

Tate Members

(A company limited by guarantee)

Council members' report and financial statements

Year ended 31 March 2009

Charity registration number 313021

Company registration number 600340

Council members' report and financial statements

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Council report

Reference and administrative information

Charity name	Tate Members
Charity registration number	313021
Company registration number	600340
Registered address	Tate Millbank London SW1P 4RG

Tate Members' Council

Francine Stock (Chair) *
Robert McCracken (Treasurer) *
Elkan Abrahamson (Chair of Tate Liverpool Members Committee)
David Adjaye
Caroline Blyth (elected 14 November 2008)
Shami Chakrabarti
Brendan Finucane *
Linda Genower
Dominic Harris
Cornelia Parker (resigned 27 November 2008)
Miranda Sawyer
Dr Steven Sharp (elected 14 November 2008)
Simon Waldman (resigned 7 January 2009)
Peter Wallis
Cathy Watkins (Chair of Tate St Ives Committee)
Simon Wilson

Susie Dawson (Secretary)

* members of the Audit Committee

Executive team

Will Gompertz	Director, Tate Media
Martin Barden	Head of Membership & Ticketing Services
Susie Dawson	Head of Membership

Auditors

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP

Bankers

Coutts & Co
St Martins Office
440 Strand
London WC2R 0QR

Solicitors

Withers
16 Old Bailey
London EC4M 7EG

Aims and Objectives

Purposes and Aims

Tate Members (originally Friends of the Tate Gallery) objects as set out in the company's Memorandum of Association are to encourage, foster, assist and promote in any manner whatsoever the fulfilment by the Tate Gallery Trustees of the charitable functions and charitable purposes entrusted to them.

Tate Members support Tate's key aim which is to benefit the public by increasing knowledge, understanding and enjoyment of British art from the sixteenth century to the present day and of international modern and contemporary art, film and video.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. In particular, the trustees considered how planned activities contribute to the overall aims and objectives of the charity.

The focus of our work

The main objective for the year continued to be to increase the financial contribution to Tate. Tate Members fund the acquisition of works of art for the National Collection of British and International art which Tate holds on behalf of the nation and which is on view free to increasingly diverse audiences. Secondly, Tate Members provide financial support for Tate's innovative exhibition and learning programmes, which promote increased understanding and enjoyment amongst the wider public.

The strategy focuses on building and widening the membership base, and increasing satisfaction, loyalty and a commitment to Tate among existing Members in order to maximise their individual financial contribution through membership fees, donations, secondary spend, referrals and recommending others to join in supporting Tate.

Key activities focus on recruiting new Members (in particular from among Tate visitors), retaining existing Members and improving the service delivered to existing and potential Members, while also nurturing the Members' involvement with art and their increased support for Tate through Gift Aid, additional donations, legacies and bequests.

The proposed works of art and projects are presented by Tate to the Council during the year for approval. The contributions are made to Tate once the works of art have been purchased or the projects completed.

Activities, achievements and performance

How our activities deliver public benefit

Our main activities and who we aim to help are described below. All our charitable activities focus on supporting Tate in promoting increased knowledge, understanding and enjoyment of British and International Modern Art, film and video, and are undertaken to further our charitable purposes for the public benefit.

Who benefited

During 2008-09 those benefiting from Tate's services, which receive direct financial support from Tate Members, included the 7.475 million visitors to four Tate galleries in London, Liverpool and St Ives; also the 18.5 million unique visitors to the Tate website. Tate conducts outreach programmes for local communities in Millbank, Southwark, Liverpool and St Ives. These include working with young people, lower income and immigrant families, families with pre-school children. Tate actively pursues diversity and promotes a multi-cultural perspective. Accessibility is an abiding principle.

In return for providing financial support, Members receive private benefits in the form of admission to exhibitions, private views, the use of Members Rooms and mailings about the programmes.

Achievements and performance

The membership stood at 95,411 at the financial year end (2008: 82,515). Total income increased by 16% during the year, membership retention increased by 1.3% to 85.8%, and membership satisfaction levels remained at 94%.

