

The Board of Trustees of the Tate Gallery Annual Accounts 2022-2023

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

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CONTENTS

	Page
Advisers	2
Annual report	3
Foreword	6
Remuneration report	31
Statement of Trustees' and Director's responsibilities	36
Governance statement	37
The certificate and report of the Comptroller and Auditor General to the Houses of Parliament	48
Consolidated statement of financial activities	52
Consolidated and Tate balance sheets	53
Consolidated statement of cash flows	54
Notes to the accounts	55

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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 2019 (the SORP), FRS102 (updated for reporting from 2019) and in compliance with the Accounts Direction issued by the Secretary of State for Culture, Media and Sport (DCMS).

The consolidated statement of financial activities set out on page 52 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 Charity 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. In fulfilling this mission, Tate activities can be summarised as follows:

- the consolidation, management and research of the Collection in ways that respond to changes in the world around Tate;
- devising 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
- improving Tate by investing in staff development and the working culture, and developing 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 and beyond;
- developing Tate's digital offer;
- generating revenue in addition to the amount received in Grant in Aid; and
- an enhanced programme of employee engagement.

A review of Tate's key business activities during 2022-23, 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: 2022 saw its 125th anniversary. 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 the 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 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 (charity no. 1085314): 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. As in previous years, none of the activities or financial results of Tate Foundation have been consolidated within the gallery's results in this report, reflecting the Accounts Direction issued by the Secretary of State for Culture, Media & Sport, with the approval of the Treasury.

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 2023 was £74,700 (£68,300 in 2021-22).

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
Director, Tate

13 July 2023

Signed

Roland Rudd
Chairman, Tate

13 July 2023

FOREWORD

The accounts have been prepared in accordance with the Charities Statement of Recommended Practice 2019 (the SORP) Financial Reporting Standard (FRS) 102 (updated for reporting from 2019) under a direction issued by the Secretary of State for Culture, Media and Sport under the Museums and Galleries Act 1992.

Review of activities in 2022-23

Tate's recovery after the effects of the Coronavirus pandemic has been strong. This period has seen audiences return in greater numbers than had been expected, and the development of a vision and strategy that will provide for a future that is sustainable, financially and environmentally. The programme and displays at all galleries have been vibrant and introduced both new perspectives on familiar names and new artists to new audiences.

However, like all businesses and individuals, Tate has felt the effect of rising energy prices and wider economic pressures. In addition to the impact on the costs to the business, both directly in increasing energy bills and passed on in the procurement of goods and services, it has been observable that the rising cost of living has affected audiences and spend in Tate's shops and restaurants. The programme and offer remain strong, and the appeal palpable, but the wider context is sure to have taken its toll.

This notwithstanding, significant success in the programme and other areas have included:

- the development and installation of a full rehang at Tate Britain which opened to the public in May 2023;
- major exhibitions that have achieved critical success;
- touring exhibitions in many countries around the world;
- the beginning of a project that will transform Tate Liverpool and its presence in the city;
- good progress in fundraising and the appointment of architects for the Palais de Danse in St Ives;
- the appointment of Rosalind Nashashibi as an Artist Trustee; and
- new appointments at Director level including Carmel Allen as Managing Director, Hamish Anderson as Chief Executive of Tate Enterprises, Liam Darbon as Director of Digital and Innovation, Emma King as Capital Director, Mark Miller as Director of Learning, Catherine Wood as Director of Exhibitions at Tate Modern and Deborah Potter as Director of Collection Care.

In achieving this, Tate is grateful to the commitment and expertise of colleagues and the interest, support, and continuing generosity of all those who support Tate. Such support is vital to Tate's strength and sustainability. Tate's adaptation to new challenges depends on the innovation and vision of colleagues throughout the Gallery. This report could not begin without a commendation to all those whose effort has enabled Tate to do and become what it has.

Tate's objectives

The Director, Maria Balshaw, has set out a new Vision and that will guide Tate over the next five years. Tate will:

- Achieve real change in who engages with Tate, in our galleries, digitally and through our partnerships and our wider programmes
- Achieve real change in who works for Tate and how they are supported and developed in their roles
- Use its world class collection more and in new ways to meet the needs of our public and support our future business model
- Evolve its business model to be more financially and environmentally sustainable

This has paved the way for organisation-wide planning and the development of a new five-year strategy in 2023-24. The objectives will be pursued following the set of values developed by colleagues from across Tate: to be open, bold, rigorous, and kind.

Commemorating the passing of HM Queen Elizabeth II

Tate was saddened but honoured to play a part in the national mourning of HM Queen Elizabeth II. In September, we worked closely to support the Department for Culture, Media and Sport's management of the queues to attend the Lying in State in Westminster Hall. The main queue passed the riverside frontage at Tate Modern, and colleagues from the gallery both supported the queue and provided access to toilets and other amenities for those queuing overnight. The queue for those with access needs was on Millbank in front of Tate Britain. There, colleagues worked around the clock to support those queuing. It was a sad and pressured time for all concerned and we thank the teams involved for going above and beyond the call of duty to support and facilitate this period of national mourning.

Recovery of Audiences

Previous reports have documented the effect of the Coronavirus pandemic. Overall, visitor numbers dropped from 8.26 million in 2019-20 to 3.07 million in 2021-22. This year has seen strong recovery: by the end of the year ended 31 March 2023, the number of visits to all Tate galleries totalled just under 6 million, being 73% of those in the year ending 31 March 2020. Global travel restrictions have eased, but the UK as a whole continues to see lower levels of inbound tourism. At Tate, there has been some recovery, reflecting the strength of Tate Modern in particular as a tourist attraction, where international visits in 2022-23 accounted for 41% of all audiences, against 50% in 2019-20. Elsewhere, during the pandemic, Tate St Ives proved its appeal to domestic audiences and it is encouraging to see this continue in 2022-23 with visits from beyond Cornwall accounting for 61% of audiences against 52% in 2019-20.

With Tate previously generating more than 60% of its revenue from sources other than Grant in Aid, including contribution from the restaurants and cafes operated by Tate Enterprises, the continued reduction in self-generated income has been significant. Moreover, the lessons of the past few years and the uncertainties caused demonstrate that such vulnerability is unsustainable. This year has seen Tate adapt to these new circumstances and plan for the development of operations that are more resilient.

More generally, the gallery and colleagues have adapted well to changing patterns of working. Where requirements allow, hybrid working has been adopted and technology adapted to enable this. Meeting rooms across all sites have been enhanced to provide better facilities for videoconferencing. As well as providing for hybrid working, this has delivered great improvement in an organisation that is multi-site with galleries nationwide. It has also reduced the costs and environmental impact of travel.

Programme

Early in the year, *Life Between Islands* finished its run at Tate Britain, recording attendance far in excess of what was hoped. More than this, it attracted both audiences who had not previously visited Tate and audiences of diverse ethnicity. It was pleasing to see this continue in other shows across Tate sites, with Lubaina Himid and Magdalena Abakanowicz at Tate Modern and *Lynette Yiadom-Boakye: Fly in league with the Night* at Tate Britain similarly drawing more diverse audiences. The first run of Lynette Yiadom-Boakye's exhibition was severely affected during the first lockdown, and we were delighted to be able to programme its return after successful runs at the partner institutions, the Moderna Museet, Stockholm, Kunstsammlung Nordrhein-Westfalen, Düsseldorf, and Mudam Luxembourg – Musée d'Art Moderne Grand-Duc Jean.

Cezanne at Tate Modern represented a significant step. A landmark show, it presented new dimensions of one of the great artists of history, introducing viewers to a political dimension to his work, and drawing on recent scholarship to examine familiar motifs. Its success, attracting in excess of 350,000 visitors, demonstrated the recovery of audience levels after the pandemic. *Cezanne* also proved the means to introduce audiences to artists new to them, notably *Magdalena Abakanowicz* and *Maria Bartuszová* which were shown elsewhere at Tate Modern, each attracting visitors

significantly in excess of expectations. Earlier in the year, *Surrealism Beyond Borders* took a similarly broad approach, including some of the familiar and much-loved works of the movement – for instance Salvador Dalí's *Lobster Telephone* – in the context of works that demonstrate the global nature and influence of surrealism through works by artists including Leonora Carrington, Eileen Agar and Wifredo Lam. In this way, the exhibition demonstrates much of the strength of Tate's collecting in recent years, highlighting global perspectives and the work of women artists, as well as building on recent elements of the programme at Tate Modern.

At Tate Britain, one of the first shows to open this year was a retrospective of Cornelia Parker. This received very strong reviews and proved equally attractive to audiences. It gathered some of the best known of Parker's works, including *Cold Dark Matter* and *Thirty Pieces of Silver*. As Tate Britain was preparing the major rehang of its collection displays, this exhibition was a reminder of the central place that the gallery has for British artists. It is the home of British art and, where Lynette Yiadom-Boakye and Cornelia Parker are major artists of today through shows like *Walter Sickert*, which ran over the summer and into the autumn, Tate Britain also showcases the best of historic British art.

For a large part of the year, Hew Locke's *The Procession* took centre stage in the Duveen Gallery. This landmark piece addressed very live concerns of the present day, using a diorama of costumed mannequins and figures running the length of the gallery to bring forth issues of colonialism and migration. It did so by simultaneously combining such complex histories with a sense of pageant and the celebration of rich visual expression. This gave it a strong appeal to audiences and, like much of the programme, heralds the visual exploration of British history that will characterise the rehang of the permanent collection opening in May 2023.

Another major installation spoke similarly to current concerns. This year's Hyundai Turbine Hall Commission at Tate Modern was undertaken by the Chilean artist, Cecilia Vicuña. *Brain Forest Quipu* was a multi-part installation made up of sculpture, sound, music and video. Two quipu – an ancient South American recording and communication system made from knotted threads – hung 27 metres from the ceiling of the Turbine Hall. They were woven together using a range of organic materials, including found objects, unspun wool, plant fibres, rope and cardboard to evoke the look of bleached-out trees and ghostly forms to create a work mourning the loss of the rainforests in the artist's home country of Chile and advocating for individual and community action to protect nature. To realise the project, Vicuña worked alongside artists, activists and members of the local community. Some of the items used in the sculptures were collected from the banks of the Thames by women from local Latin American communities.

This year saw the fifth anniversary of the opening of the extension to Tate St Ives. *Barbara Hepworth: Art and Life* celebrated a major British artist, whose legacy remains so central to the town and Cornwall more widely. Organised jointly with the Hepworth Wakefield in the town of the artist's birth, this exhibition presented almost five decades of her sculptures, paintings, drawings, prints and designs. Earlier in the year, *Ad Monoliti: Biosfera Peluche / Biosphere Plush*, produced in association with BALTIC Centre for Contemporary Art made very different use of the new spaces, transforming part of the gallery space into an active classroom.

Two exhibitions in Liverpool this year focused on landscapes. The first, *Radical Landscapes* explored the politicised aspect of a very British tradition of art. It featured work by artists including Jeremy Deller, Ingrid Pollard, Tanoa Sasraku, Derek Jarman, Hurvin Anderson, Claude Cahun and Gustav Metzger, and two new commissions by Davinia-Ann Robinson and Delaine Le Bas. The second exhibition, *Dark Water*, presented work by Turner within an immersive sound environment created by artist and musician, Lamin Fofana. Drawing on Tate Liverpool's waterfront location, this exhibition featured works by Turner that focus on the dangers of the waters around the British coast, juxtaposing these with sound work by Fofana, who grew up in Sierra Leone and Guinea before moving to the US, and whose music addresses themes of migration and displacement.

This year's Turner Prize was also hosted at Tate Liverpool, attracting 90,395 visitors, making it the gallery's third most visited exhibition ever. This year's shortlisted artists were Heather Phillipson, Ingrid Pollard, Sin Wai Kin and Veronica Ryan. The award ceremony in December was screened live on the BBC, with the award going to Ryan, whose work combines found and usually forgotten

objects with crafted materials and is underpinned by interconnecting themes such as displacement, healing and loss.

Collection

May 2023 saw the opening of the first major rehang of the collection displays at Tate Britain in a decade. This began this year with the opening of the historic displays in the west wing of the gallery, continuing into the displays of early to mid-twentieth century art in the eastern galleries and of displays focused on Turner and Constable in the Clore Gallery. This project has engaged teams across the gallery, from curatorial and conservation to research, interpretation and digital. It has been underpinned by detailed work behind the scenes. One such project has been the conservation of Philip James de Loutherbourg's *The Grand Attack on Valenciennes by the Combined Armies under the Command of HRH Duke of York* a canvas nearly four metres in breadth painted in 1794 which underwent treatment this year, bringing out the brilliance of its colouring. The gallery devoted to the 1780s has also been a major achievement, featuring a salon hang based on the original Royal Academy shows.

In preparing for the rehang, curators have undertaken detailed work into the background of works and sitters, bringing forth different perspectives on the scenes and histories represented. In this way, the rehang will present the best of British art and the most up to date scholarship, telling a history of Britain through art. Curators have also worked with contemporary artists and voices to lend comment from modern perspectives and represent views contemporary to the works on display. An accompanying series of books has also been developed, inviting commentators from different walks of life to respond to the themes that the displays take. The first of these went on sale this year, including a publication by Bernadine Evaristo. Further titles will follow in 2023-24 and as new rooms in the rehang open.

A project this year has addressed Rex Whistler's mural in the former Restaurant at Tate Britain, *The Hunt in Pursuit of Rare Meats*. This mural is painted on the walls of the gallery and, while not a Collection work, is part of Tate's history. It includes imagery which is of the period, and which many now feel to be racist. Following the Trustees' decision in 2021-22 that the room should not be reopened as a restaurant, the challenge for the Gallery is how this can best be addressed and the mural presented suitably, given the offence that can and has been caused by some of the image. This year, a project was undertaken, overseen by a team from departments across Tate, and informed by focused conversations with groups comprising artists, historians, cultural commentators and younger audiences and chaired by Dr David Dibosa of the University of Arts and Professor Amia Srinivasan of the University of Oxford. The discussions have seen differing opinions and one of the most striking things has been the evolution of thinking within the groups. In February, it was announced that the outcome will be a commission from the artist Keith Piper that will respond to the history and problems generated by the mural. The commitment has been that the project is not just about the mural, but is also about the museological responsibility to address difficult aspects of the past in ways that contribute to reflection and discussion that is constructive for the future. The Commission will open in 2023-24.

The objective to use the Collection more and in new ways builds on the strength of the Collection and recent initiatives. At Tate Modern, Yayoi Kusama's *Infinity Mirror Rooms* has continued to be a success, attracting over 320,000 visitors in the year and acting as a cornerstone of a commercial offer that includes Kusama-themed meals in the restaurant. Using the Collection in this way depends on the vision of the acquisitions team and the generosity of Tate's supporters. Many of the exhibitions this year have centred on and showcased the acquisitions of recent years, demonstrating the perspicacity of Tate's collecting policies. *Magdalena Abakanowicz* at Tate Modern was a good example, where such works took centre stage.

In Liverpool, Candice Breitz's *Love Story* was installed in July. It was one of the most talked-about works at the 2017 Venice Biennale and this was the first time that *Love Story* has been shown in the UK since being acquired for Tate's collection. The work is a thought-provoking, seven-channel installation that asks whose voices we are willing to listen to in a media-saturated world. Evoking

the global scale of the refugee crisis, *Love Story* is based on interviews with six people from different parts of the world who have been forced to flee unbearable circumstances in their home countries.

This year, we were tremendously grateful to receive a gift of outstanding importance and generosity. In April 2022, it was announced that a major body of contemporary artworks from the D.Daskalopoulos Collection would be donated to four museums around the world. Overall, 350 works were donated, with 110 coming to Tate. Accession of these works will take place in 2023-24.

Started in 1994, the D.Daskalopoulos Collection has brought together international works that reflect the artistic practices of recent decades and explore the existential, social and ideological struggles of the human condition. They include large-scale installations and sculptures, as well as drawing, collage, film and video. Since the announcement, the process of bringing the works into the Collection has begun, with Collection Care teams documenting an array of works in a broad range of media by artists including Louise Bourgeois, Vlassis Caniaris, Helen Chadwick, David Hammons, Mona Hatoum, Isaac Julien and Paul McCarthy.

Major acquisitions of individual works this year have included Isaac Julien's *Looking for Langston*, a key filmic work by a major artist who will be the subject of a monographic retrospective show at Tate Britain in 2023-24. Other additions of note to the British Collection include *Drawing 25*, a work by Nnena Kalu an artist of growing repute, who is supported by ActionSpace, a London-based visual arts organisation that works with artists with learning disabilities. With the support of funds from the Nicholas Themans Trust, we were able to add *Wild Flowers at the Corner of a Cornfield* a work by 19th Century painter Martha Mutrie to the historic collection, a fine and detailed still life. A further addition from the 17th Century was made possible by HM Government's Acceptance in Lieu scheme: Jan Siberecht's *A View from Richmond Hill 1677* is an early example of the British landscape tradition.

Tate has the statutory duty to develop the national collection of both British and modern international art. Acquisitions in the latter area this year included the addition to the ARTIST ROOMS collection of Jenny Holzer's work of four marble benches, one of the forms most associated with Holzer's practice. In addition to inviting us to look and contemplate, they are functional and meant to be used. The benches feature excerpts of poems by the acclaimed Polish author, Anna Świrszczyńska, who wrote about her experiences as a nurse and member of the Polish Resistance during the Second World War.

