

Business & Funding

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Tate Organisation

- Tate has grown in many ways over the last few years. Around 2.5 million people visited our galleries in 1999–2000. In 2003–04 the numbers had risen to 6.2 million, not counting the 3.4 million who visited Tate Online. We now show fifty percent more works from the Collection and hold three times the number of exhibitions. Some 400,000 people a year are participating in our education programmes.
- This expansion has taken place in a constrained financial climate for museums and galleries. We have met our statutory obligations, and managed to achieve a small surplus for the biennium in accordance with our financial policy. In 2003–04, we were fortunate to receive a special additional grant of £2 million from the Department of Culture, Media and Sport, invested to achieve greater efficiencies, but our Grant-in-Aid per visitor still falls short of our need.
- So, of necessity, we are becoming more entrepreneurial, and whereas ten years ago eighty percent of our revenue was from government, over the last two years we have generated an average of fifty-four percent of our revenue income ourselves, through trading and from the private sector, and in 2003–04 raised £58.5 million in total self-generated income. As the recent National Audit Office report confirms, we rely less on government funding than any other national museum or gallery.
- Behind this achievement is a combination of factors. We have significantly increased the numbers of Tate Members and Corporate Members and managed, despite market instability, to continue to attract major corporate sponsorship. Trading revenue through Tate Enterprises was particularly strong around the exhibition programme in 2002–03. Then Tate Publishing reorganised its overseas distribution in 2003 and sales of Tate books outside Europe tripled. More than one million people visited our restaurants, cafés and coffee bars.
- We continue to develop our estates, improving both buildings and connections. A highlight of the last biennium was the launch of the Tate Boat in May 2003. Visitors can now travel along the Thames between Tate Modern and Tate Britain in eighteen minutes in a state-of-the art catamaran, with specially commissioned exterior and interior designs by Damien Hirst. The service, which is run by Thames Clippers and sponsored by St James Homes, is made possible by a striking new pier at Millbank, in front of Tate Britain, designed by Marks Barfield, architects of the BA London Eye. The Millbank area will be further enhanced by the arrival, in buildings next to Tate Britain, of Chelsea College of Art and Design.

We continue to improve our infrastructure

- Since 2002, more people have been visiting the South Bank thanks to the Millennium Bridge, which allows pedestrians easy access to Southwark from the City and is an attraction in its own right. Because the bridge lands close to the north entrance of Tate Modern, this route into the building has seen greatly increased use. To accommodate the extra footfall, we have worked with Tate Modern's architects Herzog & de Meuron to reconfigure the layout of the north entrance, adding a space for the new Untitled series. In the next two years we will look at opportunities for developing Tate Modern further.
- Meanwhile, we are moving ahead with a new development at Tate St Ives, which will enable us to display more art, provide proper education spaces and serve our visitors better. We are also working hard to prepare Tate Liverpool for its role in the city's tenure as European Capital of Culture in 2008.
- It is the people who work for Tate who realise our ambitions and we have done much in the last biennium to address their needs. Our recently strengthened Human Resources team includes a new dedicated Learning and Development Manager to coordinate our approach to learning and career development throughout Tate. And we have introduced a new pay structure – a system that has enabled us to reward better those people throughout Tate who help deliver such an exciting and varied programme with limited resources.
- We continue to add infrastructure and networks for greater efficiency, and a major development is the creation of our own box office system, introduced alongside a dedicated Membership and Ticketing Services department. Without the need for third-party ticketing, we can now deliver a good, direct service that builds better relationships with people booking for our exhibitions and events. A number of other IT systems, such as a Content Management System, are now helping us improve coordination between departments and keep better records of our work.