The contribution to Tate increased from £5,358,890 to £5,390,800 and was spent on the works of art and Tate projects listed below:

Works of Art

Sir Peter Paul Rubens *Multiple sketch for Banqueting House Ceiling (contribution towards appeal)*.
Juan Muñoz *Conversation Piece*
Jacob More *The Deluge*
Black Audio Film Collective *Expeditions One: Signs of Empire; Expeditions Two: Images of Nationality, Handsworth Songs*
Vong Phaophanit *What Falls to the Ground but Can't be Eaten;*
Vong Phaophanit *'All that's solid melts into air (Karl Marx)'*
Mike Nelson *The Coral Reef*
Hew Locke *Vita, Veritas, Victoria*
The Nimai Chatterji Collection
Tacita Dean *Majesty*
Mark Wallinger *Royal Ascot*
Mark Wallinger *Threshold to the Kingdom*
Robert Frank Various works
Sanja Ivekovic *The series Double Life*
Florian Pumhösl *Programm*
Runa Islam *First Day of Spring*
Terry Atkinson *Postcard from Trotsky...*
Jamie Reid *Work and Play*
Donald Rodney *Visceral Canker*
Toby Ziegler *Vanity Press*
Cathy Wilkes *(We Are) Pro Choice*
Thomas Schütte *Four Sisters in the Bath*
The Sylvester Archive

Tate projects

Tate Britain Van Dyck exhibition
Care of works in the collection and support for the programme at all Tate galleries

Tate Liverpool Members

Lunchtime lectures
Re-view: Exploring Modern and Contemporary Art
Research Forums and Critical Forums
Artist talks, debates and Late at Tate
The Fifth Floor: Ideas Taking Space
Preparations for the Easter programme
Capital projects: refurbishment of the foyer

Tate St Ives Members

The exhibition Adam Chodzko: *Proxigean Tide*
The exhibition Dawn of a Colony
The exhibition Heimo Zobernig and the Tate Collection
The exhibition A Continuous Line: Ben Nicholson in England
Learning Programme: adult programme of activities and events

Learning Programme: Young Tate programme
Capital project: courtyard canopy
Acquisition of Sandra Blow *Vivace*

Tate Members' financial support during the financial year 2008-09 helped Tate further its founding aim of increasing interest, involvement and understanding of art for the greater public benefit by supporting exhibitions and learning programmes at all four sites as well as supporting the acquisition of 23 works of art for the national Collection.

Factors impacting on the performance of the charity include Tate's exhibition programme, the number and type of visitors attracted to the Tate galleries, and external factors which impact visitor figures.

Financial review

Reserves policy

The Council's policy is to maintain the level of free reserves at six months of operating costs so as to provide sufficient working capital. The Council has designated £549,806 (2008: £564,999) to approximate to the further costs expected to be incurred in servicing members until the end of their current subscription periods.

Free reserves at 31 March 2009 were £1,305,678 (2008: £1,803,813). A level of £1,059,786 is required to comply with the current reserves policy. As a result of a deliberate policy to reduce reserves by way of increased contributions to Tate the balance has fallen by £513,328 since the beginning of the year.

An additional sum of up to £2 million can be maintained as a contingency fund to deal with unexpected or urgent funding requests.

Principal funding sources

The main source of income for the charity is member subscriptions and related Gift Aid.

Investment policy

Tate Members has a policy of holding all funds in cash on bank deposit.

Plans for future periods

In 2008 Tate Members (formerly Friends of Tate) marked their fiftieth year, having been officially constituted on 12 March 1958. The key objective in coming years remains to maximise financial support for Tate while preserving the accessibility of and diversity amongst, the membership, in keeping with Tate values. The strategy continues to be to maximise total membership, annual contribution per Member, length of membership and Member satisfaction. Issues such as diversity and sustainability are paramount to planning.

Structure, governance and management

Governing document

Tate Members is a charitable company limited by guarantee, incorporated on 12 March 1958 and registered as a charity on 22 April 1963. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of the Tate Members' Council

Tate Members is governed by the Tate Members' Council, 10 to 15 individuals who are members of the charity and who constitute directors for the purposes of company law and trustees for the purposes of charity law.