The partnership with the Museum of Contemporary Art, Sydney supported by Qantas saw the acquisition of Nongirriŋa Marawili's *Baratjala 2020*, an important addition to the representation of First Nation Australian art in the Collection. Like this year's acquisition of Cecilia Vicuña's *Quipu Womb*, this is an example of how closely connected acquisitions are with displays and the development of future programme across all four sites. With the support of Tate Americas Foundation, we were delighted to bring six films by Cuban-American artist Ana Mendieta into the Collection. Elsewhere, the acquisition of Chinese artist Liu Chuang's 2018 film *Bitcoin Mining and Field Recordings of Ethnic Minorities* demonstrates how the Collection is developing to represent the most recent and contemporary of debates.

Sharing the Collection

Tate continued its active loans programme, which achieves a number of functions, supporting partner institutions in the UK and sharing the Collection nationwide and contributing to the UK's profile overseas. Lending is part of the global quid pro quo by which global exhibiting institutions operate: as well as sharing the collection, it is part of the economy of how museums operate, therefore contributing to revenue to Tate, either directly in ticketed exhibitions or as part of the International Touring Exhibitions described below. Overall, 1,072 works were lent to 181 venues.

This year, we were pleased to be able to support the ninth edition of the British Art Show exhibiting at the Whitworth in Manchester through the loan of Anne Hardy's *Liquid Landscape*. An ARTIST ROOMS of Diane Arbus has shown at Barnsley Civic, an exhibition of sixty works on paper. At the same time, Frank Bowling's *Who's afraid of Barney Newman?* has travelled to the US, first to the Museum of Fine Arts in Boston and subsequently to the San Francisco Museum of Modern Art.

Ingrid Pollard's exhibition at Milton Keynes and then Turner Contemporary in Margate featured two works from the Collection: it was this exhibition for which she was nominated for the Turner Prize this year. Loans also support international partners: this year, we made two loans to the exhibition of *Early Mondrian* which showed at Fondation Beyeler in Basel and subsequently at K20 Kunstsammlung Nordrhein Westfalen in Düsseldorf. Elsewhere, the monographic exhibition of American artist Alice Neel at the Pompidou in Paris and then the Barbican London featured the loan of her 1930 portrait of Ethel Ashton.

Caring for the Collection

The Collection Care team includes conservators, art handlers, registrars, the installation teams, photography and the library and archive. All of these teams are intrinsic to the work that Tate does and the delivery of the programme. Much of the work mentioned above relies in some way on the Collection Care teams. For instance, registrars have been heavily involved in preparing for the D.Daskalopoulos gift to come to Tate, ensuring that the storage and conditions are in place and undertaking the extensive documentation of its movement. Elsewhere, in order for Tate Liverpool's Art Explora Mobile Museum project to take place, teams from Collection Care and Art Handling had to assess work and the conditions of its care in preparation for it to go on the road. Most notably, Collection Care teams have worked extensively on the preparation for the rehang at Tate Britain. As well as undertaking some of the treatments described above, all works and frames have been checked, conditioned in readiness for display. Some of this has enabled work to be displayed for the first time, an example being Hamad Butt's *Transmission*, following extensive conservation treatment, by the Sculpture & Installation Conservation teams.

This year saw the refurbishment of the Library and Archive Reading Rooms and ancillary spaces at Tate Britain, improving the visitor experience. We were also able to increase the opening hours back to pre-pandemic levels (Monday to Thursday, 11.00 am to 5.00 pm) to enhance access to Tate Library & Archive collections. The numbers visiting are now close to pre-pandemic levels, with approximately 1,000 participating in a bespoke visit or special event over the course of the year in addition to standard visits to the Reading Rooms.

Tate's Collection Care team has been at the forefront of improving the environmental sustainability of practice across the sector. This year, Tate Photography changed the paper used for printing vintage posters for Tate Enterprises to a more sustainable hemp-based blend. Hemp fibre grows more quickly and densely whilst needing less water and no pesticides, making it a much more sustainable option.

Tate has also been leading international work, as part of the Bizot group of international lending institutions, to advocate for the adoption of a renewed 'green protocol' for the lending, display and storage of collections. This includes adopting a risk-based approach to environmental conditions for objects and advocacy of the use of a set of relaxed parameters for conditions within galleries, embracing a sea and land-freight first approach to the movement of objects, using virtual couriering methodologies to support the movement of objects and a commitment to play an active role in ongoing research toward reducing the carbon impact of museum practice.

The department is also globally respected for research and the techniques it pioneers. This year, Photography and Paper Conservation worked together on research of the Duncan Grant work *Abstract Kinetic Collage Painting with Sound* 1914. This was presented at the International Council of Museums' Committee on Conservation. *Reshaping the Collectible*, a major research strand into the changing media and practice of contemporary art, has been a flagship project in recent years. The project started in June 2018 and was due to end on 30 June 2021, but due to the impact of the Coronavirus pandemic was extended to December 2022. The conference *Reshaping the Collectible: Learning Through Change*, was held online on 14-16 September 2022 and the final report for the project has been submitted.

Partnerships

Tate ensures that it delivers benefits nationwide by working in partnership with other organisations across the UK. In addition to loans, this includes professional networks such as Plus Tate and the

British Art Network. It also includes Tate's work through ARTIST ROOMS which, alongside an extensive loan programme of modern and contemporary art includes learning activities in galleries throughout the UK.

Partnerships are also an opportunity for innovation. In March 2023, Tate Liverpool joined forces with the international art foundation Art Explora to launch the Mobile Museum in the UK, using a lorry as a gallery to take works from the collection on a 10-week tour to communities across the Liverpool City Region. The Mobile Museum showed a version of the exhibition *Radical Landscapes*, featuring works by Turner, Constable, Henry Moore, Barbara Hepworth, John Nash and Jeremy Deller alongside works by leading contemporary artists including this year's Turner Prize winner Veronica Ryan and shortlisted artist Ingrid Pollard.

A further project at Tate Liverpool, *Explorers* was undertaken in association with both Project Art Works and Plus Tate. The event brought together artists and staff from visual arts organisations to explore ways to make galleries and other visual arts venues more caring and inclusive spaces for all. The project explored systems of care and new ways to work with artists and showcased artists who are d/Deaf, Disabled and/or Neurodivergent. It was attended by representatives from organisations beyond Plus Tate including Autograph, Studio Voltaire, Venture Arts and local collectives from the Bluecoat. Attendees also discussed the *Creative Access Toolkit* which has been commissioned and co-authored by Plus Tate. This supports organisations in working with artists and audiences who are d/Deaf, Disabled and/or Neurodivergent, providing information on areas from setting up accessible exhibitions to caring recruitment processes.

Like other national museums, Tate also works with and supports the sector in ways unseen. Curators regularly provide expert advice to Arts Council England and Government on activities including HM Government Indemnity Applications made by non-national institutions, applications to the V&A Purchase Grant which supports museum acquisitions, and as individual experts on both the Acceptance in Lieu and Charitable Gift Schemes on works entering public collections. Through the Spoliation Working Group, we also support and advise on provenance research in public collections.

Audiences

The 2022-23 year ended with visitor numbers recovered to just under 6 million, being 73% of pre-pandemic levels. Throughout the year, year on year comparison with monthly totals pre-pandemic showed increases, a definite sign of audience confidence returning. One very encouraging change has been that, at the London sites, the proportion of local audiences attending was greater than before the pandemic. However, in line with patterns across the UK, overseas visitors have been slower to return.

Younger audiences have also returned in numbers. In 2022-23, the proportion of visits from under 16 and 16-24 year olds across Tate exceeded that of 2021-22 and was equivalent to that of 2019-20. The ethnic diversity of audiences also increased, notably with an increase in younger audiences at Tate Britain leading to an increase in diversity of its visitors. It was also particularly pleasing that, when early in the year the final attendance figures of *Life Between Islands* were analysed, it became clear that it was the first Tate show in which attendance matched the census in terms of the representation of BAME audiences.

There have also been significant steps take for the future this year with the implementation of a new ticketing system. Launched in July, this system will deliver a more seamless experience for the public and enable Tate to service its audiences better, tailoring the offer to them and enabling people to book, make purchases and reserve tables across all that Tate has to offer in one go. The delivery of this project has seen collaboration across Tate, with the ticketing teams training on the system in anticipation of its implementation throughout the year. It has put in place the foundations for Tate's ambitions and strategy in the coming years.

During the Coronavirus pandemic, members remained loyal to Tate, testimony to the value in which it is held. As audiences have returned, membership levels have passed pre-pandemic levels by 12,000: at year end it stood at 148,000. Tate Collective – the scheme by through which under 25s

can access £5 tickets and also programme activity for their peers – has also shown similar recovery, with 150,000 signed up. In 2023-24, the scheme will celebrate its first five years. In this time, it has far exceeded expectations in terms of signups. For many, it has also been the beginning of a long journey with Tate as Tate Collective members go on to become Members.

Tate's website attracted 23 million visits this year, down from 33 million in 2021-22 (see pp22-23 for further commentary). Across all social media platforms, Instagram, Facebook, Pinterest, LinkedIn, and Twitter, Tate has 12 million followers, with 9 million visits seeing engagement with content through either likes, shares or comments.

Much has gone on behind the scenes. The biggest project of the year for the digital team has been the migration of the 250,000 pages that sit on the gallery website to a new content management system (CMS), software that lets us create, manage and store the content on our website. The CMS is a vital tool in the production and distribution of Tate's digital content, with the new CMS being the culmination of 2 years of work to modernise our digital infrastructure. Importantly, the move to a new CMS has decreased the carbon footprint of tate.org.uk by approximately 33%.

Content produced this year ranged from artist profile films to quizzes for kids. The team focuses on accessible and engaging content highlighting our collection and programme to reach the widest possible audiences – be they in London or on the other side of the globe. At both Tate Modern and Tate Britain, Tate Draw – which is overseen by the Digital team – provides a space in which visitors can use tablets to create and upload their own digital art. On average, Tate Modern will see 5,000 drawings submitted each week. This year a new drawing bar was opened in Tate Britain's Drum Gallery on the basement floor. An expanded version of Tate Draw opened on Level 3 in the Blavatnik Building in spring 2023 and kids have been wearing their artworks thanks to Tate Draw's integration with shop to enable ordering bespoke t-shirts and other items. The Content Design team answered more than 1,000 requests from within the organisation. Like 2020 and 2021, 2022 was another banner year for our Tate Kids site, with over 1,000,000 page views to the Tate Paint game webpage alone.

Tate Digital teams work with colleagues across the gallery to produce content that supports and complements the programme. Examples this year include a video interview with Turner Prize winner Veronica Ryan in addition to films in support of major exhibitions like *Cezanne*. The team has also created content that helps people experience the galleries in different ways. *Tate Dates* is a new, playful social-first video series in which two people explore our galleries together. In another example, *Visual Stories* provides, step-by-step visual and written guides for each of the Tate galleries for first-time visitors, particularly neurodiverse audience members.

Learning and Research

2022-23 was the first year of Mark Miller's Directorship of the Learning team. Later in the year, it was announced that Dr David Dibosa will join Tate in 2023-24 in the new post of Director of Research and Interpretation. He will take up the role in 2023-24.

Tate's regular learning programmes in gallery resumed after the Coronavirus pandemic. At Tate Modern, UNIQLO Tate Play is Tate Modern's new free programme of art, activities and play for families of all ages. Taking inspiration from the art on display at Tate Modern, the scheme provides free activities and events, offering families new ways in which to explore art together.

In July, Yayoi Kusama's interactive work *The obliteration room* returned to Tate Modern for its biggest iteration to date as part of UNIQLO Tate Play. Originally commissioned by the Queensland Art Gallery in Australia, *The obliteration room* is one of Kusama's most ambitious participatory works and reflects the artist's enduring obsession with accumulation, obliteration, and becoming one with the artwork. Beginning as a completely white domestic space filled with all white furniture, visitors were given a sheet of colourful dot stickers of varying sizes which they can place wherever they like to help turn the room into a riot of colour.

Elsewhere, the grand final of the BBC's 'Britain's Best Young Artist' was filmed at Tate Modern. Each of the three finalists had a masterclass with a professional artist to help refine their skills, before returning to the studio to create their final work. The winner, Chloe, was selected by judges Sadie Clayton, Ricky Martin and Tate's Mark Miller. Her work, *Homage 2022*, was installed on the Level 4 concourse of Tate Modern's Natalie Bell Building on 1 April 2023 and displayed for a month.

As part of the project to consider the Rex Whistler mural, the Learning Team gathered a group of Tate Collective members and peers from their age group to assess younger audiences' views on the matter. This was gathered and considered alongside the views of experts and artists and contributed to the conclusion described above.

Elsewhere, the Interpretation team undertook the significant task of preparing wall texts for the rehang at Tate Britain, working with curatorial teams to update descriptions in time for the opening in 2023-24. In addition to producing the interpretative texts for exhibitions and programme displays across Tate sites, this constituted a tremendous amount of work.

People and Culture

People are central to Tate. To be successful, everyone across Tate has a role to play in ensuring that our people are top of our agenda. This year, this principle was reinforced in the establishment of the objective of achieving real change in who works for Tate and how they are supported and developed in their roles has been identified as one of Tate's main strategic priorities. The new People and Culture Strategy implemented this year will ensure this. It was prepared following discussion with Directors and Trustees and built on feedback from colleagues across Tate over many months, as well as best practice from other organisations. It speaks across Tate and Tate Enterprises and works in concert with the policies and strategies in place in that area of the organisation. Ambitious KPIs have been established against the strategy, allowing progress against its objectives to be measured through to 2027. As part of the strategy, we have set workforce diversity targets for the first time for ethnicity and disability representation and continued to publish workforce diversity profiles so we can track progress against our goal of having a workforce that more closely reflects the communities we serve.

Alongside the strategy, the Dignity and Respect Policy has been refreshed and renewed, and covers both Tate Gallery and Tate Enterprises Ltd, with the version tailored slightly for each organisation. Tate expects everyone to be treated with fairness, dignity and respect while at work, and has a zero-tolerance approach to all forms of bullying, harassment, discrimination and other inappropriate behaviour. The Dignity and Respect Policy aims to clearly set out what constitutes these kinds of behaviours, and the procedure for initiating and dealing with complaints. It is an important policy which supports our Tate Values and our organisational priority to better look after everyone who works at Tate.

In addition, the organisation has placed a greater emphasis on workplace wellbeing, taking a strategic, preventative approach to embed health and wellbeing into all aspects of the culture and experience of working at Tate, taking a whole-person approach, seeing the four pillars of physical, mental, financial and social health and wellbeing as being inextricably linked. This is supported by a new wellbeing hub available to colleagues on the Intranet, a one stop shop for information about Tate's approach to wellbeing and the support, guidance and resources available to colleagues.

Staff communication and engagement has continued to be a priority, including regular communications via a range of channels, opportunities for colleagues to ask questions at Tate-wide open meetings, twice yearly Pulse Surveys, and ongoing consultation and discussion with a range of groups including staff diversity networks, Tate Staff Council, trade unions, and Tate's Race Equality Taskforce.

We have also continued to work across the organisation to support equality, diversity and inclusion, with initiatives including a new development programme for our Tate Staff Network Co-Chairs and Tate Staff Council representatives, the introduction of an objective relating to Equality, Diversity and Inclusion (ED&I) in performance reviews, a review of our mandatory and additional training around

ED&I, the launch of new, more inclusive family policies including enhanced non-birthing parent leave, and guidance for colleagues receiving fertility treatment and anyone experiencing pregnancy loss or parental bereavement, and also a commitment to running an organisation-wide inclusion survey.

Volunteers at Tate

There are almost 400 volunteers in our Visitor Experience team at Tate, involved as Volunteer Guides and Hosts. There are also volunteers involved with the Library and Archives team and at Tate St Ives. Volunteers contribute to making Tate a friendly, dynamic and accessible place to be, enhancing our programmes and activities as well as providing opportunities for people to become involved at Tate. We aim to involve a broad and diverse range of people from our communities to strengthen local links. Our volunteers are fantastic supporters and advocates for Tate.

Tate's Volunteer Guides have a rigorous recruitment programme, with three months of training, mentoring, practice and assessment. They develop their own tours, so each tour is unique. Volunteer Guides deliver on average three tours per month and volunteers delivered over 10,000 hours during the year with more than 26,000 visitors joining tours at Tate Britain and Tate Modern in the year.

In the past year, there was a focus on introducing LGBTQIA+ tours by guides with lived experience delivering these at Tate Britain and Tate Modern. African Heritage Tours are also being developed with a team of guides with lived experience, with tours due to start during 2023-24.

Tate's Visitor Hosts are a dedicated and diverse group who welcome visitors, answer questions and serve as fantastic advocates and supporters for Tate and can often be spotted wearing an 'Ask Me' bag. Visitor Hosts also support Access events and deliver ten-minute talks in the galleries alongside Tate's Visitor Engagement Assistant colleagues.

Tate offer its volunteers daily support and briefings in the galleries along with training, workshops, walkshops, regular updates and surveys. These activities serve to keep volunteers engaged, resulting in a good retention rate for volunteers.

Estates and Infrastructure

In April, Emma King began in role as Capital Director, overseeing a suite of schemes that will be integral to Tate's strategy in the coming years.

Following the allocation of moneys from the Department of Culture, Media and Sport's Public Body Infrastructure Fund, we have been able to undertake much-needed renovation work across the estate. This has included the repointing of the chimney at Tate Modern and the replacement of electrical infrastructure in the Clore Gallery at Tate Britain. We have also been able to improve facilities for staff at the Stores in Southwark. At St Ives, the coastal location creates particular pressures, especially at the entrance to the gallery, where wind and the elements have both caused attrition to the building and adversely affect the experience and thresholds of the building. We were therefore very grateful for the funds that have enabled us to address this.

