

The Board of Trustees of the Tate Gallery
Annual Accounts 2021-2022

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

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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 Digital, 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. Tate's strategic objectives in fulfilling this mission can be summarised as follows:

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

Major activities that Tate undertakes in doing this include:

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

A review of Tate's key business activities during 2021-22, 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 sees 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 Digital, Culture, Media and Sport (DCMS). Tate is an exempt charity as defined by Schedule 3 to the Charities Act 2011.

Associated charities

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

Tate Foundation (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 Digital, 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 2022 was £68,300 (£65,000 in 2020-21).

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

3 November 2022

Signed

Roland Rudd
Chairman, Tate

3 November 2022

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 Digital, Culture, Media and Sport under the Museums and Galleries Act 1992.

Review of activities in 2021-22

2020-21 was one of the most difficult in Tate's history. The beginning of 2021-22 saw the galleries closed as the lockdown continued. The subsequent resurgence of the pandemic meant continued impact on audiences, and a further period of working remotely during the peaks of the Delta and Omicron variants. The full impact of revenues lost during 2020-21 was felt and the unprecedented situation created required the difficult and distressing reduction of Tate's workforce through redundancies and continued reduction in its programme.

This notwithstanding, there was significant success in the programme and other areas:

- collection displays have both appealed to audiences and been used to experiment with new ways of working;
- major exhibitions that have achieved critical success;
- five new Trustees were appointed;
- the partnership with the Museum of Art Pudong, the largest consultancy in Tate's history, was completed with huge success, a triumph in its own right, and a remarkable story of innovation, being delivered 100% remotely during a global lockdown;
- plans for major capital projects in Liverpool and at the Palais de Danse in St Ives were developed, and support and funding has been secured that has enabled the project in Liverpool to commence;
- the budget has been revised on several occasions throughout the year, adapting operational and financial planning to ever-changing circumstances;
- the Voluntary Redundancy scheme announced in the Gallery in 2020-21 was implemented successfully, enabling colleagues to depart on their own terms; and
- appointments at Director level of Kathryn Martindale as Chief Financial Officer 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. As with 2020-21, such support has been vital to Tate's strength and sustainability in the most difficult of circumstances. Colleagues have continued to meet challenge with innovation: 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

Under the Director Maria Balshaw's leadership, a new Vision and set of objectives was set in 2018-19 that would guide Tate for the following five years. These objectives set the framework for Tate's response to the challenges that it has faced since 2020, and in 2021-22 the Directors collectively clarified and simplified them into three core aims.

Tate will:

- achieve real change in those whom it engages;
- achieve real change in those who work for Tate and how they are looked after when they are doing so; and
- use the collection to meet the needs of the public.

In 2022-23, the objectives agreed in 2018-19 will be reviewed within these aims, and a major programme has begun that will see these refreshed and renewed. The objectives will be pursued following the set of values developed by colleagues from across Tate: to be open, bold, rigorous, THE BOARD OF TRUSTEES OF THE TATE GALLERY 2021-22

and kind. This year saw the development of a set of commitments that will characterise Tate's activity in future years, which are to be sustainable, both environmentally and financially, and inclusive. In the short term during 2021-22. Tate objectives were to continue to adapt to its circumstances and recover from the effects of the pandemic as audiences began to return to the galleries. This included moving to a model of hybrid working and re-examining the operating model in light of the changed environment and audience behaviours.

The impact of the Coronavirus Pandemic

Where 2020-21 saw Tate, like organisations the world over, respond to the pandemic, it was in 2021-22 that the full impact crystallised and the long-term effects became apparent. Overall, visitor numbers dropped from 8.26 million in 2019-20, to 3.07 million in 2021-22. Continuing global travel restrictions meant the loss of international visits, affecting Tate Modern in particular where international visitors had previously made up about half of the audience. With Tate previously generating more than 60% of its revenue from sources other than Grant-in-Aid, notably through the restaurants and cafes operated by Tate Enterprises, the reduction in self-generated income has been significant.

Tate St Ives has been the exception, with audiences at 73% of their usual levels. This reflects the strength of domestic tourism in the UK throughout this period. Furthermore, the success of managing the spaces in Tate's buildings, and the support offered to visitors by colleagues across teams has seen audiences return at levels greater than expected.

There are also notable successes within this story. The majority of visits in 2020-21 and 2021-22 have been made by local audiences. Members attendance at the galleries is almost pre-pandemic levels, and Membership and Tate Collective numbers have both sustained well. At the end of 2021-22, membership was at the level of 2017, a record-breaking year which included *Hockney* at Tate Britain. Tate Collective numbers held steady at 135,000. As will be discussed below, the diversity of these audiences is broadening, a reflection of work done in recent years. Tate will build on these successes in the coming years.

In previous years, we reported on the formation and early work of a Remobilisation Steering Group, comprising colleagues from across Tate. This continued helping to prepare the organisation for reopening in May 2021 and responding to needs that emerged as audiences came back into the galleries. Booking and timed entry remained in place, ensuring a more comfortable experience as audiences have returned. This was removed in London from May 2022 but continues in St Ives and Liverpool. The process of adapting to the needs emerging during the Pandemic has led to other benefits too. The Remobilisation Steering Group also consulted and oversaw the development of a hybrid working policy across Tate. The knowledge gained in this process – in particular around how this can be done equitably within an organisation in which some functions are necessarily based in the galleries – will be vital in informing thinking around work-life balance and employee happiness in the future.

This remains a focus for Tate. However, there has also been sadness this year. Addressing the financial impact of the pandemic has been a tremendous task. As described in 2020-21's report, programmes and activity have been reduced. Most significantly, and painfully, of all, it was necessary to reduce Tate's overall costs. Where possible, this was done without redundancies. However, the process begun in Tate Gallery in 2020-21 was completed this year and those who took redundancy departed over the summer and into the autumn of 2022. Redundancies numbered just over 180 overall, almost all of these taken on a voluntary basis. While this period was distressing, it is testimony to the resolve and spirit of all involved that it was achieved as smoothly as it was.

Inclusivity and Equality

It was reported in 2021-22 that Tate had established an internal Race Equality Taskforce, comprising members from across the organisation. This group continued its work this year before handing over to a second cohort of members, similarly drawn from across Tate. One of the early recommendations

was that Tate appoint a specific lead at a senior level for Diversity and Inclusion, and we were pleased this year to welcome Yasmin Khan in this role.

Behind the scenes, much work was done by the People team to develop new training modules designed to support and further inclusion at all levels of the organisation. Throughout the Gallery, and as documented in this report, inclusion and equality are built into all of our work. We were delighted, for instance, that with the lifting of restrictions that had been necessary during the pandemic, we were able to reintroduce tours specifically addressed to visitors with visual impairments, including touch tours and sensory explorer tours. Elsewhere, several internal initiatives addressed on mental health and well-being, recognising the impact that the lockdown has had on all of our lives, and also enhancing awareness of what accommodation can be offered in working both with colleagues and members of the public.

The wider commitment that such activity represents has been underscored this year in the development of the principles by which Tate will pursue its objectives, one of these is to be inclusive and equitable, seeking not just to attract as broad an audience as possible, but also to ensure that Tate's workforce is similarly representative. While recognising that there is much more to be achieved, the organisation has agreed a clear commitment in this respect.

Programme

Life Between Islands at Tate Britain reflects much of Tate's ambition and commitments. It examined the influence of the Caribbean on British art and featured many artists whose work has hitherto been under-represented in the UK's galleries, Tate included. It proved a great success with audiences and critics alike, attracting well above the audiences expected and contributing greatly to attracting audiences back into the galleries. Comprising painting, photography, sculpture and works on paper as well as installations, it demonstrated that, while the programme was necessarily reduced, the ambition and commitment to show the best work has not. In March, we were delighted to be able to welcome HRHs Duke and Duchess of Cornwall on a visit to *Life Between Islands* to mark the 125th anniversary of the foundation of the Tate Gallery.

Earlier in the year, *Paula Rego* at Tate Britain received comparably strong reviews. The exhibition celebrated the work and career of one of the major figurative artists of the late twentieth and early twenty-first centuries. A full retrospective showed the combination of allegory, narrative and direct observation with which Rego explored matters as broad as politics, society, nationhood, and gender. *Hogarth and Europe* put one of Britain's most celebrated artists into new contexts, both those of his European peers and as part of a wider period of change in art. It also gave new perspective to very familiar work, exploring how the same work can have different meanings for different audiences. It was an example of how divergent perceptions today of the art of the past can help us think through questions in our own society.

The Tate Britain Duveen commissions were undertaken by Heather Phillipson and, opening at the very end of the year, Hew Locke. Heather Phillipson's commission ran to January 2022. It was an ambitiously complex display featuring salvaged machines, colossal papier-mâché sculptures and hand-painted scenes layered with digital video and sound. Mountains of salt, bisected aircraft fuel tanks, mobile gas canisters, rotating anchors, and shapeshifting roof vents, all in a tinted light, an atmosphere designed to discombobulate and a space in which visitors were invited to experience the work for itself. Later in the year, the jury for the Turner Prize 2022 nominated Phillipson for this work, alongside her commission for the Fourth Plinth in Trafalgar Square. In March, Hew Locke's display saw *The Procession* of figures through the length of the galleries, each clad in or carrying symbols that represent the flows and dynamics of power and culture. The work, which draws on Locke's upbringing and Guyanese roots, attracted strong reviews and audiences.

At Tate Modern, the programme has featured artists ranging from Auguste Rodin to Lubaina Himid. *Surrealism Beyond Borders*, which opened in early 2022, took a global perspective on the art movement, challenging a previously Eurocentric view of its development and history. In the summer of 2021, *Sophie Taeuber-Arp* was the first UK exhibition of the work of the artist and designer. Organised in collaboration with the Museum of Modern Art, New York, and Kunstmuseum Basel, the

exhibition showed the breadth of Taeuber-Arp's production, from painting, sculpture, dance, and the written word, to stage designs, textiles interiors and marionettes.

The year's major show was *The Making of Rodin*. This major exhibition was produced in collaboration with the Musée Rodin and brought together over 150 works to offer a uniquely deep exploration of the practice of one of art history's foremost sculptors. Anicka Yi's Hyundai Turbine Hall Commission opened in October. This was her largest and most ambitious project to date. She created her floating machines – called aerobes – that prompted viewers to think about new ways that machines might inhabit the world. The result was an other-worldly and futuristic space in which aerobes filled with helium, propelled by rotors and powered by a small battery pack floated above visitors in the Turbine Hall. Their forms reference both ocean lifeforms and mushrooms, reflecting the complexity amongst organisms in an ecosystem.

This year also saw a focus in Tate Modern's displays on collection works as specific moments. A display of Yayoi Kusama's *Infinity Room* alongside other works proved a major attraction. It was ticketed, initially this was a measure to facilitate social distancing, but the enhanced visitor experience that it enables became a model for its continued display. Such is its popularity and appeal that it has remained booked out well in advance throughout the year and into 2022-2023.

Tate Liverpool's major shows included work by Lucy McKenzie and Lucian Freud. *Lucy McKenzie: Prime Suspect* brought together approximately 80 works dating from 1997. In one innovation, the exhibition extended into retail with the shop in Tate Liverpool stocking a line of McKenzie's fashion products, works blurring the boundaries of fashion and art. *Lucian Freud: Real Lives* showed key works on paper and paintings spanning the entire career of one of the 20th Century's leading artists. It was the most significant display of Freud's work in the north west for thirty years. Running at the same time as the Freud exhibition, Tate Liverpool presented an ARTIST ROOM dedicated to Louise Bourgeois. Similarly significant in bringing the work of a major global artist to the region, the display gathered work from across Bourgeois' 70-year career.

At Tate St Ives, an exhibition of the Kosovan artist Petrit Halilaj featured works that addressed nationhood and cultural heritage. It included a major new work developed based on drawings made by Halilaj when he was thirteen in a refugee camp during the Kosovan war in 1997-98. This was followed in February 2022 by the most extensive UK exhibition to date of work by Vietnamese artist Thao Nguyen Phan. Phan is internationally renowned for her poetic, multi-layered artworks, which explore the historical and ecological issues facing her homeland Vietnam, while speaking to broader ideas around tradition, ideology, ritual and environmental change. The exhibition brought together a selection of Phan's videos, paintings and sculptures from the past five years, alongside new work exhibited for the first time, including *First Rain*, *Brise Soleil* (2021–ongoing), a major new multi-channel film commission, and an accompanying series of paintings.

Collection

Collection displays are the bedrock of Tate's public offer, and core to the fulfilment of its mission. As the Kusama display at Tate Modern exemplifies, this year has seen Tate's collection used in new ways. This will continue as a core part of Tate's strategy and commitment to financial and environmental sustainability, giving prominence to particular works, artists, and themes.

Another example was *A Year in Art: Australia 1992* at Tate Modern. This was a significant display, enabled by recent additions to the Collection which were the product of a long relationship with Qantas and the Museum of Contemporary Art Australia. It featured work by First Nation Australian artists, including Emily Kame Kngwarreye, Gordon Bennett and John Mawurndjul.

Much work on the Collection at Tate Britain was done behind the scenes as teams prepared for a major rehang of the displays that will begin in 2022-23. However, in addition to this work, many new displays were also mounted in the galleries. Spotlight displays included the first showing of John Singer Sargent's portraits of the Wertheimer family as a single group. Another display – *Fairy Round* – looked at how artists from periods as varied as Henry Fuseli and Mat Collishaw have used fairies as subject matter. Elsewhere, *After Industry: Communities in Northern England 1960s–1980s*

showed how photographers and filmmakers used social documentary practices to record the lives of communities in northern England during a period of socio-economic upheaval.

New collection displays were also installed at Liverpool. Hew Locke's *Armada* 2019, a large-scale installation made up of a flotilla of model boats and rafts, formed the centrepiece of the display *The Port and Migrations* which examined the city's relationship to migration and international exchange. This is the first time *Armada* has been shown at Tate following its acquisition in 2019, supported by Art Fund and Tate's International Council. *The Port and Migrations* also featured work by artists Sonia Boyce, Chen Zhen, Ellen Gallagher and Donald Rodney. A second display, *Global Encounters*, explored how international exchange has enabled the spread of ideas and knowledge as global art movements and tendencies have been shaped by migration and the relationships between artists on different continents. The display looks at Modernist art from around the world and features works from artists such as Piet Mondrian, Naum Gabo and Shikanosuke Yagaki. It also includes works by and Kader Attia, who grew up in Paris and Algeria, Saloua Raouda Choucair from Lebanon, Brazilians Hélio Oiticica and Mira Schendel, and Li Yuan-chia, an artist from China who settled in rural Cumbria. Their art presents insights into the expansive, complex internationalism that has always been at the heart of modern art movements.

In May 2021, the modernist displays at Tate St Ives were rehung for the first time since the opening of the new gallery in 2017. Each display focused on an artist associated with St Ives and West Cornwall – Marlow Moss, Alfred Wallis, Barbara Hepworth, Partou Zia and Bob Law. These were presented alongside artists from the 20th and 21st centuries, bringing forth links to art from around the world.

