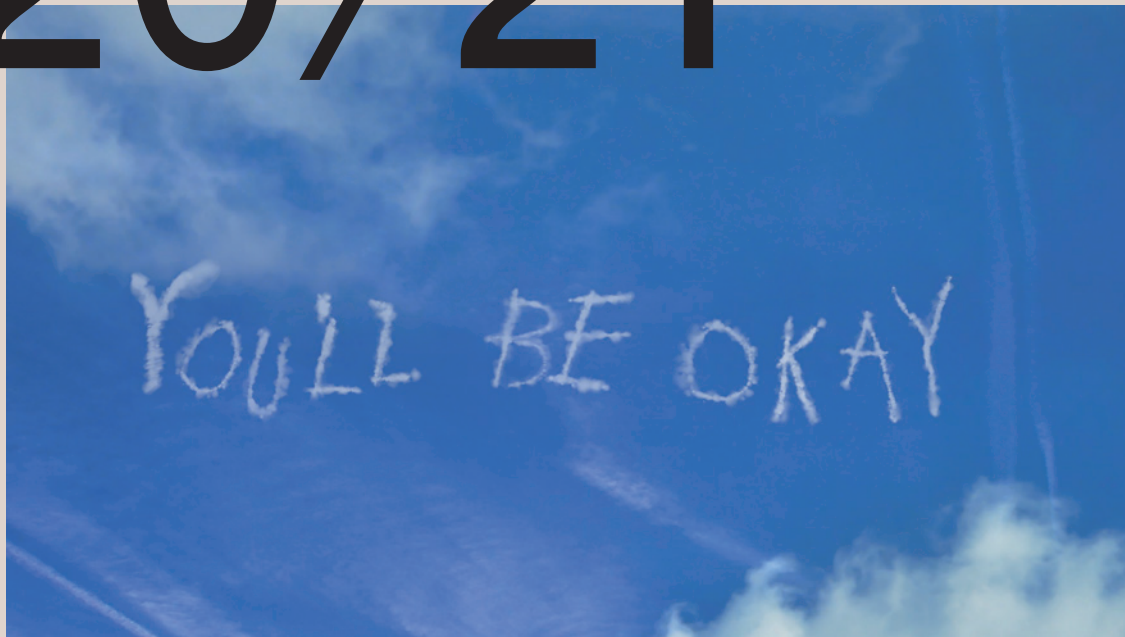


Art Fund in 20/21



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Chairman: Lord Smith of Finsbury
Treasurer: Jeremy Palmer
Director: Jenny Waldman CBE

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Chairman's welcome	2
Director's welcome	4
Art Fund in action	6
Thank you	24
How we work	34
Report of the Board and Financial Statements for the year ended 31 December 2020	38
Get in touch	76

Chairman's welcome

In what has been – and continues to be – an incredibly challenging time for many, our donors and members have proved as passionate as ever about supporting the UK's museums and galleries.

This steadfast commitment, together with Art Fund's history of strong financial management, allowed us to step up with crucial support from the beginning of the Covid-19 pandemic, and we will continue to do so as this year begins the story of recovery.

After speaking with hundreds of museum and gallery professionals, in spring 2020 we adapted our funding programme to address the catastrophic damage threatened by the pandemic, distributing £3.6 million in a range of grants and partnerships. Much of that was made available through our 'Respond and Reimagine' programme (£2.25m) – quick-turnaround critical funding – which aimed not only to meet the pressing immediate needs of museums but also to encourage bold and creative ways of navigating the future.

Possibly attributed to Robert Adams, The Astor Armada Drawings, c1589, National Museum of the Royal Navy, acquired 2021 with Art Fund support. Photo courtesy National Museum of the Royal Navy



I would like to thank our wonderful staff, who adapted with lightning speed and have achieved so much while working from home – their dedication and imagination under pressure ensured our work didn't falter for a moment.

Despite the new and varied demands of the crisis, our core commitments to helping UK museums build their collections and share them widely remain as important as ever. Our New Collecting Awards supported five fascinating projects across the country this year, including the acquisition of new works by contemporary indigenous artists at the Pitt Rivers Museum in Oxford. Altogether in 2020 we committed £2.8 million towards our acquisitions programme; and more than 240 objects and works of art joined public collections with our support, across all our collecting programmes.

Last year also saw the success of our 20-year campaign to strengthen the government's Export Review system and better protect works of national importance from being sold privately overseas. This means that museums will be able to fundraise to buy irreplaceable works – such as the export-stopped 16th-century maps depicting the defeat of the Spanish Armada which were recently saved for the nation with our support – with total confidence. A brilliant achievement.

It has been a year of great effort, strong partnerships and unparalleled creativity, but the pandemic and its consequences are far from over. With shattered incomes and the challenges of reopening in an altered world, many museums still face uncertainty. We are working hard to help them build a sustainable future. Together with our donors and members, we know we will make a difference.

Thank you.

Lord Smith of Finsbury

Director's welcome

For over a century, Art Fund has been helping the UK's museums and galleries to prosper. Rarely has this mission felt so urgent.

A year ago, almost overnight, museums that were thriving found themselves plunged into crisis. At Art Fund we sprang into action, and with the commitment of our supporters and our deep understanding of how museums operate, we were uniquely positioned to offer targeted help.

One thing left in no doubt by this past year is the vital role that museums play in their communities. Their determination to bring joy, alleviate isolation and aid wellbeing during lockdowns has been extraordinary. We were delighted to support so many imaginative initiatives, both digital and physical – from Ditchling Museum of Art + Craft's #CreateToRelate project, which engaged local people and new audiences in artist-run workshops online, to the Lowry's 'Days Like These' exhibition, which brought together contributions from Salford residents sharing their experiences of 2020.

Art Fund Museum of the Year provided a much-needed boost to the spirits as we celebrated our five winners across a week of broadcasts and online events. And it was heartening to see artists come together with the public to support the places we love – I am deeply grateful to all those who donated to our Together for Museums crowdfunding campaign.

Any crisis throws up opportunities, and we are already helping museums to build on their resilience as they give us much to look forward to. We're thrilled to be supporting a range of exciting exhibitions across the UK to help welcome visitors back, as well as the return of several festivals, including Glasgow International, Liverpool Biennial and British Art Show 9. And we're here to help as many venues as we can manage the challenges of reopening with Art Tickets, our free online ticketing system, which helped 120 museums to reopen safely last summer.



