated. Expenses paid are disclosed in note 8 to the accounts.

## Off-payroll engagements

In accordance with Treasury guidance per the Financial Reporting Manual (FReM) paragraph 5.3.27 all entities are required to present information on high paid and/or senior off-payroll engagements.

**Table 1: Off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months**

Number of existing engagements as of 31 March 2019	6
<b>Of which</b>	
Number that have existed for less than one year at time of reporting	3
Number that have existed for between one and two years at time of reporting	1
Number that have existed for between two and three years at time of reporting	2
Number that have existed for between three and four years at time of reporting	None
Number that have existed for four or more years at time of reporting	None

*Confirmation that all existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.*

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months**

Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	3
<b>Of which</b>	
Number assessed as caught by IR35	None
Number assessed as not caught by IR35	3
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	None
Number of engagements reassessed for consistency / assurance purposes during the year	3
Number of engagements that saw a change to IR35 status following the consistency review	None

*In any cases where, exceptionally, the department has engaged without including contractual clauses allowing the department to seek assurance as to their tax obligations – or where assurance has been requested and not received, without a contract termination – the department should set out the reasons for this.*

**Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	None
Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on payroll engagements	None

*In any cases where individuals are included within the first row of this table the department should set out:*

- *details of the exceptional circumstances that led to each of these engagements;*
- *details of the length of time each of these exceptional engagements lasted.*

## Trade union facility time

In accordance with the Trade Union (Facility Time Publication Requirements) regulations 2017, all entities are required to present information on trade union facility time in their organisations. Facility time is paid time off for union representatives to carry out trade union activities.

### Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	15
Full-time equivalent employee number	11.3

### Table 2: Percentage of time spent on facility time

<b>Percentage of time</b>	<b>Number of employees</b>
0%	4
1-50%	11
51%-99%	–
100%	–

### Table 3: Percentage of pay bill spent on facility time

Pay spent on facility time	£8,864
Total pay bill (wages + ER NI +ER Pension)	£35,199,744
Percentage of facility time against total pay bill	0.03%

### Table 4: Paid union activities

Paid union activities	0%
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Signed

*Maria Balshaw* 3 July 2019

Director, Tate

Signed

*Lionel Barber* 3 July 2019

Chairman, Tate

# Statement of Trustees' and Director's responsibilities

Under Section 9(4) and (5) of the Museums and Galleries Act 1992, the Board of Trustees is required to prepare a statement of account in the form and on the basis directed by the Secretary of State for Digital, Culture, Media and Sport with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Tate and of its net incoming resources and net movement in funds and cash flows for the financial year.

In preparing the Tate accounts the Board of Trustees is required to:

- observe the accounts directions issued by the Secretary of State\*, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Tate will continue its operation.

The Accounting Officer for the DCMS has designated the Director as the Accounting Officer for Tate. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which she is answerable and for the keeping of proper records and for safeguarding Tate's assets, are set out in Managing Public Money.

The Accounting Officer and Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable NDPB's auditors are aware of that information. "Relevant audit information" means information needed by the entity's auditor in connection with preparing the audit report. The Accounting Officer and Trustees confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and have taken personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Signed

*Maria Balshaw* 3 July 2019

Director and Accounting Officer, Tate

Signed

*Lionel Barber* 3 July 2019

Chairman, Tate

# Governance statement

## Introduction

Tate is an executive non-departmental public body (NDPB) sponsored by the Department for Digital, Culture, Media and Sport (DCMS) and an exempt charity defined by Schedule 3 to the Charities Act 2011. It is exempt from registration with and oversight by the Charity Commission and is regulated by DCMS in accordance with a management agreement agreed by the Secretary of State for Digital, Culture, Media and Sport for charity law purposes. Tate's management agreement for the period 2016-2020 sets out the broad governance framework within which Tate operates.

## The governance framework

Tate is governed by a Board of Trustees in accordance with the Museums and Galleries Act 1992. The role of the Board of Trustees is to determine policy and set strategic direction, ensuring that Tate fulfils its statutory mission and objectives as set out in the Museums and Galleries Act 1992.

The Board is advised by a number of formal sub-committees, some of which have delegated authority, as set out below.

The Board delegates the day-to-day management and administration of Tate to the Director, currently Dr Maria Balshaw, who is responsible to the Board for the general exercise of its functions and, as Tate's Accounting Officer, she is responsible to the Board of Trustees, DCMS and Parliament for safeguarding the public funds for which she has charge.

The governance framework comprises the systems and processes, culture and values by which Tate is directed and controlled. It enables Tate to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective activities. It also ensures accountability. No governance processes have been either fully, or temporarily, suspended during the year. As a result of the Board's review of the non-executive committee structure in November 2018, the Governance and People Committee (dormant since 2017) was dissolved and replaced by a Nominations and Governance Committee and a Remuneration Committee. Further information on their composition and items of business considered in 2018-19 is provided on page 32.

Tate follows governance best practice for public service and charitable bodies and, in so far as it applies, the Board has assessed itself to have been fully compliant with the relevant principles set out in the *Corporate governance in central government departments: Code of good practice (2017)* for the 2018-19 period.

## The Board of Trustees

The Board of Trustees comprises fourteen Trustees. Thirteen of these are appointed by the Prime Minister, following a transparent public appointment process which follows the Government's Governance Code for Public Appointments. The remaining Trustee is a member of the Board of Trustees of the National Gallery and as such is appointed by them. Correspondingly, one of Tate's Trustees sits on the National Gallery Board. The Museums and Galleries Act 1992 specifies that three of Tate's Trustees must be practicing artists.

Trustees are usually appointed for four years and may be reappointed for a further term though it is current convention that artists serve only one term. Trustees elect a Chairman from among their number.

During 2018-19, Maja Hoffmann retired from the Board and John Booth and Anna Lowe were appointed as Trustees. Katrin Henkel replaced Dexter Dalwood in February 2019 as the National Gallery's liaison Trustee to the Tate Board of Trustees. At the end of the financial year, the process for recruiting an Artist Trustee replacing Stephen Witherford was underway.

Trustees who served during the year and their attendance at meetings\* are shown in the following table:

- Lionel Barber (Chairman) – 6 of 6 meetings
- John Akomfrah CBE – 3 of 6 meetings
- John Booth – 3 of 4 meetings
- Dexter Dalwood – 5 of 5 meetings
- Tim Davie CBE – 5 of 6 meetings



- Dame Jayne-Anne Gadhia DBE – 5 of 6 meetings
- Dame Moya Greene DBE – 5 of 6 meetings
- Katrin Henkel – 1 of 1 meeting
- Maja Hoffmann – 0 of 1 meeting
- Anna Lowe – 1 of 1 meeting
- Michael Lynton – 4 of 6 meetings
- Dame Seona Reid DBE – 6 of 6 meetings
- Roland Rudd – 4 of 6 meetings
- James Timpson OBE – 5 of 6 meetings
- Jane Wilson – 5 of 6 meetings
- Stephen Witherford – 5 of 6 meetings

\* (of the total meetings Trustees were eligible to attend)

The Board of Trustees is required to follow the principles established by the Nolan Committee in the conduct of public bodies; this includes the declaration of individual Trustees' interests. A Register of Trustees' Interests is kept to identify any potential, perceived or actual conflicts of interest. The Register is reviewed annually by the Audit Committee and the Board of Trustees and is publicly available on Tate's website.

On appointment, Trustees are provided with a Trustee Handbook which acts as a governance code and details the general role and responsibilities of Trusteeship and key information which Trustees require to perform their roles. All new Trustees attend an induction which covers roles and responsibilities of the Board, processes for managing conflicts of interest and information about Tate. Appropriate training is also offered to Trustees depending on need and experience.

Trustees' specific role specifications are developed in accordance with the Board skills matrix, which has been developed by Tate to match its business and strategic aims. It is regularly reviewed by the Trustees via the Nominations and Governance Committee and as part of the annual Board Effectiveness review process. These individual skills are based on Tate's responsibilities and aims and are grouped into four broad categories: art, business, public realm and regional.

## Delegation of authority and matters reserved to the Board

The establishment, constitution, functions and property of the Board of Trustees is defined in the Museums and Galleries Act 1992. The Board oversees the management of the gallery, with the Trustees acting as guardians of the public interest. It determines policy and sets the strategic direction for Tate, leaving operational matters to the Director. The Board decides on major acquisitions and resource allocations. It represents Tate externally, monitors the organisation's performance against its agreed objectives and targets and ensures the stewardship of public funds.

A number of specific issues are reserved for decision by the Board of Trustees:

- approval of the forward plan, including strategic priorities and budgets;
- approval of the statutory accounts and Annual Report;
- acquisition and disposal of land and buildings and approval of all contracts over £2 million;
- acquisitions of artworks over £250,000 (acquisitions of artworks over £100,000 are delegated to Collection Committee);
- formation and dissolution of subsidiary companies and sub-committees of the Board;
- appointments to the Board's sub-committees;
- variation of admission charge policies;
- use of designated Trust Funds;
- authorisation of signatories on behalf of the Board;
- approval of policies relating to reserved areas: health and safety; environment; equality and diversity; investment; ethics; data protection; IS security; safeguarding; and the policies relating to Trustee benefit;

- approval of acquisition, disposal, loan and due diligence policies for the Collection and of major Collection purchases;
- appointment of the Director, with the approval of the Prime Minister;
- approval of Tate's Management Agreement with DCMS;
- approval of programme commitments with reference to sponsorships and donations;
- appointment of Tate's bankers.

## Board business 2018-19

During 2018-19, the Board considered key strategic issues and routine business planning, including:

- the draft five-year plan and budget for the financial year 2019-20;
- the results of the 2017 Tate Gallery Employee Survey;
- the development of the Year 3 project;
- Tate's preparedness for the implementation of changes to data protection legislation;
- Tate's acquisition priorities for the period 2017-19;
- the future of the ARTIST ROOMS programme for the period to 2030;
- artistic programme frameworks: the frameworks within which exhibitions and displays are set for each site;
- Tate's future fundraising priorities and donor relationship management;
- the scheme of delegation and authorisation matrix and changes to Tate's non-executive committee structure;
- business and finance: the Board regularly discussed current and forward budgets, management information, progress against performance indicators and the development of the forward business plan;
- policies: the following policies within the Board's policy framework were reviewed and approved by the Board – data protection policy; records management policy; health and safety policy; Trustee and Committee member conflict of interest management policy; loans policy; Modern Slavery Act policy; and policy statement and IS Security policy.

Minutes of Board meetings, with relevant exemptions applied under the Freedom of Information Act 2000 are regularly published on Tate's website as part of the publication scheme.

## Board effectiveness

The Board of Trustees conducted its annual effectiveness review in March 2019. Trustees were asked to rate the Board's effectiveness in relation to the following areas: contribution and culture; process and structure; composition and leadership; and oversight and performance. The review was informed by the work of the internal auditors and the views of Tate's executive team. In addition, the Chairman conducted appraisal meetings with individual trustees to review each member's contribution to the Board; the Chairman's appraisal was undertaken by the Senior Trustee, Dame Moya Greene DBE.

The Board overall rated effectiveness highly. Trustees indicated that they are satisfied that the quality of data they receive is sound and there are effective and appropriate processes in place that meet the requirements of good governance. They suggested mechanisms for further strengthening performance reporting and increasing information flow between meetings. Trustees identified a number of areas of future priority, including strengthening regional representation at Board level, strategy formation in relation to the development of the Collection and ensuring future sustainability of Tate's operating model.