At Tate Liverpool, work supported by the maintenance funds has addressed significant deterioration in the roof of the nineteenth century building. The first steps have been taken in a major project that will see the rejuvenation of the Gallery as a whole. This has been supported by the allocation of funds from the Levelling Up initiative, which will be followed by further fundraising. In the early summer, the architectural practice 6a was selected to undertake the project and over the course of the year has worked with teams across Tate on the design concept. Plans were made for the project overall, with consultations with relevant stakeholders begun later in the year. In the winter, the closure period required for the completion of the works was announced and planning started to ensure the continued presence of Tate in Liverpool for this period.

In St Ives, work continued on the project to develop the Palais de Danse as a space that celebrates and facilitates the study of Barbara Hepworth and other St Ives artists, and establishes a new space in the town based on art. The Palais has a long history, first as a dance hall and cinema popular with residents in the town and later as Hepworth's studio. It contains several historic features that will be

preserved and presented in the new building, notably a sprung dance floor on which Hepworth positioned her sculptures. A further remarkable aspect of the building is a tiled floor that Hepworth used to gauge her *Single Form*, installed outside the United Nations in New York: the outline remains on the tiles and will be a feature space in the new building. This year, Tate's conservation teams documented the entire contents of the building prior to removal of key elements to allow for necessary maintenance work. This included the *Single Form* floor, the tiles and other aspects of which have been packed and stored ready for reinstallation in the renewed space.

Tate Enterprises Limited

Tate Enterprises is a separate limited company, established solely in support of Tate. It comprises three divisions – Tate Eats, Tate Commerce and Tate Business – and all profits are returned to the gallery. Tate Enterprises also contributes to the gallery's wider aims.

There was change in management this year. On her appointment as Managing Director of Tate, Carmel Allen left her role a Chief Executive of Tate Commerce. The Directors of Tate Enterprises Ltd took the decision to combine the roles of Chief Executive of Tate Commerce and Tate Eats in a new role of Chief Executive of Tate Enterprises overall. Hamish Anderson was appointed to this role, taking it up in January 2023.

The turnover for the year was £32,961,215 (2021-22: £21,961,275). The overall key performance indicators used by management are gross margin and operating profit. In the year gross margin at company level was 65% (2021-22: 65%). The company made an overall operating profit of £4,688,581 after tax (2021-22 profit after tax: £1,737,931).

Tate Commerce

Tate Commerce experienced its first full year of relatively normal trading conditions since 2019-20, although turnover should be seen in the context of an international tourist sector still heavily impacted by Coronavirus in the first quarter and to a lesser extent in the second quarter of the year. Turnover for the year was £14,086,217 (2021-22: £11,194,675) with an operating profit of £569,392 (2021-22: £570,314). However, despite turnover increasing by 26%, overall profit for the year remained in line with 2021-22's due to the pressures of both rising product and staff costs.

During 2022-23, Tate Commerce continued its work with each of the four galleries, engaging with site Directors, Curators and operational teams to deliver an offer which had common themes throughout but that were also distinct and tailored to each site. At Tate Modern the latest Edit concept store, Bobs Shop, with the artist Bob and Roberta Smith celebrated and encouraged participation in making art. The Turbine Hall shop reopened in 2022 and traded strongly with a new offer focused on families and young people, with an invitation to make and create in the space. A beautifully executed exhibition shop for Cezanne delivered over £1 million in sales, highlighting the importance of the traditional retail offer within the portfolio.

Tate Britain had a quiet year with sales reflecting the expected impact of gallery closures for the rehang. The gallery rehang has seen the main shop reduce in size as part of it has reverted to being gallery space; a significant refresh and redesign of the space is scheduled for 2023-24.

Tate Liverpool had a strong year with excellent results, the focus in the latter half of the year has been the forthcoming capital project and the strategy for the new retail space, as well as exploring options for a temporary shop during the closure period.

Tate St Ives also enjoyed an excellent year of trading. This was the second year of the shop in its new site next to the café on the top floor of the museum. The retail team now fully understand the space and made investment in new fixtures during the year, improving the customer experience and sales in turn. Of note was the Barbara Hepworth exhibition scheduled over the traditionally quiet autumn and winter months which drove footfall and income allowing the business to trade profitably in months that are often loss-making.

E-commerce had a challenging year with a budget set in the context of changed purchasing habits during lockdown, this trend has not continued with sales reverting to pre-pandemic levels. An ambitious strategy for this area is being developed.

Tate Publishing continued to support the programme worked closely with curatorial colleagues while also bringing in new and diverse voices from outside of the organisation, for example through its now established and acclaimed Look Again series of small opinion books presenting powerful new interpretations of the national collection of British art. Tate Publishing children's category continues to grow and garner acclaim with *In Our Hands* by Lucy Farfort being nominated for two awards and reaching a wide audience after being selected for the Centre of Literacy in Primary Education reading list. Alongside these initiatives the business' historic, traditional formats performed strongly in 2022-23 with the Cezanne exhibition catalogue selling 17,500 copies and generating £480,000 in income.

The Merchandise team was strengthened in 2022-23 and the benefits of this were seen in the latter half of the year with the team having the capacity to not only take on all the exhibition work in-house, but also start a review of core products, most notably the postcard range. Further development of the core range will form a central part of the team's future strategy. Tate Images had a successful year, although with a shift in revenue distribution from traditional transactional licensing of multiple small orders to larger scale work with companies such as Samsung and Coca Cola. A shift in resource within the team has happened to recognise this opportunity and the need to take a proactive approach to sales and managing large scale clients in the future. While total revenue was down in 2022-23 for Limited Editions, the team sold the largest number of Editions ever and work is underway to secure a broader range for the future, both in terms of representation and retail price. Product licensing continues to be an area of focus with the opportunity for growth, with fourteen partners in place and some significant discussions being had with existing companies and new propositions.

In 2023-24, Tate Commerce will continue to work with each of the gallery sites to support their needs and ensure the offer to customers remains relevant. In addition, the business will work on the capital projects in Tate Liverpool and St Ives while also undertaking investment in London's retail spaces.

Tate Eats

Tate Eats also experienced its first full year of relatively normal trading conditions since 2019-20, although turnover should again be seen in the context of an international tourist sector still heavily impacted by Coronavirus in the first quarter of the year and to a lesser extent in the second quarter. Turnover for the year was £18,408,623 (2021-22: £10,111,669) with an operating profit of £3,528,806 (2021-22: £1,253,554). This strong set of figures was driven by exceptional results within the events business.

Tate Eats encountered and continues to encounter widespread recruitment problems within its kitchens. This industry-wide crisis is expected to continue for much of 2023-24 and, along with product inflation, will put pressure on both gross profit and the wage line, although both have, to date, shown good resilience.

Tate Britain had a quiet year, trading behind budget but in line with the shortfall, to budget, of exhibition visitors. With no table service offer in the medium term, and with visitor numbers forecasted to rise, work is underway to finesse and improve the offer within the café while also looking at enhancements to the Members' Room.

Tate Modern enjoyed a strong year, finishing with a return of £417,000, this figure includes £530,000 of set up costs relating to the new Corner Bar & Café project. The Kitchen and Bar contributed strongly with £368,000 in profit, its success being driven by the Kusama tickets deals. The Terrace Bar reopened for the first time since March 2019 to support the Cezanne exhibition, while physical improvement was also carried out to the offer on the North Landscape, the benefits of which will be seen in 2023-24. A key project in 2022-23 has been the development of the old café space in Tate Modern, this will reopen early in 2023-24 after a complete refurbishment and a new entrance into the building. It will provide a welcoming daytime space for the diverse range of Tate Modern's audience and generate a new revenue stream by being open as a standalone bar in the evenings.

Tate St Ives had a challenging year, trading at a loss, with results being compounded by the acute shortage of staff for many of the key summer months. A focus for 2023-24 is to reimagine the operating and staffing model for the business. Tate Liverpool made a profit, and despite only having a small skeleton team to take it through to closure in October 2023 still managed to attract some solid event revenue throughout the year.

The Tate Events, Corporate Membership and Filming team turned over £7.35 million and delivered a profit of £3.23 million. This was the first year this new end-to-end event business has traded uninterrupted and so, as well as delivering exceptional returns, work was done on the team structure and systems to ensure continued delivery of this level of business in the future. With income not linked to visitor numbers, this is a key target area for growth in the future, and as such a new Director of this department has been appointed.

Tate's coffee roasting business returned £65,000, growing its external sales by 37%. The business's strong ethical brand closely aligns to Tate's mission and has a resonance in the wider market and a new structure will be developed in 2023-24 to further grow sales.

Tate Eats exited the one external catering contract it fulfilled, at The Fitzwilliam Museum, in January 2023.

The focus in 2023-24 will be to develop the food and drink offer in all sites, reviewing suppliers to ensure they meet our climate commitments and menu engineering responding to the rising cost of living and product inflation. The business will also look ahead at strategic infrastructure projects, both those linked to larger capital projects and individual ones. Corporate memberships and events, and filming across all sites is seen as an income stream where significant further growth can be targeted.

Tate Business

Tate Business' turnover for the year was £832,738 (2021-22: £974,180) and operating profit for the year was £141,045 (2021-22: £325,230).

In 2022-23, Tate's magazine, Tate Etc, focused on the development of the publication to support Tate's Membership scheme and the engagement of Tate Members, the project to replace Tate's customer database, and controlling rising costs following issues with the paper supply chain and increasing energy surcharges.

The focus for Tate Etc in 2023-24 will be to continue to consolidate activity within Tate's wider content model and achieving greater integration with key levers in Tate Gallery.

The content model (including distribution, formats and platforms) will continue to be developed to leverage opportunities to better syndicate content to Tate's known audiences and beyond. We will continue to build upon the strategy for increasing income from advertising by identifying commercial opportunities with the gallery's Corporate Partnership and Marketing teams, expanding the sectors from which we seek advertising and increasing promotion of Tate products and services.

During the year, the division began work on an ambitious children's Art Prize with its ongoing partners Museum of Art Pudong in Shanghai (MAP). Work on that consultancy began in autumn 2022 with a programme of online workshops and will continue through the end of 2023. Finalists will have their work displayed in an exhibition at MAP and presented digitally at Tate.

The consultancy team is continuing to develop its international projects offer, within and beyond the museum sector, encompassing all aspects of Tate's expertise, in order provide a sustainable income stream for the company in the post-Coronavirus economic landscape.

Fundraising

Tate undertakes fundraising through its own Development team, sourcing corporate support, grants and philanthropic donations in support of its activities. We are tremendously grateful for the support that we received from many different sources. Certain monies are raised through donations made

in the galleries in the form of donations boxes and, in a recent innovation, contactless donation terminals. Ticket-buyers and members also have the option to Gift Aid their purchases. All fundraising is carried out by Tate or its associated charities, Tate Foundation and Tate Americas Foundation; no agency acts on its behalf. No complaints have been received in respect of Tate's fundraising activities during 2022-23.

Fundraising this year has been successful, with income returning to pre-pandemic levels. Notable philanthropic success included the gift from the D.Daskalopoulos Collection described earlier in this report and an endowment from the Manton Foundation in support of historic British art scholarship. We received a number of major gifts in support of Tate Learning programmes and significant support from a range of individuals, trusts and foundations in support of our Exhibition Supporter Circles and the wider exhibition programme.

We continue to work with corporate partners around the globe, attracting support for activity across Tate. In the summer, UNIQLO Tate Play entered its second year with Yayoi Kusama's Obliteration Room taking over the Turbine Hall. Elsewhere, the next generation of Tate Draw at both Tate Modern, Tate Britain and its extension online was kindly supported by Bloomberg Philanthropies. We continue to work closely with Hyundai Motor, which supports both the Hyundai Tate Research Centre: Transnational and the Hyundai Commission in the Turbine Hall. Elsewhere at Tate Modern, The EY Exhibition: Cezanne, was the most recent supported exhibition of this partnership. We also launched the Lockton Tate Partnership, with Lockton committing to an initial three-year partnership supporting Tate Britain Exhibitions and community programming.

Touring Exhibitions and International Partnerships

In recent years, touring exhibitions produced for partner venues around the world have become a major strand of Tate's business, generating both profile overseas and revenue for the gallery. International Partnerships of this nature are led by a dedicated team, with the success of the programme reflecting not just their hard work, but also that of curators and the collection care teams as well.

The success of the partnership with the Museum of Art Pudong continued, with *The Dynamic Eye: Op and Kinetic Art* running in Shanghai from September 2022 to May 2023. An exhibition that showed previously at MAP, *Light: Works from Tate's Collection*, travelled this year to the Australian Centre for the Moving Image, Melbourne (June-November) and Auckland Art Gallery, New Zealand (February-June 2023). The international shows also both respond to and further the strong reputation of British artists abroad. This year saw *Constable, A History of His Affections* touring to the Villa Vauban, Luxembourg from July to October and then to La Reggia di Venaria, Turin from October to February. Constable's great contemporary and rival also figured strongly in the programme with *Turner: The Sun is God* being staged at Museu Nacional d'Art de Catalunya, Barcelona, from May to September, the National Gallery of Ireland, Dublin between October and February and opening in March at the Fondational Gianada, Switzerland where it will run through to June 2023. From the modern and contemporary period, *Hockney: Works from Tate's Collection* travelled to Kunstmuseum, Luzern, and runs at the Musee Granet, Aix-en-Provence until May 2023.

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, and in June 2019 Tate declared a Climate Emergency.

As part of this declaration, Tate has recently committed to a five-year plan for climate action, which includes a target to reduce Tate carbon footprint by 10% in this time, as well as to act as a sector leader in carbon reduction. In 2022-23, Tate managed to reach the set target reaching 50% reduction on emissions since the baseline year of 2007.

In 2019, Tate switched to a renewable electricity supply tariff in order to lower our direct carbon usage. This tariff provides Tate with 'REGO' certificates that show that all of the electricity Tate purchases is 'matched' by equivalent generation from renewable sources.

Tate has committed to including sustainability or 'green' criteria in each of its tender exercises. The aim of this is to ensure each contract and supplier contributes to Tate's stated aim of a 10% reduction in carbon footprint. Such contributions could include direct financial support to a specific carbon reduction project, or concrete proposals on how to improve the sustainability performance of that contract. Since inception, these criteria have been part of several tender exercises and have contributed to helping Tate meet its climate goals.

As part of our Net Zero ambition, we have taken a range of steps towards the fight against climate change and that includes climate change mitigation and adaptation. The range of initiatives listed above all feed into this one common target which is to preserve and protect our planet. The topic of climate adaptation is about how to reduce our vulnerability to the harmful effects of climate change and for us at Tate we recognise that our biggest challenge is global warming. The impact of temperatures rising on our galleries is a real concern and this is why we have made improvements to our buildings and keep investigating new solutions with our trusted supply chain to stay on top of the latest innovation in that area.

Tate tries whenever possible to mitigate the impacts of ICT and digital usage. We use green energy tariffs to ensure that the energy needed to power our servers is as environmentally friendly as possible, and we write green principles into our tender exercises so as to ensure that we procure the most environmentally friendly solution. For example, for our recent print tender, we gave sustainability a high weighting which resulted in a greener solution that uses recycled and recyclable materials in the construction of the devices required.

Tate collaborates closely with its supply chain, and more particularly around the built environment and maintenance of our sites by engaging with sustainable partners able to support us in our Net Zero journey. By surrounding ourselves with companies with strong CSR & ESG credentials, we are putting sustainable construction at the heart of our partnership. Through a range of initiatives such as the regular Green Team Meetings and liaising with our construction partners' sustainability teams we benefit directly from their engineering expertise and can apply their recommendation to all of our sites which help us reduce our carbon emissions and energy consumption.

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 and in 2020 was awarded the Pioneer Award, acknowledging Tate's commitment to Climate Change.

Overall Tate's carbon emissions for Scopes 1, 2 and 3 have reduced by 54% from the baseline year. During 2022-23, Tate continued to invest in and upgrade our estate, by improving our heating and cooling machinery in order to cool the building using natural ventilation, using automated windows, embedded coils and natural sunlight in areas such as the entrances and café/shop areas. Tate Liverpool is also undergoing significant works which will result in a significant reduction in emissions next year.

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 30% lower than the baseline year (2013-14). In 2019-20, Tate adopted a train first policy in the UK and for destinations in northern Europe that are accessible by high-speed train, and we have encouraged colleagues to take the train where possible further afield in Europe too. Over the coming year Tate will be encouraging its staff to maintain some of these reductions in business travel in order to continue to reduce our carbon footprint.

Greenhouse gas emissions (tCO₂e)

		2019-20	2020-21	2021-22	2022-23	% change on base yr
Greenhouse gas emissions (tCO ₂ e) ¹	Scope 1 & 2 emissions					
	Scope 1 ²	3,418	3,446	3,386	3,369	(13)
	Scope 2	7,136	5,406	5,486	5,502	(60)
	Total Scope 1 & 2	10,554	8,852	8,854	8,871	(50)
	Total Scope 1 & 2 tCO ₂ e per m ²	0.100	0.075	0.075	0.079	(56)
	Scope 3 emissions					
	Business travel ³	329	32	133	356	(63)
	Water use ⁴	80	18	24	27	(77)
	Electricity transmission & distribution	606	465	470	417	(62)
	Total Scope 3	1,015	515	627	800	(63)
Total Scope 1–3	11,569	9,367	9,481	9,671	(54)	
Energy use (million kWh)	Electricity, non-renewable	0	0	0	0	(100)
	Electricity, renewable ⁵	27.9	23.1	23.5	23.6	100
	Total electricity	27.9	23.2	23.5	23.6	(15)
	Gas	18.6	18.6	18.3	18.3	10
	Total kWh per visitor	5.6	70	10	7	21
Expenditure (£000)	Energy	3,682	3,427	3,552	4,718	107
	Carbon Reduction Commitment	0	0	0	0	(100)
	Business travel	762	57	193	518	(30)

Waste and finite resources

Tate's approach to waste management is guided by the waste hierarchy of "refuse, reduce, re-use, recycle, recovery, disposal" as mostly set out in Article 4 of the revised EU Waste Framework Directive, with 'refuse' being added to suit the aims and goals of Tate.