Funding

SPONSORS

- Our corporate sponsors help us to mount ambitious exhibitions and to sustain and develop our programmes. Over the last two years we have continued to enjoy invaluable long-term associations while attracting companies new to Tate to work with us on a wide range of projects.
- A highlight of 2002 was Ernst & Young's sponsorship of *Matisse Picasso*. We are grateful to them and to many others who have sponsored exhibitions, including Aviva for *Constantin Brancusi*; The British Land Company PLC for *Gainsborough*; UBS Warburg, sponsors of *Lucian Freud* and *Cruel and Tender*; and Barclays PLC, who supported *Turner and Venice*. In 2003, we marked the twentieth anniversary of the Turner Prize, and we are indebted to Channel 4, sponsor of the Prize since 1991¹.
- In February 2004, Unilever and Tate won the Arts & Business Champion of the Year award for *The Unilever Series*. These major sculpture commissions for the Turbine Hall at Tate Modern would not have been possible without this partnership. Meanwhile, BT's commitment to Tate Online has helped achieve a string of prestigious awards for Tate's website.
- We are delighted that in 2003–04, BP, a company with whom Tate has enjoyed a long and fruitful relationship, renewed their sponsorship of displays at Tate Britain. In Liverpool, the law firm DLA has sponsored displays, while Volkswagen UK has supported exhibitions and collaborative programmes. Our partnership with Egg for *Tate & Egg Live* in 2002 produced exciting experiments in performance at Tate Britain and Tate Modern.
- We much appreciate our sponsors' backing of our education and community programmes. Tate & Lyle, Lloyd's of London and ICAP plc in London, and Rolls-Royce in Liverpool are among those who have helped us. Ernst & Young's sponsorship of *Art of the Garden*, just after the period covered by this report, linked us with the children's charity NCH, enabling a group of young people to produce an interactive animation for Tate Britain. Increasingly our sponsors enable us to serve a broad community in new and exciting ways.
- Alongside our many sponsors, we enjoy the significant contribution of more than forty Corporate Members in London and Liverpool.

DONORS

- The Art Fund has in the last two years enabled us to purchase two paintings by Sir Anthony van Dyck, as well as major works by Georges Braque, Paula Rego and Rachel Whiteread.

We are also grateful to The Henry Moore Foundation for their substantial support of Tate exhibitions and, in particular, of the sculpture programme at St Ives².

- Our donors support a wide range of activities at Tate. In 2003, for the first time, the Heritage Lottery Fund supported a significant purchase for the Tate Archive, enabling us to acquire the papers of John and Myfanwy Piper. We are grateful to The Paul Hamlyn Foundation for their generous contribution to our education programmes and to the Foyle Foundation for funding initiatives that widen access to the gallery in Liverpool. We are the only organisation outside the USA to be supported by the Henry Luce Foundation, which funds scholarship and the study of American art, and funded *Barnett Newman* at Tate Modern.
- Legacies, bequests and gifts are important to Tate. Among those acquisitions entering the Collection partly or wholly through the generosity of individuals over the last two years are works by Georges Braque, Lucian Freud, Barbara Hepworth, Man Ray, Ben Nicholson and William Roberts.
- In addition, a wide range of organised donors' groups supports both acquisitions and exhibitions. In 2003, several new groups of individuals supported Tate. These included the Frieze Art Fund, which enables Tate to buy works at the Frieze Art Fair in London, and the Film & Video Fund, which focuses on buying new works in this field. Over the past two years, Tate's International Council has supported Tate Britain's Wolfgang Tillmans exhibition and the purchase of a major sculpture by Rachel Whiteread. The American Fund for the Tate Gallery and individuals from the American Patrons of Tate have also contributed generously, bringing into the Tate Collection significant works by Carl Andre, Janet Cardiff, Roni Horn and the influential Mexican painter David Alfaro Siqueiros, among others. The new Latin American Acquisition Committee has supported the purchase of works by Sebastian Diaz Morales, Eugenio Dittborn and Gabriel Orozco.