Major acquisitions for the British Collection this year include John Opie's *The Schoolmistress*, kindly gifted to Tate through the Government's Acceptance in Lieu Scheme. The historic holdings were also augmented by the joint acquisition with Kettle's Yard in Cambridge of sketchbooks by Alfred Wallis, a significant acquisition supported by the Art Fund. *A Fishergirl's Light*, an early 20th century work by the Austrian artist Marianne Stokes, who settled in England, was also added to the Collection this year. The Denise Coates Foundation kindly supported the acquisition of suffragette Sylvia Pankhurst's *In a Glasgow Cotton Mill, Minding the Fine Frames*. Modern British acquisitions included *Exquisite Cacophany* by Sonia Boyce, who represented the UK at the Venice Biennale in 2022 and Veronica Ryan's *Arrangements in Layers*, kindly supported by the Frieze Tate Fund. The acquisition of Turner Prize winner Charlotte Prodger's film *Colon Hyphen Asterix* was generously supported by the Patrons and International Council, while Lynette Yiadom-Boakye's *Razorbill* was supported by the European Commissioning Circle.

The international Collection was developed further this year with acquisitions that exemplify key elements of Tate's strategy. With the help of Tate Americas Foundation and the North American Acquisitions Committee, the acquisition of Inuit artist Annie Pootoogook's *Eating Seal at Home* is an example of how Tate's collection draws on artistic production around the world. Olafur Eliasson's *Glacier Melt* series was displayed on the landscape at Tate Modern in 2019: its acquisition this year, kindly supported by the New Carlsberg Foundation reflects Tate's commitment to working with artists to raise awareness of climate emergency. We were also pleased to acquire *Sikán* by Cuban printmaker Belkis Ayón, an allegorical collograph based on Abakuá, a secret, all-male Afro-Cuban society. This work, which reflects Tate's commitment to enhancing both the global reach of the Collection and women artists was a partial gift from Carole and Alex Rosenberg and partial purchase with assistance from Tiqui Atencio Demirdjian, Estrellita B. Brodsky, Aimee Labarrere de Servitje, Erica Roberts and Juan Yarur Torres (Tate Americas Foundation). Furthering the representation of Indian art in the collection, Nalini Malani's *In Search of Vanished Blood* was acquired supported by the South Asian Acquisition Committee and the International Council.

Sharing the Collection

Tate was pleased to resume its loans programme after the restrictions in place, nationwide and globally, during the pandemic. Tate continued its active lending work, 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.

We are very glad to work with partner museums throughout the UK to help them realise their programmes. Among highlight loans this year was a selection of twelve key works by contemporary artists to the Ikon Gallery in Birmingham for an exhibition revisiting the gallery's shows from the 1990s. As one of the major holders of work by Eileen Agar, we were pleased to make an extensive set of loans to the Whitechapel Gallery and its partner galleries The Mjellby Konstmuseum in Halmstad, Sweden and Leeds City Art Gallery for a touring exhibition devoted to the Twentieth Century British surrealist. Likewise, we were delighted to lend significantly to the retrospective of Bridget Riley's work at the Lightbox in Woking and also a series of prints to her exhibition at the Yale Centre for British Art in New Haven. Works by Francis Bacon in the Tate Collection were loaned to the recent exhibition of this globally important British artist at the Royal Academy. At the end of the year, Collection works by Marlene Dumas were loaned to the Palazzo Grassi in Venice as part of a major exhibition running concurrent to the Venice Biennale. A further series of loans saw Tate working with Coventry Cathedral, with works by Jacob Epstein travelling to the Midlands for an exhibition devoted to the artist, along with a work by Ann Freud. The works by Epstein included his large free-standing alabaster sculpture, *Jacob and the Angel*, one of the heaviest and largest works in the Collection which was no mean feat to deinstall, pack, move and install.

Caring for the Collection

Within the Collection Care team, much work was done to support the programme described above, with installations such as that of Anicka Yi's Hyundai Turbine Hall Commission and each of the Duveens Commissions of Heather Phillipson and Hew Locke representing tremendously complex individual projects. Coupled with the regular installation of exhibitions and display changes, and the support of the international touring shows and loan programmes, it was a very busy year for the team.

It was reported in 2020-21 that one innovation developed during the first period of the pandemic was virtual couriering. This has continued during 2021-22, contributing both to Tate's overall carbon reduction, and as a more economical way of operating. In a first for Tate, colleagues in the Collection Management department also delivered fully virtual training on all aspects of Art Handling practice. This was part of the Collection and Exhibitions Management module of Tate's ongoing Consultancy Agreement with the Museum of Art Pudong (MAP). Tate and Shanghai-based colleagues conversed remotely from the other side of the world to deliver training that would be complex even in person. A space at Tate stores became a Coronavirus-secure film set for a few days. Working with a team from Tate Photography and with remarkable success, the Collection Care teams took on challenges such as teach how to table a painting when the learner and teacher cannot share a feeling of its weight.

Tate's sector-leading research into different aspects of conservation continued. This year saw the first report of the *Preserving Immersive Media* research project published, titled "Preserving Virtual Reality Artworks". Artists are increasingly engaging with immersive media such as 360 video, real-time 3D, and virtual reality (VR). Immersive media technologies present considerable challenges to our ability to stabilise and preserve them as they consist of complex systems of interlinked components, many of which are proprietary and closed-source and are dependent on the continued support of a rapidly moving, innovation-focused industry. This is just one example of how Tate's work touches on many sectors beyond the arts, and in ways that are unexpected. It also illustrates the sophistication of Tate's technical and scientific teams.

Partnerships

Much of the research undertaken at Tate depends on partnerships and, more widely, partnerships characterise Tate's work and approach. The joint acquisition of Alfred Wallis' sketchbooks with Kettles Yard in Cambridge is just one example. That with the National Museums of Liverpool on a bid to the Government's Levelling Up Fund is another. Described below, Tate Liverpool's part of the project will see a major refurbishment of the Gallery. Overall, the joint bid between the two institutions secured £20 million in funding to be divided equally between the two institutions. The

aims and detail of this project are described below: what makes it so compelling is the prospect of two leading cultural organisations working together to realise a vision that will change the cultural offer and even the landscape of a major UK city.

Another successful partnership this year was between Tate Commerce and the artist Chila Kumari Singh Burman who took over the Tate Edit shop at Tate Modern with a curated selection of her own art, neons, clothing and stationery. Products included a curated collection of books and a music playlist, as well as neons. Visitors could also see the original tiger and ice cream van neon sculptures from Burman's 2020 Winter Commission. There was even a specially created ice cream, created by Burman and named after her father's business and made exclusively for Tate. This is a new model of working developed during the pandemic. Previously, Tate Commerce's offer was shaped around the exhibitions and programme: of course, the two will remain mutually supportive but, without the exhibitions, Tate Commerce had to think differently and through innovation developed a model that will be developed further in the future.

More widely, the work of ARTIST ROOMS and Plus Tate, the UK-wide network of contemporary arts venues, continued. The easing of restrictions allowing the loan of works to partner venues and meetings of Plus Tate partners to take place in person. Likewise, the British Art Network provided a valuable forum for scholars and curators to convene, online while restrictions and travel were in place during the pandemic, and in person when able to.

As part of its commitment to work across the UK, it has now become practice that the Turner Prize is shown in alternate years outside London. This year's Prize was shown at the Herbert in Coventry as part of the UK City of Culture 2021 celebrations. This was the first year that the nominees were all collectives, a reflection of the changing nature of artistic practice across the world: Documenta in Germany, for instance, also featured collectives strongly. All the nominees work closely with communities across the breadth of the UK to inspire social change through art. The collaborative practices selected for this year's shortlist also reflected the solidarity and community demonstrated in response to the Pandemic. The winner was announced at a ceremony in Coventry in December, broadcast live on the BBC. Array Collective are from Northern Ireland, and their work directly addresses the politics and society of the country. The Turner Prize 2021 was generously supported by the AKO Foundation, Avanti West Coast and Arts Council England, with additional support from ArtAV, The John Browne Charitable Trust and The Ugglä Family Foundation.

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, on applications to the V&A Purchase Grant which support museum acquisitions, and as individual experts on both the Acceptance in Lieu (AIL) 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 year began in lockdown and, after the galleries reopened in May 2021, the confidence of audiences grew, but took a further blow with the onset of the Omicron variant over the winter. Overall, where in 2019-20, Tate attracted 8.26 million visitors, this fell to 3.07 million in 2021-22.

However, within this, there were some encouraging signs. One of Tate's commitments is to attract wider and more diverse audiences. Overall, while numbers declined this year, the percentage of audiences from these target backgrounds remained the same. There was also specific progress: since reopening, different aspects of the programme that have had particular appeal for ethnically diverse audiences include *Uniqlo Tate Play*, (33% BAME), and *Kusama* (17%) at Tate Modern and *Life Between Islands* at Tate Britain (19%). *Uniqlo Tate Play* has had particular appeal for younger audiences.

Last year, we reported the decision to extend membership during the lockdown period while we were unable to open. This was a bold decision, but it has proved efficacious. 2019-20 had been our most successful year.

Behind the scenes, much work has been done this year on Tate's ticketing and membership systems prior to a new platform being implemented in 2022-23. While the practical experience will be as smooth as ever, it will make the combined offer of Tate, from ticketing to catering, a more unified proposition. Innovations during the pandemic period, for example the combined offer of a visit to Kusama and a meal in the restaurant, have proved successful. The new platform will build on this, enabling visitors to book a composite experience where previously they would have had to organise different aspects of their visit separately. Teams have prepared for this intensively over the year, and this will bear fruit in the years to come.

There have also been innovations within the galleries. The Visitor Communications team collaborated with the Digital team to develop an app that will provide visitor-focused information about Tate Britain and Tate Modern, designed for use by our front of house colleagues who access it on the tablets they carry while on the gallery floor. This replaced printed paper resources, making it much easier to access, edit and update as well as reducing daily paper use across the Gallery. In addition to bespoke content created weekly by the Visitor Communications Team, it also incorporates digital content from across Tate. The aim is to support colleagues in facilitating the visitor journey, responding to enquiries, and providing an engaging and warm welcome to the gallery spaces.

Learning and Research

Anna Cutler, Tate's longstanding Director of Learning and Research, left Tate at the beginning of 2021. At the end of the year, Mark Miller, also a longstanding member of the team, was appointed as Director of Learning. In the interim period, senior managers had managed the team with professionalism and great success.

Much learning activity prior to the pandemic had depended on visits to the galleries. This resumed where possible, but the team also built on the switch to online programming that had proved so successful since March 2020. Working with colleagues in Tate Digital, the learning team established a cross departmental Online Public Programme and Event (URL) working group, linking all four Tate sites. This met monthly and, behind the scenes, worked rapidly to connect event production teams, build AV skills, share learning, and devise a diverse Tate Online public programme, from large scale to intimate, reaching local, national, and international digital audiences.

In May, Tate's Young People's team worked with Tate Collective and Better Bankside to launch a series of public projects at Tate Modern. Beyond Boundaries saw five young and emerging artists to create a series of outdoor artworks in and around Tate Modern and the Bankside area, helping local communities connect with the world, art, and our galleries. In June, Tate Collective launched a new series of filmed performances with three of the most exciting acts in UK music today. Responding to research that has shown that music is the shared language of Tate Collective, these films explored how art can inspire music as well as promoting Tate's free collection. Tate Reframed saw three Universal Music Group artists give intimate live performances in specially designed sets inspired by artworks, filmed in Tate Modern's East Room. Each artist selected an artwork from the Tate Collection that resonated with their practice. The resulting videos were released fortnightly throughout June on Tate's website and YouTube channel.

Following the success of last year's project, in December the Families and Early Years team at Tate St Ives partnered with community foodbanks to distribute festive art packs for local families. The Tate Art Takeaway boxes, designed by artist Tim Pryke, contained materials and resources inviting families to have fun creating their own festive decorations. The boxes were sent to 240 families in St Ives, Hayle, Penzance, Carbis Bay, Camborne, Redruth, and Pool. Extra boxes were also made this year for Tate St Ives staff to give to family and friends.

Tate Liverpool has a strong history of working with the local community. This continued in 2021-22, a highlight being work to connect local migrant communities to each other and the city-wide cultural offer, using Tate's art collection as a learning resource. Home from Home was a new skills development programme for refugees, asylum seekers and vulnerable migrants that aims to help them establish themselves in the city region. Working with partner organisations Asylum Link, Sahir House, Many Hands One Heart, Merseycare, Crisis, City Hearts and British Red Cross Merseyside, Tate Liverpool worked with 24 participants in a combination of online and socially distanced in-person workshops. Participants were from across the city region, speaking a wide range of languages including Albanian, Arabic, Farsi, French, Kurdish, Spanish, Afrikaans, and Urdu.

The Tate Learning Team and Tate Collective also played a part in the consultation process to reconsider the approach taken to displaying the mural in the Rex Whistler restaurant. One of the consultation groups comprised young people, drawn from both Tate Collective and a cross-section of young people. This was led by and convened by the Tate Learning team as part of the process.

Although reduced in number because of the impact of the pandemic, new Collaborative Doctoral Partnerships were begun this year across a range of subjects supportive of the museum's practice with new students welcomed from October 2021. This year's student intake are investigating a range of topics including the influence on British Art of the Harlem Renaissance, the legacies of slavery and empire in the contemporary art museum, digital engagement with visual art in the 21st century museum, the removal of synthetic varnishes from sensitive modern paints with innovative surface-attached gels, Socially Engaged and Activist Art and The Migrant Eye: Reactivating the Photographic Past through Archives and Exhibitions in Liverpool and North West England.

Tate's national programmes team, based in Liverpool, works closely with Tate Britain to steward the British Art Network. This year saw the launch of research groups around different aspect of British art. Bursaries were awarded following a highly competitive selection process. These supported ten Research Groups – six renewed and four completely new – covering topics and approaches in British art curating and supported fifteen members of the next Emerging Curators Group.

People and Culture

Colleagues again showed remarkable resilience this year in responding to the pressures of renewed closure and the ongoing challenges of managing the pandemic. However, the year also saw one of the most difficult periods in Tate's history as over 200 people in Tate Commerce and over 170 people in Tate Gallery left the gallery as a result of the unprecedented financial pressures faced. This process was begun towards the end of 2020-21, and many of the departures were agreed before year end. This year saw the sad process of colleagues leaving Tate, and the implementation of the internal restructure required for Tate to operate within the financial means available to it.

One major change this year was the implementation of blended working. In a process informed by widespread discussion with staff and by Directors within their teams and departments, a hybrid model was developed. This saw the development of an equitable model of blended working, balancing time spent onsite and working remotely in a way that balances the needs of Tate and colleagues. The Technology team did much to support these changes, ensuring that colleagues have the technological requirements to work remotely and comfortably. Achieving this in the time available has been one of the most significant implementations of technology in recent years; the fact that it went unnoticed is testimony to its success. It has also provided the basis for work that continues to ensure the wellbeing of colleagues and the development of working patterns across the organisation that are both equitable and support the happiness of those working in the organisation.

Great steps were made on a number of other fronts. One part of the restructuring was the implementation of a new structure in the Human Resources team. A new division of teams within the department saw the establishment of Business Partnering, Employee Engagement, Operations and Diversity and Inclusion teams, all designed better to support colleagues across the organisation. This year also saw the appointment of a Head of Diversity and Inclusion, giving specific resource at a senior level to these priorities, and responding to a recommendation of Tate's Race Equality Taskforce.