Tate has committed to attaining zero waste to landfill. Tate have managed to increase their overall recycling rates for the two London sites and Tate Liverpool, with Tate Britain reaching the highest recycling levels of 68%. From 2023-24, Tate will record and include the 'Reuse' items in their waste figures, as part of the waste strategy and hierarchy of reuse of materials. Tate will continue to reduce the amount of waste produced and to re-use or upcycle products. Tate have added additional recycling bins across the London sites grounds to encourage and offer the facility for visitors to separate and recycle their waste.

We have adapted our shops and cafes to eliminate the majority of the waste previously being produced, such as single use plastic cups and packaging. Tate separated over 128 tonnes of food waste, which is diverted from general waste and processed through an anaerobic digestion plant. Waste costs have increased by 9% since the baseline year, reflecting the increased handling of waste, and supply chain costs.

Water use under Scope 2 (Finite Resource Consumption) increased by 14% in year, due to the impact of visitors returning to the buildings. A water harvesting facility is now operational in the Blavatnik Building at Tate Modern that allows the collection, storage and distribution of recycled

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

² Includes emissions from natural gas consumption and refrigerants

³ All business travel including international air and rail travel

⁴ 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

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

rainwater for flushing the toilets. Automated Meter Reading technology for water was installed across the London sites in 2019 so that water usage can now be closely monitored.

Electricity transmission and distribution emissions have fallen by 62% since the base year, reflecting the savings made through the energy reduction programme, and the wider greening of the electricity networks.

Finite resources: Waste

		2019-20	2020-21	2021-22	2022-23	% change on base yr
Waste (tonnes)	Landfilled	0	0	0	0	(100)
	Reused/recycled	580	109	215	372	114
	ICT waste reused/recycled	3	2	1	2	100
	Composted ⁶	243	42	92	129	92
	Energy from waste	334	110	309	309	127
	Incineration without energy recovery	0	0	0	0	0
	Total waste⁷	1160	262	617	812	(43)
	Total waste tonnes/m²	0.0098	0.0020	0.005	0.007	(49)
Spend (£000)	Landfilled	0	0	0	0	0
	Reused/recycled	87	23	42	62	(11)
	ICT waste reused/recycled	N/A	0	0	0	
	Composted	39	9	17	22	(39)
	Energy from waste	59	23	51	53	40
	Incineration without energy recovery	0	0	0	0	0
	Total waste	185	55	110	137	9

Finite resources: Water

		2019-20	2020-21	2021-22	2022-23	% change on base yr
Water use (m ³)	Total scope 1 & 2	116,400	52,409	69,795	79,405	(28)
	Scope 2 m ³ per m ²	1.28	0.45	0.59	0.71	(44)
	Total scope 2 litres per visitor	14.08	8.75	11.65	13.25	(9)
Expenditure (£000)	Water supply	220	154	104	309	2

Nature recovery and 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, including bee-friendly plants within our Tate gardens and encouraging wildlife activity by providing bug hotels. Tate has kept bees on the roofs of Tate Modern and Tate Britain since 2010. At Tate Britain we have 10,000 square metres of a green wall, which encourages biodiversity even further and a sense of wellbeing. Tate Modern has also planted over 30 silver birch trees.

Tate has introduced a Biodiversity action plan, acknowledging the trends that have led to biodiversity decline and taking action and measures to increase species and wildlife, contributing to the overall biodiversity across of our sites. Tate will also introduce a gardening club encouraging staff to participate in the wilding project across the two London sites.

⁶ Disposal via anaerobic digestion

⁷ Excludes waste from Tate St Ives and Chadwell Heath; current contractors cannot provide tonnages

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.

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 2022-2023 period, 7 exhibitions and displays were shown at Tate containing works for which Immunity from Seizure was granted, covering 214 works in total. The individual exhibitions are listed below.

Lynette Yiadom-Boakye	8
Lubaina Himid	4
Surrealism Beyond Borders	85
Walter Sickert	15
Maria Bartusová	10
Cezanne	65
Magdalena Abakonowicz	27
Total	214

Performance indicators

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

<i>Performance indicators</i>	Actual 2023 000s	Actual 2022 000s
Access		
Number of actual visits	5,993	3,069
Number of unique website visits *	23,425	33,198
Audience profile		
Number of visits by children under 16	496	308
Number of overseas visits	1,906	198

Learning / outreach

Children

Number of facilitated and self-directed visits to the museum by visitors under 18 in formal education	92	30
Number of instances of visitors under 18 participating in on-site organised activities	234	139

Visitor satisfaction

Percentage of visitors who would recommend a visit	98%	97%
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Income generation

	£000	£000
Self-generated income		
Admissions	8,279	4,599
Trading income	31,474	21,118
Fundraising (including capital)	35,749	27,706
Fees and other income	10,021	11,071
Donated works of art	5,847	23,188
	91,370	87,682

Regional engagement

Number of UK loan venues	56	62
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* Since publication of the 2021-22 financial statements, it has been identified that the number of unique visitors to Tate websites was being disclosed rather than the number of visits (sessions). This has been corrected in these financial statements for 2022-23 and the 2021-22 prior year comparative restated.

Visitor numbers increased across all sites in 2022-23 compared to 2021-22. There were 4,427,909 visitors at Tate Modern (2021-22: 1,897,402) and 935,192 visitors at Tate Britain (2021-22: 728,478) in 2022-23. St Ives attracted 188,819 visitors (2021-22: 158,125) while Tate Liverpool had 440,591 visitors (2021-22: 285,401) in 2022-23.

There were 23,425,000 sessions on Tate websites in 2022-23, down from 33,198,000 in 2021-22. However, this drop reflects the fact that the 2022-23 financial year was the first full year since changes in cookies legislation. In line with sector and industry standards, Tate has seen circa 20% of website visitors opt out of analytics cookies following the implementation of this legislation thus making these sessions untraceable. Therefore, while analytics show 23,425,000 sessions in 2022-23, the number of actual sessions is likely closer to 29 million which is broadly in line with pre-Coronavirus pandemic numbers.

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 made a deficit of £8,784,000 in the year, however this includes a £10,695,000 net loss on disposals following a detailed review of historic additions to buildings, plant and fit-out as shown in note 8 and described in note 9.

Tate continued to see reduced visitor numbers in 2022-23 compared to pre-pandemic levels, in particular international visitors, owing to visitor confidence levels and travel restrictions as well as the rising cost of living. The galleries were open for the full year. Tate was awarded Coronavirus support from DCMS in reflection of continuing reduced self-generated income levels as a result of the pandemic. Planned activity levels were reduced with a corresponding decrease in budgeted operating costs.

The Trustees have approved a deficit budget for the coming year using unrestricted general reserves generated in 2021-22 and 2022-23. This was anticipated and is due to reduced income and an

increasing cost base, but general reserves continue to be retained at a level beyond the minimum required for the reserves policy. This decision was made to give Tate time to develop a new financially sustainable business model which will support the organisation's strategic objectives and respond to visitor expectations.

The consolidated statement of financial activities on page 52 shows total income and endowments of £146,244,000 (£145,595,000 in 2021-22). Of this amount £12,864,000 (£7,893,000 in 2021-22) was applied to the ongoing capital programme, £8,658,000 (£26,204,000 in 2021-22) to Collection acquisitions and £4,101,000 (£nil in 2021-22) to endowments. The remaining £120,621,000 (£111,498,000 in 2021-22) was taken to general funds to be applied to ongoing operations (see expenditure below).

Tate received £54,158,000 of Grant in Aid (£57,531,000 in 2021-22), provided through DCMS. Grant in Aid was made up of five elements in 2022-23:

- revenue grant used to support ongoing operations of £38,076,000 (£37,330,000 in 2021-22) plus £189,000 for IFRS16 lease adjustments;
- general capital expenditure grant used to support the purchase and maintenance of fixed assets of £2,489,000 (£7,482,000 in 2021-22);
- restricted capital grant as part of the Public Body Infrastructure Fund of £7,805,000 (£nil in 2021-22);
- an additional £4,810,000 in Coronavirus pandemic-related financial support (£12,719,000 in 2021-22); and
- £789,000 in inflationary support (£nil in 2021-22).

Tate continues to supplement this grant from other sources and self-generated income from trading, admissions and fundraising amounted to £92,086,000 for the year (£88,064,000 in 2021-22).

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 52 shows total expenditure of £153,811,000 (£123,119,000 in 2021-22). Of this amount £32,866,000 (£22,576,000 in 2021-22) was applied to capital, £75,000 (£78,000 in 2021-22) to Collection acquisitions and £120,870,000 (£100,465,000 in 2021-22) was applied to ongoing operations (see above).

Over the past year, Tate has added works of art valued at £8,296,000 to the Collection (£25,978,000 in 2021-22). Of this figure, £5,847,000 has been donated by individuals either directly or in lieu of tax (£23,188,000 in 2021-22). 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 £1,709,101,000 (£1,740,388,000 in 2021-22) are:

	2023	2022
	£000	£000
Revaluation reserve	638,586	674,648
Capital reserves	464,938	471,381
Works of art reserves	557,629	549,405
General reserve	22,554	22,236
Endowment funds	19,224	16,003
Other restricted reserves	6,170	6,715
	<u>1,709,101</u>	<u>1,740,388</u>

For more details on reserves, please refer to note 17. For pensions accounting, please refer to note 8.

Fixed assets

Tate has property holdings in London, Liverpool, St Ives and Dean Hill, Salisbury. Following a full revaluation at 31 March 2019, Avison Young, independent property consultants, undertook a desktop revaluation of the Trustees' property holding at 31 March 2023. Further disclosure on this can be found in note 9.

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 £9,586,000 (£7,851,000 in 2021-22) comprise £1,303,000 (£1,423,000 in 2021-22) in relation to buildings and leasehold improvements, £7,322,000 (£6,428,000 in 2021-22) on plant and fit-out and other assets and £961,000 in relation to assets in the course of construction (£nil in 2021-22).

Heritage assets comprise works of art; additions of £8,296,000 in the year (£25,978,000 in 2021-22) include items donated, bequeathed or given in lieu of tax to Tate with an approximate value of £5,847,000 (£23,188,000 in 2021-22). 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.

Payment of creditors

Tate aims to settle all bills within 30 days or in accordance with the suppliers' terms of business. In 2022-23 65.4% (68.0% in 2021-22) of invoices were settled in 30 days or less.

Going concern

The accounts have been prepared on the going concern basis. Due to Tate's legal status under the Museums and Galleries Act 1992, there are no material uncertainties which may create significant doubt over Tate's ability to continue as a going concern.

In reaching this conclusion, the Trustees have given careful consideration to the continuing financial impact of the Coronavirus pandemic as well as the rising cost of living on Tate's ability to generate income as a result of the expectation that the galleries will continue to experience reduced visitor numbers for the foreseeable future and the pandemic's wider economic impact on visitors, donors and sponsors.

The anticipated income from the government grant, self-generated income and reserves kept aside for this purpose will be sufficient to meet Tate's ongoing expenses for the foreseeable future. The estimates for self-generated income are prudent based on expected attendance levels at all four galleries and the overall cost base has been reviewed thoroughly to ensure it is reasonable and considers the impact of potential external pressures.

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 £22,554,000 (£22,236,000 in 2021-22) equivalent to 16 weeks' (seventeen weeks' in 2021-22) worth of charitable expenditure, excluding capital. It has been planned that general reserves will be used to cover operating and capital expenditure in 2023-24 but the general reserve is not expected to reduce below two months of charitable expenditure in this period. No amounts have been designated or otherwise committed as at the end of the reporting period and there are no funds that can only be realised by disposing of tangible fixed assets or programme-related investments. All other reserves are maintained at a level appropriate for their intended purpose. For more information on reserves, please refer to note 17.

Investments

The Terms of Reference of the Investment Committee were updated during 2022-23 to reflect the new structure of the committee. The Committee membership was being agreed during 2022-23 and, in that time, the Finance & Operations Committee reviewed the portfolio's performance during the year. 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 new Investment committee will work with the investment manager to review the investment strategy and adjust if deemed necessary in 2023-24.

The investment return for the year was -3.94% (7.26% in 2021-22). At 31 March 2023, the investment fund was valued at £22,070,000 (£18,821,000 in 2021-22); historic cost £19,390,000 (£14,537,000 in 2021-22).

The investment policy requires that ethical considerations are made for all investments. The Committee reserves the right to exclude companies from the portfolio that carry out activities that are contrary to Tate's charitable aims or from holding particular investments that could damage Tate's reputation. This includes all direct investment in tobacco, extractive industries and fossil fuels. A review of all investments to ensure that funds do not have any direct Russian exposure was carried out in 2022-23.

Future developments

Tate's mission is to increase the public's 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.

Activity in the next five years will see Tate deliver on the objectives in its plan. We look forward to the completion of the project to refurbish Tate Liverpool in 2024-25, and will also take significant steps to improve staff accommodation at the London sites. This latter project is much needed and part of Tate's commitment to enhance the experience for those working for it and improve the efficacy of its operations. In St Ives, progress will continue to the major project that will see the Palais de Danse brought back into the life of the town.

2023-24 will also see the culmination of effort across the gallery in recent years: the opening of Tate Britain's rehang. It will be accompanied by major exhibitions including from artists ranging from Isaac Julien and John Singer Sargent to group shows such as *Women in Revolt*, an exhibition focused on radical women artists from the 1970s and beyond. Following a successful showing at Tate Liverpool in 2022-23, the Turner Prize will show next year at the Towner in Eastbourne.

At Tate Modern, major exhibitions will focus on Hilma af Klint and Piet Mondrian, followed later in

the year by Philip Guston. The Hyundai Turbine Hall Commission will be undertaken by the Ghanaian sculptor El Anatsui. The Level 1 café will reopen, creating a space that will welcome families and other visitors during the day, but can also be opened to cater to evening and after hours visitors.

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. This approach has evolved during and after the Coronavirus pandemic with the use of communications technology and platforms such as Zoom and Microsoft Teams in a hybrid or blended working environment. Tate has a dedicated Employee Engagement and Communication team 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.

The BAME, disABILITY, Parents & Carers and LGBTQIA+ Diversity Networks play an important role in supporting and maintaining a diverse and inclusive culture at Tate. This year a new "Skills Academy" programme was delivered for Network Co-Chairs and Staff Council representatives. Tate established the Race Equality Taskforce (RET) in 2020 to tackle some of the difficult issues facing Tate and generate recommendations for actions around our programme, our people and our public. The second cohort of the RET was convened in 2022, with the purpose of building on this work and creating lasting change at Tate.

Tate's People and Culture Strategy (2022-27) embeds our commitment to Equality, Diversity & Inclusion with the aim of driving sustainable change, innovation and impact across Tate. This also supports the priorities of achieving real change in who works for Tate, and how they are looked after when they do so. As part of the strategy, there are set workforce diversity targets for the first time for representation of colleagues identifying as being within Black, Asian, Mixed or Other ethnic groups, and for those identifying as having a disability. We are changing the way we ask about disability in order to clarify the definition of disability under the Equality Act 2010 and to encourage disclosure. We are adding categories for Socio-Economic Diversity and Caring Responsibility to develop a more detailed understanding of our workforce.

There is mandatory and additional Learning & Development resources for all colleagues. This includes elements of our induction programme for new employees and further options including workshop sessions and a programme designed for leadership teams. These aim to raise awareness, provide support, and enable all employees to contribute to Tate's vision to serve as artistically adventurous and culturally inclusive global art museums.

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 regular employee surveys. During the Coronavirus pandemic, Tate used surveys, alongside focus groups, to help with colleague welfare and concerns regarding returning to work. Since the summer of 2021, Tate has carried out six-monthly 'Pulse surveys': short surveys to measure people's wellbeing and satisfaction with working at Tate and gather verbatim feedback about what's going well and what would improve their experience of working at Tate. Feedback from the survey is discussed at both a Tate-wide level and at a local level within teams, to identify actions and track progress against our people and culture priorities.

Director and employee composition

At 31 March 2023, the composition of directors was as follows:

Group		Tate	
Female	15	Female	15
Male	8	Male	7
Total	23	Total	22

At 31 March 2023, the composition of employees was as follows:

Group		Tate	
Female	864	Female	620
Male	479	Male	294
Total	1,343	Total	914

Disability and access

Those who work at Tate are essential to its future success. Tate is committed to ensure we reflect the cities and regions in which we operate and to create an inclusive environment where everyone can thrive. This includes addressing barriers to access for those who are disabled so that opportunities to visit its galleries, participate in its programmes and to work at Tate are open to everyone.

Tate is committed to ensuring that opportunities to work at Tate are open to all, including those with disabilities and that all employees feel valued and able to be themselves in the workplace. To support this, Tate has signed up to the Disability Confident Scheme. Tate has undertaken systematic reviews of the barriers in our recruitment processes for disabled candidates. We are explicit in our job descriptions and adverts that we support adjustments throughout the recruitment process, from taking verbal applications through to extended interview times. This is also evidencable through our mandatory recruitment training and policies.

Colleagues can manage and confidentially declare their disability status through our HR self-service portal, TESS. The information is reported anonymously in our yearly Workforce Diversity Reports. These are shared internally via Tatenet and on our external website.

To support staff who may become disabled during their career with us, we have a specific framework of support. The Workplace Adjustments Framework and associated guidance documents, online module, and self-assessment forms, clearly articulates the support available to staff who may find themselves temporarily or permanently disabled. It also is clear in our commitment to reduce barriers to support our workforce to thrive. We also provide a range of support including an Employee Assistance Programme.