PATRONS

- In January 2004, a major change in the structure of our Patrons schemes brought about the amalgamation of four groups – the Patrons Circle, the Patrons of New Art, the Patrons of British Art and the Associate Patrons – into a single body, the Tate Patrons. As we move into an exciting new era for our Patrons, Tate would like to acknowledge the many key works that the individual groups added to the Collection, and the impetus that they lent to initiatives such as the Turner Prize. Over the period covered by this report, we are indebted to the Patrons of New Art and the Patrons of New Art Special Purchase Fund for works by Phil Collins, Dan Hayes,

Pierre Huyghe, Shirin Neshat, Pipilotti Rist, George Shaw and Gary Webb, and to the Patrons of British Art for works by Kenneth Armitage, Ben Nicholson and Ruskin Spear, and for their contribution to our purchase of Sir Anthony van Dyck's *Portrait of Sir William Killigrew* 1638.

MEMBERS

- In the last two years we have worked hard to grow Tate Membership and numbers have increased from 43,000 to 54,000. This has been achieved through more effective recruitment techniques, combined with a successful drive to convert Members to Direct Debit, in order to reduce attrition. By the end of the period seventy percent of Members were paying for their membership by Direct Debit.
- The growth in numbers, combined with a subscription increase in April 2002, resulted in a significant rise in income, enabling Members to commit over £1 million to Tate for the first time in 2002–03.
- This money was put towards a range of acquisitions and projects. In 2003, Members purchased *Evoë 3*, the work that marked the climax of the Bridget Riley exhibition, which they also sponsored. They supported *Eva Hesse* at Tate Modern, followed in spring 2004 by *Donald Judd*. In Liverpool, Members sponsored the highly successful exhibition *Shopping* and, at Tate St Ives, the Barbara Hepworth Centenary exhibition, together with projects supported by local Members. Other significant acquisitions supported by Members included Georges Braque's *The Billiard Table* 1945, and Sir Anthony van Dyck's *Portrait of Mary Hill, Lady Killigrew* 1638.

TATE ENTERPRISES LTD

- Tate Enterprises is a wholly owned trading subsidiary of Tate, and covenants all its profits each year to the Trustees. It has two divisions, Catering and Enterprises, which includes retail, publishing, product development, external sales and licensing. The combined net profit was £5.1 million in 2002–03 and £3.8 million in 2003–04.

TATE ENTERPRISES

- The partnership between publishing, product and retail within the company continues to be very successful. Tate shops receive tailor-made catalogues and products for every exhibition, and Tate books reach a wide and appreciative audience. Exhibiting artists are often involved in making products or prints, and Olafur Eliasson's raindrop caught in a transparent cube was especially successful at Tate Modern over Christmas 2003. Tate's retailers and product developers work with curators and designers to refocus the shops for

new exhibitions, so that repeat visitors find something fresh. For first-time visitors there is a range of introductory books and stylish merchandise designed for each gallery.

- Tate Publishing operates as a trade publishing house and distributes its books all over the world. Almost half its income in 2003–04 came from external sales, with a growing market in the Far East and a new distributor tripling sales in USA. When Tate exhibitions travel, an excellent market for books and products is created alongside, while online sales reach individuals from Seoul to Reykjavik. In 2002, Tate Publishing was the first winner of the Art Newspaper/AXA Art Exhibition Catalogue Award, for *American Sublime*.
- The Tate brand is occasionally licensed to appropriate partners on a royalty basis. Between 2002 and 2004 the successful B&Q paints licence was extended to include wallpaper and frames, with Tate posters also sold directly to B&Q. This licence has brought income to Tate and helps raise awareness of the gallery among a wider public.

TATE CATERING

- Tate is exceptional among museums in running catering as part of its trading subsidiary rather than through a franchise. The busiest ever year was 2002, thanks to some very popular exhibitions, and more than one million people visited our restaurants, cafés and coffee bars in 2003.
- In 2002, Tate Catering's remit was extended, and it now operates at all four galleries. It has also built a successful special events catering company, Catered by Tate, which has managed hundreds of non-Tate events at the galleries and beyond.