In November, in a development that was also informed by discussions with the Race Equality Taskforce, a new version of the 'Inclusion at Tate' workshop was launched. This is mandatory for all employees to complete and can be held both virtually and in-person and expands on existing e-learning modules and previous 'Inclusion at Tate' training to support conversations around Equality, Diversity and Inclusion. The training aims to equip colleagues with the tools to navigate unconscious bias and microaggressions in the workplace, and to identify how they can contribute to making Tate a more inclusive place to work, volunteer at, and visit.

As part of its restructure and renewal after the pandemic, the commitment was made to examine and where necessary refresh systems around the organisation, improving both efficiency and the experience of working with those systems. This saw the appointment of Ben Howarth as the Director of Business Transformation. The two-year role will focus on shaping and managing a programme of work to help Tate modernise and optimise its operations, business processes and systems.

In July, a new apprenticeship programme was launched, aimed at making careers in the arts more inclusive and accessible for all. Working in collaboration with wider cultural heritage organisations, this pioneers new apprenticeship standards which are sought after across the arts. This includes unique positions within curatorial, conservation and archives & record management departments, providing rare insight and invaluable experience of the inner workings of a major arts institution. Following successful pilot roles initiated in 2018, this new fully funded apprenticeship programme forms part of Tate's commitment to increasing the diversity of its workforce, to better reflect the diversity of the audience it serves. Over the next three years, the objective is to recruit 50 paid apprenticeships. Initial roles were made available in the Library & Archives, Marketing, and Development teams, followed by further posts in the Curatorial, Conservation, Digital, and Director's Office teams. All apprenticeships last for a minimum of a year. Every apprentice is allocated a workplace mentor within the organisation and receives training from an independent Skills Coach, so they are well equipped for further progression. They will be fully supported to realise their next step, whether that is at Tate or elsewhere.

Tate Liverpool was also pleased to take part in a Government-funded scheme to create new jobs for 16- to 24-year-olds who are at risk of long-term unemployment. The Kickstart Scheme provides funding to organisations to enable them to create high-quality work placements for 16- to 24-year-olds on Universal Credit, as a result of the pandemic.

Furlough

Tate's financial position was significantly affected by the galleries' closures due to the Coronavirus pandemic and associated lockdowns and, as a result, was given permission by the Cabinet Office to access the Job Retention Scheme. Our galleries reopened during May 2021, however with some continuation of reduced activity it was necessary to continue to furlough a smaller number of staff until July 2021.

In total, £672,000 was claimed through the Job Retention Scheme, with 792 gallery staff either fully or flexibly furloughed between April 2021 and May 2021 and 264 gallery staff between June 2021 and July 2021 when our galleries reopened.

Furloughed colleagues were encouraged to keep in touch with their colleagues and teams and utilise Tate's e-learning platform, Tate Learn, during this period. In recognition of the unprecedented circumstances these colleagues found themselves in, an email inbox was created to act as a centralised point of contact for any furlough-related queries, with email updates issued to management and colleagues to advise of changes to the furlough arrangements and the wider situation during each lockdown.

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 Tate Exchange, 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.

276 volunteers returned to the galleries in 2021-22 compared to 150 in 2020-21. Between June 2021 and March 2022, Tate's volunteer guides delivered 785 tours. There continue to be a number of volunteers who are currently inactive, largely due to ongoing Coronavirus-related concerns, that are kept engaged and supported through newsletters and online activities.

During 2021-22 there was a focus on volunteer engagement, diversifying the volunteer team, developing identity led tours, building a positive culture, ensuring all volunteers have Tate's Diversity & Inclusion training (delivered by the Volunteers Staff Team), and ensuring all aspects of the volunteer team's processes remain GDPR compliant. Work was also done to collaborate more effectively with other front of house colleagues, in particular the Visitor Experience Assistants.

Two successful recruitment campaigns were completed during the year. In September 2021, 11 new guides joined us with lived experience to develop and deliver our African Heritage Tours offer on weekends at Tate Britain. In January 2022, 15 new guides were recruited with lived experience to deliver more LGBTQIA+ tours. These tours had been running twice a month at Tate Britain since September 2021 but their popularity with visitors meant a larger pool of guides was needed. The intention is to expand the offer for both to include tours at Tate Modern in 2022-23.

Tate continues to support a number of volunteers with support needs and were thrilled to see two succeed in getting paid employment using their transferable skills gained through volunteering at Tate.

Estates and Infrastructure

Tate's Estate combines both purpose-built and adapted buildings, some of which are nearly 200 years old. All of the public areas have sustained high footfall and intensive wear. We were therefore very grateful this year to receive support from the Government for emergency maintenance, meeting critical needs across all sites. Work has begun on a number of fronts, including critical plant maintenance at Tate Britain and the repointing of the chimney at Tate Modern.

In January 2020, Tate agreed an Estates strategy for the next ten years. The ambitions remain the same, but it has also been developed to become a lynchpin of Tate's overall recovery strategy from the pandemic. In particular, new needs have emerged in relation to the way in which colleagues work, and the spaces they require to do so. This has informed the development of a new strategy for the Estates in London, which will see working conditions improved for colleagues, and purpose-built spaces developed to support more modern ways of working.

In Liverpool, we were grateful for the award of support from the Levelling Up fund to the joint project with the National Museums of Liverpool which will see a revitalisation of the Albert Dock and its surrounding area. The award was for £20 million and £10 million of this will support a major capital refurbishment of Tate Liverpool, much needed since the original development of 1986. Work began on this in earnest, with a process begun to appoint architects and planning put in place for a project that will contribute greatly to the city and be a vital part of Tate's future. It will also support further functions being based in the north west in the long run. This follows the move this year of the national programmes team to Tate Liverpool, a process achieved without disruption to individuals and marking Tate's commitment to working nationwide.

Tate St Ives's plans for the Palais de Danse, Barbara Hepworth's studio opposite her Trewyn home and workshop, were greatly advanced and funding applications were made to support the project. This will see the development of a new digital hub for the town, centred around Hepworth and the artistic legacy of Cornwall.

Combined, these capital projects represent an ambitious programme that will be central to Tate's renewal and sustainability. It will be supported by a Capital Director, and a process was run late in the year to recruit to this role, with the appointment of Emma King in this role being made early in

2022-23. Meanwhile, progress was made with the Estates Strategy agreed in 2020. Successful bids were made to the DCMS' maintenance funds, allowing critical repairs to Tate Liverpool, Tate Modern, Tate Britain and other aspects of the estate to be made or planned. In St Ives, the Palais de Danse was listed, recognising both its architectural significance and its importance as Barbara Hepworth's workshop and stabilisation works will be undertaken in 2022-23.

Tate Enterprises Limited

Tate Enterprise 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 usually returned to the gallery and Tate Foundation. Tate Enterprises also contributes to the gallery's wider aims such as improving the sustainability of its operations.

Tate Enterprises Limited made an overall profit after tax of £1,737,931 (2020-21 loss: £4,027,792), with turnover of £21,961,275 (2020-21: £10,324,466). In order to allow the company to prioritise the repayment of its remaining loan balance to the gallery, a decision was taken not to gift aid 2021-22's profits to Tate Gallery and Tate Foundation.

Tate Enterprises Limited repaid £1,819,202 of the £4,000,000 revolving loan facility drawn down in 2020-21 (2020-21 repayment: £nil). Tate Enterprises continues to maintain a low cost base and its directors will take the necessary action required to ensure the future sustainability of the company.

Overall, significant strides were made in collaborations across the gallery that brought ticketing, catering and commerce together as a unified package of 'buy, eat, do', an offer and strategy that will be greatly enhanced by the implementation of the new ticketing systems described above. One of the foremost examples of this was the offer of a combined tickets and dining experience around the Yayoi Kusama *Infinity Rooms* exhibition at Tate Modern. After launching in January 2022, the Friday evening Kusama dinner offer immediately sold out; these will continue for the duration of the exhibition.

Tate Business

Turnover for the year was £974,181 (2020-21: £2,244,357) and profit for the year was £325,230 (2020-21: £1,428,962).

In 2021-22, Tate's magazine, Tate Etc, focused on business continuity following the departure of its long-standing editor, the project to replace Tate's customer database, and controlling rising costs following issues with the paper supply chain and increasing energy surcharges. The development of a new editorial vision aligned to Tate's overall objectives and membership priorities was also started.

As part of ongoing efforts to 'right-size' the business and build a stronger operating model for the future, the focus for Tate Etc in 2022-23 will be continuing to consolidate activity and achieving greater integration with key levers in Tate Gallery.

An editorial review will be conducted to better align with Tate's audience and membership strategies. The content model (including distribution, formats and platforms) will be reshaped 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 also successfully continued to roll out consultancy and training services across all areas of museum expertise to the Museum of Art Pudong, Shanghai (MAP). MAP opened its doors in July 2021, with the Light and Ophelia exhibitions attracting almost 800,000 visitors between them. Media coverage was very positive, thereby boosting Tate's name recognition with local audiences in China. The second half of 2021-22 focused on reviewing the project's progress against its goals and objectives.

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.

Tate Commerce

Tate Commerce started the year as a very different business with 30% fewer staff but, despite a period of closure during the year and reduced visitor numbers - because of capacity and demand - at all four sites, turnover for the year was £11,194,675 (2020-21: £6,714,098) and operating profit was £570,314 (2020-21 loss: £3,178,237).

The reconciliation work initiated after the industrial action of 2020-21 continued into 2021-22 and is ongoing with Tate Commerce committed to improved communications and adopting a 'People, Customer, Profit' approach which recognises that our colleagues are our most important asset, without whom Tate Commerce is unable to address the needs and wants of customers and deliver a profit.

During 2021-22, Tate Commerce worked with each of the four gallery sites to strengthen relationships and understanding of their needs. With Tate Modern's support, the *Chila x Edit* concept store with the artist Chila Kumari Singh Burman was conceived which generated over £100,000 of revenue in a new sales category – neons – and which has since been shortlisted for the Museum and Heritage Awards retail innovation category. Tate Britain and Tate Publishing worked closely together on the new and acclaimed Look Again series of small opinion books presenting powerful new interpretations of the national collection of British art. This series will develop with four more this coming year and strengthens the shared commitment to bringing in new diverse voices and making the historic collection relevant to today. At St Ives, the first full year of trading was completed in the new retail space in the Clore Sky Studio, where it enjoyed its best January trading since 2011 and continues to trade strongly.

New revenue streams were developed during 2021-22. With limited 'open to buy' and new product development funds, new hybrid brand licensing agreements have been agreed with specialist brands. This allows Tate Commerce and the other party the opportunity to co-create products and sell across multiple platforms with shared investment and returns. This has worked well with Yellowpop for Chila Kumari Singh Burman's neons, Heals for scented candles, Stolen Goat for cycling apparel, Chilly's for reusable water bottles, Christopher Farr for art rugs and Loqi for reusable, recycled, sustainable tote bags. A successful co-edition model was developed for Limited Editions with Counter Editions, which helped us to create and launch a hugely successful 20th anniversary collection of artist prints for Tate Modern, generating over £700,000 in revenue. Tate Images also began to branch out into artist representation, with three artists signed during the year.

Tate Commerce also engaged with visitors in more meaningful ways by developing a new retail strategy to sell and promote experiences in addition to product and books. For example, we have had success with offering sketching and watercolour lessons with the purchase of the new Tate x Winsor & Newton art materials. The new hybrid product licensing model has allowed us to reach new audiences through other passion points, for example the Stolen Goat cycle wear range has attracted a new art-engaged cycling crowd through the social media, CRM and website of the Stolen Goat brand. A 'Book of the Month' has also been introduced instore and online to engage with customers on social media and to increase sales and debate around pertinent titles.

In 2022-23, 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, work will continue to develop the hybrid licensing model as a means to reach new audiences and exploring the possible options for expanding online access to Tate's collection.

Tate Eats

Tate Eats returned to profit in 2021-22, with a total turnover of £10,111,669 (2020-21: £1,704,692), and profit of £1,253,554 (2020-21 loss: £3,132,681). Turnover was still greatly reduced compared to pre-pandemic levels due to a period of closure during the year and reduced visitor numbers - because of capacity and demand - at all four sites.

Upon reopening, Tate Eats encountered widespread recruitment problems which, coupled with Coronavirus-related absences, impacted the business's ability to trade at its full potential. In response a review of pay structures and recruitment processes was undertaken and changes implemented. The uplift in salaries alongside inflation on food and drink products means the business closed the financial year with unprecedented pressure on its cost base.

After a consultation process, it was confirmed that the Rex Whistler Restaurant at Tate Britain would not reopen again as a restaurant. In addition, several other spaces remain closed at Tate Modern due to building closure and demand. The re-development of the Tate Modern Level 1 café also necessitates its closure while building work is completed.

Results were supported by Events and Corporate Membership which returned £1.4 million. Still a relatively new team and structure, the business had an understandably slow start to the year but delivered strong results in the second half of the year. The team size has grown during the year to facilitate the level of business. The regional sites struggled with Tate Liverpool, Tate St Ives and The Fitzwilliam Museum all making a loss, but both London sites and Coffee by Tate traded profitably.

The focus in 2022-23 will be multi-faceted. Work has already started on reviewing prices and re-engineering the menu in response to product and wage inflation. Work is underway to design and build an exciting new space in Tate Modern's Level 1 café. This will deliver a daytime offer that will appeal to both current and new audiences, while opening the space as a bar in the evening is an opportunity to create an additional revenue stream, independent of gallery visitors. A particular focus will be put on supporting the Membership programme, both at Tate Modern and Tate Britain. A project at Tate Britain, in conjunction with Tate Commerce, will be undertaken examining all the commercial spaces with one potential outcome being proposals on the site for a new restaurant. Work will continue with the regional teams in order to create event and café spaces that have a compelling offer, supporting the overall business model of the respective galleries. Tate Eats will exit the contract at The Fitzwilliam Museum early in 2023.

Fundraising

Tate undertakes fundraising through its own Development team, sourcing sponsorship and philanthropic donation in support of its activities. Certain monies also come in 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 done 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 2021-22.

The objectives of fundraising are determined by the Gallery's wider activities, with funds being generated in support of programme, acquisitions and specific projects. Some of the year's major successes in fundraising were from applications to public grants, most notably the allocation of Levelling Up moneys to the Tate Liverpool project. The grant of funds from DCMS for capital maintenance will be essential in providing for Tate's long-term sustainability, both financial and environmental. Arts Council England made a generous grant towards the British Art Network, making possible a transformative programme of development that will last until the end of 2024. The British Art Network will expand its reach during this period, working with researchers from a wider range of backgrounds and settings and broadening its membership, while continuing to offer a bespoke programme of bursaries, research grants and knowledge-sharing opportunities. Paul Mellon Centre committed to extending its support of the Network, including to permanent posts devoted to its operation. Elsewhere, Art Fund confirmed a landmark gift of £1 million towards the ARTIST ROOMS Fund, helping secure the long-term future of ARTIST ROOMS.

In a further initiative in Liverpool, funding was secured for a two-year Learning Programme *Tackling the Blues*, in partnership with Everton Football Club and Edge Hill University. Tate Liverpool is working with 30 schools across the region using art and sport to manage mental health. We were

also very grateful for support from a number of private individual donors, which enabled us to realise the Tate Apprenticeship Scheme, including members of the Tate Foundation Executive Board.