In March 2023, Tate employed 64 staff (49 in March 2022) who declared that they have a disability, as defined by the Equality Act 2010.

As outlined in Tate's People and Culture Strategy, we aim to increase the disability representation in Tate Gallery's workforce at all levels of the organisation. We aim to increase this to at least 7% by April 2025, and at least 10% by 2027.

In 2022, Tate created the Access Steering Group. This is a cross-site group of colleagues drawn from different departments across the organisation and is focussed on delivering a joined-up approach to access. Tate's Visitor Experience team has conducted mystery visits with a focus on audiences with access needs as part of the regular mystery visit programme. The team has also implemented a new programme of access activity and events across Tate Britain and Tate Modern, including 'relaxed hours' at Yayoi Kusama's *Infinity Mirror Rooms* installations, regular touch tours and art object handling.

To better understand and enhance accessibility at Tate, our Audience Insight team includes data from visitor surveys into regular review and reporting processes. This includes audience self-identification of disability and feedback from audiences on how to improve accessibility of the galleries.

Sickness absence data

The average number of days absent through sickness per full-time equivalent staff member was 6.1 in 2022-23 (3.8 in 2021-22).

Staff turnover

Staff turnover in the gallery was 16.85% in 2022-23 (19.69% in 2021-22).

Social policy and wider public benefit

Tate aims to serve as wide a public and be as inclusive as possible. The objectives described earlier in this Foreword speak explicitly to this, outlining commitments to ensure that Tate speaks to as broad an audience as possible and that those working for it represent similar diversity. All of Tate's actions and planning are measured against these ambitions as well as the principle of operating sustainably in relation to the environment.

Societal concerns are reflected in the breadth of Tate's programme and displays. When analysis of the audience of *Life Between Islands* was complete, demonstrating that it was the first exhibition in Tate's history to match the census in relation to the diversity of its audiences, it was both a success and a step in a direction on which we wish to continue across the institution as a whole. It is noteworthy that Tate Collective has a very diverse audience base, and so a commitment for the future is to nurture and sustain this.

Artists themselves deal with societal issues: Cecilia Vicuña's Turbine Hall Commission this year is just one example. Tate provides a platform from which they can do so, and on which others can respond to their work. In this way, it is a space for the conversations from which society is built.

At the same time, Tate ensures through all of its operations that it delivers value for the money that it receives from the public and charitable purse. Behind the scenes, this year saw the development of new policies to ensure this, including the implementation of new and updated financial systems to ensure that travel and other aspects of day-to-day business in the galleries are procured as responsibly and efficiently as possible.

In the final analysis, Tate exists for the public benefit. It has been satisfying in 2022-23 to see the public returning to the galleries with the enthusiasm shown before the Coronavirus pandemic, an endorsement of the value that Tate continues to deliver and the enjoyment that it brings.

Signed

Maria Balshaw
Director, Tate

13 July 2023

Signed

Roland Rudd
Chairman, Tate

13 July 2023

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: Roland Rudd (Chair), Tim Davie CBE, and Dame Jayne-Anne Gadhia DBE. James Timpson OBE retired from the Committee in 2022-23.

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.

Senior employees who joined Tate before March 2022 are members of the Civil Service Pension Scheme with associated redundancy and retirement conditions. Staff who joined after that date are members of the Aviva defined contribution scheme.

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 6.5.1, 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 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 2022-23.

The following paragraphs have been subject to audit.

The Director is eligible to receive a contractual bonus of up to 15% of salary. The Managing Director is eligible to receive a contractual bonus of up to 10% of salary. Bonuses are paid annually in arrears.

Salary entitlements		2022-23	2021-22
		£	£
Maria Balshaw, Director	a	206,214	198,765
Victoria Cheetham, Managing Director	b	170,010	163,900
Carmel Allen, Managing Director	c	160,314	-

^a Includes a non-consolidated performance-related bonus of £25,926 (2021-22: £25,926);

^b Until June 2022; includes a non-consolidated performance-related bonus of £14,900 (2021-22: £14,900);

^c From September 2022; includes a non-consolidated performance-related bonus of £14,574 (2021-22: £nil).

The salary entitlements above represent one full year contractual salary including bonus entitlements.

The actual amounts paid during the year are disclosed in the following table.

	2022-23					2021-22				
	Salary (excluding non- consolidated performance -related pay) ^d	Non- consolidated performance pay	Benefits- in-kind	Pension benefits (to the nearest £1,000) ^e	Total remuneration	Salary (excluding non- consolidated performance pay)	Non- consolidated performance pay	Benefits- in-kind	Pension benefits (to the nearest £1,000)	Total remuneration
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Maria Balshaw, Director	180-185	26	Nil	69	275-280	170-175	26	Nil	66	265-270
Victoria Cheetham, Managing Director	80-85	15	Nil	28	125-130	145-150	15	Nil	58	220-225
Carmel Allen, Managing Director	85-90	-	Nil	33	115-120	-	-	-	-	-
Band of highest-paid director's remuneration (£) including bonus					205,000-210,000					195,000-200,000
Median remuneration (£)				29,944					28,765	
Remuneration Ratio ^f				6.9					6.9	
Salary Ratio				6.0					6.0	
25th percentile remuneration (£)				25,373					23,959	
Remuneration Ratio				8.1					8.3	
Salary Ratio				7.1					7.2	
75th percentile remuneration (£)				37,803					36,314	
Remuneration Ratio				5.4					5.5	
Salary Ratio				4.8					4.8	
Range of remuneration across total workforce				10,000-15,000 – 205,000-210,000					15,000-20,000 – 195,000-200,000	

^d Victoria Cheetham's salary includes 3 months' pay in lieu of notice.

^e 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.

^f Remuneration ratio includes total pay and benefits.

The percentage change in total salary and bonuses for the highest paid director and the staff average were as follows:

	2022-23		2021-22	
	Salary	Non- consolidated performance pay	Salary	Non- consolidated performance pay
Staff average	3.67%	0%	2.71%	0%
Highest paid director	4.10%	0%	8.11%	100%

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 2022-23 was £205,000-210,000 (2021-22: £195,000-200,000). This was 6.9 times (2021-22: 6.9) the median remuneration of the workforce, which was £29,944 (2021-22: £28,765). The Director received a 4.1% increase to their salary in line with the rest of the workforce eligible for a pay award increase.

In 2022-23, no employees (2021-22: 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 2023 £	Real increase / (decrease) in pension at end date £	CETV at 31 March 2023 £	CETV at 31 March 2022 or start date £	Real increase / (decrease) in CETV £
Maria Balshaw, Director					
Pension	67,819	4,174	867,350	775,036	38,901
Lump sum	-	-	-	-	-
Victoria Cheetham, Managing Director					
Pension	10,018	1,657	115,251	95,294	13,815
Lump sum	-	-	-	-	-
Carmel Allen, Managing Director					
Pension	1,972	1,972	26,866	-	20,618
Lump sum	-	-	-	-	-

Maria Balshaw, Carmel Allen and Victoria Cheetham are members of the Civil Service defined benefit pensions scheme, and contributed 8.05%, 7.35% and 7.35% respectively 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 member's 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 pension 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 member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to 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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

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 (FRoM) paragraph 6.5.34 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 2023, for more than £245 per day

Number of existing engagements as of 31 March 2023	11
<i>Of which</i>	
Number that have existed for less than one year at time of reporting	2
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	3
Number that have existed for between three and four years at time of reporting	4
Number that have existed for four or more years at time of reporting	1
<i>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.</i>	Yes

Table 2: For all off-payroll engagements between 1 April 2022 and 31 March 2023, for more than £245 per day

Number of engagements in force between 1 April 2022 and 31 March 2023	13
<i>Of which</i>	
Number assessed as caught by IR35	1
Number assessed as not caught by IR35	12
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	nil
Number of engagements reassessed for consistency / assurance purposes during the year	13
Number of engagements that saw a change to IR35 status following the consistency review	nil
<i>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.</i>	

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	nil
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	3

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.

Consultancy spend

£1,915,000 was spent on consultancy during 2022-23 (£2,289,000 in 2021-22).

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	14
Full-time equivalent employee number	12.5

Table 2: Percentage of time spent on facility time

Percentage of time	Number of employees
0%	12
1-50%	2
51%-99%	0
100%	0

Table 3: Percentage of pay bill spent on facility time

Pay spent on facility time	£6,912
Total pay bill (wages + ER NI +ER Pension)	£40,423,549
Percentage of facility time against total pay bill	0.02%

Table 4: Paid union activities

Paid union activities	0%
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Signed

Maria Balshaw
Director, Tate

13 July 2023

Signed

Roland Rudd
Chairman, Tate

13 July 2023

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 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 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
Director and Accounting Officer, Tate

13 July 2023

Signed

Roland Rudd
Chairman, Tate

13 July 2023

* a copy of which is available from: The Accounting Officer, Tate, Millbank, London, SW1P 4RG

GOVERNANCE STATEMENT

Introduction

Tate is an executive non-departmental public body (NDPB) sponsored by the Department for 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 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. This will be replaced by a Framework Document, a draft of which was discussed with DCMS over the course of 2022-23. It is anticipated that Tate will be issued with a finalised version for signature in 2023-24; in the meantime, the provisions of the 2016-20 management agreement remain in place.

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.

Tate follows governance best practice for public service and charitable bodies and, in so far as it applies, the Board considers 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 2022-23 period. Following the schedule of Trustees' meetings, an assessment was conducted in early 2023-24.

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 2022-23, James Timpson stepped down as a Trustee. One new Trustee, Rosalind Nashashibi, was appointed with effect from 15 April 2022. In January 2023, she was appointed Liaison Trustee to the National Gallery.

- Roland Rudd (Chairman) – 5 of 5 meetings
- Farooq Chaudhry OBE – 5 of 5 meetings
- Tim Davie CBE – 4 of 5 meetings
- Dame Jayne-Anne Gadhia DBE – 5 of 5 meetings
- Katrin Henkel – 5 of 5 meetings
- Anya Hindmarch CBE – 5 of 5 meetings
- Kwame Kwei-Armah OBE – 4 of 5 meetings
- Anna Lowe – 3 of 5 meetings*
- Michael Lynton – 2 of 5 meetings
- Rosalind Nashashibi – 5 of 5 meetings
- Danny Rimer OBE – 4 of 5 meetings
- Howard Shore – 4 of 5 meetings
- James Timpson OBE – 2 of 2 meetings**
- Ed Vaizey, Baron Vaizey of Didcot – 5 of 5 meetings

* (includes maternity leave)

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

In September 2022, the Board also held its annual away day to discuss strategy. This is included in the numbers above.

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 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 £300,000 (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 Framework Agreement with DCMS;
- approval of programme commitments with reference to sponsorships and donations; and
- appointment of Tate's bankers.

Board business 2022-23

During 2022-23, the Board considered key strategic issues, matters arising and routine business planning, including:

- the continuing recovery of the Gallery from the Coronavirus pandemic;
- the overall organisational strategy;
- the rehang at Tate Britain;
- the people and culture strategy;
- Tate's catering and retail;
- The Palais de Danse in St Ives;
- Tate's Audiences;
- Fundraising; and
- policies: the following policies within the Board's policy framework were reviewed and approved by the Board – Loans, Care of the Collection, Ethics and Donations.

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.

As necessary, Trustees are also tasked with overseeing Tate's response to emergent issues. Following the invasion of Ukraine in February 2022, Trustees were this year kept informed of Tate's ongoing diligence with no matters arising.

Board effectiveness

The Board of Trustees conducted its annual effectiveness review in June 2023. Following the pattern followed in previous years, Trustees rated 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 will also be informed by 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 Independent Trustee, Dame Jayne-Anne Gadhia DBE. This year, in line with new policy, the Chair will also be appraised by the Department for Culture, Media and Sport.

The Trustees concluded that they were content with the Board's performance and the support available to it.

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; Ethics Committee;
- advisory groups: 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 groups 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.

The Collection Committee has authority to approve Collection purchases up to £300,000 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. The Collection Committee meets four times each year. Following Jane Wilson's retirement as a Trustee in 2021-22, Katrin Henkel was appointed interim Chair of Collection Committee. The Committee welcomed three new members in 2022-23: Rosalind Nashashibi, Richard Johns and David Dibosa, who subsequently stood down on his appointment as a Director at Tate. David Taylor retired from the Committee in December 2022. Attendance* for 2022-23 was as follows:

- David Dibosa (co-opted member) – 2 of 2 meetings *
- Katrin Henkel (Trustee) – 3 of 4 meetings
- Richard Johns (co-opted member) – 1 of 1 meetings *
- Rosalind Nashashibi (Trustee – 4 of 4 meetings
- Mark Sealy (co-opted member) – 3 of 4 meetings
- David Taylor (cop-opted member) – 3 of 3 meetings *
- Stephen Witherford (co-opted member) – 4 of 4 meetings *

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

The 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. The Audit Committee meets four times each year. Charles Roxburgh retired as a member of the Committee in September 2022. Attendance* for 2022-23 was as follows:

- Dame Jayne-Anne Gadhia DBE (Chair and Trustee) – 5 of 5 meetings
- David Crichton Miller (co-opted member) – 4 of 5 meetings
- Laurie Fitch (co-opted member) – 3 of 5 meetings
- Stephen Jolly (co-opted member) – 2 of 5 meetings
- Danny Rimer (Trustee) – 3 of 5 meetings
- Charles Roxburgh (co-opted member) – 2 of 2 meetings
- Lord Ed Vaizey (Trustee) – 3 of 5 meetings

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

The Remuneration Committee comprises three Trustee members, including the Chairman, Roland Rudd, the Chair of Finance and Operations Committee, Dame Jayne-Anne Gadhia DBE, the Chair of the Tate Enterprises Ltd Board, and Tim Davie CBE. James Timpson retired from the Committee on stepping down as a Trustee. The Committee met in October 2022 to consider the performance and remuneration of the Director and senior management team as detailed in the Remuneration Report, and met after year end in April 2023 to consider the staff pay award.

In 2022-23 the Freedom of Information Appeals Committee considered business on paper only. The Committee is chaired by Dame Jayne-Anne Gadhia DBE.

Following Trustees' decision in 2021-22 that the Nominations and Governance Committee should be dormant, the business of appointing members of the Councils and Committees was satisfactorily conducted directly by the Board and without further call on Trustees' time. This will continue, with the ability available to reconvene the Committee as required.

Highlights of Board committee reports 2022-23

During 2022-23, the Audit Committee, Finance and Operations Committee, Collections Committee and Ethics Committee all considered issues of strategy, governance and risk, including reputational risk.

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

The Finance and Operations Committee advised the Board on: the budget for the financial year 2023-24 and beyond; the capital projects; information and ticketing systems; people matters and human resources; management information; and government spending controls.

In addition to approving Collection purchases up to £300,000 under the terms of its delegated authority from the Board of Trustees, the Collection Committee discussed Collection development and strategies more broadly.

The 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. This year saw the appointment of Kwame Kwei-Armah as Chair.

Subsidiary undertakings

The Board of Trustees of the Tate Gallery owns the whole of the issued share capital of Tate Enterprises Limited and Tate Exhibition Productions 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.

The 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. The 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 2022-23 were:

Maria Balshaw: Director, Tate*
Anna Abbott: Director of Audiences
Carmel Allen: Managing Director (from September 2022)*
Anne Barlow: Director, Tate St Ives*
Helen Beeckmans: Director of Corporate Affairs

Vicky Cheetham: Managing Director* (until June 2022)
Liam Darbon: Director of Digital & Innovation (from September 2022)
Alex Farquharson: Director, Tate Britain*
Claire Gylphé: Director of Development
Ben Howarth, Director of Business Transformation (until March 2023)
Emma King, Capital Director
Hilary Knight: Director of Digital (until July 2022)
Helen Legg: Director, Tate Liverpool*
Lisa Mack: Director of People*
Kathryn Martindale, Chief Financial Officer*
Neil McConnon: Director, International Partnerships
Mark Miller: Director of Learning (from April 2022)
Frances Morris: Director, Tate Modern*
Gregor Muir: Director of Collection, International Art
Deborah Potter: Director of Collection Care
Nigel Randall: Director of Technology
Andrea Schlieker: Director of Exhibitions and Displays, Tate Britain
Polly Staple: Director of Collection, British Art

* indicates members of the 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. The 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 January 2021, 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 at each meeting and annually by the Board of Trustees. 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 meetings, with appropriate action being taken as necessary;
- at a divisional level and acted upon where necessary;
- by project boards.

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

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

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

The targeted risk profile is reviewed annually and approved by the Audit Committee, most recently in May 2023.

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 2022-23, 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 eight assurance and advisory reviews and three follow up reviews completed, no negative opinions were issued. A moderate assurance opinion, or better, was given for all 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 risks relating to the ongoing care of the collection and works that we are loaned;

- a detailed review was undertaken of the scoring, mitigation and actions of all other remaining risks and adjusted accordingly.