Jenny Waldman and artist Melanie Manchot at a special Art Partners event – a behind-the-scenes tour of Manchot's studio in east London

But while there is hope on the horizon, the picture remains stark: over half of museums are concerned about their survival. Sustained investment, buoyed by the return of visitors, is needed to ensure as many museums as possible come through this experience. As an independent organisation we are able to be flexible in addressing the needs of the sector, and alongside our core funding for acquisitions we will continue to direct our support where it can be most useful. Whether it's to mount an exhibition, develop digital projects or invest in skills and expertise, museums will be able to apply to our new 'Reimagine' programme to help them transform their activities. We will also continue to advocate loudly for museums to policy makers and our fellow funders; and, of course, to inspire people everywhere to visit.

We are only as strong as our supporters. My heartfelt thanks go to our donors and members, whose generosity means we can continue to help museums through the greatest challenge they have faced in a generation. I believe that together we will see them thrive again and grow to play an even greater role in our recovering society.

A handwritten signature in black ink that reads "Jenny Waldman".

Jenny Waldman, director, Art Fund

Art Fund in action

[Responding to the crisis](#)

The brutal speed with which the pandemic closed museums and galleries and cut them off from their audiences demanded an equally swift response. We went straight to the sector to identify the most pressing challenges as they were unfolding, and through this research we were able to quickly provide support where it was most needed, distributing £3.6 million in [urgent funding](#) to 317 museums across the UK in 2020. This included £2.25m in 'Respond and Reimagine' grants, as well as a range of other targeted grants and partnerships.

These grants not only enabled museums to plan vital activity and reach audiences but also, in many cases, to contribute to the wellbeing of their communities. With our support, Ceredigion Museum in Aberystwyth have been documenting and exhibiting local people's experiences of Covid-19; a newly recruited bilingual digital engagement officer at Museum nan Eilean in Stornoway is helping the museum to attract new audiences; Bradford's Impressions Gallery are creating outdoor 'capsule' exhibitions in the city centre alongside their online offering; and the Barber Institute of Fine Arts in Birmingham have been addressing the Covid mental health crisis directly through a pioneering partnership with the university's medical college – including welcoming a nurse-in-residence to the museum.

'As a child I visited museums with my mother. It's essential that museums are there to inspire the next generation'
Lubaina Himid, artist and advocate for our Together for Museums campaign

[Bringing everyone together](#)

In a crisis of such colossal proportions, with so many museums' incomes devastated at a single stroke, the demand for emergency funding was of course far greater than we were able to meet. Our [Together for Museums](#) campaign showed once again that Art Fund's lifeblood is its members and donors. Turning first to our existing supporters in the summer of 2020, we later launched a public crowdfunding campaign which ran from November to March. In less than a year, over £1 million was raised, every penny of which is going directly to museums, whose survival depends on their ability to adapt creatively. And as museums strive to recover, we will continue rallying the support that they need. Thanks to the generosity of our donors, many more museums will be able to realise game-changing ideas, from community engagement projects that connect more people with art, to investments in staff and technology that will help secure museums' futures beyond the pandemic.

Carolyn Mendelsohn, *Being Inbetween* (detail), from the first exhibition in Impressions Gallery's OPEN OUT programme, supported by Art Fund, © Carolyn Mendelsohn, courtesy Impressions Gallery, Bradford



Offering practical help

In 2020 [Art Tickets](#), our free ticket management system for museums, became a lifeline for venues concerned about reopening safely and effectively in a world still dominated by Covid-19. Social distancing measures have affected the number of visitors a venue can host, and for many museums this has meant drastically reduced income even when open. Quick to set up and simple to use for museums new to online ticketing, Art Tickets makes it easy for them to control visitor flow, encourage people to book ahead, and forecast ticket sales. And with options for visitors to make donations, the system also helps museums to develop their relationships with audiences and increase income. Last year 120 museums made the most of Art Tickets and our dedicated support team – a threefold increase on the year before.

The studio at Charleston, East Sussex. Charleston raised over £180,000 through our crowdfunding platform, Art Happens, to help them reopen – the biggest museum-run campaign on the platform to date. Photo © Electric Egg



Shahrzad Ghaffari, *Oneness (study)*, 2018. More than 200 Art Happens donors helped Leighton House Museum in London to commission Ghaffari to create a mural for their redevelopment. Image courtesy the artist

Helping museums fundraise

For many museums, especially those that receive no public money, fundraising has never been more important. In 2020 our unique crowdfunding platform [Art Happens](#) continued to connect museums with generous supporters, helping them to raise money for exciting arts projects and get ready for life after lockdown. Following successful Art Happens campaigns, Dovecot Studios in Edinburgh have been able to tell the story of Scottish weaver and pop artist Archie Brennan in the first major exhibition of his work; Leighton House Museum in London have commissioned their first contemporary artwork to go on permanent display, a spectacular 11-metre-high mural, *Oneness*, which will decorate a grand helical staircase as part of a major redevelopment; and Charleston in East Sussex have been able to complete works to ensure that the exquisite home of radical and pioneering artists Vanessa Bell and Duncan Grant can reopen to the public. These success stories mean that, thanks to Art Happens, museum lovers have contributed nearly £1 million to causes they care about since the launch of the platform in 2015.

2020 stories

When the pandemic temporarily closed museums in spring 2020, Ceredigion Museum in Aberystwyth invited local people to contribute patches to a quilt, helping them record their experiences of Covid-19. The resulting digital and physical quilts will be shown in the museum's reopening exhibition, Human Threads.

'We created our digital offer immediately [when the first lockdown began], but there was a sense that this wasn't enough; it's not possible to reach everyone. We are very rural and have an ageing population. There is very poor internet access.

The council were sending out food packages to the most vulnerable people, and there was a special wellbeing one that we managed to feed into. We put together a leaflet with information about the project, and reminiscence cards, to encourage people to think about our collections and interact with us. We also put in a physical patch for them to send back; they could draw or sew onto it if they wanted to.

We've had some really wonderful responses. Somebody created beautiful crocheted patches from wool from their farm. A gentleman wrote us a lockdown song and recorded it. Some carers recorded interviews, talking about their own experiences – gentlemen whose wives went into care homes and they weren't able to see them for months, a father who couldn't bubble with his son because he was caring for an elderly relative. They are really emotional.

We want the exhibition to be really fabulous when we reopen. It will be quite impactful when people come in and see these quilts hanging from the balconies; hopefully [it will give them] that sense of pride in something they've produced.'

Alice Briggs, assistant curator, Ceredigion Museum

The Human Threads project was supported by a grant from Art Fund.