## Board sub-committees

The Museums and Galleries Act 1992 allows the Board to establish sub-committees and councils to undertake its activities more efficiently. The Board is advised by a number of formal sub-committees, as set out below:

- committees with delegated authority from the Board: Audit Committee, Collection Committee, Freedom of Information Appeals Committee; Remuneration Committee; Investment Committee;
- advisory committees with no formal decision-making authority: Finance and Operations Committee; Nominations and Governance Committee; Ethics Committee;

- advisory councils: Tate Britain; Tate Modern; Tate Liverpool; Tate St Ives; Tate Members.

Comprising both Trustees and non-Trustees and chaired by a Trustee, councils and committees report to the Board following their meetings through their Trustee Chair. Committees provide detailed expertise and help to advise the Board on specific areas of Tate's operations. The four site councils are advisory to the director of the relevant site. Tate Members Council is advisory to the executive; it is chaired by an independent chair and is attended by a Trustee member who reports to the Board following each meeting.

Collection Committee has authority to approve Collection purchases up to £250,000 on behalf of the Board of Trustees, to oversee the Director's purchase authority within this limit and to approve gifts to and loans from the Collection within the policy agreed by the Board of Trustees. Collection Committee meets four times each year. Attendance\* for 2018-19 was as follows:

- John Akomfrah CBE (Chair and Trustee) – 4 of 4 meetings
- Dexter Dalwood (Trustee) – 3 of 3 meetings
- Briony Fer (co-opted member) – 2 or 4 meetings
- Maja Hoffmann (Trustee) – 1 of 1 meeting
- David Taylor (co-opted member) – 3 of 4 meetings
- Jane Wilson (Trustee) – 3 of 4 meetings

\* (of the total meetings members were eligible to attend)

Audit Committee has authority on behalf of the Board of Trustees to carry out the appointment of external auditors to Tate subsidiaries and to appoint other relevant consultants. The Committee considers Tate's internal control structure, internal and external audit risk, compliance with the regulatory environment, relevant codes of conduct and the statutory accounts. Audit Committee meets four times each year. Attendance\* for 2018-19 was as follows:

- Dame Jayne-Anne Gadhia DBE (Chair and Trustee) – 3 of 4 meetings
- Lionel Barber (Trustee) – 2 of 3 meetings
- John Booth (Trustee) – 1 of 1 meeting
- Raif Jacobs (co-opted member) – 4 of 4 meetings
- Laurie Fitch (co-opted member) – 4 of 4 meetings
- Charles Roxburgh (co-opted member) – 3 of 4 meetings
- Stephen Witherford (Trustee) – 4 of 4 meetings

\* (of the total meetings Members were eligible to attend)

Remuneration Committee comprises four Trustee members, including the Chairman, the Senior Trustee, Dame Moya Greene DBE, the Chair of Finance and Operations Committee, Dame Jayne-Anne Gadhia DBE and Tim Davie CBE. The Committee met in November 2018 to consider the performance and remuneration of the Director and senior management team as detailed in the Remuneration Report.

In 2018-19, the Freedom of Information Appeals Committee considered business on paper only. The Committee is chaired by Dame Jayne-Anne Gadhia DBE.

## Highlights of Board committee reports 2018-19

During 2018-19, Audit Committee, Finance and Operations Committee, Collections Committee and Ethics Committee all considered issues of governance and risk, including reputational risk.

Audit Committee covered items of business including: the risk register; business continuity planning; Trustee and senior staff registers of interest; insurance; internal audits, including estates management and physical security; financial reserves and controls, including controls in place to prevent from bribery, corruption and fraud; compliance with DCMS management agreement and new regulations; information systems and data security; Tate's health and safety; IS security and data protection policies; and scrutiny of the statutory accounts.

Finance and Operations Committee advised the Board on: the budget framework and cost reductions; investments; acquisitions; information systems; estates; capital projects; human resources; change programmes; appointment of external contractors; management information; government spending controls; and international partnerships.

In addition to approving Collection purchases up to £250,000 under the terms of its delegated authority from the Board of Trustees, Collection Committee discussed Collection development and strategies more broadly and handled copyright and legal issues resulting from acquisitions.

Ethics Committee scrutinised and advised the Board on current and prospective corporate sponsorships and support from individuals, international partnerships and other areas of potential reputational risk. The Committee also examined specific areas of operation, including freedom of information and the conflict of interest management policy.

Nominations and Governance Committee advised the Board since its formation in November 2018 on Trustee reappointments, Board skills and succession planning, appointments to Board sub-committees and sub-committee terms of reference.

## Subsidiary undertakings

The Board of Trustees of the Tate Gallery owns the whole of the issued share capital of Tate Enterprises Limited, Tate Exhibition Productions Limited and Tate Gallery Projects Limited. Further information is provided in note 11 to the financial statements.

## Senior Management Team

The Board has delegated responsibility for implementation of its strategy and operational matters to the Director, who has responsibility under the Board for the overall organisation, management and staffing of Tate. The Director of Tate is appointed by the Board of Trustees with the approval of the Prime Minister.

Executive Group, consisting of Tate's senior directors, considers and agrees budgets and resource frameworks, as well as strategies and policies where there are resource implications for Tate. Directors Group serves as a forum for consultation and discussion on important strategic, policy and operational issues and a decision-making body on Tate-wide policy issues without resource implications. Both groups are chaired by the Director, Dr Maria Balshaw. Appropriate management structures have been created throughout the organisation to assist Tate's directors with overseeing their respective departments and areas of responsibility.

The directors serving in the period 2018-19 were:

Dr Maria Balshaw CBE: Director, Tate\*  
 Anna Abbott: Director of Audiences  
 Anne Barlow: Director, Tate St Ives\*  
 Jason Becker: Interim Director of Development (from 1 March 2019)  
 Helen Beeckmans: Director of Communications  
 Polly Bidgood: Director of Development (to 31 August 2019)  
 Achim Borchardt-Hume: Director of Exhibitions, Tate Modern  
 Caroline Collier: Director, Partnerships and Programmes (to 30 June 2018)  
 Anna Cutler: Director of Learning and Research\*  
 Alex Farquharson: Director, Tate Britain\*  
 Ann Gallagher: Director of Collections, British Art  
 Helen Legg: Director, Tate Liverpool (from 25 June 2018)\*  
 Rosemary Lynch: Director of Collection Care\*  
 Kerstin Mogull: Managing Director\*  
 Frances Morris: Director, Tate Modern\*  
 Gregor Muir: Director of Collections, International Art  
 Judith Nesbitt: Director of National and International Partnerships  
 Andrea Nixon: Executive Director, Tate Liverpool (to 31 May 2018)  
 Mark Osterfield: Executive Director, Tate St Ives (to 30 June 2018)  
 Nigel Randall, Director of Technology (from 23 April 2018)  
 Cheryl Richardson: Director, Human Resources  
 Andrea Schlieker, Director of Exhibitions and Displays, Tate Britain (from 1 September 2018)  
 Stephen Wingfield: Director of Finance and Estates\*

\* indicates members of Executive Group.

## Risk management and internal control

The Board of Trustees ensures that effective arrangements are in place to provide assurance on risk management and internal control. The Director as Tate's Accounting Officer is responsible for managing risk and reviewing

the effectiveness of the system of internal control. The review is informed by the work of the internal auditors and the executive managers within Tate who have responsibility for the development and maintenance of the overall internal control and risk framework. Audit Committee supports the Board and Accounting Officer by providing oversight and guidance on risk management, governance and internal control. Comments made by the external auditors in their management letter and other reports are also taken into account and a plan to ensure continuous improvement of the system is in place.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Tate policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

The Risk Management Strategy and Policy, updated and agreed by the Audit Committee in June 2017, describes Tate's approach to risk management and the process to be adopted by managers in its implementation. The policy has been issued to all Directors and is available on Tate's intranet.

The policy sets out the roles and responsibilities for risk management, including those for the Trustees, Audit Committee and the Directors Group. The Trustees have responsibility for ensuring effective risk management processes are in place across Tate, the monitoring of which has been delegated to the Audit Committee. The actual risk management processes are the responsibility of Tate management and are embedded in the management process.

Risk is reported at divisional and Tate-wide levels. Directors are responsible for maintaining a risk register for their division. The most significant risks facing Tate are detailed in the corporate risk register, which is reviewed by Executive Group directors and the Audit Committee twice a year. The risks have all been assessed and scored for impact, probability and proximity and a mitigation policy has been formulated taking into consideration the targeted risk profile. Each risk is assigned a risk owner.

Risks are explicitly reviewed:

- as part of the annual planning and budget process;
- as part of policymaking;
- by the Audit Committee, consisting of Members of the Board of Trustees and co-opted members, which meets four times a year;
- at Executive Group and Directors Group meetings, with appropriate action being taken as necessary;
- at a divisional level and acted upon where necessary;
- by project boards.

Tate Eats and Tate Commerce risk registers are reviewed by Tate Enterprises' Audit Committee.

The targeted risk profile of Tate is defined against the following risks:

- programme/content;
- regulation/compliance;
- reputation;
- health and safety, security;
- financial.

The targeted risk profile is reviewed annually and approved by the Audit Committee, most recently in May 2019.

At Tate the main processes in place for identifying, evaluating and managing risk are:

- to ensure that risk identification is an integral part of the annual planning and budgeting process with risks linked to objectives;
- performance against budget and objectives is regularly reviewed by Trustees;
- key performance indicators are included in internal reports and regularly reviewed by Trustees;
- clearly defined capital investment procedures and formal project control disciplines;
- directors consider risk when assessing any major project and formally review significant risks before they are reviewed by the Audit Committee.

Risk management forms part of a biennial review by internal audit. The Board of Trustees has contracted the internal audit service to RSM, which operates to the standards defined in the Public Sector Internal Audit Standards. The work of the internal auditors is informed by an analysis of the risk to which the organisation is exposed and annual audit plans are based on this analysis. The analysis of risk and internal audit plans are approved by the Audit Committee and internal audit reports, key findings and progress towards the implementation of recommendations is reviewed at each meeting.

The internal auditors provide an annual report on the internal audit activity carried out. The report includes the internal auditor's independent opinion on the adequacy and effectiveness of Tate's arrangements for governance, risk management and control, together with recommendations for improvement.

Based upon the programme of work undertaken by internal audit during 2018-19, the Head of Internal Audit provided the opinion that overall, some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Of eleven assurance, one advisory and two follow up reviews which were completed, two negative opinions were issued. A follow up review of the agreed management actions has subsequently been undertaken and identified that all actions had been implemented or deemed no longer applicable. A partial assurance opinion, or better, was given for other assurance reviews carried out and action plans have been agreed to address the recommendations made.

### Significant risks

During the year the following significant changes have been made to the risk register:

- addition of the risk regarding maintaining an effective database for communicating with visitors and members;
- addition of the risk regarding the increasing importance of operating in a sustainable manner.

The most significant risks are:

- failing to attract, retain and motivate staff who use their skills and knowledge to deliver Tate's objectives;
- issues around ethical challenges related to Tate's programme and revenue sources;
- ensuring that Tate has a sustainable operating and financial model in the medium to long term;
- challenges with Tate's estate and digital and technical infrastructure being not fit for purpose.

### Significant incidents arising relevant to internal control

There were no significant incidents during the year.