The role of the Council is non-executive and voluntary. Council approves the appointment by Tate of an executive team to manage the charity on a day to day basis.

Under the requirement of the Memorandum and Articles of Association, one third of the members of Council retire by rotation at each Annual General Meeting and are eligible for re-election.

The aim is to achieve a balance of skills and experience on Council relevant to the objectives of the charity.

All members of Tate Members Council give their time voluntarily and received no benefits from the charity, apart from the private benefits that are accorded to all Members in acknowledgement of their support, including admission to exhibitions, Members Rooms and mailings about the objects of the charity.

Tate Members Council members follow Tate's procedures for ensuring that Trustees and other non-executive advisors fulfil their role according to high ethical standards and that actual or perceived conflicts of interest are properly managed.

Members of Tate Members Council need to be conscious of how their personal interests may interact with those of Tate as they carry out their roles, and take steps to declare and manage conflicts of interest when and if they arise. A Register of Interests is completed by members of the Tate Members Council retrospectively once a year in April. Council members are asked to record changes in their interests at the earliest opportunity. If unsure they are requested to seek advice, and to withdraw when there is a conflict. If necessary, Council members defer to the decision of Tate Members Council and, ultimately, the Tate Ethics Committee.

Induction and training of Council members

New Council members are inducted and given training appropriate to their knowledge and ability.

Organisational structure

The Tate Members' Council establishes a framework for the organisation, with the day to day operation and management delegated to staff. Staff members of Tate are responsible for ensuring that the charity delivers the services specified to Tate Members and that key performance indicators are met. These include membership numbers, retention, the percentage paying by Direct Debit/consenting to Gift Aid, the cost per Member and Member satisfaction. Council oversees policies, financial decisions (such as pricing policy) and approves how the contribution to Tate is allocated.

Related parties

The organisation is strongly reliant on the Tate infrastructure and procedures, especially in relation to staff and risk management.

Risk management

The Council places strong reliance on the risk analysis and control environment operated by Tate and the Tate Audit Committee. In addition, Tate Members have prepared a risk register which details the major risks the organisation faces and identifies the controls in place to mitigate those risks. Major risks, which would have a severe impact on either operational performance or the achievement of strategic objectives, include significant environmental and economic factors as well as reputational and performance-related factors. The review [of such matters](#) also covers compliance with statutory requirements and internal control procedures as well as investment risk.

The risk register is kept under review on an ongoing basis by Tate's executive and is formally reviewed on an annual basis by the Tate Members Audit Committee and Tate Members Council. The focus is on ensuring that risks are managed effectively by senior Tate staff. Tate Members' operations and risk management processes are also reviewed periodically by Tate's Internal Audit. However, it is recognized that a risk management system can only seek to manage, rather than eliminate, factors that impact on the ability to achieve business objectives, and can provide only reasonable assurance against material misstatement or loss.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

The financial statements were approved by the Council on 22 June 2009.
On behalf of the Board

Francine Stock

Robert McCracken
Members of the Council

Statement of Council members' responsibilities for the preparation of financial statements

The Council members (who are also directors of Tate Members for the purposes of company law) are responsible for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Council is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Council has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the independent auditor to the members of Tate Members

We have audited the financial statements of Tate Members for the year ended 31 March 2009 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, the cash flow statement and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Tate Members for the purposes of company law) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and the information given in the Trustees' Annual Report is consistent with the financial statements.

Grant Thornton UK LLP
*Registered Auditors
Chartered*

June 2009
LONDON
Accountant

Statement of financial activities

(Incorporating an income and expenditure account)

(for the year ended 31 March 2009)

	Note	2009 £	2008 £
Incoming resources			
<i>Incoming resources from generated funds</i>			
Voluntary income	3	6,811,844	5,803,705
Investment income		185,199	229,904
Total incoming resources		6,997,043	6,033,609
Resources expended			
<i>Costs of generating funds</i>			
Costs of generating voluntary income	5	(2,080,159)	(1,795,791)
<i>Charitable activities</i>	7	(5,390,800)	(5,358,890)
<i>Governance costs</i>	8	(39,412)	(27,693)
Total resources expended		(7,510,371)	(7,182,374)
Net movement in funds		(513,328)	(1,148,765)
Unrestricted funds brought forward	11	2,368,812	3,517,577
Unrestricted funds carried forward	11	1,855,484	2,368,812

The company has no recognised gains or losses other than the retained funds for the year.