A contribution to the Human Threads quilt project. Courtesy Ceredigion Museum



Gairloch Museum, joint winner Art Fund Museum of the Year 2020, © Marc Atkins / Art Fund 2020

Celebrating museums

In a year when good news seemed hard to come by, we were determined to make **Art Fund Museum of the Year 2020** a resounding celebration of the sector's achievements and a beacon of support at a time of widespread uncertainty. Acknowledging the financial pressures caused by Covid, we increased the prize money by 40% to £200,000 and divided it equally between five winners: Aberdeen Art Gallery, Gairloch Museum, the Science Museum, South London Gallery and Towner Eastbourne, who had all shown outstanding innovation in serving their audiences. The traditional award ceremony became a week-long online celebration in October, starting with the live announcement of the winners on the BBC's The One Show, and people up and down the country joined us for talks, demonstrations, films, behind-the-scenes tours, games and more. Winning the prize has helped all five museums to reach new and diverse audiences, inspire their local communities at a difficult time and prepare for the future with renewed confidence.

'The recognition that comes with this award brings our small, independent museum to the national stage. With the prize money, we will be able to invest in our planned outdoor museum space and procure expertise and equipment to redesign our events and outreach programme for a sustainable, digital future'

Karen Buchanan, curator, Gairloch Museum,
joint winner Art Fund Museum of the Year 2020

Taking conversations online

Like many organisations in 2020, we embraced digital to stay connected with our members and supporters and to deliver exciting arts events and insights for everyone.

Our [events programme](#) moved online, broadening access to panel discussions, talks and virtual tours for both our Art Partners – our closest supporters – and wider audiences. Highlights included an exploration of 'The Role of Public Art Today' with leading artists including Yinka Shonibare CBE; a celebration of groundbreaking artists for International Women's Day 2021 with Turner Prize nominees Christine Borland and Rosalind Nashashibi; an evening with Magdalene Odundo, whose work *Asymmetric I* was recently acquired by National Museum Wales with Art Fund support; and a tour of Melanie Manchot's studio. We also began hosting webinars to open up our ways of working and help museum professionals access support during a challenging year, running sessions on our rapid-response funding, on borrowing and lending works of art, and more.

Art Fund webinar: International Women's Day 2021, Groundbreakers in the Arts, featuring Art Fund trustee Katrina Brown, artists Christine Borland and Rosalind Nashashibi, and Chisenhale Gallery director Zoé Whitley, © Art Fund 2021



Actor Ben Wishaw reading from Derek Jarman's diaries.
Courtesy Creative Folkestone

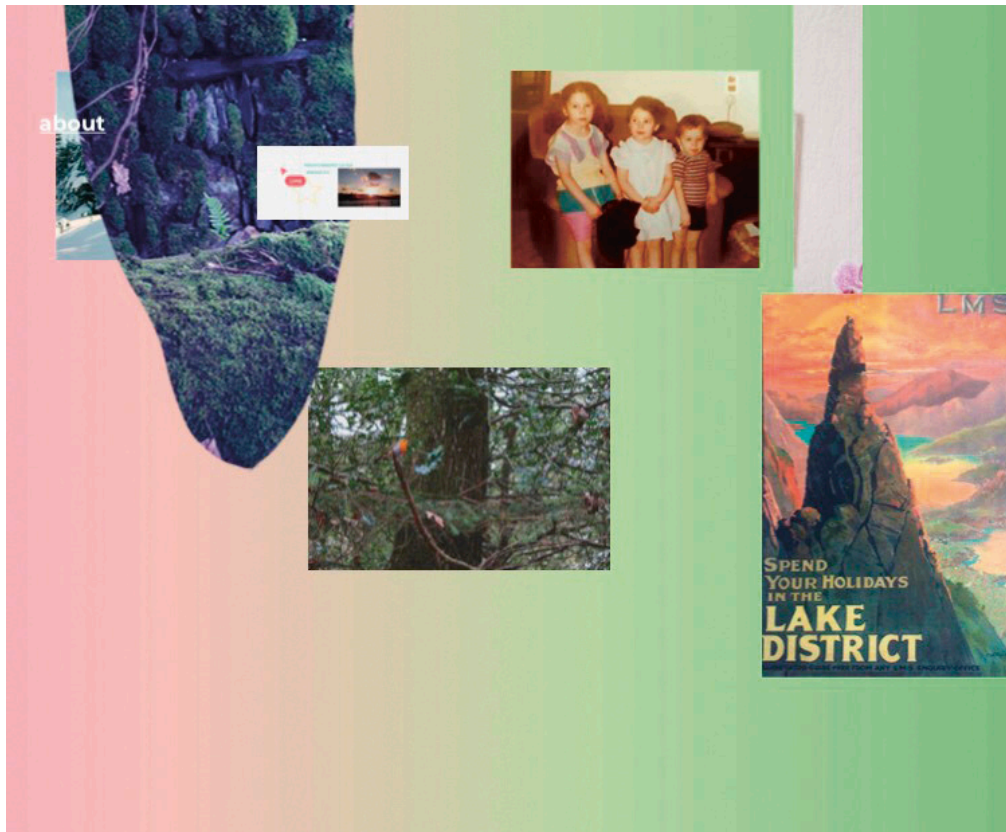
Nurturing creativity

Following our crowdfunding campaign in early 2020 to save [Prospect Cottage](#), the home and garden of visionary filmmaker, artist and activist Derek Jarman, the first seeds of artistic activity were planted in November with Creative Folkestone's Autumn Reads festival. This online event allowed people virtual access to the cottage during lockdown, with four days of film, talks, music and more, exploring and celebrating the themes of Jarman's diaries, *Modern Nature*. In a beautiful 70-minute film recorded at the cottage, acclaimed actor Ben Wishaw read a selection of Jarman's thoughts, observations and memories, with music from John Zorn and Henryk Górecki. Other activities included the *Observer's* Allan Jenkins talking about the role that gardening plays in mental wellbeing, and the writer Hisham Matar on the relationship between art and life. Alongside the many charitable trusts, individuals and organisations who helped us secure the future of this remarkable place, we look forward to seeing it develop into a hub for creative practice, appreciation and research under the custodianship of Creative Folkestone, while Jarman's archive from the cottage will become publicly available at Tate Britain.

Enabling change

Events of the past year have headlined the urgent need to address inequality throughout our society. Alongside commissioning a report into inequalities in the museum sector, we have been developing our support for initiatives that tackle these problems head on and we are striving harder to embed the principles of **equality, diversity and inclusion** in our own work. In collaboration with the US-based Association of Art Museum Curators (AAMC), we presented a webinar series, Beyond Statements, discussing tangible actions for addressing racial diversity in museums. We also ringfenced 10 funded fellowships to attend the AAMC's conference for members of Museum Detox, a network of people of colour working in the sector. Elsewhere with our support, Grizedale Forest commissioned artist Jessica El Mal to explore how non-western narratives can improve our relationship with nature, for their 'Digital Forest' project; the newly founded Queer Heritage and Collections Network recruited a project manager to help develop their research; and the charity Outside In have been working to bring together artists living with mental health issues to reinterpret patient-created work at several museums.