### Personal data related incidents

Tate maintains a record of incidents involving the loss, unauthorised disclosure or insecure disposal of personal data, whose release risks causing harm or distress to the individuals concerned. The incident record includes the nature of the incident, the nature of data involved, the number of people potentially affected and the steps taken to notify the individuals concerned. Based on severity, these incidents are reported to the Information Commissioner's Office. There was one incident during the year involving disclosure of employee payroll data to a wider group of colleagues which was reported to the ICO. The incident was investigated internally and appropriate controls have been put in place to minimise unauthorised disclosure risks in the future.

### Whistleblowing arrangements

Tate is committed to the highest standards of openness, probity and accountability. It has a whistleblowing policy and procedures which are in line with the most recent Guidance and Code of Practice on Whistleblowing issued by the Department of Business Energy and Industrial Strategy. The policy was reviewed by Audit Committee and the Board of Trustees in November 2016 and was found to be fit for purpose. It will be next reviewed in November 2019. There have been no internal whistleblowing activities brought to management's attention in the period covered by this report.

Signed

*Maria Balshaw* 3 July 2019

Director and Accounting Officer, Tate

Signed

*Lionel Barber* 3 July 2019

Chairman, Tate

# The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Board of Trustees of the Tate Gallery for the year ended 31 March 2019 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated Statement of Financial Activities, the Consolidated and Tate Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as adopted by the European Union. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Board of Trustees of the Tate Gallery's affairs as at 31 March 2019 and of its net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Board of Trustees of the Tate Gallery and group in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Tate Gallery's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

## Responsibilities of the Trustees and Director

As explained more fully in the Statement of Trustees' and Director's Responsibilities, the Trustees and the Director are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.



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

My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Board of Trustees of the Tate Gallery's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Other information

The Trustees and Director are responsible for the other information. The other information comprises information included in the Annual Report, Foreword and Remuneration Report ('the Annual Report') other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Opinion on other matters

In my opinion:

- the part of Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Museums and Galleries Act 1992;
- in the light of the knowledge and understanding of the group and the Board of Trustees of the Tate Gallery and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual Report which we provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

**Gareth Davies** 5 July 2019

**Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# Consolidated statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2019

	Notes	Income and expenditure			Capital		
		2018-19 Unrestricted funds £000	2018-19 Restricted funds £000	2018-19 Total funds £000	2018-19 Unrestricted funds £000	2018-19 Restricted funds £000	2018-19 Total funds £000
<b>Income and endowments from:</b>							
<i>Donations and legacies</i>	3						
– Grant in Aid		35,126	–	35,126	2,440	–	2,440
– Donated works of art		–	–	–	–	–	–
– Other donations and legacies		20,046	5,769	25,815	–	176	176
<i>Charitable activities</i>	4	16,502	–	16,502	–	–	–
<i>Other trading activities</i>	5						
– Trading income		37,514	–	37,514	722	–	722
– Other trading activities		5,171	–	5,171	–	–	–
<i>Investments</i>	6	64	9	73	–	–	–
<i>Other</i>		37	–	37	–	–	–
<b>Total</b>		<b>114,460</b>	<b>5,778</b>	<b>120,238</b>	<b>3,162</b>	<b>176</b>	<b>3,338</b>
<b>Expenditure on:</b>	8						
<i>Raising funds</i>							
Costs of raising donations and legacies		3,364	75	3,439	196	2	198
Fundraising trading: cost of goods sold and other costs							
– Trading costs		34,291	–	34,291	289	–	289
– Other costs of raising funds		8,308	200	8,508	260	3	263
Investment management costs		22	2	24	–	–	–
<i>Charitable activities</i>		65,850	5,518	71,368	6,854	26,181	33,035
<i>Other</i>		37	–	37	–	–	–
<b>Total</b>		<b>111,872</b>	<b>5,795</b>	<b>117,667</b>	<b>7,599</b>	<b>26,186</b>	<b>33,785</b>
Net gains on investments	16	–	4	4	–	–	–
<b>Net income/(expenditure)</b>		<b>2,588</b>	<b>(13)</b>	<b>2,575</b>	<b>(4,437)</b>	<b>(26,010)</b>	<b>(30,447)</b>
Transfers between funds	16	–	–	–	–	–	–
<b>Other recognised gains/(losses):</b>							
Gain on revaluation of fixed assets	16	–	–	–	5,606	67,476	73,082
<b>Net movement in funds</b>		<b>2,588</b>	<b>(13)</b>	<b>2,575</b>	<b>1,169</b>	<b>41,466</b>	<b>42,635</b>
<b>Reconciliation of funds:</b>							
Funds brought forward at 1 April 2018	16	17,475	371	17,846	36,384	1,097,683	1,134,067
<b>Funds carried forward at 31 March 2019</b>		<b>20,063</b>	<b>358</b>	<b>20,421</b>	<b>37,553</b>	<b>1,139,149</b>	<b>1,176,702</b>
<b>Reconciliation of funds:</b>							
Funds brought forward at 1 April 2017		15,590	38	15,628	33,142	1,115,443	1,148,585
Net movement in funds		1,885	333	2,218	3,242	(17,760)	(14,518)
<b>Funds carried forward at 31 March 2018</b>		<b>17,475</b>	<b>371</b>	<b>17,846</b>	<b>36,384</b>	<b>1,097,683</b>	<b>1,134,067</b>

All operations of Tate continued throughout both periods and no operations were acquired or discontinued in either period. There are no recognised gains or losses other than those shown above.

To provide better understanding of the accounts, Tate provides enhanced statement of financial activities disclosure beyond the requirements of the SORP.

The notes on pages 44 to 67 form part of the accounts

Collections			Total				
2018-19 Unrestricted funds £000	2018-19 Restricted funds £000	2018-19 Total funds £000	2018-19 Unrestricted funds £000	2018-19 Restricted funds £000	2018-19 Endowment funds £000	2018-19 Total funds £000	2017-18 Total funds £000
-	-	-	37,566	-	-	<b>37,566</b>	38,066
-	10,805	10,805	-	10,805	-	<b>10,805</b>	15,884
-	6,067	6,067	20,046	12,012	-	<b>32,058</b>	34,329
-	-	-	16,502	-	-	<b>16,502</b>	16,606
1,102	-	1,102	39,338	-	-	<b>39,338</b>	38,606
-	1	1	5,171	1	-	<b>5,172</b>	4,723
-	452	452	64	461	-	<b>525</b>	446
-	-	-	37	-	-	<b>37</b>	526
<b>1,102</b>	<b>17,325</b>	<b>18,427</b>	<b>118,724</b>	<b>23,279</b>	-	<b>142,003</b>	<b>149,186</b>
-	-	-	3,560	77	-	<b>3,637</b>	3,387
-	-	-	34,580	-	-	<b>34,580</b>	33,741
-	-	-	8,568	203	-	<b>8,771</b>	7,470
-	63	63	22	65	-	<b>87</b>	81
-	-	-	72,704	31,699	-	<b>104,403</b>	104,458
-	-	-	37	-	-	<b>37</b>	191
-	<b>63</b>	<b>63</b>	<b>119,471</b>	<b>32,044</b>	-	<b>151,515</b>	<b>149,328</b>
-	76	76	-	80	669	<b>749</b>	54
<b>1,102</b>	<b>17,338</b>	<b>18,440</b>	<b>(747)</b>	<b>(8,685)</b>	<b>669</b>	<b>(8,763)</b>	<b>(88)</b>
-	-	-	-	-	-	-	-
-	-	-	5,606	67,476	-	<b>73,082</b>	11,586
<b>1,102</b>	<b>17,338</b>	<b>18,440</b>	<b>4,859</b>	<b>58,791</b>	<b>669</b>	<b>64,319</b>	<b>11,498</b>
21,034	447,508	468,542	74,893	1,545,562	13,422	<b>1,633,877</b>	1,622,379
<b>22,136</b>	<b>464,846</b>	<b>486,982</b>	<b>79,752</b>	<b>1,604,353</b>	<b>14,091</b>	<b>1,698,196</b>	<b>1,633,877</b>
19,854	425,879	445,733	68,586	1,541,360	12,433	<b>1,622,379</b>	1,445,640
1,180	21,629	22,809	6,307	4,202	989	<b>11,498</b>	176,739
<b>21,034</b>	<b>447,508</b>	<b>468,542</b>	<b>74,893</b>	<b>1,545,562</b>	<b>13,422</b>	<b>1,633,877</b>	<b>1,622,379</b>

# Consolidated and Tate balance sheets at 31 March 2019

		<b>Group</b>		<b>Tate</b>	
		<b>2019</b>	2018	<b>2019</b>	2018
	Notes	<b>£000</b>	£000	<b>£000</b>	£000
<b>Fixed assets</b>					
Tangible assets	9	<b>1,176,702</b>	1,134,066	<b>1,175,551</b>	1,133,349
Heritage assets	10	<b>485,272</b>	467,151	<b>485,272</b>	467,151
Investments	6	<b>15,235</b>	14,365	<b>17,730</b>	16,860
		<b>1,677,209</b>	1,615,582	<b>1,678,553</b>	1,617,360
<b>Current assets</b>					
Stocks	11	<b>4,292</b>	4,089	–	–
Debtors and prepayments	12	<b>15,905</b>	12,345	<b>21,427</b>	18,393
Cash and liquid resources	13	<b>22,841</b>	24,935	<b>13,968</b>	15,410
		<b>43,038</b>	41,369	<b>35,395</b>	33,803
<b>Creditors: amounts falling due within one year</b>	14	<b>(21,164)</b>	(21,973)	<b>(15,286)</b>	(16,541)
		<b>21,874</b>	19,396	<b>20,109</b>	17,262
<b>Total assets less current liabilities</b>		<b>1,699,083</b>	1,634,978	<b>1,698,662</b>	1,634,622
<b>Creditors: amounts falling due after more than one year</b>	14	<b>(887)</b>	(1,101)	<b>(887)</b>	(1,101)
<b>Total assets less liabilities</b>		<b>1,698,196</b>	1,633,877	<b>1,697,775</b>	1,633,521
Represented by:					
Restricted income reserves	16	<b>1,604,353</b>	1,545,562	<b>1,604,351</b>	1,545,558
Unrestricted reserves					
Designated	16	<b>59,689</b>	57,418	<b>58,538</b>	56,700
General	16	<b>20,063</b>	17,475	<b>20,795</b>	17,841
<b>Total funds</b>		<b>1,684,105</b>	1,620,455	<b>1,683,684</b>	1,620,099
Endowments	16	<b>14,091</b>	13,422	<b>14,091</b>	13,422
<b>Total funds</b>		<b>1,698,196</b>	1,633,877	<b>1,697,775</b>	1,633,521

The financial statements on pages 40 to 67 were approved by the Trustees on:

Signed

*Maria Balshaw* 3 July 2019

Director, Tate

Signed

*Lionel Barber* 3 July 2019

Chairman, Tate

*The notes on pages 44 to 67 form part of the accounts*

# Consolidated statement of cash flows for the year ended 31 March 2019

	<i>Notes</i>	<b>2019</b> <b>£000</b>	2018 £000
<b><i>Cash flows from operating activities:</i></b>			
<b><i>Net cash provided by operating activities</i></b>	18(i)	<b>7,865</b>	19,427
<b><i>Cash flows from investing activities:</i></b>			
Dividends and interest		<b>525</b>	446
Proceeds from the sale of property, plant and equipment		–	–
Purchase of property, plant and equipment		<b>(10,363)</b>	(14,909)
Proceeds from sale of investments		<b>2,720</b>	3,078
Purchase of investments		<b>(2,841)</b>	(4,406)
<b><i>Net cash used in investing activities</i></b>		<b>(9,959)</b>	(15,791)
<b><i>Change in cash and cash equivalents in the reporting period</i></b>		<b>(2,094)</b>	3,636
<b><i>Cash and cash equivalents at the beginning of the reporting period</i></b>		<b>24,935</b>	21,299
<b><i>Cash and cash equivalents at the end of the reporting period</i></b>		<b>22,841</b>	24,935

*The notes on pages 44 to 67 form part of the accounts*

# Notes to the accounts

## 1. Accounting policies

### Basis of accounting

The financial statements are prepared under the historical cost convention as modified for the revaluation of certain fixed assets and the inclusion of investments at market value. The accounts comply with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (the SORP) FRS102 (updated for reporting from 2016), applicable accounting standards under UK GAAP and the Government Financial Reporting Manual (the FReM).