Corporate partnerships make a significant contribution to Tate and have over many years enabled us to realise many long-term projects and elements of programme. One of these is UNIQLO's support of Tate Play, Tate Modern's always-on Families Programme which continued this year. Another is Hyundai's support of both the Hyundai Turbine Hall Commissions, which this year saw *Hyundai Commission: Anicka Yi* and the Hyundai Tate Research Centre: Transnational programme, which this year included support of both *Life Between Islands* at Tate Britain and *Surrealism Beyond Borders* at Tate Modern. Digital initiatives supported by Bloomberg Philanthropies are fully underway with preparation for the launch of *Tate Draw* at Tate Modern, Tate Britain and online in June 2022 alongside a suite of Bloomberg-funded digital film content across Tate platforms.

Individual and institutional support of exhibitions included *Sophie Taeuber-Arp*, *Lubaina Himid*, *Hogarth and Europe*, *Life Between Islands: Caribbean-British Art 1950s-Now*, *Turner Prize 2021* and the Art Now programme. Gilberto Pozzi kindly supported Tate's learning activities and the Wolfson Foundation supported Tate's Schools and teachers SEND Learning programme. Elsewhere, Timm Bergold supported the cataloguing and digitisation of the archive of Jacques Lipchitz.

Touring Exhibitions and International Partnerships

This was a year of tremendous success for the International Partnerships team. In July, the Museum of Art Pudong (MAP) opened with the Tate exhibition *Light: Works from the Tate Collection* as part of its inauguration in Shanghai. This major exhibition comprised more than 100 works from Tate and was seen by over 380,000 visitors. It marked the culmination of a multi-year and very successful consultancy by Tate underpinning the MAP launch. It has been a remarkable journey and the launch is a great credit to the care, skills and experience of all teams involved. We have also been able to tour *Light* to other venues: following its run in Shanghai, it opened to the public at Buk-Seoul Museum of Art (Buk-SeMA) in December.

In May, an exhibition consisting of over ninety of Tate's unrivalled Pre-Raphaelite works opened at the Hungarian National Gallery in Budapest, which marks the first exhibition of the movement ever to be staged in Hungary. *Desired Beauty: Pre-Raphaelite Masterpieces from Tate* included some of the most iconic of Tate's British Collection, including Dante Gabriel Rossetti's foundational painting *The Annunciation* 1850, John Everett Millais' *The Order of Release* 1853, and John William Waterhouse's *The Lady of Shalott* 1888, alongside other much-loved works.

Elsewhere, a major exhibition of David Hockney works opened in Brussels in October at the Centre for Fine Arts, marking Tate's first collaboration with BOZAR. *Works from the Tate Collection, 1954-2017* featured over 60 years of Hockney's work, including iconic images of the 'swinging sixties' in London, Southern California, his famous double portraits and vast landscapes. The exhibition includes approximately 90 works from Tate's collection, such as *Man in Shower in Beverly Hills* 1964, *Mr and Mrs Clark and Percy* 1970-71, and his largest work to date, the canvas paintings of *Bigger Trees Near Watter Or/Ou Peinture Sur Le Motif Pour Le Nouvel Age Post-Photographique* 2007. Following its closure in January, the exhibition will continue its European tour to Kunstforum Wien, Vienna Austria, Kunstmuseum Luzern, Switzerland, and then on to Musée Granet in Aix-en-Provence.

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 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 try 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 e.g. for our recent print tender, we gave sustainability a high weighting, and ended up with 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 and 2 have reduced by 50% since the baseline year because of the impact of the Coronavirus pandemic necessitating extended periods of closure, reduced visitor numbers, and the majority of staff working from home during the entirety of the financial year. For 2019-20, the reduction in carbon emissions was 33% from the baseline year, therefore it is possible to attribute the further 17% reduction to the pandemic's impact. During 2021-22, Tate continued to invest and upgrade in 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 on 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 86% lower than the baseline year (2013-14), mainly due to the impact of the pandemic on travel of any kind. In 2019-20, Tate adopted a train first policy in the UK and destinations in northern Europe that are accessible by high-speed train and 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)

		2018-19	2019-20	2020-21	2021-22	% change on base yr
Greenhouse gas emissions (tCO ₂ e) ¹	Scope 1 & 2 emissions					
	Scope 1 ²	3,335	3,418	3,446	3,386	(12)
	Scope 2	7,746	7,136	5,406	5,486	(60)
	Total Scope 1 & 2	11,081	10,554	8,852	8,854	(50)
	Total Scope 1 & 2 tCO ₂ e per m ²	0.094	0.100	0.075	0.075	(59)
	Scope 3 emissions					
	Business travel ³	549	329	32	133	(86)
	Water use ⁴	101	80	18	24	(79)
	Electricity transmission & distribution	660	606	465	470	(57)
	Total Scope 3	1,310	1,015	515	627	(71)
Total Scope 1-3	12,391	11,569	9,367	9,481	(55)	
Energy use (million kWh)	Electricity, non-renewable	24.1	0	0	0	(100)
	Electricity, renewable ⁵	3.3	27.9	23.1	23.5	100
	Total electricity	27.4	27.9	23.2	23.5	(16)
	Gas	18.1	18.6	18.6	18.3	10
	Total kWh per visitor	6.4	5.6	70	10	72
Expenditure (£000)	Energy	3,433	3,682	3,427	3,552	56
	Carbon Reduction Commitment	172	0	0	0	(100)
	Business travel	682	762	57	193	(74)

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. Due to the pandemic and the closure of our galleries, waste levels reduced by 53%, however Tate has seen a 15% decline in overall recycling levels. The decline has very much been related to the galleries and offices being closed, as generally the waste being produced has been non-recyclable. 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've adapted our shops and cafes so that we eliminate some of the waste previously being produced, such as single use plastic cups and packaging and Tate St Ives is newly able to recycle all of its food waste. Waste costs have decreased by 12% since the baseline year. This reduction

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>

has once again arisen from reduced need for waste collection due to the closure of the galleries and colleagues working from home, however waste collection costs have increased by around 12% during 2021-22.

Water use under Scope 2 (Finite Resource Consumption) increased by 33% 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 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.

Scope 3 emissions from water use have significantly reduced since 2017-18 due to the decommissioning of the borehole cooling system at Tate Modern which has eradicated water abstraction. Electricity transmission and distribution emissions have fallen by 57% since the base year, reflecting the savings made through the energy reduction programme.

Finite resources: Waste

		2018-19	2019-20	2020-21	2021-22	% change on base yr
Waste (tonnes)	Landfilled	0	0	0	0	
	Reused/recycled	608	580	109	215	23
	ICT waste reused/recycled	4	3	2	1	0
	Composted ⁶	244	243	42	92	37
	Energy from waste	416	334	110	309	127
	Incineration without energy recovery	0	0	0	0	0
	Total waste⁷	1,272	1160	262	617	(56)
Total waste tonnes/m²	0.0116	0.0098	0.0020	0.005	(63)	
Spend (£000)	Landfilled	0	0	0	0	
	Reused/recycled	82	87	23	42	(25)
	ICT waste reused/recycled	N/A	N/A	0	0	
	Composted	36	39	9	17	(53)
	Energy from waste	66	59	23	51	34
	Incineration without energy recovery	0	0	0	0	0
	Total waste	184	185	55	110	(12)

Finite resources: Water

		2018-19	2019-20	2020-21	2021-22	% change on base yr
Water use (m ³)	Total scope 1 & 2	96,207	116,400	52,409	69,795	(37)
	Scope 2 m ³ per m ²	0.82	1.28	0.45	0.59	(54)
	Total scope 2 litres per visitor	11.79	14.08	0.08	0.03	(100)
Expenditure (£000)	Water supply	302	220	154	104	(32)

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

⁶ Disposal via anaerobic digestion

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

have 10,000 square metres of a green wall, which encourages bio diversity even further and a sense of wellbeing. Tate Modern is also in the process of planting approximately 30 London plane trees.

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 2021-2022 period, 7 exhibitions and displays were shown at Tate containing works for which Immunity from Seizure was granted, covering 198 works in total. The individual exhibitions are listed below.

Lynette Yiadom-Boakye	10
Paula Rego	4
Hogarth and Europe	27
Sophie Tauber-Arp	63
Lubaina Himid	4
Surrealism Beyond Borders	85
Lucy McKenzie	5
TOTAL	198

Performance indicators

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

Performance indicators	Actual 2022 000s	Actual 2021 000s
Access		
Number of actual visits	3,069	591
Number of unique users visiting the website	21,848	18,998
Audience profile		
Number of visits by children under 16	308	53

Number of overseas visits	198	14
Learning / outreach		
Children		
Number of facilitated and self-directed visits to the museum by visitors under 18 in formal education	30	0
Number of instances of visitors under 18 participating in on-site organised activities	139	1
Visitor satisfaction		
Percentage of visitors who would recommend a visit	97%	96%
Income generation		
	£000	£000
Self-generated income		
Admissions	4,599	1,594
Trading income	21,118	14,034
Fundraising (including capital)	27,706	31,905
Fees and other income	11,071	6,301
Donated works of art	23,188	14,439
	87,682	68,273
Regional engagement		
Number of UK loan venues	62	123

Visitor numbers increased significantly across all sites in 2021-22 compared to 2020-21.

There were 1,897,000 visitors at Tate Modern (2020-21: 361,000) and 728,000 visitors at Tate Britain in 2021-22 (2020-21: 127,000). St Ives, continuing to benefit from domestic tourism, attracted 158,125 visitors (2020-21: 55,000) while Tate Liverpool had 285,000 visitors (2020-21: 48,000) in 2021-22.

The number of unique users visiting the website increased from just under 19 million in 2020-21 to just under 22 million in 2021-22.

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 surplus of £12,567,000 in the year. The galleries were able to re-open in May 2021, albeit at reduced capacity. While additional Coronavirus support was received from DCMS during the year, this did not fully offset the loss of self-generated income in the year compared to pre-pandemic levels.

It is anticipated that Tate will continue to see reduced visitor numbers in 2022-23, in particular international visitors, owing to visitor confidence levels and travel restrictions. However the Trustees have approved a balanced budget for the coming year and, as stated below, it is not expected that general reserves will be used to cover operating expenditure in 2022-23.

Tate continues to be awarded Coronavirus support from DCMS in reflection of reduced self-generated income levels as a result of the pandemic. Planned activity levels have been reduced with a corresponding decrease in budgeted operating costs.

The consolidated statement of financial activities on page 52 shows total income and endowments of £145,595,000 (£120,241,000 in 2020-21). Of this amount £7,893,000 (£6,404,000 in 2020-21) was applied to the ongoing capital programme, £26,204,000 (£19,178,000 in 2020-21) to Collection acquisitions and £nil (£500,000 in 2020-21) to endowments. The remaining £111,498,000

(£94,159,000 in 2020-21) was taken to general funds to be applied to ongoing operations (see expenditure below).

Tate received £57,531,000 of Grant in Aid (£51,570,000 in 2020-21), provided through DCMS. Grant in Aid was made up of three elements in 2021-22:

- revenue grant used to support ongoing operations of £37,330,000 (£37,330,000 in 2020-21);
- general capital expenditure grant used to support the purchase and maintenance of fixed assets of £7,482,000 (£5,340,000 in 2020-21);
- an additional £12,719,000 in Coronavirus pandemic-related financial support (£8,900,000 in 2020-21).

Tate continues to supplement this grant from other sources and self-generated income from trading, admissions and fundraising amounted to £88,064,000 for the year (£68,671,000 in 2020-21).

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 £123,119,000 (£124,881,000 in 2020-21). Of this amount £22,576,000 (£24,883,000 in 2020-21) was applied to capital, £78,000 (£67,000 in 2020-21) to Collection acquisitions and £100,465,000 (£99,931,000 in 2020-21) was applied to ongoing operations (see above).

Over the past year, Tate has added works of art valued at £25,978,000 to the Collection (£19,757,000 in 2020-21). Of this figure, £23,188,000 has been donated by individuals either directly or in lieu of tax (£14,439,000 in 2020-21). 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 £1,740,388,000 (£1,677,472,000 in 2020-21) are:

	2022	2021
	£000	£000
Revaluation reserve	674,648	645,372
Capital reserves	471,381	475,814
Works of art reserves	549,405	523,571
General reserve	22,236	9,669
Endowment funds	16,003	15,503
Other restricted reserves	6,715	7,543
	<u>1,740,388</u>	<u>1,677,472</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 2022. 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 £7,851,000 (£2,590,000 in 2020-21) comprise £1,423,000 (£47,000 in 2020-21) in relation to buildings and leasehold improvements and £6,428,000 (£2,543,000 in 2020-21) on plant and fit-out and other assets.

Heritage assets comprise works of art; additions of £25,978,000 in the year (£19,757,000 in 2020-21) include items donated, bequeathed or given in lieu of tax to Tate with an approximate value of £23,188,000 (£14,439,000 in 2020-21). 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 2021-22 68.0% (63.4% in 2020-21) 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 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 – including the additional funding approved following demonstration of need as a result of the effects of the Coronavirus pandemic – and self-generated income will be sufficient to meet Tate's ongoing expenses for the foreseeable future. The estimates for self-generated income have been prudent based on reduced attendance levels at all four galleries compared to pre-pandemic levels and the overall cost base has been significantly reduced following a vigorous cost cutting and redundancy programme. Should there be further gallery closures, Tate will be able to make use of its own reserves and, if necessary, take additional action to further reduce costs.

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 £22,236,000 (£9,669,000 in 2020-21) equivalent to 17 weeks' (eight weeks' in 2020-21) worth of charitable expenditure, excluding capital. It is not anticipated that general reserves will be used to cover operating and capital expenditure in 2022-23, however it is anticipated that they will be used from 2023-24 onwards due to the ongoing uncertain economic climate. 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. An unsecured revolving loan facility was agreed in 2020-21 with Tate Enterprises Limited to assist with their cashflow requirements and this has been funded from reserves. At 31 March 2022, £2,181,000 of the £4,000,000 drawn down in 2020-21 remained outstanding. All other reserves are maintained

at a level appropriate for their intended purpose. For more information on reserves, please refer to note 17.

Investments

As the Terms of Reference of the Investment Committee were being updated during 2021-22, 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 investment return for the year was 7.26% (20.75% in 2020-21). At 31 March 2022, the investment fund was valued at £18,821,000 (£17,610,000 in 2020-21); historic cost £14,537,000 (£13,783,000 in 2020-21).

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. There has also been a review of all investments to ensure that funds do not have any direct Russian exposure

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. The impact of the Coronavirus pandemic, and the period it will take to recover from it, will affect the circumstances in which these objectives will be achieved, and the resources available to do so. As described above, a major strand of activity will see the development of Tate's current plan in these circumstances and the establishment of a business and operating model that will deliver Tate's commitment to environmental and financial sustainability.

2021-22 has seen progress made within Tate's Estates Strategy and the use of capital maintenance grants from HM Government to address longstanding problems of the Estate. This will contribute greatly to financial efficiency in future years and will be continued using the monies granted this year. The next five years will see progress in capital projects at Tate Liverpool and the Palais de Danse in St Ives.

The programme will continue as strongly as ever, with major exhibitions planned, including John Singer Sargent at Tate Britain and Philip Guston at Tate Modern. There will also be a major retrospective of Barbara Hepworth at St Ives in 2022-23, and the Turner Prize will return to Liverpool in 2023 for the first time since 2008. At Tate Britain, a major rehang of the Collections will commence late in 2022-23. This will see a concerted address of the relationship between art and society, with art from 1500 to the present day illustrating British history as well as art history.