A page from the Forest of Cultures website featuring contributions from participants in the Digital Forest project, led by artist Jessica El Mal



2020 stories

In a year when the great outdoors provided respite and inspiration for so many, arts organisation Grizedale Forest set out to explore our relationship with nature and how to make the forest more accessible for everyone. Artist Jessica El Mal led socially distanced workshops with participants from Cumbria to get their perspectives.

'My artistic practice is all around themes of climate justice and post-colonial ecologies, so working with minority ethnic groups in Cumbria seemed like a great opportunity.

The aims of the project were to address the fact that Grizedale Forest's visitors are not very diverse. Actually, numbers are not low among black and brown communities because black and brown people don't like nature; there are systemic things at play like costs, transport, language, etc. So I flipped the narrative a little to address that: what can Grizedale Forest learn from minority groups?

We spent one day together in the forest. Then we used a range of online tools to work collaboratively. People could upload anything they wanted to be on [the project website]. It started out that each page had a brief heading like 'Food' or 'Activities'. It was really nice keeping it open, so my prejudices or what I thought people might like about nature isn't what came through; it was genuinely what came up for the participants. We had quite a few Syrian participants and I had no idea how big barbecues were, but it's the common thing to do on a Friday apparently – go and have a barbecue in nature. Hopefully people visiting [the site] will find a way to engage with nature from wherever they are, particularly through non-western narratives.

It was great to develop more of an online practice and build my skills. Because of Covid, that's become more and more important. I like working collaboratively and with groups, so adapting to do that almost 100% online was a really valuable experience.'

Jessica El Mal, artist, The Digital Forest

The Digital Forest project, a co-commission between Grizedale Forest and Signal Film and Media, was supported by a grant from Art Fund.

Shaping inspiring collections

With museums facing financial hardship and difficult budget decisions, we are keen to ensure that **collections** can continue to grow and develop. In 2020 we helped over 70 organisations acquire more than 240 objects and works of art. Among many highlights, National Galleries Scotland now permanently owns *Portrait of a Girl in Grey* (c1915-25) by Gwen John, one of only two oil paintings by the artist in Scotland; while National Museum Wales is now home to 21 watercolour views of north Wales by Paul Sandby, painted in the early 1770s. Important contemporary works include Jenny Holzer's sculpture *For Science* (2020), commissioned by the Science Museum; Turner Prize nominee Goshka Macuga's *Make Tofu Not War* (2018), a woven tapestry highlighting environmental issues, acquired by Nottingham Castle; and Deborah Roberts' striking collage *Untitled* (2018), depicting a young girl with her fist raised in a suggested symbol of power, which helps Manchester Art Gallery to develop its collection of work by women and black artists. Also with our support, the British Museum acquired 103 rare block-ready drawings (1829) by Katsushika Hokusai, containing themes previously unseen in his work.



'Portrait of a Girl in Grey has hardly been off the gallery wall since we took it on loan over 20 years ago, so we are thrilled that such a popular and important work should now be part of the permanent collection'

Simon Groom, director of modern and contemporary art, National Galleries Scotland

Gwen John, *Portrait of a Girl in Grey*, c1915-25, Scottish National Gallery, Edinburgh, acquired 2020 with Art Fund support (with a contribution from the Wolfson Foundation).
Photo © National Galleries Scotland



Helping donors make a difference

The generosity of donors who make **gifts and bequests** to museums through Art Fund has helped us to keep supporting collections in the most turbulent of years. In 2020 a number of museums acquired works by Wilfred Avery in a series of gifts from the late artist's estate, including several museums in Devon, where Avery was born; and we have been privileged to place a range of works by avant-garde and performance artist Bruce Lacey with museums in Glasgow, Leeds, Manchester and Norwich, with thanks to his family. Among the latest in a series of gifts made by Nicholas and Judith Goodison to the Fitzwilliam Museum in Cambridge are *Blue Floating Bowls* (2019), three exquisite, lathe-turned porcelain vessels by Nicholas Lees. And Birmingham Museum & Art Gallery have acquired *Study of Head (John the Baptist III)* (1992) by Brazilian artist Ana Maria Pacheco, bequeathed by Robin Thompson in memory of Hendrika Thompson-Dielessen. The sculpture joins four existing works by Pacheco, including an installation acquired with our help in 2005. This year we have also been especially thankful to those who choose to leave a legacy to Art Fund in their will – such generosity allows us to act with vital speed when museums need us most.

Nicholas Lees, *Blue Floating Bowls* 19.36, 19.37, 19.38, 2019, the Fitzwilliam Museum, Cambridge, acquired 2020 with Art Fund support, © Nicholas Lees. Photo courtesy of Cavaliero Finn. Gift of Nicholas and Judith Goodison through Art Fund



Painting porcelain, Gen'emon Workshop, Arita, Japan, February 2020. Curator Kate Newnham of Bristol Museum & Art Gallery visited Japan in February 2020 to attend a symposium, 'Creating Diverse Narratives: The Arts of Japan in Museum exhibitions', and to spend time learning about Japanese ceramics, supported by a Jonathan Ruffer curatorial grant. Image courtesy Kate Newnham

Empowering people

Our commitment to supporting and developing the careers of curators and **museum professionals** has remained unwavering. At a time when many have been furloughed and feeling isolated from their peers, we have been helping them to make connections and strengthen networks. The International Curators Forum received a grant towards their conversation series 'Blue Skies', which saw participants joining from all over the world. The project fostered one-to-one and group conversations on topics exploring the impact of Covid-19 on creative practice and personal and public life. Fair Museum Jobs, a grassroots collective who aim to establish a more inclusive standard of museum recruitment, presented a free week-long careers event with our support. And in autumn we ran two training days for museums interested in working with students and young people, sharing insights into these audiences as well as raising awareness of our new Student Opportunities grants – which help museums to harness the talent of our student membership while offering students paid work experience.

Keeping our community connected

Without **our members**, we couldn't support UK museums to the extent that we do – and in 2020 we wanted to help keep everyone connected to their favourite places, even when they couldn't visit. We launched a new podcast, Art & Stuff, which delves into the hidden stories behind intriguing museum objects; while our Art Pass Recommends film series takes viewers on an in-depth tour of some of the UK's most fascinating collections. And right at the beginning of the pandemic, we partnered with the BBC's Museum from Home initiative, co-producing a series of films which took audiences inside exhibitions that had been forced to close prematurely. Meanwhile our grants have supported museums in creating their own digital content for audiences, helping the Garden Museum to take their Derek Jarman exhibition online, Carmarthen's Oriol Myrddin gallery to produce a nature and music podcast for families and schools, and much more. For Student Art Pass members navigating disrupted courses and social isolation, we offered a range of activities, including the chance to interview museum professionals over Instagram Live, creative competitions, paid opportunities and a monthly art book giveaway.