The results for the year were derived solely from continuing operations.

Balance sheet

at 31 March 2009

	<i>Note</i>	2009 £	2008 £
Current assets			
Debtors	9	884,094	936,320
Cash at bank and in hand		2,294,584	3,379,812
		<hr/> 3,178,678	4,316,132
Creditors: amounts falling due within one year	10	(1,323,194)	(1,947,320)
Net current assets		<hr/> 1,855,484	2,368,812
Unrestricted funds			
Revenue designated	11	549,806	564,999
General	11	1,305,678	1,803,813
Total funds		<hr/> 1,855,484	2,368,812

These financial statements were approved by the Council on 22 June 2009 and were signed on its behalf by:

Francine Stock

Robert McCracken

Members of the Council

Cashflow Statement

for the year ended 31 March 2009

	<i>Notes</i>	2009	2008
		£	£
Net cash (outflow)/inflow from operating activities	<i>14(i)</i>	(1,270,452)	145,667
<i>Returns on investments and servicing of finance</i>			
Interest received		185,224	229,904
Net cash (outflow)/inflow from returns on investments and servicing of finance		(1,085,228)	375,571
(Decrease)/Increase in cash	<i>14(ii)</i>	(1,085,228)	375,571

Notes

(forming part of the financial statements)

1 Liability of members

Tate Members is a company limited by guarantee, with no share capital. Each member of the company, of which there are currently 95,411 is liable to contribute £1 in the event of the winding up of the company. Members of the Council constitute directors of the company for Companies Act purposes.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Charity SORP 2005 and other applicable accounting standards and under the historical cost convention.

Subscriptions and donations

Subscriptions and donations are recognised as they are received.

Individual membership is eligible for Gift Aid, which is recognised on receipt.

Unrestricted funds

These resources arise from the accumulated surpluses and deficits in the operation for charitable purposes and are expendable at the discretion of the Council in furtherance of the charity. To ensure there are sufficient funds to cover the direct cost of servicing existing members, a sum is designated approximate to the time-apportioned element of members' subscriptions needed to provide members' services in the future.

Cost of activities

This expenditure represents the costs of fundraising and servicing the membership schemes.

Charitable expenditure

This expenditure represents contributions made to Tate for purchases of works of art and projects. The expenditure is recognised when Tate Members is committed to provide such funding.

Governance costs

This expenditure represents the cost of staff time spent on governance, as well as the audit fee.

Notes (continued)

3 Voluntary income

	2009	2008
	£	£
Subscriptions	5,916,819	4,838,216
Gift Aid	883,511	952,404
Events	1,673	800
Other donations	9,841	12,285
	6,811,844	5,803,705

4 Auditors' remuneration

Auditors' remuneration for the year was £8,000 (2008: £7,250).

5 Costs of generating voluntary income

	2009	2008
	£	£
Member communications costs	855,947	725,604
Management charges	381,245	381,000
Event costs	32,638	32,039
Fulfilment and Members' Room charges	262,578	209,236
Support costs (see note 6)	201,771	169,865
Other costs	345,980	278,047
	2,080,159	1,795,791

Council members received £nil remuneration during the year (2008: nil). During the year 2 of the 16 Council members received expense reimbursements of £381(2008: £1,928).

The company did not have any employees during the year. Included within other costs is £216,337 (2008: £184,759) paid to Tate in respect of Membership Office staff costs.

6 Support costs

	2009	2008
	£	£
Management costs	16,294	18,071
Tate support costs	185,477	151,794
	201,771	169,865

Costs have been allocated between categories based on the staff time spent on each area.

Notes (continued)

7 Charitable expenditure

	2009 £	2008 £
Contributions towards purchases of works of art by Tate	2,387,000	2,040,658
Other contributions		
To Tates London	2,766,800	3,202,232
To Tate Liverpool	119,000	44,000
To Tate St Ives	118,000	72,000
	5,390,800	5,358,890

There were £nil contributions to Tate accrued for at 31 March 2009 (2008: £1,349,100).