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 continued during the Coronavirus pandemic with the use of communications technology and platforms such as Zoom and Microsoft Teams. 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.

To promote engagement and involvement of staff, Tate has created the following staff networks: Tate Staff Council (a consultative body that brings together senior managers and employee representatives from all sections of Tate) and Tate's four Diversity Networks (Black, Asian and Minority Ethnic (BAME) network, the Disability (disABILITY) network, Parents and Carers Network and the Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and Asexual (LGBTQIA+) network). Tate's staff networks provide people who work at Tate the opportunity to discuss issues in a group forum that are important to them and to Tate as a whole. They play a crucial role in helping Tate achieve its objectives by improving decision making and working towards creating a more inclusive culture. In 2019, Tate launched the WE MAKE CHANGE programme, which provides career development opportunities for staff from a Black, Asian and Minority Ethnic (BAME) background and/or those who identify as deaf or disabled. This programme was paused during the lockdown in 2020. In 2022, Tate is developing this work with a 6 month Network Skills Academy programme for co-chairs of our networks and Tate Staff Council representatives.

In 2020, Tate created the Race Equality Taskforce (RET) who meet regularly to tackle some of the difficult issues facing Tate and generate recommendations for actions around our programme, our people and our public. The next cohort of the RET will convene in 2022, to build on this work and embed lasting change at Tate.

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. The last full survey was carried out in 2019. During the Coronavirus pandemic, Tate used surveys to help with colleague welfare and concerns regarding returning to work.

Director and employee composition

At 31 March 2022, the composition of directors was as follows:

Group		Tate	
Female	15	Female	14
Male	6	Male	5
Total	21	Total	19

At 31 March 2022, the composition of employees was as follows:

Group		Tate	
Female	750	Female	547
Male	427	Male	270
Total	1,117	Total	817

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.

Staff are able to manage and confidentially declare their disabled status through our HR self-service portal, from which Tate annually reports and monitors its diversity profile. We publish externally an overall diversity profile, provide senior leaders with divisional profiles and recruitment reports, and monitor progressions of disabled staff through a quarterly dashboard. Through Tate's annual staff survey, we have been able to monitor responses by our disabled workforce and create actions that are specific to this community. One such action is the creation of the disABILITY staff network that supports over 100 members.

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 2022, Tate employed 49 staff (46 in March 2021) who declared that they have a disability, as defined by the Equality Act 2010.

In terms of audiences, Tate is continuing its work with Nick Goss Consulting to deliver a programme of 'Disability Confident' training that focuses on creating an inclusive welcome for disabled visitors. In 2020-21 over 100 colleagues attended this training. Tate St Ives has established an Access Working Group that is reviewing barriers to disabled people at the gallery. To better understand the experience of disabled visitors the Audience Research team has included an access question into all evaluation studies. In 2022, Tate is relaunching its Access Steering Group (formerly the Access Advisory Panel) and creating a long-term commitment to access for disabled visitors, staff and volunteers.

Sickness absence data

The average number of days absent through sickness per full-time equivalent staff member was 3.8 in 2021-22 (2.5 in 2020-21).

Staff turnover

Staff turnover in the gallery was 19.69% in 2021-22 (17.91% in 2020-21).

Social policy and wider public benefit

Tate aims to serve as wide a public and be as inclusive as possible. The vision is for Tate:

- to serve as artistically adventurous and culturally inclusive art museums for the UK and the world that are open, bold, rigorous and kind in all that they do;
- to celebrate the art of the past and present in its complexity and diversity, supporting artistic risk-taking and deep scholarship, shared with all its audiences, in its buildings, in exhibitions it tours, through works it loans, and across its digital spaces;

- to welcome audiences that better reflect the towns and cities in the nation and attract a diverse international public. Tate’s reach is already powerful. Tate intends to increase its impact across society, with art that will resonate around the world;
- to champion the importance of making art and encourage people to explore the many ways in which art is created and how they can develop their own creative potential; and
- to share and celebrate access to the Collection and deepen knowledge and understanding of its importance.

The projects described earlier in this Foreword demonstrate this Vision, and show how this commitment has been fulfilled, notwithstanding the closure of the galleries for part of the year.

Tate’s programme and displays often address social and societal matters directly, and the ways in which they are produced and mounted are often conceived so as to provide a societal good in their own right. At Tate Britain, planning undertaken this year for the rehang of the entire collection displays that will begin in 2022-23 has seen a foregrounding of the place of art in society. Tate Liverpool’s work with migrant communities, mentioned above, is another example of this work. Elsewhere, the *Thamesmead Codex* – a major collaboration between artist Bob and Roberta Smith, Tate Modern and Peabody – went on display in Thamesmead Town Centre. This 24-metre-long hand-painted tableau represents a conversation with residents, capturing their experience of life in one of Britain’s largest and most ambitious modernist towns. Over the previous two years, Bob and Roberta Smith had recorded local people’s stories: from some of Thamesmead’s first residents to shopkeepers, musicians, religious leaders, healthcare professionals, local entrepreneurs, students and artists. The painted transcripts reveal the often-hidden stories behind a community to weave a picture of how the area has transformed over the decades.

The belief that art and society are interwoven as part of a rich cultural fabric is core to Tate. It will always be at the heart of what the organisation does, the work it undertakes and how it does so and the audiences it seeks to reach.

Signed

Maria Balshaw
Director, Tate

3 November 2022

Signed

Roland Rudd
Chairman, Tate

3 November 2022

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, Dame Jayne-Anne Gadhia DBE, and James Timpson OBE.

Policy on the remuneration of senior managers

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

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

Policy on duration of contracts, notice periods and termination payments

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

Senior directors

In accordance with Treasury guidance per the Financial Reporting Manual (FRM) paragraph 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 2021-22.

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		2021-22	2020-21
		£	£
Maria Balshaw, Director	a	198,765	198,010
Victoria Cheetham, Managing Director	b	163,900	163,900

^a Includes a non-consolidated performance-related bonus of £25,926 (2020-21: £25,171);

^b Includes a non-consolidated performance-related bonus of £14,900 (2020-21: £14,900).

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

No bonuses were awarded in 2020-21 and the Director and Managing Director opted to receive a 10% reduction in salary for nine months of the 2020-21 year.

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

	2021-22					2020-21 (restated)				
	Salary (excluding non- consolidated performance- related pay) £000	Non- consolidated performance pay £000	Benefits- in-kind £000	Pension benefits ° (to the nearest £1,000) £000	Total remuneration £000	Salary (excluding non- consolidated performance pay) £000	Non- consolidated performance pay £000	Benefits- in-kind £000	Pension benefits (to the nearest £1,000) £000	Total remuneration £000
Maria Balshaw, Director	170-175	26	Nil	66	265-270	155-160	Nil	Nil	61	220-225
Victoria Cheetham, Managing Director	145-150	15	Nil	58	220-225	135-140	Nil	Nil	54	190-195
Band of highest-paid director's remuneration (£)		195,000-200,000				155,000-160,000				
Median remuneration (£)			28,765					27,936		
Ratio			6.9					5.6		
25th percentile remuneration (£)			23,959					-		
Ratio			8.3					-		
75th percentile remuneration (£)			36,314					-		
Ratio			5.5					-		

° 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.

The pension benefits figures stated in 2020-21's accounts were incorrectly calculated and have therefore been restated as a comparative. The total remuneration figures have been restated for 2020-21 to include the pension benefits figure.

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

	2021-22	
	Salary	Non- consolidated performance pay
Staff average	2.71%	100%
Highest paid director	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 2021-22 was £195,000-200,000 (2020-21: £155,000-160,000). This was 6.9 times (2020-21: 5.6) the median remuneration of the workforce, which was £28,765 (2020-21: £27,936).

The banded remuneration of the highest paid director increased in 2021-22 due to receiving a bonus in 2021-22 but not in 2020-21; they did not receive an increase in salary in 2021-22.

In 2021-22, no employees (2020-21: 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 2022 £	Real increase / (decrease) in pension at end date £	CETV at 31 March 2022 £	CETV at 31 March 2021 or start date £	Real increase / (decrease) in CETV £
Maria Balshaw, Director					
Pension	61,731	4,010	775,036	701,968	36,430
Lump sum	-	-	-	-	-
Victoria Cheetham, Managing Director					
Pension	8,109	3,457	95,294	53,346	29,669
Lump sum	-	-	-	-	-

Maria Balshaw and Victoria Cheetham are both members of the Civil Service defined benefit pensions scheme, and contributed 8.05% 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 members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pensions Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction in benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in CETV reflects the increase that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the

value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

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

Off-payroll engagements

In accordance with Treasury guidance per the Financial Reporting Manual (FRM) paragraph 6.5.31 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 2022, for more than £245 per day

Number of existing engagements as of 31 March 2022	10
Of which	
Number that have existed for less than one year at time of reporting	1
Number that have existed for between one and two years at time of reporting	2
Number that have existed for between two and three years at time of reporting	6
Number that have existed for between three and four years at time of reporting	-
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 2021 and 31 March 2022, for more than £245 per day

Number of engagements in force between 1 April 2021 and 31 March 2022	12
Of which	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	12
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0
<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 2021 and 31 March 2022

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-
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
<i>In any cases where individuals are included within the first row of this table the department should set out:</i>	
<ul style="list-style-type: none"> • <i>details of the exceptional circumstances that led to each of these engagements;</i> • <i>details of the length of time each of these exceptional engagements lasted.</i> 	

Trade union facility time

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

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	15
Full-time equivalent employee number	11.9

Table 2: Percentage of time spent on facility time

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

Table 3: Percentage of pay bill spent on facility time

Pay spent on facility time	£13,994
Total pay bill (wages + ER NI +ER Pension)	£41,919,835
Percentage of facility time against total pay bill	0.03%

Table 4: Paid union activities

Paid union activities	0%
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Signed

Maria Balshaw
Director, Tate

3 November 2022

Signed

Roland Rudd
Chairman, Tate

3 November 2022

STATEMENT OF TRUSTEES' AND DIRECTOR'S RESPONSIBILITIES

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

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

- observe the accounts directions issued by the Secretary of State*, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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

3 November 2022

Signed

Roland Rudd
Chairman, Tate

3 November 2022

* 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 Digital, Culture, Media and Sport (DCMS) and an exempt charity defined by Schedule 3 to the Charities Act 2011. It is exempt from registration with and oversight by the Charity Commission and is regulated by DCMS in accordance with a management agreement agreed by the Secretary of State for Digital, Culture, Media and Sport for charity law purposes. Tate's management agreement for the period 2016-2020 sets out the broad governance framework within which Tate operates. This will be replaced by a Management Framework, a draft of which was discussed with DCMS over the course of 2021-22. It is anticipated that Tate will be issued with a finalised version for signature in 2022-23; in the meantime, the provisions of the 2016-2020 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 has assessed itself to have been fully compliant with the relevant principles set out in the *Corporate governance in central government departments: Code of good practice (2017)* for the 2021-22 period.

The Board of Trustees

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

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

During 2021-22, John Booth, Dame Seona Reid DBE and Jane Wilson RA retired from the Board. Five new Trustees were appointed with effect from 7 January 2022: Anya Hindmarch CBE, Artist Trustee; Kwame Kwei-Armah OBE, Artist Trustee; Danny Rimer OBE, International Business Trustee; Howard Shore, International Business Trustee; and Ed Vaizey, Public Affairs Trustee. At the end of the financial year, the process of recruiting an Artist Trustee to succeed Jane Wilson at the conclusion of her term of office was underway.

- Roland Rudd (Chairman) – 6 of 6 meetings
- John Booth – 2 of 2 meetings
- Farooq Chaudhry OBE – 4 of 6 meetings
- Tim Davie CBE – 6 of 6 meetings
- Dame Jayne-Anne Gadhia DBE – 6 of 6 meetings
- Katrin Henkel – 5 of 6 meetings
- Anya Hindmarch CBE – 1 of 2 meetings
- Kwame Kwei-Armah OBE – 1 of 2 meetings
- Anna Lowe – 6 of 6 meetings
- Michael Lynton – 4 of 6 meetings
- Danny Rimer OBE – 1 of 2 meetings
- Howard Shore – 1 of 2 meetings
- Dame Seona Reid DBE – 2 of 2 meetings
- James Timpson OBE – 5 of 6 meetings
- Jane Wilson – 6 of 6 meetings
- Ed Vaizey, Baron Vaizey of Didcot – 2 of 2 meetings

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

In June 2021, the Board also held its annual away day to discuss strategy.

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

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

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

Delegation of authority and matters reserved to the Board

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

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

- approval of the forward plan, including strategic priorities and budgets;
- approval of the statutory accounts and Annual Report;
- acquisition and disposal of land and buildings and approval of all contracts over £2 million;
- acquisitions of artworks over £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;
- appointment of Tate's bankers.

Board business 2021-22

During 2021-22, the Board considered key strategic issues, matters arising and routine business planning, including:

- the ongoing impact of the Coronavirus pandemic and future recovery at each site;
- the revised Estates Strategy and long-term ambitions;
- Tate Liverpool capital redevelopment and vision;
- proposals for the development of the Palais de Danse in St Ives;
- the Collection Strategy for 2021-26;
- consideration of the Rex Whistler mural and recommendations for the future use of the space;
- changes to the organisational structure through a voluntary redundancy and restructure process;
- introduction of a Blended Working policy to support flexible working for most colleagues;
- business and finance: the Board regularly discussed current and forward budgets, management information, progress against performance indicators and the development of the forward business plan;
- policies: the following policies within the Board's policy framework were reviewed and approved by the Board – environmental policy.

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

As necessary, Trustees are also tasked with overseeing Tate's response to emergent issues. Foremost amongst these in 2021-22 was the invasion of Ukraine. Trustees were kept informed of due diligence undertaken in relation to any ongoing partner or supplier commitment affected and the wider implications for Tate. They were informed both by email for immediacy, within Board meetings, and through Committees, primarily the Finance and Operations and Audit committees. Tate did not have any current or upcoming programme directly connected to Russian state institutions. Any historic relationships with former donors associated with the Russian government had ended and an honorific role connected with a previous donation was concluded. Tate continues to actively review all relationships to ensure complete alignment with the Government position.

Board effectiveness

The Board of Trustees conducted its annual effectiveness review in March 2022. Trustees were asked to rate the Board's effectiveness in relation to the following areas: contribution and culture; process and structure; composition and leadership; and oversight and performance. The review was also 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.

The Board overall rated its effectiveness highly. Trustees indicated that they are satisfied that the quality of information they receive is sound and there are effective and appropriate processes in place that meet the requirements of good governance. Trustees identified a number of areas of future priority, including ensuring the future sustainability of Tate's operating model, longer-term

strategy formation in the post-pandemic period, and strengthening diversity as well as the representation of visual artists at Board level.