'Ahu 'ula, or Hawaiian feather cloak, c1840, Pitt Rivers Museum. Featured in the Art Pass Recommends film 'Stories from Pitt Rivers Museum'. Courtesy Pitt Rivers Museum, University of Oxford



2020 stories

When lockdown closed university campuses and impacted employment, many students were worried about the future. We wanted to ensure that they could still benefit from being a Student Art Pass member, gain work experience and stay connected to each other. Ysabel Gregorio De Souza took part in a series of broadcasts on Instagram Live, where students interviewed museum professionals about working in the arts.

'One of the biggest benefits [of being a Student Art Pass member] was the #WeAreArtful live series and planning my own interview with Kim Kish at Hastings Contemporary. That was amazing.

It's honestly given me the fire in my belly, because when you go through the education system, they tell you what [working in the arts] is like, but you have to experience it. During second year I wanted to apply for gallery jobs, but they were looking for graduates. Student Art Pass is giving space for opportunities in all years, which is really smart.

My final year during this pandemic has been a fight – not only to do the work but to still find meaning in what I'm doing. When the lockdowns lifted, I found myself in a gallery more than ever; there's a certain therapeutic element. It's not just looking at our heritage – these beautiful relics – but reflecting on how our heritage relates to what's going on now. It's been really calming and reassuring.

Following Student Art Pass on Instagram, I feel like I'm following a friend. It shows they are listening to young people and [offering] different opportunities. I definitely feel there is a community growing.'

Ysabel Gregorio De Souza, Student Art Pass member

The #WeAreArtful Instagram Live series is available to watch on IGTV at [instagram.com/studentartpass](https://www.instagram.com/studentartpass)

@studentartpass

Visitors to Aberdeen Art Gallery, © Marc Atkins / Art Fund 2020



Thank you

Our work is only possible thanks to the generosity and commitment of many trusts, foundations and individuals, including our members, who support museums through the National Art Pass, our Art Partners, and those who leave a gift to Art Fund in their will. This year more than ever we are grateful for the invaluable support of funders with whom we work in partnership.

With the support of the Garfield Weston Foundation, the Weston Loan Programme with Art Fund continues to empower smaller museums to bring works from national or major collections to local audiences, with 15 grants awarded in 2020 and 18 exhibitions scheduled across the UK in 2021.

We are looking forward to reopening the Headley Fellowships with Art Fund, supported by the Headley Trust, after these were deferred last year due to the pandemic. Meanwhile, existing fellows have been busy sharing their research widely through publication and transforming their collection displays to increase audience access.

Supporting the next generation of curatorial leaders, our New Collecting Awards enabled five curators to develop their collections in 2020. The awards are supported by individual donors and trusts including the Wolfson Foundation, the Ruddock Foundation for the Arts and the Coral Samuel Charitable Trust.

We are also grateful to the Wolfson Foundation for their continued support of our acquisitions programme. Art Fund's longest-standing supporter, in 2020 they extended their generous support for this programme for a further three years, helping museums across the UK to keep investing in their collections at a challenging time.

Our Jonathan Ruffer curatorial grants remained open in 2020 and supported 43 curators in developing their expertise, despite travel being restricted. Several recipients completed international research trips before the first lockdown, and many have benefited from online professional development opportunities.

And the National Gallery Curatorial Traineeship Programme continued in 2020, with two new trainees benefiting from the opportunity to develop their skills within the National Gallery and at two partner museums. We support the programme with the assistance of the Vivmar Foundation.

Alongside Together for Museums, our own campaign responding to the Covid-19 crisis which raised over £1 million, our crowdfunding platform Art Happens hosted three further campaigns in 2020, with donations reaching over £235,000. The platform's infrastructure has been supported by the National Lottery Heritage Fund, the Fidelity UK Foundation, private individuals and charitable trusts.

In 2020, 120 museums used Art Tickets, our free ticket management system, to help manage visitors and sales between lockdowns – a significant scaling-up of the service. Art Tickets is supported by the Fidelity UK Foundation and private individuals.

And the £5 Student Art Pass continues to offer university students exclusive paid opportunities, reduced-priced entry to museums and access to vibrant online communities. The programme has been made possible by private funders including the Stavros Niarchos Foundation, the Roger De Haan Charitable Trust and the 29th May 1961 Charitable Trust.



Doris Zinkeisen, *Janet and Anne*
Grahame Johnstone and Julia Heseltine,
c1949-55, Colchester & Ipswich
Museums, acquired 2020 with Art
Fund support, © Johnstone Estate:
Colchester & Ipswich Museums Service:
Ipswich Borough Council Collection



Mark Laban, *Rustic Stool series* (series of 5), 2017, Crafts Council, acquired 2020 with Art Fund support, © Mark Laban. Photo: Jon Stokes

Individuals

Eunice Adams
 Shane Akeroyd
 Robert and Jenny Akester
 Richard and Diana Allan
 Stephen and Claire Almond
 Shanika Amarasekara
 George and Kirsty Anson
 Tim Ashley and John Booth
 Keith and Barbara Bain
 Morgan Bale
 Lawrence and Elizabeth Banks
 Graham and Joanna Barker
 D G Barnes
 John Barney
 Victoria Barnsley and Nicholas Howard

Ginny and Humphrey Battcock
 Penny Baylis
 Simon Beaufoy
 Linda Beecham
 Orietta Benocci Adam
 Richard and Rosamund Bernays
 Brian Bradbury
 Sabine Brunckhorst
 Robert Burgess
 Richard and Catherine Burns
 Carolyn Burrow
 Richard and Sarah Buxton
 Lysiane Bysh
 Peter and Sally Cadbury
 Eric and Virginia Campus
 Julian and Jenny Cazalet

Keith and Helen Clark
 Frances Cloud
 Sadie Coles
 Tim Compton
 Roland and Jane Cowan
 Penelope Crawley
 Norman and Dorcas Cumming
 Clare Dawson
 Laura de Turckheim
 Polly Devlin OBE
 Rita Donagh
 John Drewitt
 Richard Duncalf and Oscar Pinto-Hervia
 Dr J Lindsay Duncan
 Hugo Eddis
 Glenn Elliott