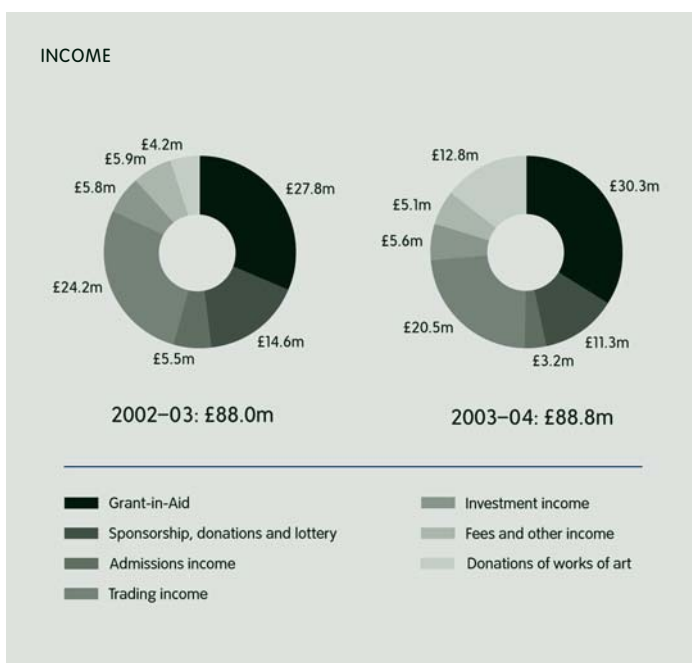
1. Details of all exhibitions may be found in the Tate Britain, Tate Modern, Tate Liverpool and Tate St Ives sections of this report or online at www.tate.org.uk/tatereport
2. Details of acquisitions may be found in the Collection section of this report or online at www.tate.org.uk/tatereport

Financial Review

- Tate is funded by Grant-in-Aid from Parliament, provided through the Department of Culture, Media and Sport. To an increasing extent, Tate supplements this grant through other sources, including trading, admissions to temporary exhibitions and to Tate St Ives, and sponsorship. We now generate over fifty percent of our income from non-government sources.

INCOME

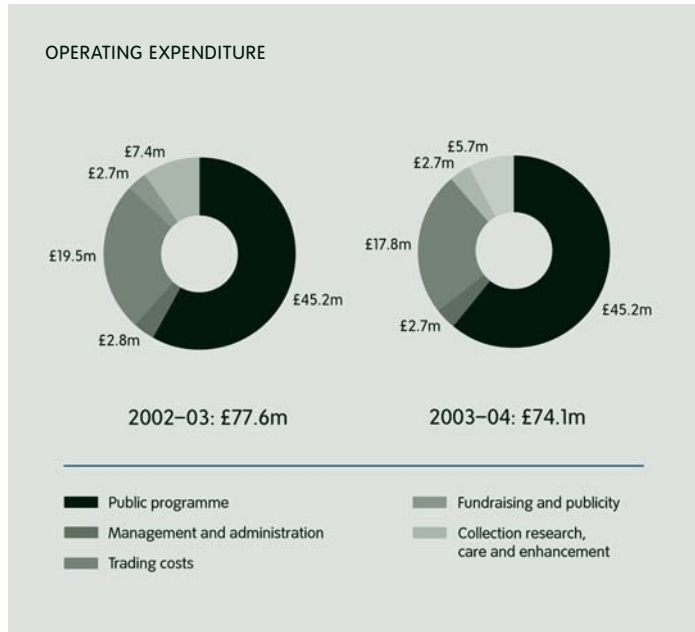
- The exhibition programme at Tate has a direct impact on income each year. In 2002–03 an exceptionally successful and popular exhibition programme, which included *Lucian Freud* at Tate Britain and *Matisse Picasso* at Tate Modern, resulted in high levels of trading and admission income. In 2003–04 Tate received a one-off extra Grant-in-Aid of £2 million from the Government to fund a programme of modernisation.



- As shown on the following pages income is allocated to both annual operating expenditure and capital expenditure.