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 John Booth's retirement as a Trustee in September 2021, Jane Wilson was appointed interim Chair of Collection Committee. The Committee welcomed three new members over 2021-22: Stephen Witherford, Mark Sealy and Trustee Katrin Henkel, who will chair the Committee following Jane Wilson's retirement as Artist Trustee at the end of March 2022. Briony Fer retired in March 2022. Attendance* for 2021-22 was as follows:

- John Booth (Chair and Trustee) – 1 of 1 meeting
- Briony Fer (co-opted member) – 4 of 4 meetings
- Katrin Henkel (Trustee) – 1 of 1 meeting
- Mark Sealy (co-opted member) – 2 of 2 meetings
- David Taylor (co-opted member) – 2 of 4 meetings
- Jane Wilson (Trustee) – 4 of 4 meetings
- Stephen Witherford – 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. In September 2021, John Booth retired from the Committee. In March 2022, Trustees Danny Rimer and Ed Vaizey were appointed to the Committee and Stephen Jolly was appointed as a co-opted member. These latter appointments were made prior to year-end, but subsequent to the last meeting of the year. Appointed members will take up their duties in 2022-23. Attendance* for 2021-22 was as follows:

- Dame Jayne-Anne Gadhia DBE (Chair and Trustee) – 4 of 4 meetings
- John Booth (Trustee) – 2 of 2 meetings
- David Crichton Miller (co-opted member) – 4 of 4 meetings
- Laurie Fitch (co-opted member) – 4 of 4 meetings
- Stephen Jolly (co-opted member) – 0 of 0 meetings
- Danny Rimer (Trustee) – 0 of 0 meetings

- Charles Roxburgh (co-opted member) – 4 of 4 meetings
- Ed Vaizey (Trustee) – 0 of 0 meetings

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

The Remuneration Committee comprises four 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, James Timpson, and Tim Davie CBE. The Committee met in January 2022 to consider the performance and remuneration of the Director and senior management team as detailed in the Remuneration Report, and in April 2022 to consider the staff pay award.

In 2021-22, the Freedom of Information Appeals Committee considered business on paper only. The Committee is chaired by Dame Jayne-Anne Gadhia DBE.

Previously, Tate had a dedicated Nominations and Governance Committee. This year, it was decided with the Chair and in consultation with other Trustees that the Committee should be dormant and can be reconvened when required. During the lockdown period, decisions about appointments to Councils and Committees and other business 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.

Highlights of Board committee reports 2021-22

During 2021-22, 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 from 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 2022-23; the post-pandemic Estates strategy and capital programmes; exhibition target setting; implementation of a new pension provider; information and ticketing systems; international partnerships; people matters and human resources including the conclusion of the voluntary redundancy and restructure processes; 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 including Tate Collection's commitment to the climate emergency and strategy for 2021-26, the latter of which was formally approved by Trustees in November 2021.

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. The Committee also examined specific areas of operation, including Tate's position on seeking sponsorship and donation income from sources or individuals connected with the gambling industry. John Booth retired from the Ethics Committee in September 2021. Its chairing has since been undertaken by members Jules Sher QC and Tim Davie CBE while new Trustees were appointed. An appointment as Chair will be made in 2022-23.

In 2021-22, the business of the Nominations and Governance Committee was considered directly by the Board of Trustees with no delegation required. This included Trustee reappointments, Board skills and succession planning, and appointments to Board sub-committees.

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 2021-22 were:

Maria Balshaw: Director, Tate*

Anna Abbott: Director of Audiences

Anne Barlow: Director, Tate St Ives*

Helen Beeckmans: Director of Corporate Affairs

Achim Borchardt-Hume: Director of Exhibitions and Programmes, Tate Modern (to 3 November 2021)

Vicky Cheetham: Managing Director*

Anna Cutler, Director of Learning & Research (concluded 31 March 2021, but noted here)

Alex Farquharson: Director, Tate Britain*

Claire Gylphé: Director of Development

Ben Howarth, Director of Business Transformation (from 28 December 2021)

Hilary Knight: Director of Digital

Helen Legg: Director, Tate Liverpool*

Rosemary Lynch, Director of Collection Care (to 30 September 2021)

Lisa Mack: Director of People

Kathryn Martindale, Chief Financial Officer* (from 1 October 2021)

Neil McConnon: Director, International Partnerships

Frances Morris: Director, Tate Modern*

Gregor Muir: Director of Collection, International Art

Deborah Potter: Interim Director of Collection Care (from 1 July 2021)

Nigel Randall: Director of Technology

Andrea Schlieker: Director of Exhibitions and Displays, Tate Britain

Polly Staple: Director of Collection, British Art

Stephen Wingfield, Director of Finance and Estates* (to 30 September 2021)

* 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 and Directors Group meetings, with appropriate action being taken as necessary;
- at a divisional level and acted upon where necessary;
- by project boards.

Tate Eats, 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 2021.

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 2021-22, 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 ten assurance and two follow up reviews completed, no negative opinions were issued. A reasonable 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 cost of living, cyber attacks and other major projects that could impact on delivery of the 5 year plan
- 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"> • Implementation of a multi-layered approach with monitoring and intervention products implemented across the Tate Technology Infrastructures. • Skilled in house team being developed with continuing relationships with trusted 3rd parties who provide additional monitoring and assurance. • Monthly and annual external penetration tests conducted. • Dedicated Cyber Security Manager oversees departmental and organisational approach to Cyber Security. • PCI/DSS and HMG Minimum Cyber Security Standards implemented
Reduced staff complement is insufficient to deliver activities	<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;

	<ul style="list-style-type: none"> • new roles approved in 2022-23 budget to reflect areas of pressure, especially in Collection Care. • Funding applications are expected to be focussed on core activity where possible
Reconfiguring business model may not lead to transformational change	<ul style="list-style-type: none"> • A Reset Strategy was drafted following the disruption to activity caused by the impact of the pandemic. • New divisional structures and reduced activity plans are in place for 2021-22 and 2022-23 to respond to reduced visitor numbers and income • The development of a new business model and objectives focussing on Tate's strategic priorities is underway, supported by new Director of Business Transformation to ensure
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. • 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.
Risk of loss of reserves and/or technical insolvency	<ul style="list-style-type: none"> • Close communication of financial situation to DCMS/HMT; • Co-ordinated lobbying from Chairs/CEOs of Big 6; • Close work with Foundations/Trusts/donors to ensure ongoing support • GIA settlement additional Covid support for 2022-23 has been confirmed. • General reserves at 2021-22 returned to level required to meet Reserves Policy
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). This year, Tate reported one incident to the ICO; this case was closed and the commissioner did not escalate the breach reported.

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

Tate was quick to support colleagues affected by the invasion of Ukraine and, where it was possible, support and act upon the Government's requirements and policies in response to it. Tate also undertook the necessary due diligence in relation to its own activities:

- No member of staff was in the affected area at the time of the invasion;
- No artworks were in affected areas;
- There was no scheduled activity or loan that could not be paused without major disruption;
- Tate was able to confirm that any links with any donors who appeared on sanctions lists were either historic or no longer existed; and
- Taking into account the impact on the difficulties of financial movement, transactions – for instance in Tate Enterprises or membership – from Russia were ceased.

The major impact on Tate was due to the wider disruption and in common with many sectors, organisations and individuals, such as rising fuel prices and the impact on supply chains, notably in Tate Enterprises.

There are no other matters of interest to report.

Signed

Maria Balshaw
Director and Accounting Officer, Tate

3 November 2022

Signed

Roland Rudd
Chairman, Tate

3 November 2022

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 2022 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 2022;
- Consolidated Statement of Financial Activities, and Consolidated Statement of Cash Flows for the year then ended; 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 2022 and its net income 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 for 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 of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Tate Gallery and its 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 its 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's and its 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's 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. 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.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If 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 and Staff 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:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Tate Gallery or returns adequate for my audit have not been received from branches not visited by my staff; 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 Board of Trustees and Director as Accounting Officer

As explained more fully in the Statement of Trustees' and Director's 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 intend to liquidate the entity or to cease operations, or have 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, we considered the following:

- 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.
- inquiring of management, the Tate Gallery's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Tate Gallery and its Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged 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;
- discussing among the engagement team including significant component audit teams and involving 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 also obtained an understanding of the Tate Gallery and Group's framework of authority as well as other legal and regulatory frameworks in which the Tate Gallery and Group operates, focusing 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, Museum 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

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing 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;
- enquiring of management, the Audit Committee and legal counsel concerning actual and potential litigation and claims;
- reading and reviewing 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, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating 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 controls; testing income to corroborating evidence; assessing the completeness of revenue streams; and testing the appropriateness of significant estimates made at year-end.

I also communicated relevant identified laws and regulations and potential fraud risks 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 income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

4 November 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London, SW1P 9SP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)

For the year ended 31 March 2022

	INCOME AND EXPENDITURE			CAPITAL			COLLECTIONS			TOTAL			2021-22 Total funds £000	2020-21 Total funds £000
	2021-22 Unrestrict ed funds £000	2021-22 Restrict ed funds £000	2021-22 Total funds £000	2021-22 Unrestrict ed funds £000	2021-22 Restrict ed funds £000	2021-22 Total funds £000	2021-22 Unrestrict ed funds £000	2021-22 Restrict ed funds £000	2021-22 Total funds £000	2021-22 Unrestrict ed funds £000	2021-22 Restrict ed funds £000	2021-22 Endowm ent 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.

CONSOLIDATED AND TATE BALANCE SHEETS AT 31 MARCH 2022

	Notes	Group		Tate	
		2022 £000	2021 £000	2022 £000	2021 £000
Fixed assets					
Tangible assets	9	1,144,858	1,119,849	1,144,433	1,119,258
Heritage assets	10	549,406	523,428	549,406	523,428
Investments	6	18,821	17,610	21,316	20,105
		1,713,085	1,660,887	1,715,155	1,662,791
Current assets					
Stocks	11	3,041	3,360	-	-
Debtors and prepayments	12	16,157	19,876	18,479	23,832
Cash and liquid resources	13	36,029	16,526	27,535	11,722
		55,227	39,762	46,014	35,554
Creditors: amounts falling due within one year	14	(25,632)	(20,923)	(20,569)	(18,962)
Net current assets		29,595	18,839	25,445	16,592
Total assets less current liabilities		1,742,680	1,679,726	1,740,600	1,679,383
Creditors: amounts falling due after more than one year	14	(640)	(752)	(640)	(752)
Provisions for liabilities	15	(1,652)	(1,502)	(1,652)	(1,502)
Total assets less liabilities		1,740,388	1,677,472	1,738,308	1,677,129
Represented by:					
Restricted income reserves	17	1,636,991	1,591,774	1,636,991	1,591,774
Unrestricted reserves					
Designated	17	65,158	60,526	64,733	59,934
General	17	22,236	9,669	20,581	9,918
Total funds		1,724,385	1,661,969	1,722,305	1,661,626
Endowments	17	16,003	15,503	16,003	15,503
Total funds		1,740,388	1,677,472	1,738,308	1,677,129

The financial statements on pages 52 to 80 were approved by the Trustees on:

Signed

Maria Balshaw
Director, Tate

3 November 2022

Signed

Roland Rudd
Chairman, Tate

3 November 2022

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	<i>Notes</i>	2022	2021
		£000	£000
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	<i>19(i)</i>	30,060	2,009
Cash flows from investing activities:			
Dividends and interest		381	398
Purchase of property, plant and equipment		(10,640)	(7,943)
Proceeds from sale of investments		2,483	2,709
Purchase of investments		(2,781)	(3,530)
<i>Net cash used in investing activities</i>		(10,557)	(8,366)
<i>Change in cash and cash equivalents in the reporting period</i>		19,503	(6,357)
<i>Cash and cash equivalents at the beginning of the reporting period</i>		16,526	22,883
<i>Cash and cash equivalents at the end of the reporting period</i>		36,029	16,526

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 Digital, 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).

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 ongoing financial impact of the Coronavirus pandemic 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 government grant – including the additional funding approved following demonstration of need as a result of the effects of the Coronavirus pandemic – and self-generated income will be sufficient to meet Tate's ongoing expenses for the foreseeable future. The estimates for self-generated income have been prudent based on reduced attendance levels at all four galleries and the overall cost base has been significantly reduced following a vigorous cost cutting and redundancy programme. Should there be further gallery closures, Tate will be able to make use of its own reserves and, if necessary, take additional action to further reduce costs.

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 against debts older than six months, except for debts with related charities. At 31 March 2022, this provision totalled £192,000 (2020-21: £180,000) against a total trade receivables balance of £2,829,000 (2020-21: £7,177,000) and is not considered to be a material estimate.
- 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 2022, this

provision totalled £1,651,500 (2020-21: £1,502,000) and is not 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.

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. 17.6% of the Collection (76,445 works, excluding library and archive items) is recognised at a value on the balance sheet. For the remaining 82.4%, 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. 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 2022. 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 at rates calculated to write off the cost or valuation of each asset evenly over its expected life; a full year's depreciation is charged in the year of acquisition. The useful economic lives of the tangible fixed assets are as follows:

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

Investments

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

Stock

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

Cash and liquid resources

Funds placed on money market 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. Tate Enterprises Ltd made a profit in 2021-22. Following a decision not to gift aid these profits in order to prioritise the company's ability to repay the revolving loan facility from Tate Gallery, £411,578 (2020-21: £nil) in corporation tax is due for the year ended 31 March 2022.

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 2021

Notes	INCOME AND EXPENDITURE			CAPITAL			COLLECTIONS			TOTAL			2019-20 Total funds £000
	2020-21 Unrestrict ed funds £000	2020-21 Restrict ed funds £000	2020-21 Total funds £000	2020-21 Unrestrict ed funds £000	2020-21 Restrict ed funds £000	2020-21 Total funds £000	2020-21 Unrestrict ed funds £000	2020-21 Restrict ed funds £000	2020-21 Total funds £000	2020-21 Unrestrict ed funds £000	2020-21 Restrict ed funds £000	2020-21 Endowm ent funds £000	
Income and endowments from:													
<i>Donations and legacies</i>													
- Grant in Aid	46,230	-	46,230	3,340	2,000	5,340	-	-	-	49,570	2,000	-	51,570
- Donated works of art	-	-	-	-	-	-	-	14,439	14,439	-	14,439	-	14,439
- Other donations and legacies	12,097	8,891	20,988	-	1,064	1,064	-	4,163	4,163	12,097	14,118	500	26,715
- Job Retention Scheme	-	5,190	5,190	-	-	-	-	-	-	-	5,190	-	5,190
<i>Charitable activities</i>	4,481	-	4,481	-	-	-	5	-	5	4,486	-	-	4,486
<i>Other trading activities</i>													
- Trading income	13,847	-	13,847	-	-	-	187	-	187	14,034	-	-	14,034
- Other trading activities	3,309	-	3,309	-	-	-	-	-	-	3,309	-	-	3,309
<i>Investments</i>	6	8	14	-	-	-	-	384	384	6	392	-	398
<i>Other</i>	100	-	100	-	-	-	-	-	-	100	-	-	100
Total	80,070	14,089	94,159	3,340	3,064	6,404	192	18,986	19,178	83,602	36,139	500	120,241
Expenditure on:													
<i>Raising funds</i>													
Costs of raising donations and legacies	3,193	335	3,528	67	1	68	-	-	-	3,260	336	-	3,596
Fundraising trading: cost of goods sold and other costs													
- Trading costs	18,191	-	18,191	512	-	512	-	-	-	18,703	-	-	18,703
- Other costs of raising funds	8,117	473	8,590	69	1	70	-	-	-	8,186	474	-	8,660
Investment management costs	26	1	27	-	-	-	-	67	67	26	68	-	94
<i>Charitable activities</i>	61,269	8,160	69,429	4,237	19,996	24,233	-	-	-	65,506	28,156	-	93,662
<i>Other</i>	166	0	166	-	-	-	-	-	-	166	-	-	166
Total	90,962	8,969	99,931	4,885	19,998	24,883	-	67	67	95,847	29,034	-	124,881
Net (losses)/gains on investments	-	11	11	-	-	-	-	322	322	-	333	2,230	2,563
Net income/(expenditure)	(10,892)	5,131	(5,761)	(1,545)	(16,934)	(18,479)	192	19,241	19,433	(12,245)	7,438	2,730	(2,077)
Transfers between funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other recognised gains/(losses):													
Gain/(loss) on revaluation of fixed assets	-	-	-	853	3,335	4,188	-	-	-	853	3,335	-	4,188
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
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
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	1,591,774	15,503	1,677,472
Reconciliation of funds:													
Funds brought forward at 1 April 2019	20,063	358	20,421	37,553	1,139,149	1,176,702	22,136	464,846	486,982	79,752	1,604,353	14,091	1,698,196
Net movement in funds	498	(62)	436	9	(41,234)	(41,225)	1,328	17,944	19,272	1,835	(23,352)	(1,318)	(22,835)
Funds carried forward at 31 March 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