The principal risks and uncertainties and the mitigating activities undertaken are shown below:

Principal Risk/Uncertainty	Mitigating Activities
Tate is a target for Cyber Attacks	<ul style="list-style-type: none"> • A dedicated Cyber Security Manager oversees departmental and organisational approaches to Cyber Security, regular vulnerability and penetration testing, PCI-DSS and the new Government Cyber Assessment Framework (CAF). • Resource and development of in-house staff to implement automation and better usage of available tools. • Development of a skilled in-house team to remove reliance on external contractors whilst maintaining closer relationships with trusted 3rd parties who provide additional monitoring and assurance. • Improvement of asset and access management, corporate gold image template creation, and network segregation to implement a multi-layered approach towards security and reduce Tate's exposure and threat surface.
Wage and product inflation, including increased utilities costs, affects recruitment, supply chain and delivery of programme	<ul style="list-style-type: none"> • Regular reviews of budget and forecast to ensure that sufficient time is available to make change to activity levels. • Detailed forecast reports provided to Executive Group to increase understanding of variances and to support changes to the programme. • Review of workloads, blended working and wellbeing underway, budget allocated for a higher-than-normal pay award. • Planning for longer lead times for goods and services to be delivered. • Head of Procurement working to ensure that best value for money achieved on all contracts offered. • DCMS support received for inflationary pressures.
Risk of loss of reserves and/or technical insolvency	<ul style="list-style-type: none"> • General Reserves replenished above reserves policy requirements due to Coronavirus support in 2021-22 and 2022-23 in order to support expected budget deficits for future years. • Close communication of financial situation to DCMS/HMT; co-

	<p>ordinated lobbying from Chairs/CEOs of Big 6.</p> <ul style="list-style-type: none"> • The Development team work closely with Foundations/Trusts/donors to ensure continued support and the development of the permanent endowment is underway which will provide a longer-term stable income stream.
<p>Reduced staff complement is insufficient to deliver activities</p>	<ul style="list-style-type: none"> • A programme of staff engagement and wellbeing was implemented post-restructure, including regular pulse surveys, to identify and respond to areas of concern. • new roles approved in 2023-24 budget to reflect areas of pressure, especially in Collection Care. • Funding applications are expected to be focussed on core activity where possible.
<p>Reconfiguring business model may not lead to transformational change</p>	<ul style="list-style-type: none"> • Directors agreed new strategic priorities in 2022-23 with Trustees agreement of a new strategy in April 2023. • Directors asked to create a 5-year plan in April 2023 based on these priorities and asked to identify SWOT's and other transformation project opportunities to enable an organisation overview of all activity and opportunities and risks. • Work on optimising current activities underway with department heads identifying areas for investment needed to deliver.
<p>Damage to or deterioration of Tate's collection or works in Tate's care leaving us in breach of our statutory obligations</p>	<ul style="list-style-type: none"> • Environmental monitoring & analysis in place to ensure it is appropriate across all areas with collections, incidents are reviewed regularly, integrated pest management and cleaning schedules in place. • Reviews of secured fittings, security systems, risk assessment and staff training undertaken. • Disaster plan in place linking with Tate-wide and departmental Business Continuity Plans. • Identification of vulnerable works and condition reports maintained. • Agreed programme in place with Estates to review buildings and conditions and investment plans to address priorities for facilities maintenance.

	<ul style="list-style-type: none"> • Independent monitoring of Building Management System across all collection areas. • Medium- term Storage and operations plan under development. Future storage plans part of the major transformation project for the organisation and Collection Care team integral part of the project steering group.
Significant litigation brought against Tate	<ul style="list-style-type: none"> • Retaining specialist legal counsel where necessary. • Expert advice available from Tate's insurers and brokers. • Implementation of RAG report for legal actions at Audit Committee.

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 (ICO). No incidents were reported to the ICO this year.

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. No internal whistleblowing activities were brought to management's attention in the period covered by this report.

Matters of interest

In February, the Supreme Court found against Tate in relation to the case brought by some neighbours at Tate Modern. The Court found that Tate should be liable for nuisance but did not accept the appellants' privacy claims under the Human Rights Act. The Supreme Court made no order regarding costs or the remedy and instead ordered that the matter be remitted back to the High Court to determine the appropriate remedy. At year end, there was no further progress on this matter.

In the course of the year, research was published by the Francis Bacon Estate that raised credible doubts about the nature and quality of certain material held in the Tate Archive. Trustees felt that the material does not lend itself to any significant exhibition, and any potential it held to improve the public's understanding of Bacon's art had been exhausted. It was therefore considered unsuitable for retention in Tate Archive. In line with the donor's wishes, it was offered back to him. At year end, the process of returning the work was underway.

There are no further matters of interest to report.

Signed

Maria Balshaw
Director and Accounting Officer, Tate

13 July 2023

Signed

Roland Rudd
Chairman, Tate

13 July 2023

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 Tate Gallery and its Group for the year ended 31 March 2023 under the Museums and Galleries Act 1992.

The financial statements comprise: the Tate Gallery and its Group's:

- Consolidated and Tate balance sheets as at 31 March 2023;
- Consolidated Statement of Financial Activities, Consolidated Statement of Cash Flows; and
- The related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Tate Gallery and its Group's affairs as at 31 March 2023 and its net expenditure for the year then ended;
- 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 (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 2019*. I am independent of the Tate Gallery and Group in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that the Tate Gallery and Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the Trustees and Director with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report thereafter. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992.

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

- those parts of the Annual Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Tate Gallery and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

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 by the Tate Gallery and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Annual Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees' and Directors' Responsibilities, the Trustees and the Director, as Accounting Officer, are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- internal controls as the Trustees and the Director determines are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Tate Gallery and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Director either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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 Museum and Galleries Act 1992.

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Tate Gallery and its Group's accounting policies and key performance indicators;
- inquired of management, the internal auditors and those charged with governance, including obtaining and reviewing supporting documentation relating to the Tate Gallery and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Tate Gallery and its Group's controls relating to its compliance with the Museums and Galleries Act 1992, the National Heritage Act 1983, Charities Act 2011 and Managing Public Money;
- inquired of management, the internal auditors and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - detecting and responding to the risks of fraud; and
- discussed with the engagement team including the significant component audit team and the relevant internal specialists, including financial instrument specialists, and external specialists including land and building valuation specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Tate Gallery and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Tate Gallery and its Group's framework of authority and other legal and regulatory frameworks in which the Tate Gallery and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Tate Gallery and its Group. The key laws and regulations I considered in this context included: Museums and Galleries Act 1992, the National Heritage Act 1983, the Charities Act 2011, Managing Public Money, employment law, pensions legislation and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud through revenue recognition, evaluating the design and implementation of control and testing income to corroborating evidence and evidence of bias.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including external specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

17 July 2023

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 2023

	INCOME AND EXPENDITURE			CAPITAL			COLLECTIONS			TOTAL			2021-22 Total funds £000	
	2022-23 Unrestrict ed funds £000	2022-23 Restricted funds £000	2022-23 Total funds £000	2022-23 Unrestrict ed funds £000	2022-23 Restricted funds £000	2022-23 Total funds £000	2022-23 Unrestrict ed funds £000	2022-23 Restricted funds £000	2022-23 Total funds £000	2022-23 Unrestrict ed funds £000	2022-23 Restricted funds £000	2022-23 Endowme nt funds £000		2022-23 Total funds £000
Income and endowments from:														
<i>Donations and legacies</i>														
- Grant in Aid	43,864	-	43,864	2,489	7,805	10,294	-	-	-	46,353	7,805	-	54,158	57,531
- Donated works of art	-	-	-	-	-	-	-	5,847	5,847	-	5,847	-	5,847	23,188
- Other donations and legacies	22,602	4,677	27,279	-	1,992	1,992	-	2,377	2,377	22,602	9,046	4,101	35,749	27,034
- Job Retention Scheme	-	-	-	-	-	-	-	-	-	-	-	-	-	672
<i>Charitable activities</i>	13,935	-	13,935	-	-	-	-	-	-	13,935	-	-	13,935	11,495
<i>Other trading activities</i>														
- Trading income	30,896	-	30,896	578	-	578	-	-	-	31,474	-	-	31,474	21,118
- Other trading activities	4,158	-	4,158	-	-	-	-	-	-	4,158	-	-	4,158	3,994
<i>Investments</i>	274	8	282	-	-	-	-	434	434	274	442	-	716	382
<i>Other</i>	207	-	207	-	-	-	-	-	-	207	-	-	207	181
Total	115,936	4,685	120,621	3,067	9,797	12,864	-	8,658	8,658	119,003	23,140	4,101	146,244	145,595
Expenditure on:														
<i>Raising funds</i>														
Costs of raising donations and legacies	3,202	383	3,585	65	31	96	-	-	-	3,267	414	-	3,681	3,244
Fundraising trading: cost of goods sold and other costs														
- Trading costs	27,022	-	27,022	171	-	171	-	-	-	27,193	-	-	27,193	19,394
- Other costs of raising funds	10,045	474	10,519	85	41	126	-	-	-	10,130	515	-	10,645	7,333
Investment management costs	30	1	31	-	-	-	-	75	75	30	76	-	106	105
<i>Charitable activities</i>	74,688	4,595	79,283	8,112	24,361	32,473	-	-	-	82,800	28,956	-	111,756	92,826
<i>Other</i>	298	132	430	-	-	-	-	-	-	298	132	-	430	217
Total	115,285	5,585	120,870	8,433	24,433	32,866	-	75	75	123,718	30,093	-	153,811	123,119
Net (losses)/gains on investments	-	(5)	(5)	-	-	-	-	(104)	(104)	-	(109)	(1,108)	(1,217)	914
Net income/(expenditure)	651	(905)	(254)	(5,366)	(14,636)	(20,002)	-	8,479	8,479	(4,715)	(7,062)	2,993	(8,784)	23,390
Transfers between funds	(333)	333	-	(75)	75	-	-	(228)	(228)	(408)	180	228	-	-
Other recognised gains/(losses):														
Gain/(loss) on revaluation of fixed assets	-	-	-	1,892	(24,395)	(22,503)	-	-	-	1,892	(24,395)	-	(22,503)	39,526
Net movement in funds	318	(572)	(254)	(3,549)	(38,956)	(42,505)	-	8,251	8,251	(3,231)	(31,277)	3,221	(31,287)	62,916
Reconciliation of funds:														
Funds brought forward at 1 April 2022	22,236	3,899	26,135	41,202	1,104,827	1,146,029	23,956	528,265	552,221	87,394	1,636,991	16,003	1,740,388	1,677,472
Funds carried forward at 31 March 2023	22,554	3,327	25,881	37,653	1,065,871	1,103,524	23,956	536,516	560,472	84,163	1,605,714	19,224	1,709,101	1,740,388
Reconciliation of funds:														
Funds brought forward at 1 April 2021	9,669	5,427	15,096	36,870	1,084,316	1,121,186	23,656	502,031	525,687	70,195	1,591,774	15,503	1,677,472	1,675,361
Net movement in funds	12,567	(1,528)	11,039	4,332	20,511	24,843	300	26,234	26,534	17,199	45,217	500	62,916	2,111
Funds carried forward at 31 March 2022	22,236	3,899	26,135	41,202	1,104,827	1,146,029	23,956	528,265	552,221	87,394	1,636,991	16,003	1,740,388	1,677,472

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.

CONSOLIDATED AND TATE BALANCE SHEETS AT 31 MARCH 2023

	Notes	Group		Tate	
		2023 £000	2022 £000	2023 £000	2022 £000
Fixed assets					
Tangible assets	9	1,099,075	1,144,858	1,098,732	1,144,433
Heritage assets	10	557,702	549,406	557,702	549,406
Investments	6	22,070	18,821	24,565	21,316
		1,678,847	1,713,085	1,680,999	1,715,155
Current assets					
Stocks	11	3,377	3,041	-	-
Debtors and prepayments	12	20,271	16,157	20,063	18,479
Cash and liquid resources	13	37,522	36,029	29,633	27,535
		61,170	55,227	49,696	46,014
Creditors: amounts falling due within one year	14	(26,582)	(25,632)	(21,862)	(20,569)
Net current assets		34,588	29,595	27,834	25,445
Total assets less current liabilities		1,713,435	1,742,680	1,708,833	1,740,600
Creditors: amounts falling due after more than one year	14	(419)	(640)	(419)	(640)
Provisions for liabilities	15	(3,915)	(1,652)	(3,915)	(1,652)
Total assets less liabilities		1,709,101	1,740,388	1,704,499	1,738,308
Represented by:					
Restricted income reserves	17	1,605,714	1,636,991	1,605,714	1,636,991
Unrestricted reserves					
Designated	17	61,609	65,158	61,266	64,733
General	17	22,554	22,236	18,295	20,581
Total funds		1,689,877	1,724,385	1,685,275	1,722,305
Endowments	17	19,224	16,003	19,224	16,003
Total funds		1,709,101	1,740,388	1,704,499	1,738,308

The financial statements on pages 52 to 79 were approved by the Trustees on:

Signed

Maria Balshaw
Director, Tate

13 July 2023

Signed

Roland Rudd
Chairman, Tate

13 July 2023

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	<i>Notes</i>	2023	2022
		£000	£000
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	<i>19(i)</i>	13,105	30,060
Cash flows from investing activities:			
Dividends and interest		716	381
Purchase of property, plant and equipment		(11,963)	(10,640)
Proceeds from sale of investments		2,977	2,483
Purchase of investments		(7,443)	(2,781)
<i>Net cash used in investing activities</i>		(15,713)	(10,557)
Cash flows from financing activities:			
Receipt of endowment		4,101	-
<i>Net cash provided by financing activities</i>		4,101	-
<i>Change in cash and cash equivalents in the reporting period</i>		1,493	19,503
<i>Cash and cash equivalents at the beginning of the reporting period</i>		36,029	16,526
<i>Cash and cash equivalents at the end of the reporting period</i>		37,522	36,029

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 2019), 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 Culture, Media and Sport, with the approval of the 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 follows Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in 2019.

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) and Tate Exhibitions Productions Limited (company number 3179938). 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).

In line with the Accounts Direction for 2022-23 issued by the Secretary of State for Culture, Media & Sport with the approval of the Treasury, none of the activities or financial results of Tate Foundation have been consolidated within the gallery's results in these financial statements.

Going concern basis

The accounts have been prepared on the going concern basis. Due to Tate's legal status under the Museums and Galleries Act 1992, there are no material uncertainties which may create significant doubt over Tate's ability to continue as a going concern.

In reaching this conclusion, the Trustees have given careful consideration to the continuing financial impact of the Coronavirus pandemic as well as the rising cost of living on Tate's ability to generate income as a result of the expectation that the galleries will continue to experience reduced visitor numbers for the foreseeable future and the pandemic's wider economic impact on visitors, donors and sponsors.

The anticipated income from the government grant, self-generated income and reserves kept aside for this purpose will be sufficient to meet Tate's ongoing expenses for the foreseeable future. The estimates for self-generated income are prudent based on expected attendance levels at all four galleries and the overall cost base has been reviewed thoroughly to ensure it is reasonable and considers the impact of potential external pressures.

Therefore, the Trustees consider that they have adequate resources to continue in operational existence and to meet their liabilities and obligations for the foreseeable future, being a period of at least 12 months from the date when the accounts were authorised for issue.

Key judgements and estimates

The areas where significant estimates have been made are listed below:

- For Tate Gallery, provisions are made for ongoing legal claims, using the latest advice of Tate's legal advisers to quantify the provision amount required. At 31 March 2023, this

provision totalled £3,915,000 (2021-22: £1,651,500) and is considered to be a material estimate.

- For Tate Gallery, the useful economic lives of tangible fixed assets is based on an estimate outlined on page 57 of this report for each category of asset. Due to the value of tangible fixed assets held, the length of useful economic life used to calculate depreciation is not considered to be a material estimate.
- 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.
- For Tate Enterprises, stock is reviewed at least biannually and is written off when no alternative selling options exist.
- A full revaluation of the Trustees' property holding is undertaken on a quinquennial basis, with desktop valuations undertaken in the intervening years. Further details of this are included on page 57 and in note 9.
- Property revaluations are conducted on the basis of Gross Internal Area (GIA) measurements, which is considered a key judgement. During the year, it was identified that the incorrect GIA had been used for prior years' valuations requiring their recalculation, however this has not resulted in a material error overall.

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. Income from the Government's Job Retention Scheme is recognised in the same month the related payroll costs are incurred and treated as a restricted grant. Membership income is treated as a donation and recognised at the point of sale. Donated works of art are recognised as income on accession to the collection once conservation and provenance checks have been completed using their value at the date of their acceptance by the Board of Trustees. 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. 17.61% of the Collection (76,657 works, excluding library and archive items) is recognised at a value on the balance sheet. For the remaining 82.39% 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. Assets in the course of construction, and fixtures, fittings and equipment are stated at historic cost. Avison Young, independent property consultants, undertook a full revaluation of the Trustees' property holding at 31 March 2019 and a desktop valuation at 31 March 2023. Revaluation of assets is undertaken on a quinquennial basis with desktop valuations in the intervening years; 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 other than assets in the course of construction 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

Assets in the course of construction are not depreciated.

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 deposits 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 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (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 17.

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 Ltd will be distributed to Tate Gallery under Gift Aid rules and therefore no tax liability is expected for the year end 31 March 2023. Tate Enterprises distributed its 2021-22 profits to Tate Gallery during 2022-23 and is therefore able to show a tax credit of £411,578 in its 2022-23 accounts (2021-22 tax liability shown in accounts: £411,578).