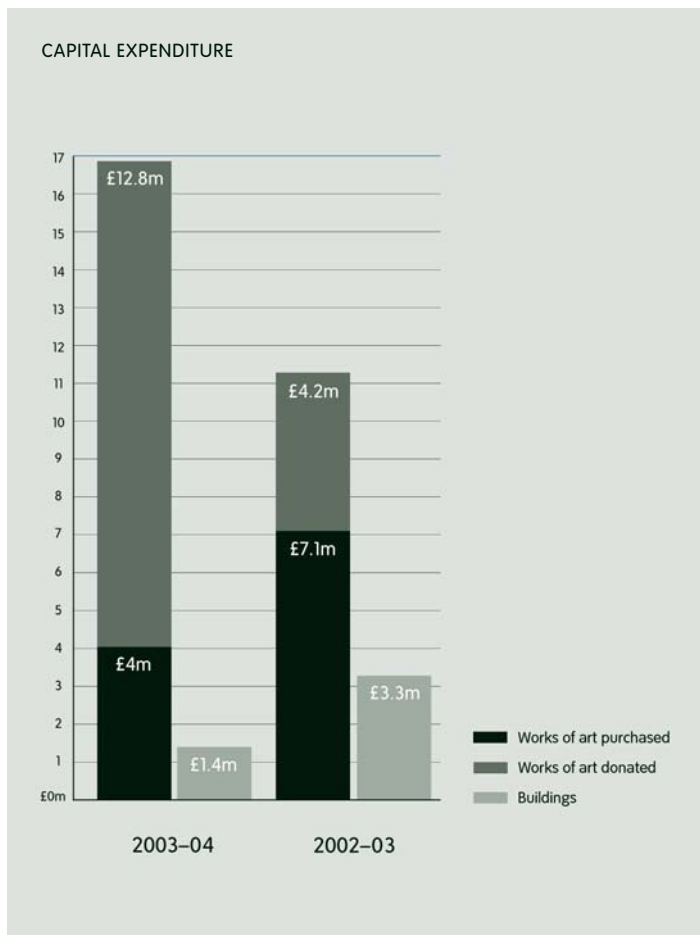
OPERATING EXPENDITURE

- The graphs below show how income is allocated to annual expenditure at Tate. Expenditure includes the research and care of the Collection, the public programme of exhibitions, education and outreach, fundraising and publicity, and trading, management and administration costs.



CAPITAL EXPENDITURE

- Over the past two years, we have added works of art valued at £28.1 million to the Collection. Of this figure, £17 million has been donated by individuals either directly or in lieu of tax. Funding for purchased works of art has come from many sources, including the Lottery, Tate Members, Tate Patrons and self-generated income.
- With less focus on developing new buildings during this biennium, we have invested a total of £4.7 million on essential major repairs and works undertaken to improve visitor circulation and orientation at Tate Modern.



SUMMARISED FINANCIAL STATEMENTS

- These financial statements are summarised from the full audited accounts and can be accessed at tate.org.uk. Tate has followed the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities.
- In accordance with Treasury requirements, a valuation of Tate's property holdings was undertaken in March 2004. This resulted in a £34.6 million increase in the balance sheet valuation of land buildings.

CONSOLIDATED BALANCE SHEET
At 31 March 2004

	2003-04	2002-03
	£000	£000
Fixed assets	338,658	292,640
Investments	15,463	13,544
Current assets	148,840	144,993
Current creditors	(15,622)	(16,162)
Creditors:		
amounts falling due after more than one year	(126,833)	(125,121)
Total assets less liabilities	360,506	309,894
Represented by:		
Buildings and equipment	292,923	261,572
Works of art	34,118	17,159
General funds	8,861	8,007
Other designated funds	294	
Other restricted funds	23,975	22,850
Endowments	335	306
Total funds	360,506	309,894