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

	2022	2021
	£000	£000
Grant in Aid	57,531	51,570
Donated works of art	23,188	14,439
Lottery and other public funding		
Arts and Humanities Research Council	413	1,100
Arts Council	278	23
British Council	-	3
City of Liverpool	71	112
Department for Culture, Media and Sport	-	33
His Majesty's Revenue and Customs	1,382	1,043
Job Retention Scheme (see note 25)	672	5,190
National Heritage Memorial Fund	-	522
National Museums Liverpool (as agent for DWP)	37	-
Total Lottery and other public funding	2,853	8,026
Donations from associated charities	3,872	6,004
Membership subscriptions	15,146	8,290
Gift Aid	2,414	1,152
Other donations	3,421	8,433
	108,425	97,914
of which the following is taken to (see page 52)		
Income and expenditure	75,076	72,408
Capital	7,815	6,404
Collections	25,534	18,602
Endowments	-	500

4. Charitable activities

	2022	2021
	£000	£000
Admissions	4,599	1,594
Other income from charitable activities	6,896	2,892
	11,495	4,486
of which the following is taken to (see page 52)		
Income and expenditure	11,495	4,481
Collections	-	5

5. Other trading activities

	2022	2021
	£000	£000
Trading	21,118	14,034
Sponsorship	3,876	2,991
Other activities for raising funds	118	318
	25,112	17,343
of which the following is taken to (see page 52)		
Income and expenditure	24,734	17,156
Capital	78	-
Collections	300	187

Included in sponsorship income is £985,000 of barter advertising (£90,000 in 2020-21), computed at estimated cost value.

6. Investments

	2022	2021
	£000	£000
Bank interest	5	6
Income on quoted investments	377	392
	382	398
of which the following is taken to (see page 52)		
Income and expenditure	12	14
Collections	370	384

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

At 31 March 2022, the investment fund was valued at £18,821,000 (£17,610,000 in 2020-21); historic cost £14,537,000 (£13,783,000 in 2020-21).

	2021			Realised and unrealised	2022
	Market	Additions	Disposals	gains/(los	Market
	value	in year	in year	ses)	value
	£000	£000	£000	£000	£000
Investment portfolio:					
UK fixed interest	2,299	-	(200)	(120)	1,979
Non-UK fixed interest	239	109	-	10	358
UK equities	4,712	507	(871)	137	4,485
Non-UK equities	6,846	1,194	(1,276)	700	7,464
Property	1,215	216	-	195	1,626
Alternatives	1,848	478	(137)	(7)	2,182
Cash	451	277	-	(1)	727
Group investments total	17,610	2,781	(2,484)	914	18,821
Subsidiaries' issued share capital (at cost)	2,495	-	-	-	2,495
Tate investments total	20,105	2,781	(2,484)	914	21,316

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

Investments held at 31 March 2022 which individually represent greater than 5% of the investment portfolio:

Ishares Core S&P 500 Ucits Etf USD

7. Net income/(expenditure)

is stated after charging:

	2022	2021
	£000	£000
External Auditors' remuneration		
Comptroller and Auditor General	68	65
Subsidiaries – audit	56	21
Subsidiaries – taxation & technical advice	3	3
Operating lease rentals		
Land and buildings	1,204	1,509
Vehicles and equipment	30	125
Depreciation	22,369	22,371
Loss on disposal of fixed assets	-	34

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	Depreciation and impairments* £000	2022 Total £000	2021 Total £000
<i>Raising funds</i>						
Costs of raising donations and legacies	1,591	122	1,468	63	3,244	3,596
Fundraising trading: cost of goods sold and other costs						
- Trading costs	8,719	10,430	-	245	19,394	18,703
- Other costs of raising funds	3,504	1,968	1,813	48	7,333	8,660
Investment management costs	-	79	26	-	105	94
<i>Total costs of raising funds</i>	13,814	12,599	3,307	356	30,076	31,053
<i>Charitable activities</i>						
- Gallery activities	14,975	10,601	24,519	20,659	70,754	69,733
- Gallery operations	4,531	3,270	2,622	787	11,210	12,016
- Collections	6,596	1,167	2,532	567	10,862	11,913
<i>Total charitable activities</i>	26,102	15,038	29,673	22,013	92,826	93,662
<i>Other</i>	57	-	160	-	217	166
Total	39,973	27,637	33,140	22,369	123,119	124,881

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

The Chairman and other Trustees received no remuneration; six Trustees (two in 2020-21) received reimbursement of travel and subsistence expenses amounting to £1,912 in 2021-22 (£869 in 2020-21).

a) Support cost breakdown by activity

	Governance costs £000	Finance and Legal £000	Human resources £000	Information systems £000	Estates £000	Other £000	2022 Total £000	2021 Total £000
<i>Raising funds</i>								
Costs of raising donations and legacies	10	109	72	189	961	127	1,468	1,625
Fundraising trading: cost of goods sold and other costs								
- Other costs of raising funds	688	84	56	146	741	98	1,813	2,251
Investment management costs	-	26	-	-	-	-	26	26
Total costs of raising funds	698	219	128	335	1,702	225	3,307	3,902
<i>Charitable activities</i>								
- Gallery activities	125	1,372	805	2,387	18,224	1,606	24,518	24,496
- Gallery operations	38	414	271	721	693	485	2,622	3,329
- Collections	38	411	387	715	500	481	2,532	3,319
Total charitable activities	201	2,197	1,463	3,823	19,417	2,572	29,673	31,144
<i>Other</i>	-	160	-	-	-	-	160	100
Total	899	2,576	1,591	4,158	21,119	2,797	33,140	35,146
Basis of allocation	FTE/expenditure	expenditure	average FTE	expenditure	depreciation charge	expenditure		

Support costs include an element of staff costs amounting to £9,294,000 (£13,131,000 in 2020-21).

b) Staff costs

	2022	2021
	£000	£000
Wages and salaries	34,204	41,640
Pension costs	6,960	7,791
Social Security costs	3,530	4,018
Redundancy costs	1,918	3,045
Total employee costs	46,612	56,494
Agency staff costs	2,655	1,953
	49,267	58,447

£nil of staff costs relating to staff working exclusively on capital projects were capitalised in 2021-22 (£nil in 2020-21). The average number of full-time equivalent (FTE) staff directly employed on capital projects was zero in 2021-22 (0 in 2020-21).

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:

	2022	2021
	No.	No.
£60,000 - £64,999	12	10
£65,000 - £69,999	7	6
£70,000 - £74,999	5	2
£75,000 - £79,999	4	7
£80,000 - £84,999	5	2
£85,000 - £89,999	4	3
£90,000 - £94,999	-	3
£95,000 - £99,999	3	1
£100,000 - £104,999	1	1
£115,000 - £119,999	1	1
£120,000 - £124,999	2	1
£130,000 - £134,999	1	-
£135,000 - £139,999	-	1
£155,000 - £159,999	-	1
£160,000 - £164,999	1	-
£195,000 - £199,999	1	-
	47	39

47 of the 47 staff earning more than £60,000 are members of a defined benefit pension scheme (39 of the 39 in 2020-21); their total contributions to the scheme amounted to £937,000 during the year (2020-21: £917,000).

The average number of full-time equivalent (FTE) staff during the year was 1,046 (1,288 in 2020-21). Included within this total are 9 FTE staff on temporary contracts (13 in 2020-21) and 66 FTE staff on fixed-term contracts (82 in 2020-21).

The breakdown of average FTE staff by occupational group was:

	2022	2021
	No.	No.
<i>Costs of raising funds</i>		
Costs of raising donations and legacies	35	41
Fundraising trading: cost of goods sold and other costs		
- Trading	315	449
- Other	79	108
<i>Charitable activities</i>	613	687
<i>Other resources expended</i>	4	3
	1,046	1,288

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 2021
<£10,000	-	7	7	36
£10,000 - £25,000	1	19	20	46
£25,000 - £50,000	-	11	11	35
£50,000 - £100,000	-	12	12	10
£100,000 - £150,000	-	1	1	1
£150,000 - £200,000	-	1	1	1
Total number of exit packages	1	51	52	129
Total resource cost/£	25,000	1,893,000	1,918,000	3,106,000

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

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under *classic*, *premium*, *classic plus*, *nuvos* and *alpha* are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 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 2021-22, employees' contributions of £1,250,000 were payable to PCSPS. 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 2021-22, employers' contributions of £6,152,000 were payable to the PCSPS (2020-21: £6,857,000) 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 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employers' contributions of £140,000 (2020-21: £181,000) were paid to one or more of a panel of three appointed stakeholder pension providers. In addition, employer contributions of £133,000 (2020-21: (£136,000), 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 2020-21); the total additional accrued pension liabilities to PCSPS in the year amounted to £nil (2020-21: £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.

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 £535,000 were made in the year (2020-21: £617,000).

9. Tangible assets

Group	Leasehold					Total tangible assets
	Land	Freehold buildings	improvements	Plant and fit-out	Fixture, fittings and equipment	
	£000	£000	£000	£000	£000	£000
Value at 1 April 2021	476,135	411,177	14,180	220,094	17,916	1,139,502
Additions at cost	-	580	843	4,109	2,319	7,851
Transfer of assets	-	-	-	-	-	-
Valuation of assets	4,589	24,899	(1,192)	(9,239)	-	19,057
Disposals	-	-	-	-	(868)	(868)
Value at 31 March 2022	480,724	436,656	13,831	214,964	19,367	1,165,542
Depreciation at 1 April 2021	-	162	374	3,700	15,417	19,653
Charge for the year	-	4,266	157	16,303	1,642	22,368
Valuation of assets	-	(4,266)	(112)	(16,091)	-	(20,469)
Disposals	-	-	-	-	(868)	(868)
Depreciation at 31 March 2022	-	162	419	3,912	16,191	20,684
Net book value at 31 March 2022	480,724	436,494	13,412	211,052	3,176	1,144,858
Net book value at 1 April 2021	476,135	411,015	13,806	216,394	2,499	1,119,849
Historic cost NBV at 31 March 2022	98,488	264,857	12,887	90,802	3,176	470,210

Tate	Leasehold					Total tangible assets
	Land	Freehold buildings	improvements	Plant and fit-out	Fixture, fittings and equipment	
	£000	£000	£000	£000	£000	£000
Value at 1 April 2021	476,135	411,015	14,180	220,094	13,395	1,134,819
Additions at cost	-	580	843	4,109	2,240	7,772
Transfer of assets	-	-	-	-	-	-
Valuation of assets	4,589	24,899	(1,192)	(9,239)	-	19,057
Disposals	-	-	-	-	(811)	(811)
Value at 31 March 2022	480,724	436,494	13,831	214,964	14,824	1,160,837
Depreciation at 1 April 2021	-	-	374	3,700	11,487	15,561
Charge for the year	-	4,266	157	16,303	1,397	22,123
Valuation of assets	-	(4,266)	(112)	(16,091)	-	(20,469)
Disposals	-	-	-	-	(811)	(811)
Depreciation at 31 March 2022	-	-	419	3,912	12,073	16,404
Net book value at 31 March 2022	480,724	436,494	13,412	211,052	2,751	1,144,433
Net book value at 1 April 2021	476,135	411,015	13,806	216,394	1,908	1,119,258
Historic cost NBV at 31 March 2022	98,488	264,857	12,887	90,802	2,751	469,785

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, buildings, plant

and fit-out and the buildings and plant element of long leasehold assets have been revalued using indices provided by the Department for Business, Energy and Industrial Strategy.

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 2021-22 accounts was undertaken in accordance with HM Government Financial Reporting Manual (FReM) Guidance, International Valuation Standards (IVS) and the requirements of the RICS Valuation – Global Standards 2022 (the Red Book). The Coronavirus pandemic and the measures taken to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the valuations are not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. However, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of the pandemic the importance of the valuation date is to be highlighted.

Had these not been revalued, the historic cost net book value at 31 March 2022 would have been: £98,488,000 for land, £264,857,000 for freehold buildings, £12,887,000 for leasehold improvements and £90,802,000 for plant and fit-out. The financial effect of revaluing fixtures, fittings and equipment was considered to be immaterial and therefore they have been disclosed at their historical cost value.

The net book value at 31 March 2022 represents fixed assets for:

Group			Leasehol		Fixture,	Total
	Land	Freehold	d	Plant and	fittings	
	£000	buildings	improvem	fit-out	and	tangible
		£000	ents	£000	equipmen	assets
			£000	£000	t	£000
Charitable activities	480,724	436,494	13,412	211,052	2,751	1,144,433
Other activities	-	-	-	-	425	425
	480,724	436,494	13,412	211,052	3,176	1,144,858

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

10. Heritage assets

Group and Tate	Value at 1 April 2021 £000	Additions £000	Value at 31 March 2022 £000
<i>Cost</i>			
Installations	21,948	680	22,628
Paintings	66,237	497	66,734
Reliefs	2,465	17	2,482
Sculptures	26,200	533	26,733
Works on paper	24,093	751	24,844
Time-based media	2,871	149	3,020
Archives	6,136	-	6,136
Other	342	-	342
ARTIST ROOMS	20,660	-	20,660
<i>Valuation</i>			
Installations	17,244	48	17,292
Paintings	197,348	8,633	205,981
Reliefs	2,648	58	2,706
Sculptures	42,330	11,017	53,347
Works on paper	30,211	2,396	32,607
Time-based media	4,081	161	4,242
Archives	7,491	1,028	8,519
Other	287	-	287
ARTIST ROOMS	49,508	-	49,508
The Qantas Foundation	1,328	10	1,338
Total	523,428	25,978	549,406

In the year 556 works of art and archives were added to the Collection of which 193 are included at cost price and 363 have been valued.

Five-year financial summary of heritage asset transactions

	2021-22 £000	2020-21 £000	2019-20 £000	2018-19 £000	2017-18 £000
<i>Cost</i>					
Installations	680	1,256	1,031	2,285	239
Paintings	497	393	1,478	1,846	724
Reliefs	17	-	76	51	811
Sculptures	533	717	1,849	1,935	1,081
Works on paper	751	1,557	810	1,154	671
Time-based media	149	387	353	113	400
Archives	-	4	131	35	2,534
ARTIST ROOMS	-	-	-	-	-
<i>Valuation</i>					
Installations	48	1,344	960	1,417	748
Paintings	8,633	7,311	6,332	3,344	6,978
Reliefs	58	-	424	467	991
Sculptures	11,017	1,078	1,842	2,339	4,012
Works on paper	2,396	4,137	1,340	1,500	1,957
Time-based media	161	1,219	543	894	17
Archives	1,028	214	498	115	330
Other	-	-	-	-	-
ARTIST ROOMS	-	103	-	218	883
The Qantas Foundation	10	37	732	408	151
Total additions	25,978	19,757	18,399	18,121	22,527

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 76,445 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/our-work/conservation and the acquisitions and disposals and loans policy can be found at www.tate.org.uk/about/our-work/collection.