The accounts have been prepared in accordance with the accounts direction given by the Secretary of State for Digital, Culture, Media and Sport, with the approval of Treasury. The particular policies adopted by Tate are described below; they have been applied consistently in dealing with items that are considered material in the accounts.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved Tate following Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 in preparing its accounts, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Tate is a public benefit entity.

### Basis of consolidation

Tate's financial statements consolidate the results of Tate and its wholly-owned subsidiaries Tate Enterprises Limited (company number 3173975), Tate Exhibitions Productions Limited (company number 3179938) and Tate Gallery Projects Limited (company number 3166910). A separate statement of financial activities or income and expenditure account for Tate is not presented due to a direction from the Secretary of State (DCMS).

### Going concern basis

The accounts have been prepared on the going concern basis. The anticipated income from government grant and self-generated income will be sufficient to meet Tate's ongoing expenses. There are no material uncertainties which may create significant doubt over Tate's ability to continue as a going concern.

### Key judgements and estimates

For Tate, provisions are made against debts older than six months, except for debts with related charities. For Tate Enterprises, provisions are made against debts where debtors enter into insolvency proceedings or where debts are older than one year and all efforts to recover them have been exhausted. Stock is reviewed at least biannually and is written off when no alternative selling options exist. As the staff holiday year is not coterminous with the financial year, holiday paid is accrued at year end.

Revaluation of the Trustees' property holding is undertaken on a quinquennial basis. Further details of this are included on page 45 and in note 9.

### Income and endowments

Income and endowments are shown net of Value Added Tax. In general, income is accounted for on a receivable basis. The following accounting policies are applied to income:

#### *Donations and legacies:*

Grant in Aid from DCMS is recognised on receipt. Donated works of art are recognised as income based on the value at the date of acceptance. Donations of works of art are normally valued by Tate curators who are experts in their fields, with external validation when required. Donation income, including lottery and grant income, is recognised as income when the conditions for its receipt have been met. Receipt of a legacy will be recognised when there has been grant of probate; the executors have established that there are sufficient assets in the estate; that any conditions attached to the legacy are within the control of Tate or have been met; and it is possible to estimate with sufficient accuracy the amount receivable. Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue, but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then it is treated as an adjusting event and accrued as income if receipt is probable.

*Other trading activities:*

Sponsorship income is recognised as income when the conditions for its receipt have been met and when the sponsored activity has taken place. Sponsorship also includes gifts in kind (barter) income relating to advertising services, with an equivalent amount recognised as an expense. The fair value is recognised as the amount that the charity would pay on the open market for an alternative item that would provide an equivalent benefit to Tate.

*Investments:*

Dividend and interest income is recognised on a receivable basis.

*Charitable activities:*

Admissions and other charitable income is recognised on a receivable basis on the date of the event.

*Deferred income:*

Income relating to the future provision of services is deferred until the services are provided and entitlement to the income is earned. This includes admissions income from exhibition tickets where the provision is based on the date the visit to the exhibition occurs.

**Expenditure**

All expenditure is accounted for on an accruals basis and is classified on the following bases:

*Costs of raising donations and legacies:*

Comprises the costs associated with raising donations and legacies, trading income and income raised from other activities.

*Charitable activities:*

Comprises the costs associated with the performance of: gallery activities (all those costs associated with the public programmes of the four Tate galleries and of the media programmes and website, including exhibitions, education and communications and marketing expenditure); gallery operations (visitor services and operations costs); and the costs of maintaining the Collection (including conservation, art handling, photography and acquisitions-related expenditure).

*Support costs:*

Comprises the costs of governance costs (including relevant legal and finance staff, as well as audit fees), finance, human resources, information technology, estates and facilities and general administration and support. These costs are allocated to the various categories of expenditure based on the most appropriate method for each support department, as described in note 8.

**The Collection**

Additions to the Collection acquired since 1 April 2001 are capitalised and recognised in the balance sheet, at the cost or value of the acquisition. Purchased works are capitalised and recognised in the year they are paid; donated works of art are capitalised and recognised in the year they are accessioned. Such items are not depreciated or revalued as a matter of routine as the assets are deemed to have indeterminable lives. Expenditure to conserve the works is included under charitable activities in the statement of financial activities. Where works of art are included at valuation, external valuations are used where available; more usually assets are valued internally by Tate staff. 16.0% of the Collection (74,944 works, excluding library and archive items) is recognised at a value on the balance sheet. For the remaining 84.0%, the appropriate and relevant valuation information is not available; the Trustees do not consider that the cost of valuing the remainder of the Collection is commensurate with the benefits to the users of the financial statements.

**Fixed assets**

The threshold for capitalisation of tangible fixed assets is as follows:

Tate	£10,000
Tate Enterprises Limited	£500

In accordance with Treasury requirements, with the exception of assets in the course of construction and fixtures, fittings and equipment, tangible fixed assets are stated at modified historic cost in the accounts, being revalued annually using relevant indices when no formal revaluation is undertaken. A revaluation of the Trustees' property holding was undertaken at 31 March 2019 by Avison Young, independent property



consultants. Revaluation of assets is undertaken on a quinquennial basis and material variations from historical cost are reflected in the balance sheet value and unrealised gains or losses are disclosed in the statement of financial activities. The cost of land and buildings includes interest and fees paid as a result of financing arrangements for assets in the course of construction. Leasehold improvements are capitalised at cost and depreciated over the life of the building.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset evenly over its expected life; a full year's depreciation is charged in the year of acquisition. The useful economic lives of the tangible fixed assets are as follows:

Land	– not depreciated
Buildings and leasehold improvements	– 50 to 100 years
Plant and fit-out	– 5 to 15 years
Fixtures, fittings and equipment	– 2 to 10 years

### **Investments**

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

### **Stock**

Stock is stated at the lower of cost or net realisable value.

### **Cash and liquid resources**

Funds placed on money market deposit for more than one day are defined as liquid resources. Funds held in cash or in current or call accounts are defined as cash.

### **Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end. Transactions in foreign currencies are translated at the rate ruling at the time of transaction. All exchange differences go to the statement of financial activities.

### **Operating leases**

Costs in relation to operating leases are charged to the statement of financial activities over the life of the lease.

### **Pensions**

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, of which Tate is not able to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)). For more information, please see note 8. Pensions are accounted for as a defined benefit scheme for members of the PCSPS. Since October 2002 a partnership pension account has also been available which is a defined contribution stakeholder pension scheme with a choice of providers.

### **Fund accounting**

Tate maintains general, designated, restricted and endowment funds as set out in note 16.

### **Taxation**

Tate is exempt under section 505 of the Income and Corporation Taxes Act 1988 from taxes on income arising from the pursuit of its charitable objectives. The taxable profits of Tate Enterprises Limited are distributed to Tate and Tate Foundation under Gift Aid rules and no tax liability is expected for the year ended 31 March 2019.

### **Financial instruments**

As required by accounting standards, certain items are classified as financial instruments. Creditors under one year are accounted for at carrying value, as disclosed in note 14. Trade debtors are included at carrying values and all debts over six months old are provided for as doubtful debts. Investments are held at market value, as they are classified as being held at fair value through profit and loss since the funds are actively managed.

### **Joint arrangements**

Where Tate enters into joint arrangements with other organisations to acquire works of art, the value of those works is recognised in the accounts as an acquisition. Tate recognises only its share of the value of the asset in line with the specific arrangement.



**2. Consolidated statement of financial activities (incorporating an income and expenditure account)**

For the year ended 31 March 2018

	Notes	Income and expenditure			Capital		
		2017-18 Unrestricted funds £000	2017-18 Restricted funds £000	2017-18 Total funds £000	2017-18 Unrestricted funds £000	2017-18 Restricted funds £000	2017-18 Total funds £000
<b>Income and endowments from:</b>							
<i>Donations and legacies</i>	3						
– Grant in Aid		35,626	–	35,626	2,440	–	2,440
– Donated works of art		–	–	–	–	–	–
– Other donations and legacies		18,405	7,273	25,678	–	2,325	2,325
<i>Charitable activities</i>	4	16,578	–	16,578	–	–	–
<i>Other trading activities</i>	5						
– Trading income		34,066	–	34,066	3,388	–	3,388
– Other trading activities		4,723	–	4,723	–	–	–
<i>Investments</i>	6	23	9	32	–	–	–
<i>Other</i>		191	–	191	–	335	335
<b>Total</b>		<b>109,612</b>	<b>7,282</b>	<b>116,894</b>	<b>5,828</b>	<b>2,660</b>	<b>8,488</b>
<b>Expenditure on:</b>	8						
<i>Raising funds</i>							
Costs of raising donations and legacies		3,268	39	3,307	75	5	80
Fundraising trading: cost of goods sold and other costs							
– Trading costs		33,512	–	33,512	229	–	229
– Other costs of raising funds		7,282	118	7,400	65	5	70
Investment management costs		21	1	22	–	–	–
<i>Charitable activities</i>		63,453	6,799	70,252	3,691	30,515	34,206
<i>Other</i>		191	–	191	–	–	–
<b>Total</b>		<b>107,727</b>	<b>6,957</b>	<b>114,684</b>	<b>4,060</b>	<b>30,525</b>	<b>34,585</b>
Net gains/(losses) on investments	16	–	1	1	–	–	–
<b>Net income/(expenditure)</b>		<b>1,885</b>	<b>326</b>	<b>2,211</b>	<b>1,768</b>	<b>(27,865)</b>	<b>(26,097)</b>
Transfers between funds	16	–	7	7	–	(7)	(7)
<b>Other recognised gains/(losses):</b>							
Gain on revaluation of fixed assets	16	–	–	–	1,474	10,112	11,586
<b>Net movement in funds</b>		<b>1,885</b>	<b>333</b>	<b>2,218</b>	<b>3,242</b>	<b>(17,760)</b>	<b>(14,518)</b>
<b>Reconciliation of funds:</b>							
Funds brought forward at 1 April 2017	16	15,590	38	15,628	33,142	1,115,443	1,148,585
<b>Funds carried forward at 31 March 2018</b>		<b>17,475</b>	<b>371</b>	<b>17,846</b>	<b>36,384</b>	<b>1,097,683</b>	<b>1,134,067</b>