Anthony Epps
 Portia File
 Brendan Finucane QC and Fiona Horlick QC
 S R E Fletcher
 Sir Christopher and Lady Floyd
 Alan Foster
 Gerry Fox and the Edwin Fox Foundation
 Roger Gahagan
 Madeleine Gantley
 Alan and Mary Gibbins
 Andrew and Juliet Gibbs
 Chris Godsmark
 Lydia and Manfred Gorvy
 Gillian Goss
 Nigel Grey-Turner
 Michael and Barbara Gwinell
 Anne Rogers Haley and John F Haley, Jr

Frances Hamilton
 Peter and Sarah Harkness
 Mark Harris
 Alexander Hayter
 Malcolm Herring
 Lady Heseltine
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 Andrew Hochhauser QC and Graham Marchant OBE
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Diana and Terence Kyle
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 David and Amanda Leathers
 Jenny and Richard Lebus
 Ann Lewis
 Molly Lowell and David Borthwick
 Dorothy Lunt
 Béatrice Lupton
 Helena Lymbery
 Sir John Mactaggart
 Sir Laurie and Lady Magnus
 David J Manning
 Suzanne Marriott
 Richard and Janet Martin
 Fay Maschler
 John and Bridget Maynard
 Professor Richard Mayou
 Aisla McDonald

Unknown makers (Romano-British), The Peover Hoard, AD 180-275, Congleton Museum, acquired 2020 with Art Fund support. Photo: British Museum, courtesy Congleton Museum



Keir McGuinness and
Dr Alex YS Hooi

Carol and Robin Michaelson

Richard and Rosemary Millar

Russell and Marcia Mishcon

Keith Morris and Catherine
Mason

Richard and Penelope
Murley

The Murray Family

Joan Nash

Mounzer Nazha

Maureen Paley

Midge and Simon Palley

Jeremy and Angela Palmer

Maurice Parry-Wingfield

John Patterson

Helen Perry

Fiona Petch

Richard and Elizabeth
Phillips

The Lord and Lady
Phillimore

David Pike

Martin and Katharine Pinfold

Anthony Reeves and Sally
Beard

Sir John Ritblat and Lady
Ritblat OBE

Charles Rolls and Jans
Ondaatje Rolls

Timothy and Ellen Schroder

The Searle Family

Louisa Service OBE

Sophie Service

John Sharman

Gillian Shaw

Dasha Shenkman OBE

Celeste and Eraj Shirvani

Greg and Rachel Sinfield

Brian Smith

Anna Smithson

Dan Snow

B J Stanley

Martha Stevens

Sir Hugh and Lady
Stevenson

Birgit Stulens

Andrew Sutherland

Alan Swerdlow and Jeremy
Greenwood

N F Tennant

Hazel Trapnell

David Trotter

Keith Tyson and Elisabeth
Murdoch



Élisabeth Sonrel, *Les Rameaux (Palm Sunday)*, 1897, Ashmolean Museum, acquired 2020 with Art Fund support, © the artist.
Photo © Ashmolean Museum, University of Oxford



Ashraf Hanna, *Yellow Undulating Vessel Form with Grey Interior*, 2019, Ceramics Gallery, Aberystwyth Arts Centre, acquired 2020 with Art Fund support, © the artist. Photo credit: Ashraf Hanna

Katherine and Simon Van
Hagen

Sir David and Lady Verey

Felicity and Robert Waley-
Cohen

Laura Weinstock

Reba White Williams and
Dave Williams

Jane Williamson

Cathy Wills

Michael and Jane Wilson

Carolyn Young

Pat and Paul Zatz

**We would like to thank
our Art Partners,
a special group of
patrons who champion
the UK's museums
and galleries in the
same spirit of private
philanthropy as Art
Fund's founders once
did. Their commitment,
passion and generous
support of all aspects
of our work have been
hugely appreciated over
the last year.**

Grantmakers

The Aldama Foundation

American Friends of Art
Fund

The Ampersand Foundation

Arts4Kent

The Ian Askew Charitable
Trust

Bedhampton Charitable
Trust

The Michael Bishop
Foundation

The Deborah Loeb Brice
Foundation

The Dana & Albert R
Broccoli Foundation



William Wade Ellis, *Mangianooa [Mangaia, Cook Islands]*, 1779, Captain Cook Memorial Museum, Whitby, acquired 2020 with Art Fund support. Courtesy Captain Cook Memorial Museum

- | | | |
|--|---|---|
| The John Browne Charitable Trust | Lempriere Pringle 2015 Trust | The Ruddock Foundation for the Arts |
| Mrs S L Chambers' Charitable Trust | The Linbury Trust | The Coral Samuel Charitable Trust |
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| The Godinton Charitable Trust | National Heritage Memorial Fund | Corporate supporters |
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- The Financial Times
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- Legacy gifts**
- Audrey Allen
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 - Margaret Ashbrook
 - James Ashley
 - John Barber
 - Michael Bassett
 - Susan Beale
 - Sylvia Beare
 - James Blewett
 - Roy Brewster
 - John Bryson
 - David Budworth

A visitor enjoying Jenny Holzer's sculpture *For Science* (2020), commissioned by the Science Museum with Art Fund support, © Jenny Holzer. ARS, NY and DACS, London 2021. Photo: © The Board of Trustees of the Science Museum, London



Hilary Clark	Margaret Jacobs	Julian Sampson
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Bella D'Arcy Reed	Averill Kelly	Eleanor Stinson
Beryl Davis	William Kenyon-Slaney	Daphne Stoddart
Anthony and Ines del Tufo	Edward Lewis	Anne Thomas
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Ronald Duff	Sheila Manning	Ann Turner
Gerald Evans	John Millbank	Etienne Verniquet
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Judith Forster	Annette Newman	Hugh Watson
Pamela Freshwater	John Newton	Joyce Whitelaw
Ronald Ganderton	Noreen Norris	Ian Wildbore
Ivor Goudge	Elayne Osmond	John Wilson
Pauline Hart	Anthony Petty	Richard Wisker
Elizabeth Head	Jennifer Pinney	Joan Wrenn
Anne Hook	Hazel Roberts	Olive Wright
Jane Jackson	Barbara Rouse	

Paul Sandby, Pont-Aber-Glasllin, 21 Views of North Wales, c1771-75, Amgueddfa Cymru – National Museum Wales, acquired 2020 with Art Fund support (with a contribution from the Wolfson Foundation). Photo © Sotheby's



Goshka Macuga, *Make Tofu Not War* (installation view), 2018, Nottingham Castle Museum and Art Gallery, acquired 2020 with Art Fund support, © Courtesy of the Artist and Kate MacGarry, London. Photo: Angus Mill

Gifts in memory

Michele Paule Aline Albert
Allen
Patricia Hatfield Waterson
Rosemary Horne
Alan Musk
Pamela Myers
Pauline Rosser
Carl Frederick Russell

We thank all those donors who prefer to remain anonymous.