11. Subsidiaries

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

	2022	2021
	£000	£000
Fixed assets	425	591
Current assets	13,202	11,550
Current liabilities	(6,870)	(5,303)
Long-term liabilities	(2,181)	(4,000)
Net assets	4,576	2,838
Capital and reserves	4,576	2,838
	4,576	2,838

Current assets include stock of £3,041,000 comprising: work in progress £154,000; finished goods and goods for resale £2,887,000 (£3,360,000, comprising: work in progress £268,000; finished goods and goods for resale £3,092,000 in 2020-21).

	2022	2021
	£000	£000
Turnover	21,961	10,324
Cost of sales	(7,589)	(3,683)
Gross profit	14,372	6,641
Other income (Job Retention Scheme)	599	5,017
Administrative expenses	(12,823)	(16,541)
Trading (loss)/profit	2,148	(4,883)
Interest receivable	1	2
Net (loss)/contribution	2,149	(4,881)

The net contribution consists of £570,000 from publishing and retail operations (loss of £3,178,000 in 2020-21), £1,254,000 from catering and events operations (loss of £3,133,000 in 2020-21) and contribution of £325,000 from education, consultancy and media services (contribution of £1,430,000 in 2020-21). Turnover includes £1,423,000 of sales to Tate (£1,298,000 in 2020-21). Administrative expenses include £1,687,000 of expenditure recharged by Tate (£1,442,000 in 2020-21).

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. At 31 March 2022, the loan balance was £2,181,000 (2020-21: £4,000,000). The repayment date is 5 years from the date of drawdown. Interest is 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 and Tate Foundation under Gift Aid rules each year. However, following Tate Enterprises Limited's losses in 2020-21, the company's distributable reserves will be reviewed in December 2022 to determine whether any Gift Aid can be paid from the company's 2021-22 taxable profits.

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	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	4,999	7,882	4,025	7,481
Amounts due from group companies	-	-	3,427	5,277
Other debtors	2,028	1,664	1,975	1,309
Prepayments and accrued income	9,130	10,330	9,052	9,765
	16,157	19,876	18,479	23,832

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

	Group		Tate	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts due from group companies	-	-	2,181	4,000
	-	-	2,181	4,000

Amounts due from group companies includes £2,181,000 (2019-20: £4,000,000) due from Tate Enterprises Ltd on the unsecured revolving loan facility drawn down in 2020-21 and partially repaid during 2021-22.

13. Cash and liquid resources

	Group		Tate	
	2022 £000	2021 £000	2022 £000	2021 £000
held at/in:				
Government Banking Service	2,255	3,434	2,255	3,434
Interest-bearing accounts	33,477	11,925	25,220	8,222
Cash and non-interest-bearing accounts	297	1,167	60	66
	36,029	16,526	27,535	11,722

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

	2022 £000	2021 £000
Interest-bearing accounts	33,477	11,925
Less: funds held in interest-bearing current or call accounts	1	-
Liquid resources (funds held on deposit)	33,476	11,925

14. Creditors: amounts falling due within one year

	Group		Tate	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade creditors	10,965	4,093	10,235	3,794
Amounts due to group companies	-	-	401	1,974
Taxation and social security	1,663	1,093	677	1,004
Other creditors	1,734	927	1,396	717
Accruals	7,984	13,520	5,088	9,478
Deferred income	3,286	1,290	2,773	1,995
	25,632	20,923	20,569	18,962

Creditors: amounts falling due after more than one year

	Group		Tate	
	2022 £000	2021 £000	2022 £000	2021 £000
Other creditors	109	109	109	109
Accruals	531	643	531	643
Deferred income	-	-	-	-
	640	752	640	752

Deferred income

	Group		Tate	
	2022 £000	2021 £000	2022 £000	2021 £000
Deferred income brought forward	1,290	5,622	1,955	4,691
Released in year	(1,290)	(6,683)	(1,995)	(4,672)
Deferred in year	3,286	2,351	2,773	1,976
Deferred income carried forward	3,286	1,290	2,773	1,995

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	
	2022	2021	2022	2021
	£000	£000	£000	£000
Provisions brought forward	1,502	-	1,502	-
Released in year	(30)	-	(30)	-
Provided in year	180	1,502	180	1,502
Provisions carried forward	1,652	1,502	1,652	1,502

£1,652,000 (2020-21: £1,502,000) was provided for in the year 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 2022 Tate had annual commitments under non-cancellable leases as follows:

Group	Land and buildings	Other	2022	2021
	£000	£000	£000	£000
Operating leases expiring within				
One year	876	29	905	950
Two to five years	3,349	8	3,357	2,826
More than five years	1,483	-	1,483	2,123
	5,708	37	5,745	5,899

Tate	Land and buildings	Other	2022	2021
	£000	£000	£000	£000
Operating leases expiring within				
One year	732	-	732	782
Two to five years	2,750	-	2,750	2,755
More than five years	1,436	-	1,436	2,123
	4,918	-	4,918	5,660

17. Statement of funds

Group	Opening Funds £000	Transfer s £000	Income £000	Expenditure £000	Gain/(loss) on revaluatio n £000	Gain/(loss) on investment £000	Closing funds £000
Unrestricted							
<i>Designated</i>							
Works of art	23,656	-	300	-	-	-	23,956
Buildings and equipment	36,870	-	7,560	(4,012)	784	-	41,202
	60,526	-	7,560	(4,012)	784	-	65,158
<i>General funds</i>	9,669	-	107,662	(95,095)	-	-	22,236
Total unrestricted funds	70,195	-	115,522	(99,107)	784	-	87,394
Restricted							
Buildings and equipment	438,944	-	333	(18,564)	9,466	-	430,179
Revaluation reserve	645,372	-	-	-	29,276	-	674,648
Works of art	499,915	-	25,534	-	-	-	525,449
Acquisition trust funds	2,116	-	370	(78)	-	408	2,816
Other funds	5,427	-	3,836	(5,370)	-	6	3,899
	1,591,774	-	30,073	(24,012)	38,742	414	1,636,991
Endowments	15,503	-	-	-	-	500	16,003
Total funds	1,677,472	-	149,595	(123,119)	39,526	914	1,740,388
Tate							
	Opening Funds £000	Transfer s £000	Income £000	Expenditur e £000	Gain on revaluatio n £000	Gain on investmen t £000	Closing funds £000
Unrestricted							
<i>Designated</i>							
Works of art	23,656	-	300	-	-	-	23,956
Buildings and equipment	36,278	-	7,485	(3,767)	784	-	40,777
	59,934	-	7,782	(3,767)	784	-	64,733
<i>General funds</i>	9,918	-	88,607	(77,944)	-	-	20,581
Total unrestricted funds	69,852	-	96,389	(81,711)	784	-	85,314
Restricted							
Buildings and equipment	438,944	-	333	(18,564)	9,466	-	430,179
Revaluation reserve	645,372	-	-	-	29,276	-	674,648
Works of art	499,915	-	25,534	-	-	-	525,449
Acquisition trust funds	2,116	-	370	(78)	-	408	2,816
Other funds	5,427	-	3,836	(5,370)	-	6	3,899
	1,591,774	-	30,073	(24,012)	38,742	414	1,636,991
Endowments	15,503	-	-	-	-	500	16,003
Total funds	1,677,129	-	126,462	(105,723)	39,526	914	1,738,308

Fair value reserve (investments) – movements

	As at 1 April 2021 £000	Unrealised gains under fair value £000	Realised gains under fair value £000	As at 31 March 2022 £000	Reserve fund net of FV at 31 March £000	Reserve fund incl. FV at 31 March £000
Restricted						
Acquisition trust funds	448	225	(44)	629	2,134	2,763
Other funds	16	5	(2)	19	68	87
	<u>464</u>	<u>230</u>	<u>(46)</u>	<u>648</u>	<u>2,202</u>	<u>2,850</u>
Endowments	3,363	601	(328)	3,636	12,335	15,971
Total funds	<u>3,827</u>	<u>831</u>	<u>(374)</u>	<u>4,284</u>	<u>14,537</u>	<u>18,821</u>

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.

18. Analysis of net assets between funds

Funds balances at 31 March 2022 are represented by:

Group	Unrestricted designated funds £000	Unrestricted general funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Tangible assets	41,202	-	1,103,656	-	1,144,858	1,119,849
Heritage assets	23,956	-	525,450	-	549,406	523,428
Investments	-	-	2,850	15,971	18,821	17,610
Net current assets	-	24,528	5,035	32	29,595	18,839
Long term creditors	-	(640)	-	-	(640)	(752)
Provisions	-	(1,652)	-	-	(1,652)	(1,502)
Total net assets	65,158	22,236	1,636,991	16,003	1,740,388	1,677,472

Tate	Unrestricted designated funds £000	Unrestricted general funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Tangible assets	40,777	-	1,103,656	-	1,144,433	1,119,258
Heritage assets	23,956	-	525,450	-	549,406	523,428
Investments	-	2,495	2,850	15,971	21,316	20,105
Net current assets	-	20,378	5,035	32	25,445	16,592
Long term creditors	-	(640)	-	-	(640)	(752)
Provisions	-	(1,652)	-	-	(1,652)	(1,502)
Total net assets	64,733	20,581	1,636,991	16,003	1,738,308	1,677,129

19. Cash flow information

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

	2022 £000	2021 £000
Net expenditure for the reporting period	23,390	(2,077)
Adjustments for:		
Depreciation charges	22,369	22,371
(Gains)/losses on investments	(914)	(2,563)
Dividends and interest	(381)	(398)
Loss on disposal of fixed assets	-	34
Donations of works of art	(23,188)	(14,439)
Decrease/(increase) in stocks	319	1,386
Increase in debtors	3,719	(1,455)
(Decrease)/increase in creditors	4,746	(850)
Net cash inflow from operating activities	30,060	2,009

(ii) Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand	2,553	4,601
Notice deposits (less than three months)	33,476	11,925
Total cash and cash equivalents	36,029	16,526

20. Capital commitments

Financial commitments were as follows:

	2022	2021
	£000	£000
Acquisition of works of art contracted for, but not provided in the accounts	46	202
		Works of art
		art
		£000
Opening commitments at 31 March 2021		202
Less paid for during the year		(202)
Additional commitments		46
Closing commitments at 31 March 2022		46

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

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

As well as being a Trustee of Tate, Katrin Henkel is also a Trustee of the National Gallery. John Booth was also a Trustee of both Tate and the National Gallery until his retirement from Tate's Board during 2021-22. Following appointments to both Boards, a replacement liaison Trustee from Tate to the National Gallery will be appointed in 2022-23.

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

Roland Rudd is Director of the Finsbury Group Limited, whose corporate membership with Tate Enterprises Limited was renewed in March 2022 for £55,000 after being frozen as a result of the Coronavirus pandemic and the galleries' closure during part of 2021-22. The Finsbury Group also contributed £1,968 towards a Tate drinks reception during the year.

Jane Wilson is on the board of Design and Artists Copyright Society (DACS), to whom Tate paid £38,200 and Tate Enterprises' Tate Commerce division paid £11,057 in copyright fees in 2021-22. Tim Davie is Director General of the BBC, from whom Tate received £2,000 for an event in 2021-22. John Booth is a director of Maintel Europe Limited, to whom Tate paid £122,915 in respect of telephone equipment and licence fees in 2021-22.

Katrin Henkel is the founder of the Tavolezza Foundation, from whom Tate received a £25,000 donation. Danny Rimer donated £50,000 to Tate Foundation in 2021-22. Howard Shore is a Tate Patron from whom Tate Foundation received £12,880 in subscription fees and donations during 2021-22. James Timpson OBE is a director of Timpson Ltd which donated £10,000 to Tate Foundation in 2021-22.

Maria Balshaw CBE is a director of Tate Foundation. James Timpson OBE, Victoria Cheetham and Kathryn Martindale are directors of Tate Enterprises Limited. Maria Balshaw CBE, Victoria Cheetham and Kathryn Martindale are directors of Tate Exhibition Productions Limited. Stephen Wingfield resigned as a director of Tate Enterprises Limited and Tate Exhibition Productions Limited in September 2021.

Maria Balshaw CBE is Chair of the Executive Committee of the National Museum Directors' Council (NMDC), to whom Tate paid £16,142 in membership fees in 2021-22. Tate acted as host and agent of NMDC during 2021-22 and received £6,527 in support recharges. Maria Balshaw CBE is also a trustee of the Clore Leadership Programme, to whom Tate paid £200 in training fees in 2021-22. Frances Morris is a board member of the Fruitmarket Gallery, from whom Tate received £815 in Plus Tate network membership fees in 2021-22.

During the year, Tate Foundation made donations to Tate of £2,685,124 (£3,180,116 in 2020-21) and reimbursed Tate for staff costs totalling £489,293 (£656,571 in 2020-21) and support costs totalling £133,051 (£126,475 in 2020-21). At the year end, debtors included £3,955,000 (£7,332,000 in 2020-21) and creditors included £833,000 (£1,133,000 in 2020-21) in respect of Tate Foundation. During the year the American Fund and Americas Foundation made donations to Tate of £1,002,000 (£2,035,000 in 2020-21). At the year end, debtors included £nil (£nil in 2020-21) and creditors included £nil (£nil in 2020-21) in respect of the American Fund. During the year the Canada Foundation made donations to Tate of £nil (£nil in 2020-21).

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 £2,909,000 representing trade debtors (£6,607,000 in 2020-21), 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 £213,000 (£293,000 in 2020-21).

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 0.26% of the total incoming resources for Tate (0.33% in 2020-21). 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

During 2021-22, Tate utilised the Government's Job Retention Scheme. In total, £672,000 (2020-21: £5,190,000) was 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.

Tate's financial position was significantly affected by the galleries' closures due to the Coronavirus pandemic and associated lockdowns and, as a result, was given permission by the Cabinet Office to access the scheme. In the vast majority of cases, redeployment to other work or projects was not possible for staff due to the galleries' closure and so access to the scheme was vital for Tate and its staff. With some continuation of reduced activity after the galleries reopened in May, it was necessary to continue to furlough a smaller number of staff until July 2021.

Furloughed colleagues were encouraged to keep in touch with their colleagues and teams and utilise Tate's eLearning platform, Tate Learn, during this period. In recognition of the unprecedented circumstances these colleagues found themselves in, an email inbox was created to act as a centralised point of contact for any furlough-related queries, with email updates issued to management and colleagues to advise of changes to the furlough arrangements and the wider situation during each lockdown.

26. Post balance sheet events

The Trustees designated the annual report and accounts for signing by the Accounting Officer on 2 November 2022 and authorised them for issue on the date they were certified by the Comptroller and Auditor General.

In line with the Government's *Living with COVID-19* response plan, capacity restrictions within the galleries were lifted from 1 April 2022.