<b>Collections</b>			<b>Total</b>			
2017-18 Unrestricted funds £000	2017-18 Restricted funds £000	2017-18 Total funds £000	2017-18 Unrestricted funds £000	2017-18 Restricted funds £000	2017-18 Endowment funds £000	<b>2017-18 Total funds £000</b>
-	-	-	38,066	-	-	<b>38,066</b>
-	15,884	15,884	-	15,884	-	<b>15,884</b>
-	5,329	5,329	18,405	14,927	997	<b>34,329</b>
28	-	28	16,606	-	-	<b>16,606</b>
1,152	-	1,152	38,606	-	-	<b>38,606</b>
-	-	-	4,723	-	-	<b>4,723</b>
-	414	414	23	423	-	<b>446</b>
-	-	-	191	335	-	<b>526</b>
<b>1,180</b>	<b>21,627</b>	<b>22,807</b>	<b>116,620</b>	<b>31,569</b>	<b>997</b>	<b>149,186</b>
-	-	-	3,343	44	-	<b>3,387</b>
-	-	-	33,741	-	-	<b>33,741</b>
-	-	-	7,347	123	-	<b>7,470</b>
-	59	59	21	60	-	<b>81</b>
-	-	-	67,144	37,314	-	<b>104,458</b>
-	-	-	191	-	-	<b>191</b>
-	<b>59</b>	<b>59</b>	<b>111,787</b>	<b>37,541</b>	-	<b>149,328</b>
-	61	61	-	62	(8)	<b>54</b>
<b>1,180</b>	<b>21,629</b>	<b>22,809</b>	<b>4,833</b>	<b>(5,910)</b>	<b>989</b>	<b>(88)</b>
-	-	-	-	-	-	-
-	-	-	1,474	10,112	-	<b>11,586</b>
<b>1,180</b>	<b>21,629</b>	<b>22,809</b>	<b>6,307</b>	<b>4,202</b>	<b>989</b>	<b>11,498</b>
19,854	425,879	445,733	68,586	1,541,360	12,433	<b>1,622,379</b>
<b>21,034</b>	<b>447,508</b>	<b>468,542</b>	<b>74,893</b>	<b>1,545,562</b>	<b>13,422</b>	<b>1,633,877</b>

**3. Donations and legacies**

	<b>2019</b>	2017
	<b>£000</b>	£000
Grant in Aid	<b>37,566</b>	38,066
Donated works of art	<b>10,805</b>	15,884
Lottery and other public funding		
Arts and Humanities Research Council	<b>64</b>	39
Arts Council	<b>1</b>	258
City of Liverpool	<b>37</b>	41
Her Majesty's Revenue and Customs	<b>2,072</b>	1,320
Heritage Lottery Fund	<b>240</b>	694
Total Lottery and other public funding	<b>2,414</b>	2,352
Donations from associated charities	<b>4,679</b>	6,045
Other donations	<b>24,965</b>	25,932
	<b>80,429</b>	88,279
of which the following is taken to (see page 40)		
Income and expenditure	<b>60,941</b>	61,304
Capital	<b>2,616</b>	4,765
Collections	<b>16,872</b>	21,213
Endowments	–	997

**4. Charitable activities**

	<b>2019</b>	2018
	<b>£000</b>	£000
Admissions	<b>10,835</b>	10,941
Other income from charitable activities	<b>5,667</b>	5,665
	<b>16,502</b>	16,606
of which the following is taken to (see page 40)		
Income and expenditure	<b>16,502</b>	16,578
Capital	–	–
Collections	–	28

**5. Other trading activities**

	<b>2019</b>	2018
	<b>£000</b>	£000
Trading	<b>39,338</b>	38,606
Sponsorship	<b>4,463</b>	3,805
Other activities for raising funds	<b>709</b>	918
	<b>44,510</b>	43,329
of which the following is taken to (see page 40)		
Income and expenditure	<b>42,685</b>	38,789
Capital	<b>722</b>	3,388
Collections	<b>1,103</b>	1,152

Included in sponsorship income is £450,000 of barter advertising (£1,164,000 in 2017-18), computed at estimated cost value.

**6. Investments**

	<b>2019</b>	2018
	<b>£000</b>	£000
Bank interest	<b>64</b>	23
Income on quoted investments	<b>461</b>	423
	<b>525</b>	446
of which the following is taken to (see page 40)		
Income and expenditure	<b>73</b>	32
Collections	<b>452</b>	414

Unrealised gains and losses are included in the statement of financial activities.

At 31 March 2019, the investment fund was valued at £15,235,000 (£14,365,000 in 2017-18); historic cost £12,472,000 (£12,232,000 in 2017-18).

	2018	Additions	Disposals in	Realised and	<b>2019</b>
	Market	in year	year	unrealised	Market
	value	£000	£000	gains/ (losses)	value
	£000	£000	£000	£000	£000
Investment portfolio:					
UK fixed interest	1,787	1,203	(361)	24	<b>2,653</b>
Non-UK fixed interest	98	–	–	(2)	<b>96</b>
UK equities	3,958	556	(424)	163	<b>4,253</b>
Non-UK equities	4,502	932	(716)	317	<b>5,035</b>
Property	1,445	–	–	18	<b>1,463</b>
Alternatives	1,418	1,126	(1,219)	243	<b>1,568</b>
Cash	1,157	(976)	–	(14)	<b>167</b>
Group investments total	14,365	2,841	(2,720)	749	<b>15,235</b>
Subsidiaries' issued share capital (at cost)	2,495	–	–	–	<b>2,495</b>
Tate investments total	16,860	2,841	(2,720)	749	<b>17,730</b>

All investments are held in order to provide an investment return.

Investments held at 31 March 2019 which individually represent greater than 5% of the investment portfolio:

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**7. Net income/(expenditure)**

is stated after charging:

	<b>2019</b>	2018
	<b>£000</b>	£000
External Auditors' remuneration		
Comptroller and Auditor General	<b>58</b>	54
Subsidiaries – audit	<b>27</b>	37
Subsidiaries – taxation & technical advice	<b>7</b>	6
Taxation advice provided by subsidiaries Auditor	–	79
Operating lease rentals		
Land and buildings	<b>617</b>	609
Vehicles and equipment	<b>174</b>	199
Depreciation	<b>21,570</b>	34,636
Impairment of fixed assets	<b>11,914</b>	–

No other non-audit services were provided by the Comptroller and Auditor General.

**8. Total expenditure**

	Staff costs £000	Other direct costs £000	Support costs £000	Depreciation and impairments* £000	<b>2019 Total £000</b>	2018 Total £000
<i>Raising funds</i>						
Costs of raising donations and legacies	1,758	224	1,457	198	<b>3,637</b>	3,387
Fundraising trading: cost of goods sold and other costs						
– Trading costs	13,116	21,176	–	288	<b>34,580</b>	33,741
– Other costs of raising funds	4,339	1,587	2,582	263	<b>8,771</b>	7,470
Investment management costs	–	65	22	–	<b>87</b>	81
<i>Total costs of raising funds</i>	<b>19,213</b>	<b>23,052</b>	<b>4,061</b>	<b>749</b>	<b>47,075</b>	44,679
<i>Charitable activities</i>						
– Gallery activities	14,741	18,238	21,821	29,231	<b>84,031</b>	86,577
– Gallery operations	3,457	2,607	1,625	657	<b>8,346</b>	8,812
– Collections	5,965	1,375	1,839	2,847	<b>12,026</b>	9,069
<i>Total charitable activities</i>	<b>24,163</b>	<b>22,220</b>	<b>25,285</b>	<b>32,735</b>	<b>104,403</b>	104,458
<i>Other</i>	–	–	37	–	<b>37</b>	191
<b>Total</b>	<b>43,376</b>	<b>45,272</b>	<b>29,383</b>	<b>33,484</b>	<b>151,515</b>	149,328

\*Includes any downward impact of asset revaluations, where applicable.

The Chairman and other Trustees received no remuneration; ten Trustees (six in 2017-18) received reimbursement of travel and subsistence expenses amounting to £8,951 in 2018-19 (£8,393 in 2017-18).

## a) Support cost breakdown by activity

	Governance costs £000	Finance and Legal £000	Human resources £000	Information systems £000	Estates £000	Other £000	<b>2019 Total £000</b>	2018 Total £000
<i>Raising funds</i>								
Costs of raising donations and legacies	10	113	73	215	987	59	<b>1,457</b>	1,312
Fundraising trading: cost of goods sold and other costs								
– Other costs of raising funds	663	151	96	285	1,308	79	<b>2,582</b>	1,846
Investment management costs	–	22	–	–	–	–	<b>22</b>	21
<i>Total costs of raising funds</i>	<b>673</b>	<b>286</b>	<b>169</b>	<b>500</b>	<b>2,295</b>	<b>138</b>	<b>4,061</b>	3,179
<i>Charitable activities</i>								
– Gallery activities	127	1,409	744	2,666	16,141	734	<b>21,821</b>	20,928
– Gallery operations	22	255	198	484	533	133	<b>1,625</b>	1,344
– Collections	27	305	321	578	449	159	<b>1,839</b>	1,400
<i>Total charitable activities</i>	<b>176</b>	<b>1,969</b>	<b>1,263</b>	<b>3,728</b>	<b>17,123</b>	<b>1,026</b>	<b>25,285</b>	23,672
<i>Other</i>	–	37	–	–	–	–	<b>37</b>	191
<b>Total</b>	<b>849</b>	<b>2,292</b>	<b>1,432</b>	<b>4,228</b>	<b>19,418</b>	<b>1,164</b>	<b>29,383</b>	27,042
Basis of allocation	FTE/ expenditure	expenditure	average expenditure FTE	depreciation expenditure charge				

Support costs include an element of staff costs amounting to £7,642,000 (£6,555,000 in 2017-18).

## b) Staff costs

	<b>2019</b>	2018
	<b>£000</b>	£000
Wages and salaries	<b>38,237</b>	36,289
Pension costs	<b>5,704</b>	5,348
Social Security costs	<b>3,608</b>	3,454
Redundancy costs	<b>403</b>	389
Total employee costs	<b>47,952</b>	45,480
Agency staff costs	<b>3,066</b>	2,471
	<b>51,018</b>	47,951

In addition, £101,000 of staff costs relating to staff working exclusively on capital projects were capitalised in 2018-19 (£288,000 in 2017-18). The average number of full-time equivalent (FTE) staff directly employed on capital projects was 4 in 2018-19 (7 in 2017-18).

The number of Tate employees, including the Director, whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	<b>2019</b>	2018
	<b>No.</b>	No.
£60,000 - £64,999	<b>8</b>	5
£65,000 - £69,999	<b>3</b>	4
£70,000 - £74,999	<b>3</b>	2
£75,000 - £79,999	<b>3</b>	3
£80,000 - £84,999	<b>6</b>	4
£85,000 - £89,999	<b>1</b>	3
£95,000 - £99,999	<b>3</b>	2
£100,000 - £104,999	<b>1</b>	3
£125,000 - £129,999	<b>1</b>	1
£135,000 - £139,999	–	1
£180,000 - £184,999	<b>1</b>	1
£185,000 - £189,999	<b>1</b>	–
	<b>31</b>	29

Thirty-one of the thirty-one staff earning more than £60,000 are members of a defined benefit pension scheme (twenty-eight of the twenty-nine in 2017-18); their total contributions to the scheme amounted to £623,000 during the year (£562,000 in 2017-18).

The average number of full-time equivalent (FTE) staff during the year was 1,356 (1,306 in 2017-18). Included within this total are 17 FTE staff on temporary contracts (14 in 2017-18) and 73 FTE staff on fixed-term contracts (66 in 2017-18).