And we are grateful to those members who regularly give on top of their membership.

Thank you.

Advisers

Mariama Attah
Emalee Beddoes-Davis
Alice Briggs
Brendan Finucane QC
Ruth Jarratt
Margaret Maitland
Marcel Marée
Wayne Modest
Anthony Mould
Tessa Murdoch
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Richard Deacon
Jeremy Deller
Isaac Julien
Anish Kapoor
Michael Landy
Cornelia Parker
Martin Parr
Bob and Roberta Smith
Mitra Tabrizian
Clare Twomey
Jonathan Yeo

How we work

No organisation can predict or completely prepare for a crisis as sweeping as the Covid-19 pandemic. Despite the speed with which it hit last year, we were able to steady our own ship and at the same time act swiftly in support of the sector. This was down to two main historical factors – the exceptional loyalty of our many and varied supporters and donors, including those who leave legacies to Art Fund, and decades of prudent financial management.

From this strong base, our staff and trustees worked quickly and collaboratively to assess what was possible, planning and implementing our revised funding programme by the summer of 2020. Our financial strategy inevitably had to be adjusted, and with special permission from our trustees we took the necessary step of drawing on our reserves to continue the vital work of supporting museums. We are ready to do this once more in 2021 as we prepare for what is expected to be only a gradual return to pre-Covid growth both for the sector and ourselves.

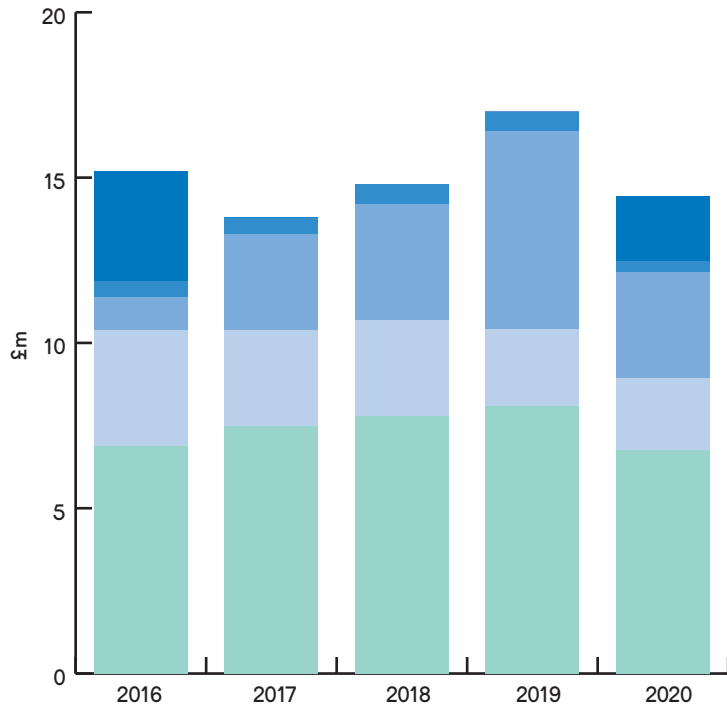
This recovery will be greatly supported by the robustness of our investments, which performed comparatively well thanks to long-term diversification, and by the range of our income as donors support the sector in many different ways. We remain hugely grateful to those who leave us a legacy, thereby providing the means to respond quickly when urgency is called for.

While the pandemic naturally had an impact on recruitment of new members, we hope many will join again when museums can remain open. Meanwhile, the loyalty of our 130,000 existing members has been invaluable in helping us to keep supporting the UK's museums and galleries. Their continued commitment strengthens our position greatly, as we begin building on the activity detailed over the following pages.

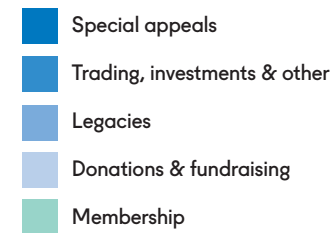


Katsushika Hokusai, *Dragon head Kannon*, one of 103 block-ready drawings (hanshita-e) for an unpublished illustrated book, *Banbutsu ehon taizen zu 万物絵本大全図 (Great Picture Book of Everything)*, 1829, The British Museum, acquired 2020 with Art Fund support (with a contribution from the Wolfson Foundation), © The Trustees of the British Museum, London

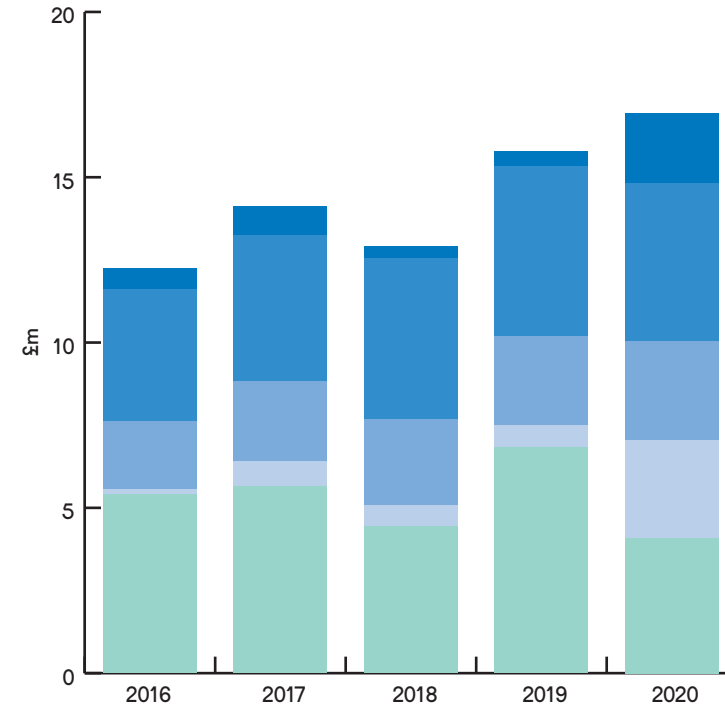
Performance



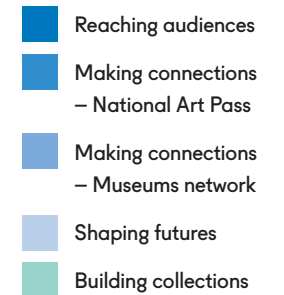
This chart shows how our total income has fluctuated over the past five years. The data reveals volatility in special appeals and legacy income, but shows a steady year-on-year increase in our underlying income, arising from membership subscriptions. In 2020, membership and trading income was reduced due to the Covid-19 pandemic.