8 Governance Costs

	2009 £	2008 £
Staff time	22,121	16,884
Audit fee	8,000	7,250
Committee expenses	1,241	2,059
Professional Fees	8,050	1,500
	39,412	27,693

9 Debtors

	2009 £	2008 £
Trade debtors	17,860	2,201
Amounts owed by Tate and associated organisations	553,895	547,029
Other debtors	312,339	387,090
	884,094	936,320

10 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	8,098	6,036
Amounts due to Tate and associated organisations	1,263,551	1,873,609
Other creditors	51,545	67,675
	1,323,194	1,947,320

Notes (continued)

11 Funds

	At 1 April 2008 £	Net movement in funds £	Net transfers £	At 31 March 2009 £
General funds	1,803,813	(513,328)	15,193	1,305,678
Revenue designated funds	564,999	-	(15,193)	549,806
	2,368,812	(513,328)	-	1,855,484

The revenue designated fund is designated by the Council in addition to the reserve policy to ensure there are sufficient funds to cover the direct costs of servicing existing members until the end of their current subscription periods. A transfer of £15,193 from designated to general funds was required in the year to comply with this policy.

12 Analysis of net assets between funds

	General fund £	Revenue designated fund £	Total 2009 £
Current assets	2,628,872	549,806	3,178,678
Current liabilities	(1,323,194)	-	(1,323,194)
	1,305,678	549,806	1,855,484

13 Related parties

During the year £803,677 (2008: £734,418) was paid to Tate to cover staff costs and use of facilities.

Notes (continued)

14. Cash flow information

(i) Reconciliation of net movement in funds to net cash (outflow)/inflow from operating activities

	2009	2008
	£	£
Net movement of funds	(513,328)	(1,148,765)
Investment income	(185,224)	(229,904)
Decrease in debtors	52,226	30,523
Increase in creditors	(624,126)	1,493,813
Net cash inflow from operating activities	(1,270,452)	145,667

(ii) Reconciliation of net cash flow to movement in net cash

	2009	2008
	£	£
Cash flow from liquid resources	(1,085,228)	375,571
Net funds at beginning of year	3,379,812	3,004,241
Net funds at end of year	2,294,583	3,379,812

(iii) Analysis of changes in net cash

	2008	Cash flow	2009
	£	£	£
Liquid resources	3,379,812	(1,085,228)	2,294,584
Cash	3,379,812	(1,085,228)	2,294,584

Detailed statement of financial activities

for the year ended 31 March 2009

(not forming part of the financial statements)

	2009	2008
	£	£
Incoming resources		
Subscriptions	6,798,005	5,788,192
Donations	9,841	12,285
Members' Room	2,325	2,428
Events	1,673	801
Invested income	185,199	229,903
Total	6,997,043	6,033,609
Resources expended		
<i>Costs of generating voluntary income</i>		
Mailed publications	(738,359)	(648,955)
Salaries and fees	(783,059)	(717,552)
Mailings, print and promotion	(395,171)	(313,927)
Administration costs	(71,827)	(34,796)
Members' Room costs	(59,105)	(48,522)
Events costs	(32,638)	(32,039)
<i>Total cost of generating voluntary income</i>	(2,080,159)	(1,795,791)
<i>Fundraising activities</i>		-
<i>Governance costs</i>	(39,412)	(27,693)
Total	(2,119,571)	(1,823,484)
Net incoming resources	4,877,472	4,210,125
Contributions to Tate		
Works of art	(2,387,000)	(2,040,658)
Other projects	(3,003,800)	(3,318,232)
Net movement in funds for the year	(513,328)	(1,148,765)

Statement of funds

for the year ended 31 March 2009

(not forming part of the financial statements)

	2009	2008
	£	£
Current assets		
Debtors	884,094	936,320
Deposits and cash at bank and in hand	2,294,584	3,379,812
Total assets	3,178,678	4,316,132
Less:		
Creditors	(1,323,194)	(1,947,320)
Total	1,855,484	2,368,812