The breakdown of average FTE staff by occupational group was:

	<b>2019</b>	2018
	<b>No.</b>	No.
<i>Costs of raising funds</i>		
Costs of raising donations and legacies	<b>41</b>	38
Fundraising trading: cost of goods sold and other costs		
– Trading	<b>557</b>	526
– Other	<b>130</b>	109
<i>Charitable activities</i>	<b>627</b>	630
<i>Other resources expended</i>	<b>1</b>	3
	<b>1,356</b>	1,306

Exit package cost band	Number of compulsory redundancies	Number of other redundancies agreed	<b>Total number of exit packages by cost band 2019</b>	Total number of exit packages by cost band 2018
<£10,000	3	–	<b>3</b>	5
£10,000 - £25,000	1	–	<b>1</b>	2
£25,000 - £50,000	–	2	<b>2</b>	2
£50,000 - £100,000	–	2	<b>2</b>	1
£100,000 - £150,000	–	1	<b>1</b>	1
Total number of exit packages	4	5	<b>9</b>	11
Total resource cost/£	33,000	338,000	<b>371,000</b>	374,000

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where Tate has agreed early retirements, the additional costs are met by Tate and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or *alpha*, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined *alpha*. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (*classic*, *premium* or *classic plus*) with a normal pension age of 60; and one providing benefits on a whole career basis (*nuvos*) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under *classic*, *premium*, *classic plus*, *nuvos* and *alpha* are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into *alpha* sometime between 1 June 2015 and 1 February 2022. All members who switch to *alpha* have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave *alpha*. (The pension figures quoted for officials show pension earned in PCSPS or *alpha* – as appropriate. Where the official has benefits in both the PCSPS and *alpha* the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of *classic*, *premium*, *classic plus*, *nuvos* and *alpha*. Benefits in *classic* accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For *premium*, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike *classic*, there is no automatic lump sum. *classic plus* is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per *classic* and benefits for service from October 2002 worked out as in *premium*. In *nuvos* members build up a pension based on their pensionable earnings during their period of

scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in *alpha* build up in a similar way to *nuvos*, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

For 2018-19, employers' contributions of £4,884,000 were payable to the PCSPS (2017-18 £4,575,000) at one of four rates in the range of 20.0% to 24.5% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018-19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employers' contributions of £138,000 (2017-18 £120,000) were paid to one or more of a panel of three appointed stakeholder pension providers. In addition, employer contributions of £123,000 (£118,000 in 2017-18), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. There were no contributions due to the partnership pension providers at the balance sheet date. There were no contributions prepaid at that date.

No employees retired early on ill-health grounds (two in 2017-18); the total additional accrued pension liabilities to PCSPS in the year amounted to £nil (£nil in 2017-18).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of *classic*, *premium* and *classic plus*, 65 for members of *nuvos*, and the higher of 65 or State Pension Age for members of *alpha*.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

Tate Enterprises Limited operates a money purchase pension scheme provided by Scottish Widows. The assets of the schemes are held separately from those of the group in an independently administered fund. The amounts charged against profit represent the contributions payable to the schemes in respect of the accounting period. Pension contributions of £559,000 were made in the year (2017-18 £535,000).

**9. Tangible assets****Group**

	Land £000	Freehold buildings £000	Leasehold improvements £000	Plant and fit-out £000	Fixtures, fittings and equipment £000	Total tangible assets £000
Value at 1 April 2018	443,120	248,549	15,913	460,737	16,438	1,184,757
Additions at cost	-	26	(32)	1,466	1,578	3,038
Transfer of assets	-	141,463	-	(141,463)	-	-
Valuation of assets	60,917	29,497	(2,853)	(80,091)	-	7,470
Disposals	-	-	-	-	(2,730)	(2,730)
<b>Value at 31 March 2019</b>	<b>504,037</b>	<b>419,535</b>	<b>13,028</b>	<b>240,649</b>	<b>15,286</b>	<b>1,192,535</b>
Depreciation at 1 April 2018	-	2,689	531	33,254	14,217	50,691
Charge for the year	-	4,276	144	16,044	1,106	21,570
Valuation of assets	-	(6,868)	(388)	(46,442)	-	(53,698)
Disposals	-	-	-	-	(2,730)	(2,730)
<b>Depreciation at 31 March 2019</b>	<b>-</b>	<b>97</b>	<b>287</b>	<b>2,856</b>	<b>12,593</b>	<b>15,833</b>
<b>Net book value at 31 March 2019</b>	<b>504,037</b>	<b>419,438</b>	<b>12,741</b>	<b>237,793</b>	<b>2,693</b>	<b>1,176,702</b>
Net book value at 1 April 2018	443,120	245,860	15,382	427,483	2,221	1,134,066
<b>Historic cost NBV at 31 March 2019</b>	<b>98,487</b>	<b>272,644</b>	<b>12,415</b>	<b>106,669</b>	<b>2,693</b>	<b>492,908</b>

**Tate**

	Land £000	Freehold buildings £000	Leasehold improvements £000	Plant and fit-out £000	Fixtures, fittings and equipment £000	Total tangible assets £000
Value at 1 April 2018	443,120	248,387	15,913	460,737	12,860	1,181,017
Additions at cost	-	26	(32)	1,466	856	2,316
Transfer of assets	-	141,463	-	(141,463)	-	-
Valuation of assets	60,917	29,497	(2,853)	(80,091)	-	7,470
Disposals	-	-	-	-	(2,724)	(2,724)
<b>Value at 31 March 2019</b>	<b>504,037</b>	<b>419,373</b>	<b>13,028</b>	<b>240,649</b>	<b>10,992</b>	<b>1,188,079</b>
Depreciation at 1 April 2018	-	2,609	531	33,254	11,274	47,668
Charge for the year	-	4,259	144	16,044	835	21,282
Valuation of assets	-	(6,868)	(388)	(46,442)	-	(53,698)
Disposals	-	-	-	-	(2,724)	(2,724)
<b>Depreciation at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>287</b>	<b>2,856</b>	<b>9,385</b>	<b>12,528</b>
<b>Net book value at 31 March 2019</b>	<b>504,037</b>	<b>419,373</b>	<b>12,741</b>	<b>237,793</b>	<b>1,607</b>	<b>1,175,551</b>
Net book value at 1 April 2018	443,120	245,778	15,382	427,483	1,586	1,133,349
<b>Historic cost NBV at 31 March 2019</b>	<b>98,487</b>	<b>272,579</b>	<b>12,415</b>	<b>106,669</b>	<b>1,607</b>	<b>491,757</b>

In accordance with Treasury requirements, with the exception of assets in the course of construction and fixtures, fittings and equipment, tangible fixed assets are stated at modified historic cost in the accounts, being revalued annually using relevant indices when no formal revaluation is undertaken. A full revaluation of the Trustees' property holdings was undertaken at 31 March 2019 by Avison Young, independent property consultants. The revaluation was undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Government Financial Reporting Manual (FRM) Guidance, International Valuation Standards (IVS) and the requirements of the RICS Valuation – Global Standards 2017 (the Red Book). Specialised property is valued at depreciated replacement cost and non-specialised property at market value for existing use. Certain estimates and judgements have been updated in the current year as a result of a change in valuer, the most significant of which is the split of the

asset value between components. This has resulted in a transfer of assets of £141,463,000 to freehold buildings from plant and fit-out and reflects a change in the apportionment of the valuation between the respective asset classes rather than an underlying change in the value of these assets.

Where no formal revaluation is undertaken, buildings, plant and fit-out and the buildings and plant element of long leasehold assets have been revalued using indices provided by the Department for Business, Energy and Industrial Strategy. The financial effect of revaluing fixtures, fittings and equipment was considered to be immaterial and therefore they have been disclosed at their historical cost value.

The net book value at 31 March 2019 represents fixed assets for:

<b>Group</b>	Land £000	Freehold buildings £000	Leasehold improvements £000	Plant and fit-out £000	Fixtures, fittings and equipment £000	Total tangible assets £000
Charitable activities	504,037	419,373	12,741	237,793	1,607	1,175,551
Other activities	–	65	–	–	1,086	1,151
	504,037	419,438	12,741	237,793	2,693	1,176,702

Tate's fixed assets are held to support charitable activities.

## 10. Heritage assets

<b>Group and Tate</b>	Value at 1 April 2018 £000	Additions £000	<b>Value at 31 March 2019 £000</b>
<i>Cost</i>			
Installations	17,376	2,285	<b>19,661</b>
Paintings	62,520	1,846	<b>64,366</b>
Reliefs	2,338	51	<b>2,389</b>
Sculptures	21,699	1,935	<b>23,634</b>
Works on paper	20,572	1,154	<b>21,726</b>
Time-based media	2,018	113	<b>2,131</b>
Archives	5,966	35	<b>6,001</b>
Other	342	–	<b>342</b>
ARTIST ROOMS	20,660	–	<b>20,660</b>
<i>Valuation</i>			
Installations	13,523	1,417	<b>14,940</b>
Paintings	180,361	3,344	<b>183,705</b>
Reliefs	1,757	467	<b>2,224</b>
Sculptures	37,071	2,339	<b>39,410</b>
Works on paper	23,234	1,500	<b>24,734</b>
Time-based media	1,425	894	<b>2,319</b>
Archives	6,664	115	<b>6,779</b>
Other	287	–	<b>287</b>
ARTIST ROOMS	49,187	218	<b>49,405</b>
The Qantas Foundation	151	408	<b>559</b>
<b>Total</b>	<b>467,151</b>	<b>18,121</b>	<b>485,272</b>

In the year 709 works of art and archives were added to the Collection of which 440 are included at cost price and 269 (including 16 part-purchased ARTIST ROOMS works) have been valued.

**Five-year financial summary of heritage asset transactions**

	<b>2018-19</b>	2017-18	2016-17	2015-16	2014-15
	<b>£000</b>	£000	£000	£000	£000
<i>Cost</i>					
Installations	<b>2,285</b>	239	930	1,315	1,136
Paintings	<b>1,846</b>	724	2,896	1,064	1,317
Reliefs	<b>51</b>	811	60	–	131
Sculptures	<b>1,935</b>	1,081	970	2,340	254
Works on paper	<b>1,154</b>	671	868	2,387	969
Time-based media	<b>113</b>	400	666	639	309
Archives	<b>35</b>	2,534	46	68	69
ARTIST ROOMS	–	–	7	20	54
<i>Valuation</i>					
Installations	<b>1,417</b>	748	1,949	1,530	2,171
Paintings	<b>3,344</b>	6,978	10,337	3,131	57,408
Reliefs	<b>467</b>	991	43	45	147
Sculptures	<b>2,339</b>	4,012	1,113	241	10,654
Works on paper	<b>1,500</b>	1,957	6,244	1,281	1,677
Time-based media	<b>894</b>	17	1,088	126	194
Archives	<b>115</b>	330	–	220	210
Other	–	–	–	3	–
ARTIST ROOMS	<b>218</b>	883	221	60	281
The Qantas Foundation	<b>408</b>	151	–	–	–
Total additions	<b>18,121</b>	22,527	27,438	14,470	76,981

**Further information on Tate's Collection**

Tate holds the National Collection of British art from 1500 and international modern and contemporary art from 1900. Tate's Collection embraces all media from painting, drawing, sculpture and prints, to photography, video and film, installation and performance. The Collection is displayed at Tate Britain, Tate Modern, Tate Liverpool and Tate St Ives and through loans to temporary national and international exhibitions and long loans. Tate rotates its displays at all sites, partly with the aim of giving exposure to as much of the Collection as possible. Works on paper can be viewed by appointment in the Prints and Drawings Rooms at Tate Britain, which also houses the Turner Bequest. Tate also houses the National Archive of British Art from 1900, Tate's institutional records including material relating to the Collection and the Tate Library. The Tate Archive contains manuscripts, notebooks, sketches, prints, documentation and supporting material. The Archive and Library are accessible through the Tate Library and Archive Collections: Hyman Kreitman Reading Rooms at Tate Britain.