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 2022

	INCOME AND EXPENDITURE			CAPITAL			COLLECTIONS			TOTAL				2020-21 Total funds £000
	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds £000	
Income and endowments from:														
<i>Donations and legacies</i>														
- Grant in Aid	50,049	-	50,049	7,482	-	7,482	-	-	-	57,531	-	-	57,531	51,570
- Donated works of art	-	-	-	-	-	-	-	23,188	23,188	-	23,188	-	23,188	14,439
- Other donations and legacies	21,198	3,157	24,355	-	333	333	-	2,346	2,346	21,198	5,836	-	27,034	26,715
- Job Retention Scheme	-	672	672	-	-	-	-	-	-	-	672	-	672	5,190
<i>Charitable activities</i>	11,495	-	11,495	-	-	-	-	-	-	11,495	-	-	11,495	4,486
<i>Other trading activities</i>														
- Trading income	20,740	-	20,740	78	-	78	300	-	300	21,118	-	-	21,118	14,034
- Other trading activities	3,994	-	3,994	-	-	-	-	-	-	3,994	-	-	3,994	3,309
<i>Investments</i>	5	7	12	-	-	-	-	370	370	5	377	-	382	398
<i>Other</i>	181	-	181	-	-	-	-	-	-	181	-	-	181	100
Total	107,662	3,836	111,498	7,560	333	7,893	300	25,904	26,204	115,522	30,073	-	145,595	120,241
Expenditure on:														
<i>Raising funds</i>														
Costs of raising donations and legacies	2,171	1,010	3,181	62	1	63	-	-	-	2,233	1,011	-	3,244	3,596
Fundraising trading: cost of goods sold and other costs														
- Trading costs	19,149	-	19,149	245	-	245	-	-	-	19,394	-	-	19,394	18,703
- Other costs of raising funds	5,908	1,376	7,284	48	1	49	-	-	-	5,956	1,377	-	7,333	8,660
Investment management costs	26	1	27	-	-	-	-	78	78	26	79	-	105	94
<i>Charitable activities</i>	67,624	2,983	70,607	3,657	18,562	22,219	-	-	-	71,281	21,545	-	92,826	93,662
<i>Other</i>	217	-	217	-	-	-	-	-	-	217	-	-	217	166
Total	95,095	5,370	100,465	4,012	18,564	22,576	-	78	78	99,107	24,012	-	123,119	124,881
Net (losses)/gains on investments	-	6	6	-	-	-	-	408	408	-	414	500	914	2,563
Net income/(expenditure)	12,567	(1,528)	11,039	3,548	(18,231)	(14,683)	300	26,234	26,534	16,415	6,475	500	23,390	(2,077)
Transfers between funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other recognised gains/(losses):														
Gain/(loss) on revaluation of fixed assets	-	-	-	784	38,742	39,526	-	-	-	784	38,742	-	39,526	4,188
Net movement in funds	12,567	(1,528)	11,039	4,332	20,511	24,843	300	26,234	26,534	17,199	45,217	500	62,916	2,111
Reconciliation of funds:														
Funds brought forward at 1 April 2021	9,669	5,427	15,096	36,870	1,084,316	1,121,186	23,656	502,031	525,687	70,195	1,591,774	15,503	1,677,472	1,675,361
Funds carried forward at 31 March 2022	22,236	3,899	26,135	41,202	1,104,827	1,146,029	23,956	528,265	552,221	87,394	1,636,991	16,003	1,740,388	1,677,472
Reconciliation of funds:														
Funds brought forward at 1 April 2020	20,561	296	20,857	37,562	1,097,915	1,135,477	23,464	482,790	506,254	81,587	1,581,001	12,773	1,675,361	1,698,196
Net movement in funds	(10,892)	5,131	(5,761)	(692)	(13,599)	(14,291)	192	19,241	19,433	(11,392)	10,773	2,730	2,111	(22,835)
Funds carried forward at 31 March 2021	9,669	5,427	15,096	36,870	1,084,316	1,121,186	23,656	502,031	525,687	70,195	1,591,744	15,503	1,677,472	1,675,361

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.

3. Donations and legacies

	2023	2022
	£000	£000
Grant in Aid	54,158	57,531
Donated works of art	5,847	23,188
Lottery and other public funding		
Arts and Humanities Research Council	-	413
Arts Council	30	278
City of Liverpool	91	71
Department for Science, Innovation and Technology	9	-
His Majesty's Revenue and Customs	1,487	1,382
Job Retention Scheme (see note 25)	-	672
Liverpool City Council (as agent for Levelling Up)	962	-
National Museums Liverpool (as agent for DWP)	37	37
Total Lottery and other public funding	2,616	2,853
Donations from associated charities	4,847	3,872
Membership subscriptions	15,801	15,146
Gift Aid	2,220	2,414
Endowment received	4,101	-
Other donations	6,164	3,421
	95,754	108,425
of which the following is taken to (see page 52)		
Income and expenditure	71,143	75,076
Capital	12,286	7,815
Collections	8,224	25,534
Endowments	4,101	-

4. Charitable activities

	2023	2022
	£000	£000
Admissions	8,279	4,599
Other income from charitable activities	5,656	6,896
	13,935	11,495
of which the following is taken to (see page 52)		
Income and expenditure	13,935	11,495

5. Other trading activities

	2023	2022
	£000	£000
Trading	31,474	21,118
Sponsorship	3,828	3,876
Other activities for raising funds	330	118
	35,632	25,112
of which the following is taken to (see page 52)		
Income and expenditure	35,054	24,734
Capital	578	78
Collections	-	300

Included in sponsorship income is £1,642,000 of barter advertising (£985,000 in 2021-22), computed at estimated cost value.

6. Investments

	2023	2022
	£000	£000
Bank interest	274	5
Income on quoted investments	442	377
	716	382
of which the following is taken to (see page 52)		
Income and expenditure	282	12
Collections	434	370

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

At 31 March 2023, the investment fund was valued at £22,070,000 (£18,821,000 in 2021-22); historic cost £19,390,000 (£14,537,000 in 2021-22).

	2022			Realised	
	Market	Additions	Disposals	and	2023
	value	in year	in year	unrealise	Market
	(as	£000	£000	d	value
	restated)			gains/(los	£000
	£000			ses)	
				£000	
Investment portfolio:					
UK fixed interest	2,091	633	(199)	(197)	2,328
Non-UK fixed interest	358	1,338	(390)	(35)	1,271
UK equities	4,372	1,356	(1,310)	(181)	4,237
Non-UK equities	7,560	3,271	(1,078)	(420)	9,333
Property	1,626	-	-	(274)	1,352
Alternatives	1,686	625	-	(110)	2,201
Cash and money market funds	1,128	220	-	-	1,348
Group investments total	18,821	7,443	(2,977)	(1,217)	22,070
Subsidiaries' issued share capital (at cost)	2,495	-	-	-	2,495
Tate investments total	21,316	7,443	(2,977)	(1,217)	24,565

The 2022 market value of investments has been restated following a review of the classification of a number items within the portfolio.

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

Investments held at 31 March 2023 which individually represent greater than 5% of the investment portfolio:

- Brown Advisory Fds BA Beutel Goodman Us Val C
- Ishares Core S&P 500 Ucits Etf USD
- Vanguard Funds Plc S&P 500 Ucits Etf USD Dis

7. Net income/(expenditure)

is stated after charging:

	2023 £000	2022 £000
External Auditors' remuneration		
Comptroller and Auditor General	75	68
Subsidiaries – audit	63	56
Subsidiaries – taxation & technical advice	3	3
Operating lease rentals		
Land and buildings	915	1,204
Vehicles and equipment	4	30
Depreciation	22,171	22,369
Loss on disposal of fixed assets	10,695	-

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

8. Total expenditure

	Staff costs £000	Other direct costs £000	Support costs £000	Depreciat ion (incl. loss on disposal) £000	2023 Total £000	2022 Total £000
<i>Raising funds</i>						
Costs of raising donations and legacies	1,744	272	1,569	96	3,681	3,244
Fundraising trading: cost of goods sold and other costs						
- Trading costs	11,008	16,014	-	171	27,193	19,394
- Other costs of raising funds	4,624	3,068	2,827	126	10,645	7,333
Investment management costs	-	76	30	-	106	105
<i>Total costs of raising funds</i>	17,376	19,430	4,426	393	41,625	30,076
<i>Charitable activities</i>						
- Gallery activities	15,975	12,474	26,605	30,396	85,450	70,754
- Gallery operations	5,927	3,832	3,234	1,409	14,402	11,210
- Collections	7,038	1,564	2,634	668	11,904	10,862
<i>Total charitable activities</i>	28,940	17,870	32,473	32,473	111,756	92,826
<i>Other</i>	241	15	174	-	430	217
Total	46,557	37,315	37,073	32,866	153,811	123,119

Depreciation and loss on disposal comprises:

	£000
Depreciation	22,171
Loss on disposal (see note 9)	10,695

The Chairman and other Trustees received no remuneration; ten Trustees (six in 2021-22) received reimbursement of travel and subsistence expenses amounting to £3,431 in 2022-23 (£1,912 in 2021-22).

a) Support cost breakdown by activity

	Governance costs £000	Finance and Legal £000	Human resources £000	Information systems £000	Estates £000	Other £000	2023 Total £000	2022 Total £000
<i>Raising funds</i>								
Costs of raising donations and legacies	11	192	118	202	1,040	6	1,569	1,468
Fundraising trading: cost of goods sold and other costs								
- Other costs of raising funds	795	251	154	263	1,357	7	2,827	1,813
Investment management costs	-	30	-	-	-	-	30	26
<i>Total costs of raising funds</i>	806	473	272	465	2,397	13	4,426	3,307
<i>Charitable activities</i>								
- Gallery activities	134	2,427	1,266	2,547	20,160	71	26,605	24,519
- Gallery operations	46	827	534	868	935	24	3,234	2,622
- Collections	40	728	638	764	443	21	2,634	2,532
<i>Total charitable activities</i>	220	3,982	2,438	4,179	21,538	116	32,473	29,673
<i>Other</i>	-	170	-	-	-	4	174	160
Total	1,026	4,625	2,710	4,644	23,935	133	37,073	33,140
Basis of allocation	FTE/expenditure	expenditure	average FTE	expenditure	depreciation charge	expenditure		

Support costs include an element of staff costs amounting to £7,806,000 (£9,294,000 in 2021-22).

b) Staff costs

	2023	2022
	£000	£000
Wages and salaries	39,374	34,204
Pension costs	7,609	6,960
Social Security costs	4,133	3,530
Redundancy costs	23	1,918
Total employee costs	51,139	46,612
Agency staff costs	3,224	2,655
	54,363	49,267

£102,000 of staff costs relating to staff working exclusively on capital projects were capitalised in 2022-23 (£nil in 2021-22). The average number of full-time equivalent (FTE) staff directly employed on capital projects was 1 in 2021-22 (0 in 2021-22).

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:

	2023	2022
	No.	No.
£60,000 - £64,999	7	12
£65,000 - £69,999	9	7
£70,000 - £74,999	3	5
£75,000 - £79,999	3	4
£80,000 - £84,999	7	5
£85,000 - £89,999	1	4
£90,000 - £94,999	4	-
£95,000 - £99,999	4	3
£100,000 - £104,999	2	1
£110,000 - £114,999	1	-
£115,000 - £119,999	1	1
£120,000 - £124,999	1	2
£125,000 - £129,999	1	-
£130,000 - £134,999	-	1
£150,000 - £154,999	1	-
£160,000 - £164,999	-	1
£195,000 - £199,999	-	1
£205,000 - £209,999	1	-
	46	47

46 of the 46 staff earning more than £60,000 are members of a defined benefit pension scheme (47 of the 47 in 2021-22); their total contributions to the scheme amounted to £1,102,000 during the year (2021-22: £937,000).

The average number of full-time equivalent (FTE) staff during the year was 1,209 (1,046 in 2021-22). Included within this total are 5 FTE staff on temporary contracts (9 in 2021-21) and 88 FTE staff on fixed-term contracts (66 in 2021-22).

The breakdown of average FTE staff by occupational group was:

	2023	2022
	No.	No.
<i>Costs of raising funds</i>		
Costs of raising donations and legacies	37	35
Fundraising trading: cost of goods sold and other costs		

- Trading	406	315
- Other	102	79
Charitable activities	658	613
Other resources expended	6	4
	1,209	1,046

Exit package cost band	Number of compulsory redundancies	Number of other redundancies agreed	Total number of exit packages by cost band 2022	Total number of exit packages by cost band 2022
<£10,000	-	-	-	7
£10,000 - £25,000	-	2	2	20
£25,000 - £50,000	-	-	-	11
£50,000 - £100,000	-	-	-	12
£100,000 - £150,000	-	-	-	1
£150,000 - £200,000	-	-	-	1
Total number of exit packages	-	2	2	52
Total resource cost/£	-	23,000	23,000	1,918,000

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 for staff joining before April 2022. 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 switch into *alpha* sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report). 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 defined contribution (money purchase) pension with an employer contribution (partnership pension account).

For 2022-23, employees' contributions of £1,358,000 were payable to PCSPS (2021-22: £1,250,000). 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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 2022-23, employers' contributions of £6,491,000 were payable to the PCSPS (2021-22: £6,152,000) at one of four rates in the range of 26.6% to 30.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions usually every four years following a full scheme valuation. The last valuation was done in March 2016. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employers' contributions of £116,000 (2021-22: £140,000) were paid to one or more of a panel of three appointed stakeholder pension providers. In addition, employer contributions of £140,000 (2021-22: £133,000), 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 (none in 2021-22); the total additional accrued pension liabilities to PCSPS in the year amounted to £nil (2021-22: £nil).

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.

Staff joining after April 2022 are members of an Aviva defined contribution pension scheme. Employers' contributions of £284,000 (2021-22: nil) were paid to the scheme in 2022-23.

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 £578,000 were made in the year (2021-22: £535,000).

9. Tangible assets

Group							Assets in	Total
	Land	Freehold	Leasehold	Plant and	Fixture,	the course	tangible	
	£000	buildings	improvem	fit-out	and	of	assets	
		£000	ents	£000	equipment	constructi	£000	
			£000	£000	£000	on	£000	
Value at 1 April 2022	480,724	436,656	13,831	214,964	19,367	-	1,165,542	
Additions at cost	-	746	557	5,945	1,377	961	9,586	
Transfer of assets	-	-	-	(75)	-	75	-	
Valuation of assets	(36,430)	1,909	5,041	(15,417)	-	(250)	(45,147)	
Disposals	-	(5,054)	(19)	(7,207)	(1,739)	-	(14,019)	
Value at 31 March 2023	444,294	434,257	19,410	198,210	19,005	786	1,115,962	
Depreciation at 1 April 2022	-	162	419	3,912	16,191	-	20,684	
Charge for the year	-	4,184	165	16,151	1,671	-	22,171	
Valuation of assets	-	(4,009)	(99)	(18,536)	-	-	(22,644)	
Disposals	-	(175)	(1)	(1,442)	(1,706)	-	(3,324)	
Depreciation at 31 March 2023	-	162	484	85	16,156	-	16,887	
Net book value at 31 March 2023	444,294	434,095	18,926	198,125	2,849	786	1,099,075	
Net book value at 1 April 2022	480,724	436,494	13,412	211,052	3,176	-	1,144,858	
Historic cost NBV at 31 March 2023	98,488	260,752	13,275	84,087	2,851	1,036	460,489	
Tate							Assets in	Total
	Land	Freehold	Leasehold	Plant and	Fixture,	the course	tangible	
	£000	buildings	improvem	fit-out	and	of	assets	
		£000	ents	£000	equipment	constructi	£000	
			£000	£000	£000	on	£000	
Value at 1 April 2022	480,724	436,494	13,831	214,964	14,824	-	1,160,837	
Additions at cost	-	746	557	5,945	1,288	961	9,497	
Transfer of assets	-	-	-	(75)	-	75	-	
Valuation of assets	(36,430)	1,909	5,041	(15,417)	-	(250)	(45,147)	
Disposals	-	(5,054)	(19)	(7,207)	(1,602)	-	(13,882)	
Value at 31 March 2023	444,294	434,095	19,410	198,210	14,510	786	1,111,305	
Depreciation at 1 April 2022	-	-	419	3,912	12,073	-	16,404	
Charge for the year	-	4,184	165	16,151	1,506	-	22,006	
Valuation of assets	-	(4,009)	(99)	(18,536)	-	-	(22,644)	
Disposals	-	(175)	(1)	(1,442)	(1,575)	-	(3,193)	
Depreciation at 31 March 2023	-	-	484	85	12,004	-	12,573	
Net book value at 31 March 2023	444,294	434,095	18,926	198,125	2,506	786	1,098,732	
Net book value at 1 April 2022	480,724	436,494	13,412	211,052	2,751	-	1,144,433	
Historic cost NBV at 31 March 2023	98,488	260,752	13,275	84,087	2,508	1,036	460,146	

Assets in the course of construction relate to costs incurred relating to the 'Transforming Tate Liverpool' capital project.

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. Specialised property is valued at depreciated replacement cost and non-specialised property at market value for existing use. Where no formal revaluation is undertaken, 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.

A formal revaluation of the Trustees' property holdings was undertaken at 31 March 2019 by Avison Young, independent property consultants.

A desktop revaluation for the 2022-23 accounts was undertaken in accordance with HM Government Financial Reporting Manual (FRoM) Guidance, International Valuation Standards (IVS) and the requirements of the RICS Valuation – Global Standards 2022 (the Red Book).

Had these not been revalued, the historic cost net book value at 31 March 2023 would have been: £98,488,000 for land, £260,752,000 for freehold buildings, £13,275,000 for leasehold improvements and £84,087,000 for plant and fit-out.

During 2022-23, a detailed review of historic additions to buildings, plant and fit-out was completed. A number of items were identified as having been replaced and were recorded as disposals in the year, resulting in a net loss on disposal of £10,695,000 as shown in note 8 above.