STATEMENT OF FINANCIAL ACTIVITY

	General 2003–04 £000	Buildings 2003–04 £000	Works of art* 2003–04 £000	Total funds 2003–04 £000	Total funds 2002–03 £000
Incoming resources					
Grant-in-Aid	29,482	800		30,282	27,779
Admissions	3,213			3,213	5,550
Sponsorship, donations and lottery	5,799	3,044	2,422	11,265	14,598
Trading income	19,802	(186)	898	20,514	24,218
Fees and other income	5,007	45	4	5,056	5,875
Donations of works of art		12,824	12,824	4,176	
Investment income	355	5,227	17	5,599	5,840
Total incoming resources	63,658	8,930	16,165	88,753	88,036
Resources expended					
Collection research, care and enhancement	4,952	704	13	5,669	7,426
Public programme	35,322	9,969		45,291	45,166
Fundraising and publicity	2,612	69		2,681	2,683
Trading costs	17,413	411		17,824	19,504
Management and administration	2,582	83		2,665	2,815
Total resources expended	62,881	11,236	13	74,130	77,594
Net incoming resources	777	(2,306)	16,152	14,623	10,442
Net incoming resources before transfers	777	(2,306)	16,152	14,623	10,442
Transfers between funds	377	(377)			
Net incoming resources after transfers	1,154	(2,683)	16,152	14,623	10,442
Gain/(loss) on investment assets	12	1,366	29	1,407	(187)
Gain/(loss) on revaluation of tangible fixed assets		34,582		34,582	4,671
Net movement of funds	1,166	33,265	16,181	50,613	14,926
Funds brought forward at 1 April 2003	8,085	283,496	18,313	309,894	294,968
Funds carried forward at 31 March 2004	9,251	316,761	34,494	360,506	309,894

*Including endowments

ATTENDANCE FIGURES

Financial year (April–March)

2002–03	
Tate Britain	1,207,714
Tate Modern	4,358,449
Tate Liverpool	524,381
Tate St Ives	242,506
Total	6,333,050
2003–04	
Tate Britain	1,120,618
Tate Modern	4,226,335
Tate Liverpool	600,419
Tate St Ives	267,497
Total	6,214,869
Website visits	
2002–03	2,064,767
2003–04	3,448,474

Facts & figures

- Tate is a Non-Departmental Public Body governed under the terms of the Museums and Galleries Act of 1992.

THE COLLECTION

- Tate houses the national collections of British art (including the Turner Collection) and international art from 1900 art. The Collection includes substantial groups of works on paper, notably by Turner and William Blake and in the Oppé Collection, and of international modern prints since 1945.
- The Tate Collection as of 31 March 2004 consists of 64,765 works as follows:
 - 4,607 paintings
 - 1,690 sculptures and reliefs
 - 160 installations and electronic media works
 - 12,525 prints
 - 45,173 unique works on paper
 - 610 miscellaneous works
- These figures include the Turner Bequest of 37,463 works, the Oppé Collection of 3,734 works and the Tyler Graphics gift of 461 works.
- During the period, a total of 3812 works from the collection were on display at Tate Britain, Tate Modern, Tate Liverpool and Tate St.Ives.

NUMBER OF WORKS IN TATE COLLECTIONS PER FINANCIAL YEAR

Classification	31 March 1999	31 March 2000	31 March 2001	31 March 2002	31 March 2003	31 March 2004
Sculpture, relief	1505	1544	1559	1590	1653	1690
Installation, e-media	89	98	112	118	136	160
Painting	4453	4489	4523	4550	4579	4607
On paper, print	11,256	11,373	11,602	11,715	11,902	12,525
On paper, unique	45,027	45,057	45,074	45,102	45,138	45,173
Miscellaneous	558	558	579	580	589	610
Total works in Tate Collection	62,888	63,119	63,449	63,655	63,997	64,765

NB 'on paper unique' includes 37,463 works in Turner Bequest

ACQUISITIONS BY OBJECT CLASSIFICATION PER FINANCIAL YEAR

Classification	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
Sculpture, relief	37	39	15	31	63	37
Installation, e-media	16	9	14	6	18	24
Painting	55	36	34	27	29	28
On paper, print	307	117	229	113	187	623
On paper, unique	6	30	17	28	36	35
Miscellaneous	1	-	21	1	9	21
Total works acquired	422	231	330	206	342	768