Tate's Collection seeks to represent significant developments in art in all areas covered by its remit with artworks of outstanding quality and importance. The representation of British art encompasses work by artists defined by their contribution to its history and development rather than simply by nationality. While it has traditionally focused on art from Western Europe and North America, Tate seeks to represent international modern and contemporary art from a global perspective and has recently expanded its holdings of work from Latin America, South-East Asia and Eastern Europe. When the Tate Gallery opened in 1897, its Collection consisted of the 65 works gifted by Henry Tate to the nation. The Collection currently consists of 74,944 works of art. Every work in the Collection has its own online information page and the majority are illustrated, though this is not always possible due to copyright restrictions. Further information on the Collection may be found in the foreword on page 6.

More information is available on Tate's website, [www.tate.org.uk](http://www.tate.org.uk). The Collection is under the care of the Collection Care department, details of which can be found at [www.tate.org.uk/about/our-work/conservation](http://www.tate.org.uk/about/our-work/conservation) and the acquisitions and disposals and loans policy can be found at [www.tate.org.uk/about/our-work/collection](http://www.tate.org.uk/about/our-work/collection).

## 11. Subsidiaries

The Board of Trustees of the Tate Gallery owns the whole of the issued share capital of Tate Enterprises Limited (comprising 2,495,320 ordinary shares of £1 each), Tate Exhibition Productions Limited (comprising 100 ordinary shares of £1 each) and Tate Gallery Projects Limited (comprising 100 ordinary shares of £1 each).

### *Tate Enterprises Limited*

Tate Enterprises Limited's principal activities comprise the management and operation of restaurant, café and ancillary services for the benefit of visitors to Tate's galleries, the publishing and sale of books and other products and merchandise associated with the Collection and Tate activities and the provision of events, corporate memberships, education and some media services at all Tate sites.

The figures below are taken from the Tate Enterprises Limited accounts.

	<b>2019</b>	2018
	<b>£000</b>	£000
Fixed assets	<b>1,151</b>	717
Current assets	<b>15,723</b>	16,166
Current liabilities	<b>(13,959)</b>	(14,035)
Long-term liabilities	–	–
Net assets	<b>2,915</b>	2,848
Capital and reserves	<b>2,915</b>	2,848
	<b>2,915</b>	2,848

Current assets include stock of £4,292,000, comprising: work in progress £329,000; finished goods and goods for resale £3,963,000 (£4,089,000, comprising: work in progress £160,000; finished goods and goods for resale £3,929,000 in 2017-18).

	<b>2019</b>	2018
	<b>£000</b>	£000
Turnover	<b>41,590</b>	40,985
Cost of sales	<b>(14,134)</b>	(14,043)
Gross profit	<b>27,456</b>	26,942
Other income	–	–
Administrative expenses	<b>(21,397)</b>	(20,245)
Trading profit	<b>6,059</b>	6,697
Interest receivable	<b>13</b>	2
Net contribution	<b>6,072</b>	6,699

The net contribution consists of £1,347,000 from publishing and retail operations (£2,222,000 in 2017-18), £1,587,000 from catering operations (£1,150,000 in 2017-18) and £3,138,000 from events, education and media services (£3,327,000 in 2017-18). Turnover includes £2,095,000 of sales to Tate (£2,247,000 in 2017-18). Administrative expenses include £2,454,000 of expenditure recharged by Tate (£2,022,000 in 2017-18).

The taxable profits of Tate Enterprises Limited are distributed to the Board of Trustees of the Tate Gallery and Tate Foundation under Gift Aid rules each year.

### *Tate Exhibition Productions Limited*

Tate Exhibition Productions Limited is a wholly-owned subsidiary of the Board of Trustees of the Tate Gallery. Tate Exhibition Productions Limited changed its name during the year from Tate Gallery Publishing Limited and is a dormant company.

### *Tate Gallery Projects Limited*

Tate Gallery Projects Limited is a wholly-owned subsidiary of the Board of Trustees of the Tate Gallery. Its principal activities consist of fundraising and project management in respect of the Tate Modern development project. Net assets have decreased by £1,951 to £1,609 in the year.

**12. Debtors and prepayments**

	<b>Group</b>		<b>Tate</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£000</b>	£000	<b>£000</b>	£000
Trade debtors	<b>6,930</b>	5,253	<b>5,404</b>	3,809
Amounts due from group companies	–	–	<b>7,421</b>	7,779
Other debtors	<b>1,769</b>	1,956	<b>1,588</b>	1,813
Prepayments and accrued income	<b>7,206</b>	5,136	<b>7,014</b>	4,992
	<b>15,905</b>	12,345	<b>21,427</b>	18,393

**13. Cash and liquid resources**

	<b>Group</b>		<b>Tate</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£000</b>	£000	<b>£000</b>	£000
held at/in:				
Government Banking Service	<b>1,280</b>	2,464	<b>1,280</b>	2,464
Interest-bearing accounts	<b>20,116</b>	21,466	<b>12,626</b>	12,882
Cash and non-interest-bearing accounts	<b>1,445</b>	1,005	<b>62</b>	64
	<b>22,841</b>	24,935	<b>13,968</b>	15,410

Reconciliation to liquid resources (see note 18(ii))

			<b>2019</b>	2018
			<b>£000</b>	£000
Interest-bearing accounts			<b>20,116</b>	21,466
Less: funds held in interest-bearing current or call accounts			–	–
Liquid resources (funds held on deposit)			<b>20,116</b>	21,466

**14. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Tate</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£000</b>	£000	<b>£000</b>	£000
Trade creditors	<b>4,432</b>	4,356	<b>2,727</b>	2,804
Amounts due to group companies	–	–	<b>660</b>	670
Taxation and social security	<b>2,137</b>	1,629	<b>688</b>	616
Other creditors	<b>1,367</b>	881	<b>1,093</b>	723
Accruals	<b>8,649</b>	11,754	<b>5,854</b>	8,724
Deferred income	<b>4,579</b>	3,353	<b>4,264</b>	3,004
	<b>21,164</b>	21,973	<b>15,286</b>	16,541

**Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Tate</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£000</b>	£000	<b>£000</b>	£000
Other creditors	<b>109</b>	112	<b>109</b>	112
Deferred income	<b>778</b>	989	<b>778</b>	989
	<b>887</b>	1,101	<b>887</b>	1,101

**Deferred income**

	<b>Group</b>		<b>Tate</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£000</b>	£000	<b>£000</b>	£000
Deferred income brought forward	<b>4,342</b>	4,762	<b>3,993</b>	4,465
Released in year	<b>(3,050)</b>	(4,443)	<b>(2,701)</b>	(3,995)
Deferred in year	<b>4,065</b>	4,023	<b>3,750</b>	3,523
Deferred income carried forward	<b>5,357</b>	4,342	<b>5,042</b>	3,993

Income relating to the future provision of services is deferred until the services are provided and entitlement to the income is earned.

**15. Operating leases**

At 31 March 2019 Tate had annual commitments under non-cancellable leases as follows:

<b>Group</b>	Land and buildings £000	Other £000	<b>2019</b> <b>£000</b>	2018 £000
Operating leases expiring within				
One year	615	170	<b>785</b>	676
Two to five years	1,979	94	<b>2,073</b>	1,816
More than five years	2,594	–	<b>2,594</b>	1,587
	<b>5,188</b>	264	<b>5,452</b>	4,079

<b>Tate</b>	Land and building £000 s	Other £000	<b>2019</b> <b>£000</b>	2018 £000
Operating leases expiring within				
One year	483	95	<b>578</b>	464
Two to five years	1,807	8	<b>1,815</b>	1,425
More than five years	2,594	–	<b>2,594</b>	1,587
	<b>4,884</b>	103	<b>4,987</b>	3,476



**16. Statement of funds**

<b>Group</b>	Opening Funds £000	Transfers £000	Income £000	Expenditure £000	Gain on revaluation £000	Gain on investment £000	<b>Closing funds £000</b>
<b>Unrestricted</b>							
<i>Designated</i>							
Works of art	21,034	–	1,102	–	–	–	<b>22,136</b>
Buildings and equipment	36,384	–	3,162	(7,599)	5,606	–	<b>37,553</b>
	57,418	–	4,264	(7,599)	5,606	–	<b>59,689</b>
<i>General funds</i>	17,475	–	114,460	(111,872)	–	–	<b>20,063</b>
<b>Total unrestricted funds</b>	74,893	–	118,724	(119,471)	5,606	–	<b>79,752</b>
<b>Restricted</b>							
Buildings and equipment	441,148	–	176	(26,186)	40,217	–	<b>455,355</b>
Revaluation reserve	656,535	–	–	–	27,259	–	<b>683,794</b>
Works of art	446,553	–	17,131	–	–	–	<b>463,684</b>
Acquisition trust funds	955	–	194	(63)	–	76	<b>1,162</b>
Other funds	371	–	5,778	(5,795)	–	4	<b>358</b>
	1,545,562	–	23,279	(32,044)	67,476	80	<b>1,604,353</b>
<b>Endowments</b>	13,422	–	–	–	–	669	<b>14,091</b>
<b>Total funds</b>	1,633,877	–	142,003	(151,515)	73,082	749	<b>1,698,196</b>
<b>Tate</b>	Opening Funds £000	Transfers £000	Income £000	Expenditure £000	Gain on revaluation £000	Gain on investment £000	<b>Closing funds £000</b>
<b>Unrestricted</b>							
<i>Designated</i>							
Works of art	21,034	–	1,102	–	–	–	<b>22,136</b>
Buildings and equipment	35,666	–	2,440	(7,310)	5,606	–	<b>36,402</b>
	56,700	–	3,542	(7,310)	5,606	–	<b>58,538</b>
<i>General funds</i>	17,841	–	83,951	(80,997)	–	–	<b>20,795</b>
<b>Total unrestricted funds</b>	74,541	–	87,493	(88,307)	5,606	–	<b>79,333</b>
<b>Restricted</b>							
Buildings and equipment	441,148	–	176	(26,186)	40,217	–	<b>455,355</b>
Revaluation reserve	656,535	–	–	–	27,259	–	<b>683,794</b>
Works of art	446,553	–	17,131	–	–	–	<b>463,684</b>
Acquisition trust funds	955	–	194	(63)	–	76	<b>1,162</b>
Other funds	367	–	5,778	(5,793)	–	4	<b>356</b>
	1,545,558	–	23,279	(32,042)	67,476	80	<b>1,604,351</b>
<b>Endowments</b>	13,422	–	–	–	–	669	<b>14,091</b>
<b>Total funds</b>	1,633,521	–	110,772	(120,349)	73,082	749	<b>1,697,775</b>

**Fair value reserve (investments) – movements**

	As at 1 April 2018 £000	Unrealised gains under fair value £000	Realised gains under fair value £000	As at 31 March 2019 £000	Reserve fund net of FV at 31 March £000	Reserve fund incl. FV at 31 March £000
<b>Restricted</b>						
Acquisition trust funds	135	68	(1)	202	915	1,117
Other funds	7	3	–	10	46	56
	142	71	(1)	212	961	1,173
<b>Endowments</b>	1,991	568	(8)	2,551	11,511	14,062
<b>Total funds</b>	2,133	639	(9)	2,763	12,472	15,235

The accounts comprise a number of individual funds that divide into distinct categories, which are defined below.