The net book value at 31 March 2023 represents fixed assets for:

Group	Land £000	Freehold buildings £000	Leasehold improvements £000	Plant and fit-out £000	Fixture, fittings and equipment £000	Assets in the course of constructi on £000	Total tangible assets £000
Charitable activities	444,294	434,095	18,926	198,125	2,506	786	1,098,732
Other activities	-	-	-	-	343	-	343
	<u>444,294</u>	<u>434,095</u>	<u>18,926</u>	<u>198,125</u>	<u>2,849</u>	<u>786</u>	<u>1,099,075</u>

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

10. Heritage assets

Group and Tate	Value at 1 April 2022 £000	Additions £000	Value at 31 March 2023 £000
<i>Cost</i>			
Installations	22,628	1,000	23,628
Paintings	66,734	763	67,497
Reliefs	2,482	11	2,493
Sculptures	26,733	35	26,768
Works on paper	24,844	376	25,220
Time-based media	3,020	264	3,284
Archives	6,136	-	6,136
Other	342	-	342
ARTIST ROOMS	20,660	-	20,660
<i>Valuation</i>			
Installations	17,292	424	17,716
Paintings	205,981	1,714	207,695
Reliefs	2,706	35	2,741
Sculptures	53,347	2,013	55,360
Works on paper	32,607	348	32,955
Time-based media	4,242	137	4,379
Archives	8,519	475	8,994
Other	287	-	287
ARTIST ROOMS	49,508	550	50,058
The Qantas Foundation	1,338	151	1,489
Total	549,406	8,296	557,702

In the year 228 works of art and archives were added to the Collection of which 98 are included at cost price and 130 have been valued. This includes 12 works part-purchased with ARTIST ROOMS and Qantas Foundation.

Five-year financial summary of heritage asset transactions

	2022-23 £000	2021-22 £000	2020-21 £000	2019-20 £000	2018-19 £000
<i>Cost</i>					
Installations	1,000	680	1,256	1,031	2,285
Paintings	763	497	393	1,478	1,846
Reliefs	11	17	-	76	51
Sculptures	35	533	717	1,849	1,935
Works on paper	376	751	1,557	810	1,154
Time-based media	264	149	387	353	113
Archives	-	-	4	131	35
<i>Valuation</i>					
Installations	424	48	1,344	960	1,417
Paintings	1,714	8,633	7,311	6,332	3,344
Reliefs	35	58	-	424	467
Sculptures	2,013	11,017	1,078	1,842	2,339
Works on paper	348	2,396	4,137	1,340	1,500
Time-based media	137	161	1,219	543	894
Archives	475	1,028	214	498	115
ARTIST ROOMS	550	-	103	-	218
The Qantas Foundation	151	10	37	732	408
Total additions	8,296	25,978	19,757	18,399	18,121

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 76,657 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 9.

More information is available on Tate's website, 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-us/conservation and the acquisitions and disposals and loans policy can be found at www.tate.org.uk/about-us/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) and Tate Exhibition Productions 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 consultancy, events, corporate memberships, education and some media services at all Tate sites.

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

	2023	2022
	£000	£000
Fixed assets	343	425
Current assets	15,099	13,202
Current liabilities	(8,342)	(6,870)
Long-term liabilities	-	(2,181)
Net assets	7,100	4,576
Capital and reserves	7,100	4,576
	7,100	4,576

Current assets include stock of £3,377,000 comprising: work in progress £163,000; finished goods and goods for resale £3,214,000 (£3,041,000, comprising: work in progress £154,000; finished goods and goods for resale £2,887,000 in 2021-22).

	2023	2022
	£000	£000
Turnover	32,961	21,961
Cost of sales	(11,597)	(7,589)
Gross profit	21,364	14,372
Other income (Job Retention Scheme)	-	599
Administrative expenses	(17,125)	(12,823)
Trading profit	4,239	2,148
Interest receivable	38	1
Net contribution	4,277	2,149

The net contribution consists of £583,000 from publishing and retail operations (contribution of £570,000 in 2021-22), £3,549,000 from catering and events operations (contribution of £1,254,000 in 2021-22) and contribution of £145,000 from education, consultancy and media services (contribution of £325,000 in 2021-22). Turnover includes £1,469,000 of sales to Tate (£1,423,000 in 2021-22). Administrative expenses include £1,270,000 of expenditure recharged by Tate (£1,687,000 in 2021-22).

In 2020-21, an unsecured revolving loan facility was made available to Tate Enterprises Limited by Tate Gallery in order to provide working capital to the company. This was repaid in full during 2022-23 and therefore at 31 March 2023, the loan balance was £nil (2021-22: £2,181,000). Interest was payable quarterly in arrears at the UK base rate +3.0% per annum.

The taxable profits of Tate Enterprises Limited are usually distributed to the Board of Trustees of the Tate Gallery 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 is a dormant company.

12. Debtors and prepayments

	Group		Tate	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	5,463	4,999	4,429	4,025
Amounts due from group companies	-	-	1,396	3,427
Other debtors	2,511	2,028	2,101	1,975
Prepayments and accrued income	12,297	9,130	12,137	9,052
	20,271	16,157	20,063	18,479

Debtors: amounts falling due after more than one year (included in the above)

	Group		Tate	
	2022	2021	2023	2022
	£000	£000	£000	£000
Amounts due from group companies	-	-	-	2,181
	-	-	-	2,181

Amounts due from group companies includes £nil (2021-22: £2,181,0000) due from Tate Enterprises Ltd on the unsecured revolving loan facility initially drawn down in 2020-21 which was fully repaid before 31 March 2023.

13. Cash and liquid resources

	Group		Tate	
	2023 £000	2022 £000	2023 £000	2022 £000
held at/in:				
Government Banking Service	3,499	2,255	3,499	2,255
Interest-bearing accounts	33,727	33,477	26,076	25,220
Cash and non-interest-bearing accounts	296	297	58	60
	37,522	36,029	29,633	27,535

Reconciliation to liquid resources (see note 19(ii))

	2023 £000	2023 £000
Interest-bearing accounts	33,727	33,477
Less: funds held in interest-bearing current or call accounts	-	1
Liquid resources (funds held on deposit)	33,727	33,476

14. Creditors: amounts falling due within one year

	Group		Tate	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade creditors	11,463	10,965	10,267	10,235
Amounts due to group companies	-	-	2,228	401
Taxation and social security	1,842	1,663	773	677
Other creditors	1,450	1,734	1,122	1,396
Accruals	8,312	7,984	4,670	5,088
Deferred income	3,515	3,286	2,802	2,773
	26,582	25,632	21,862	20,569

Creditors: amounts falling due after more than one year

	Group		Tate	
	2023 £000	2022 £000	2023 £000	2022 £000
Other creditors	-	109	-	109
Accruals	419	531	419	531
	419	640	419	640

Deferred income

	Group		Tate	
	2023 £000	2022 £000	2023 £000	2022 £000
Deferred income brought forward	3,286	1,290	2,773	1,955
Deferred in year	10,188	3,286	9,475	2,773
Released in year	(9,959)	(1,290)	(9,446)	(1,995)
Deferred income carried forward	3,515	3,286	2,802	2,773

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

15. Provisions for liabilities

	Group		Tate	
	2023 £000	2022 £000	2023 £000	2022 £000
Provisions brought forward	1,652	1,502	1,652	1,502
Provided in year	2,632	180	2,632	180
Released in year	(189)	(30)	(189)	(30)
Utilised in year	(180)	-	(180)	-
Provisions carried forward	3,915	1,652	3,915	1,652

£3,915,000 (2021-22: £1,652,000) was provided at year end in relation to the potential outcome of two legal claims brought against Tate. The timing of outflows is uncertain, however the current estimate is within one year for both cases.

16. Operating leases

At 31 March 2023 Tate had commitments for future minimum payments under non-cancellable leases as follows:

Group	Land and buildings	Other	2023	2022
	£000	£000	£000	£000
Operating leases expiring within				
One year	792	30	822	905
Two to five years	2,914	13	2,927	3,357
More than five years	801	-	801	1,483
	4,507	43	4,550	5,745

Tate	Land and buildings	Other	2023	2022
	£000	£000	£000	£000
Operating leases expiring within				
One year	759	4	763	732
Two to five years	2,914	-	2,914	2,750
More than five years	801	-	801	1,436
	4,474	4	4,478	4,918

17. Statement of funds

Group	Opening Funds £000	Transfers £000	Income £000	Expenditure £000	Gain/(loss) on revaluation £000	Gain/(loss) on investment £000	Closing funds £000
Unrestricted							
<i>Designated</i>							
Works of art	23,956	-	-	-	-	-	23,956
Buildings and equipment	41,202	(75)	3,067	(8,433)	1,892	-	37,653
	65,158	(75)	3,067	(8,433)	1,892	-	61,609
<i>General funds</i>	22,236	(333)	115,936	(115,285)	-	-	22,554
Total unrestricted funds	87,394	(408)	119,003	(123,718)	1,892	-	84,163
Restricted							
Buildings and equipment	430,179	75	9,797	(24,433)	11,667	-	427,285
Revaluation reserve	674,648	-	-	-	(36,062)	-	638,586
Works of art	525,449	-	8,224	-	-	-	533,673
Acquisition trust funds	2,816	(228)	434	(75)	-	(104)	2,843
Other funds	3,899	333	4,685	(5,585)	-	(5)	3,327
	1,636,991	180	23,140	(30,093)	(24,395)	(109)	1,605,714
Endowments	16,003	228	4,101	-	-	(1,108)	19,224
Total funds	1,740,388	-	146,244	(153,811)	(22,503)	(1,217)	1,709,101
Tate							
	Opening Funds £000	Transfers £000	Income £000	Expenditure £000	Gain/(loss) on revaluation £000	Gain/(loss) on investment £000	Closing funds £000
Unrestricted							
<i>Designated</i>							
Works of art	23,956	-	-	-	-	-	23,956
Buildings and equipment	40,777	(75)	2,978	(8,262)	1,892	-	37,310
	64,733	(75)	2,978	(8,262)	1,892	-	61,266
<i>General funds</i>	20,581	(333)	88,484	(90,437)	-	-	18,295
Total unrestricted funds	85,314	(408)	91,462	(98,699)	1,892	-	79,561
Restricted							
Buildings and equipment	430,179	75	9,797	(24,433)	11,667	-	427,285
Revaluation reserve	674,648	-	-	-	(36,062)	-	638,586
Works of art	525,449	-	8,224	-	-	-	533,673
Acquisition trust funds	2,816	(228)	434	(75)	-	(104)	2,843
Other funds	3,899	333	4,685	(5,585)	-	(5)	3,327
	1,636,991	180	23,140	(30,093)	(24,395)	(109)	1,605,714
Endowments	16,003	228	4,101	-	-	(1,108)	19,224
Total funds	1,738,308	-	118,703	(128,792)	(22,503)	(1,217)	1,704,499

Transfers between funds in the year reflect a) a reclassification of PPE acquired in the prior year related to the Tate Liverpool capital project to restricted reserves; and b) corrections to the opening allocation of endowments between permanent and expendable elements.

Fair value reserve (investments) – movements

	As at 1 April 2022 £000	Unrealised losses under fair value £000	Realised losses under fair value £000	As at 31 March 2023 £000	Reserve fund net of FV at 31 March £000	Reserve fund incl. FV at 31 March £000
Restricted						
Acquisition trust funds	629	(125)	(88)	416	2,372	2,788
Other funds	19	(4)	(2)	13	73	86
	648	(129)	(90)	429	2,445	2,874
Endowments	3,636	(918)	(467)	2,251	16,945	19,196
Total funds	4,284	(1,047)	(557)	2,680	19,390	22,070

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 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;

- Other funds which were set up and utilised during the year as a result of donations received for specific purposes, including digital initiatives, support for Tate Collective activities, research projects and funding for exhibitions and displays taking place in future financial years.

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;
- *Manton Foundation Endowment* – permanent endowment for historic British art scholarship. The capital element of this endowment remains permanently intact and only the income can be spent.

18. Analysis of net assets between funds

Funds balances at 31 March 2023 are represented by:

Group	Unrestricted designated funds £000	Unrestricted general funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Tangible assets	37,653	-	1,061,422	-	1,099,075	1,144,858
Heritage assets	23,956	-	533,746	-	557,702	549,406
Investments	-	-	2,874	19,196	22,070	18,821
Net current assets	-	26,888	7,672	28	34,588	29,595
Long term creditors	-	(419)	-	-	(419)	(640)
Provisions	-	(3,915)	-	-	(3,915)	(1,652)
Total net assets	61,609	22,554	1,605,714	19,224	1,709,101	1,740,388

Tate	Unrestricted designated funds £000	Unrestricted general funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Tangible assets	37,310	-	1,061,422	-	1,098,732	1,144,433
Heritage assets	23,956	-	533,746	-	557,702	549,406
Investments	-	2,495	2,874	19,196	24,565	21,316
Net current assets	-	20,134	7,672	28	27,834	25,445
Long term creditors	-	(419)	-	-	(419)	(640)
Provisions	-	(3,915)	-	-	(3,915)	(1,652)
Total net assets	61,266	18,295	1,605,714	19,224	1,704,499	1,738,308

19. Cash flow information

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

	2023	2022
	£000	£000
Net (expenditure)/income for the reporting period	(8,784)	23,390
Adjustments for:		
Depreciation charges	22,171	22,369
Loss on disposal of fixed assets	10,695	-
Donations of works of art	(5,847)	(23,188)
Receipt of endowment	(4,101)	-
Losses/(gains) on investments	1,217	(914)
Dividends and interest	(716)	(381)
(Increase)/decrease in stocks	(336)	319
(Increase)/decrease in debtors	(4,114)	3,719
Increase in creditors and provisions	2,920	4,751
Net cash inflow from operating activities	13,105	30,065

(ii) Analysis of cash and cash equivalents

	2023	2022
	£000	£000
Cash in hand	3,795	2,553
Notice deposits (less than three months)	33,727	33,482
Total cash and cash equivalents	37,522	36,035

20. Capital commitments

Financial commitments were as follows:

	2023	2022
	£000	£000
Acquisition of works of art contracted for, but not provided in the accounts	57	46
		Works of art
		£000
Opening commitments at 1 April 2022		46
Less paid for during the year		(37)
Additional commitments		48
Closing commitments at 31 March 2023		57

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.

21. Contingent liabilities

There are no material contingent liabilities.

22. Related party transactions

Tate is a non-departmental public body 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 a Trustee of Tate, Katrin Henkel is also a Trustee of the National Gallery. Rosalind Nashashibi was appointed as a Tate Trustee in April 2022 and was appointed as the second Liaison Trustee to the National Gallery in January 2023. The National Gallery is a member of the National Museum Directors' Council.

Roland Rudd is the Chair of Tate Foundation. Dame Jayne-Anne Gadhia DBE is the Chair of the Board of HMRC.

Roland Rudd donated £50,000 to Tate Gallery in 2022-23. Danny Rimer donated £50,000 to Tate Foundation in 2022-23. James Timpson OBE is a director of Timpson Ltd which donated £11,867 to Tate Foundation in 2022-23. Katrin Henkel is a member of Tate Foundation's International Council, paying subscription fees of £10,000 in 2022-23. Rosalind Nashashibi created a limited edition print with the Tate Commerce division of Tate Enterprises in 2021-22 before being appointed a Trustee of Tate Gallery in 2022-23; this print continued to be available to purchase in the Tate shop in 2022-23.

Tim Davie is Director General of the BBC, from whom Tate Enterprises Ltd received £2,230 for events and filming and paid £1,150 in 2022-23. Danny Rimer is a director of Figma, Inc, to whom Tate paid £133 in design software subscription fees in 2022-23.

Maria Balshaw CBE is a director of Tate Foundation. Carmel Allen and Kathryn Martindale are directors of Tate Enterprises Limited. Maria Balshaw CBE and Kathryn Martindale are directors of Tate Exhibition Productions Limited.

Maria Balshaw CBE is Chair of the Executive Committee of the National Museum Directors' Council (NMDC), to whom Tate paid £15,958 in membership fees in 2023-23. Tate acted as host and agent of NMDC during 2022-23 and received £6,934 in support recharges. Maria Balshaw CBE was a trustee of the Clore Leadership Programme until June 2022 to whom Tate paid £5,795 in training fees in 2022-23. Liam Darbon is a trustee of the Birmingham Museums Trust who are a member of the NMDC and paid £1,980 in membership fees. Tate paid Birmingham Museums Trust £3,250 in bursary and artwork loan fees in 2022-23.

During the year, Tate Foundation made donations to Tate of £4,238,983 (£2,685,124 in 2021-22) and reimbursed Tate for staff costs totalling £555,695 (£489,293 in 2021-22) and support costs totalling £146,302 (£133,051 in 2021-22). At the year end, debtors included £5,715,474 (£3,955,000 in 2021-22) and creditors included £56,002 (£833,000 in 2021-22) in respect of Tate Foundation. During the year the Tate Americas Foundation made donations to Tate of £922,500 (£1,002,000 in 2021-22). At the year end, debtors included £nil (£nil in 2021-22) and creditors included £nil (£nil in 2021-22) in respect of the American Fund. During the year the Canada Foundation made donations to Tate of £nil (£nil in 2021-22).

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

23. 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 £2,919,000 representing external trade debtors (£2,909,000 in 2021-22), however the risk is not considered significant as major customers are known to Tate. In Tate, all debtors over six months in age, except for debts with related charities, are provided for as doubtful debts; in Tate Enterprises, all debtors over one year in age are provided for. This totalled £195,000 (£213,000 in 2021-22).

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 0.49% of the total incoming resources for Tate (0.26% in 2021-22). Tate is therefore not exposed to significant interest or investment risk.

Foreign currency risk

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

24. Net debt

There is no analysis of change in net debt required as there is no such net debt.

25. Job Retention Scheme income

Tate utilised the Government's Job Retention Scheme in 2021-22, with £672,000 claimed through the scheme, with 792 gallery staff either fully or flexibly furloughed between April and May 2021, and 264 staff furloughed between June and July 2021.

26. Post balance sheet events

The Trustees designated the annual report and accounts for signing by the Accounting Officer on 6 July 2023 and authorised them for issue on the date they were certified by the Comptroller and Auditor General.