**Designated funds**

Funds designated for a particular use by the Trustees.

Designated funds and the purpose for which their income may be applied are:

- *Works of art* – funds applied towards the purchase of works of art for the Collection;
- *Buildings and equipment* – funds applied towards the purchase of equipment and building works.

**General funds**

Funds available for general use.

**Restricted funds**

Funds restricted for particular purposes either by the wishes of the donor or by the nature of the fundraising appeal.

Restricted funds and the purpose for which their income may be applied are:

- *Buildings and equipment* – the value of Tate’s estate vested in the Board of Trustees by the Secretary of State for the Environment and adjusted for subsequent valuations and disposals; also, restricted funds, including money from lottery and other public sources, raised specifically for and applied to the purchase of equipment and building works;
- *Revaluation reserve* – the reserve arising from the 5-yearly revaluation and the indexation of historical asset values to arrive at a modified historical cost. The reserve applies to both restricted and unrestricted assets, but all of the reserve is restricted;
- *Works of art* – restricted funds, including money from the Heritage Lottery Fund, raised specifically for and applied to the purchase of works of art together with all donated works of art since 1 April 2001;
- *Acquisition trust funds* – a number of restricted trust funds for the purchase of works of art for the Collection, including:
  - *Knapping Fund* – for the purchase for exhibition in England, Scotland and Wales of paintings in any medium, or sculpture, by artists of any nationality living at or within twenty-five years of the time of purchase;
  - *Gytha Trust* – for purchases for the Collection;
  - The expendable elements of the *ARTIST ROOMS*, *Abbott Bequest*, *Evelyn*, *Lady Downshire’s Fund* and *Themans Trust* endowments;
- *Other restricted funds*:
  - The expendable element of the *Shenkman Fund* and *Porter Kreitman Artists Book Fund* endowments;
  - Canada Fund and Tate Gallery Projects Limited;

- Other funds which were set up and utilised during the year as a result of donations received for specific purposes.

### Endowment funds

Endowment funds are funds that the donor has stated are to be held as capital.

The endowment funds and the purpose for which their income may be applied are:

- *ARTIST ROOMS Fund* – for the purchase of works of art for the *ARTIST ROOMS* collection;
- *Abbott Bequest* – for the purchase of pictures and drawings by DG Rosetti or his contemporaries. The capital element of this endowment remains permanently intact and only the income can be spent;
- *Evelyn, Lady Downshire's Fund* – permanent endowment for the purchase of modern paintings. The capital element of this endowment remains permanently intact and only the income can be spent;
- *Shenkman Fund* – to pay for commissions of works of art at Tate Modern Restaurant. The capital element of this endowment remains permanently intact and only the income can be spent;
- *Themans Trust* – permanent endowment for the purchase of paintings. The capital element of this endowment remains permanently intact and only the income can be spent;
- *Porter Kreitman Artists Book Fund* – permanent endowment for the purchase of artists' books. The capital element of this endowment remains permanently intact and only the income can be spent.

### 17. Analysis of net assets between funds

Funds balances at 31 March 2019 are represented by:

Group	Unrestricted designated funds £000	Unrestricted general funds £000	Restricted funds £000	Endowment funds £000	Total 2019 £000	Total 2018 £000
Tangible assets	37,553	–	1,139,149	–	<b>1,176,702</b>	1,134,066
Heritage assets	22,136	–	463,136	–	<b>485,272</b>	467,151
Investments	–	–	1,173	14,062	<b>15,235</b>	14,365
Net current assets	–	20,950	895	29	<b>21,874</b>	19,396
Long term credi-tors	–	(887)	–	–	<b>(887)</b>	(1,101)
Total net assets	59,689	20,063	1,604,353	14,091	<b>1,698,196</b>	1,633,877

Tate	Unrestricted designated funds £000	Unrestricted general funds £000	Restricted funds £000	Endowment funds £000	Total 2019 £000	Total 2018 £000
Tangible assets	36,402	–	1,139,149	–	<b>1,175,551</b>	1,133,349
Heritage assets	22,136	–	463,136	–	<b>485,272</b>	467,151
Investments	–	2,495	1,173	14,062	<b>17,730</b>	16,860
Net current assets	–	19,187	893	29	<b>20,109</b>	17,262
Long term credi-tors	–	(887)	–	–	<b>(887)</b>	(1,101)
Total net assets	58,538	20,795	1,604,351	14,091	<b>1,697,775</b>	1,633,521

**18. Cash flow information**

**(i) Reconciliation of net income to net cash inflow from operating activities**

	<b>2019</b>	2018
	<b>£000</b>	£000
Net expenditure for the reporting period	<b>(8,763)</b>	(88)
Adjustments for:		
Depreciation charges	<b>21,570</b>	34,636
Gains on investments	<b>(749)</b>	(54)
Dividends and interest	<b>(525)</b>	(446)
Impairment of fixed assets	<b>11,914</b>	–
Donations of works of art	<b>(10,805)</b>	(15,884)
(Increase)/decrease in stocks	<b>(203)</b>	467
Increase in debtors	<b>(3,560)</b>	(2,980)
(Decrease)/increase in creditors	<b>(1,014)</b>	3,776
Net cash inflow from operating activities	<b>7,865</b>	19,427

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

	<b>2019</b>	2018
	<b>£000</b>	£000
Cash in hand	<b>2,725</b>	3,469
Notice deposits (less than three months)	<b>20,116</b>	21,466
<b>Total cash and cash equivalents</b>	<b>22,841</b>	24,935

**19. Capital commitments**

Financial commitments were as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Acquisition of works of art contracted for, but not provided in the accounts	<b>4,028</b>	5,464
		<b>Works of art</b>
		<b>£000</b>
Opening commitments at 31 March 2018		<b>5,464</b>
Less paid for during the year		<b>(4,778)</b>
Additional commitments		<b>3,342</b>
Closing commitments at 31 March 2019		<b>4,028</b>

Commitments to acquire works of art are made throughout the year with the timing of payments dependent upon bringing the work into Tate's premises and satisfactory completion of condition checks. Payments for works are normally expected to take place within the following year and will be funded via donations already pledged to the acquisitions as well as further fundraising during the coming months.

**20. Contingent liabilities**

There are no contingent liabilities.

**21. Related party transactions**

Tate is an NDPB whose parent department is DCMS. DCMS is regarded as a related party. During the year, Tate had a number of transactions in the normal course of business and at full arm's length with DCMS.

The National Gallery and Tate Boards have an agreement, reached in 1997 and renewed in 2002 and 2009, that the dividing line of the National Gallery's and Tate's responsibilities in respect of the scope of their collections of foreign art should be circa 1900. Accordingly a group of works has been lent by Tate to the National Gallery and vice versa.

As well as being Trustees of Tate, Dexter Dalwood, Dame Moya Greene DBE and Katrin Henkel are also Trustees of the National Gallery.

To March 2019, Dame Seona Reid DBE was deputy chair of the Heritage Lottery Fund, from whom Tate has received significant grant funding during the year as detailed in note 3. Dame Moya Greene DBE is a director of Rio Tinto, from whom Lionel Barber donated a speaking engagement fee of £10,000 to Tate in 2018-19. Roland Rudd donated £2,000 to Tate during 2018-19. James Timpson OBE is a director of Timpson Limited, which made donations to Tate of £4,000 in 2018-19. Lionel Barber is a director of The Financial Times Limited, to whom Tate paid £1,000 in subscription fees in 2018-19. Dame Moya Greene DBE was a director of Royal Mail Group to September 2018 and is a director of Easyjet plc, to whom Tate paid £4,000 in 2018-19. Jane Wilson is on the board of DACS, to whom Tate paid £19,000 in copyright fees in 2018-19. John Booth is a director of Maintel Europe Limited, to whom Tate paid £2,000 in 2018-19 in respect of telephone equipment and licence fees. Michael Lynton is a member of the Smithsonian Board of Regents, to whom Tate paid £1,000 in art transport costs and from whom Tate received £2,000 in fees in 2018-19.

Maria Balshaw is a trustee of the Clore Leadership Programme, to whom Tate paid £4,000 in training costs in 2018-19. Frances Morris is a board member of the Fruitmarket Gallery, from whom Tate received £2,000 in fees in 2018-19. Judith Nesbitt is a trustee of Liverpool Biennial, from whom Tate received fees and events income of £16,000 during 2018-19.

Maria Balshaw is a director of Tate Foundation. James Timpson OBE, Kerstin Mogull and Stephen Wingfield are directors of Tate Enterprises Limited. Polly Bidgood was a director of Tate Enterprises Limited to February 2019.

John Booth is a Tate Patron and paid subscription fees of £1,000 to Tate Foundation, and the John Booth Charitable Foundation made a donation of £11,000 to Tate Foundation for Tate Patrons in 2018-19. Maja Hoffmann is a member of Tate International Council and paid subscription fees of £8,000 to Tate Foundation in 2018-19.

During the year Tate Foundation made donations to Tate of £3,840,551 (£4,730,403 in 2017-18) and reimbursed Tate for staff costs totalling £440,439 (£441,430 in 2017-18) and support costs totalling £125,923 (£101,884 in 2017-18). At the year end, debtors included £1,704,000 (£1,427,000 in 2017-18) and creditors included £13,000 (£27,000 in 2017-18) in respect of Tate Foundation. During the year the American Fund and Americas Foundation made donations to Tate of £781,172 (£1,302,160 in 2017-18). At the year end, debtors included £133,000 (£nil in 2017-18) and creditors included £nil (£193,000 in 2017-18) in respect of the American Fund. During the year the Canada Foundation made donations to Tate of £nil (£40,115 in 2017-18).

The details of key management compensation are disclosed in the remuneration report.

## **22. Financial instruments**

As a significant proportion of the cash requirements of the charity are met through Grant in Aid received from DCMS, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments are cash relating to the running of the operation. The charity's main exposure is investments and debtors.

### **Credit risk**

Tate is exposed to a credit risk of £6,131,000 representing trade debtors (£4,952,000 in 2017-18), however the risk is not considered significant as major customers are known to Tate. All debtors over six months in age are provided for as doubtful debts totalling £202,000 (£230,000 in 2017-18).

Cash is held by Tate's bankers. The charity has not suffered any loss in relation to cash held by its bankers. See note 13.

### **Liquidity risk**

Tate manages liquidity risk through its reserves policy. Tate does not make use of long-term debt or borrowing facilities. As a result, Tate is not exposed to significant liquidity risks. There are sufficient funds to cover existing current liabilities.

### **Market risk**

Tate is not exposed to significant market risk from financial instruments. Interest and investment income represents 0.37% of the total incoming resources for Tate (0.30% in 2017-18). Tate is therefore not exposed to significant interest or investment risk.

### **Foreign currency risk**

Tate's exposure to foreign currency risk is not significant.

**23. Post balance sheet events**

The annual report and accounts were approved by the Accounting Officer and Trustees on 3 July 2019 and authorised for issue on the date they were certified by the Comptroller and Auditor General. There were no reportable events between 31 March 2019 and the date the accounts were authorised for issue.