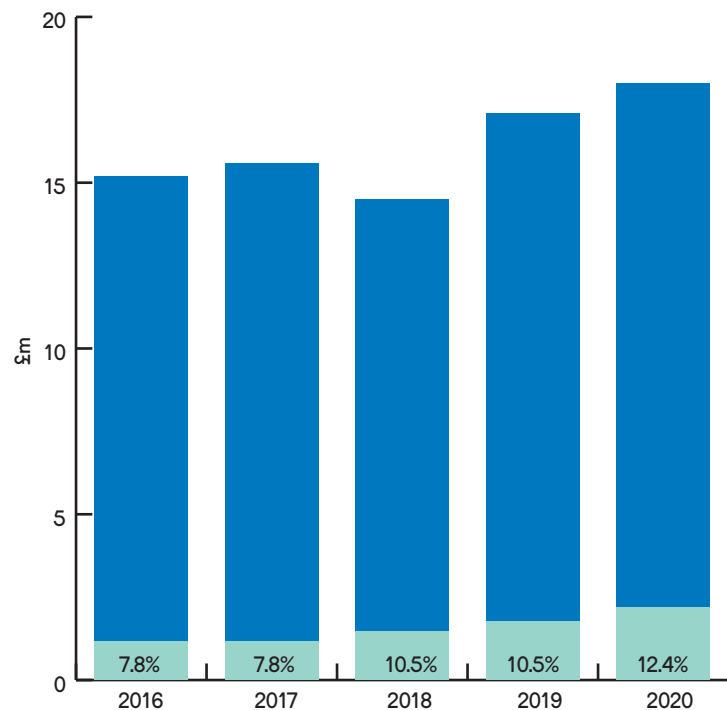
Impact



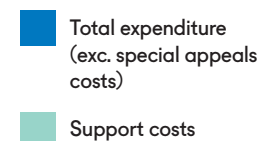
This chart illustrates the changing scale and composition of our charitable expenditure over the past five years. In 2020 we adapted our funding programme to respond to the needs of the sector as a result of the pandemic.



Efficiency



This chart illustrates support costs as a proportion of total expenditure, excluding special appeals. Support costs have risen in 2020, primarily due to investment in technology infrastructure and staffing.



Building collections: Helping museums and galleries add to and strengthen their collections, including grant-giving for acquisitions, conservation and towards strategic collecting initiatives, and placing gifts and bequests of works of art.

Reaching audiences: Facilitating the sharing of art as widely as possible, including grant-giving to support touring and display.

Shaping futures: Supporting the professional development of curators and museum professionals, including grant-giving towards curatorial research and training.

Making connections:

Museums network: Supporting museums including through advocacy and campaigning, promotional and digital activity.

National Art Pass: Servicing our membership of 130,000 individuals.

Report of the Board and Financial Statements for the year ended 31 December 2020

Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Memorandum and Articles of Association of Art Fund Services Limited, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2018).

Treasurer's report

The Covid-19 pandemic had a major impact on museums and galleries in 2020, with Art Fund's finances also affected. It was thanks to our membership, donors, partner organisations and prudent financial management that we were in a strong position to support the sector throughout the year.

As a result of the collaborative and agile approach of our staff and trustees, we consulted our network partners to assess what was possible, pivot our programme in the summer of 2020 and adjust our financial strategy. We drew on our reserves, built up over a number of years, to continue supporting the sector, and to ensure we're in a strong position to be growing our income and membership when museums reopen.

Alongside the reactive support provided in 2020, museum collections remain at the heart of Art Fund's charitable purpose, and in order to meet our obligation to deliver the broadest public benefit possible we continued to shape our programme in direct consultation with our network of museum partners. Art Fund's Trustees are proud of our organisation's long-standing support for the collecting of works of art and moreover, are committed to the expansion of our charitable programme to support those activities which underpin and amplify the impact of museum collections such as curation, conservation, commissioning, touring and display. Art Fund's Trustees will continue to respond to our partners' needs in determining how our charitable resources can be put to best effect and deliver benefit not only to our 130,000 members, but to the widest and most diverse public possible.

Art Fund's financial performance and sustainability is overseen by the Finance & General Purposes Committee, a sub-group of the Board of Trustees. I would like to thank my fellow committee members and our non-trustee special advisers, Brendan Finucane QC and Ruth Jarratt, for their support and counsel during the year, in particular Ruth, who in 2020 moved on after 8 years of providing valuable advice to Art Fund.

Impact

Our grant-giving programme provides vital funding every year to help museums acquire and share works of art across the UK, support the professional development of curators, and inspire more people to visit museums. In 2020 Art Fund's grant-giving to museums and galleries across the UK were partially altered to respond to the needs brought about by the Covid-19 pandemic.

Overall in 2020 the total value of Art Fund's charitable programme was £16.9m (2019: £15.8m). As per the analysis of total expenditure in note 5, our total charitable spend comprised *grants for acquisitions* of £2.8m (2019: £4.7m) (see note 3). Recognising the needs of the sector, Art Fund's Trustees made funds available from general reserves to continue our support during the period, despite a reduction in income. With reference to our grant-giving beyond acquisitions we committed £0.5m (2019: £1.5m) to *strategic collecting* initiatives, £2.1m (2019: £0.4m) to the touring and display of art via our *reaching audiences* strand, and £3.0m towards development of curatorial skills, through our *shaping futures* initiative (2019: £0.7m).

We committed £3.0m (2019: £2.7m) to our museum support services which comprise policy, promotional and digital support to museums and £4.8m (2019: £5.1m) to promoting museum visiting through the National Art Pass and servicing our membership of 130,000 individuals (2019: 159,000). Whilst membership numbers and income reduced in the year, we expect these to start increasing again in 2021 once museums and galleries are able to reopen.

Performance

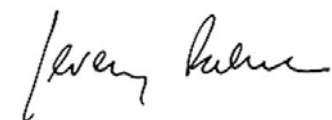
Total income decreased to £14.5m in 2020 (2019: £17.1m) in part as a result of a decrease in membership income to £6.8m (2019: £8.1m) and income from other trading activities to £0.1m (2019: £0.7m). Voluntary income from donors and legacy gifts totalled £7.2m (2019: £8.0m). We are enormously grateful to all our members and supporters who make Art Fund's vital work possible.

Efficiency

Art Fund is focused on delivering the greatest possible public benefit to the widest possible public; this requires that our Trustees keep our support costs and overall return on investment under close scrutiny. In 2020 Art Fund's support costs increased to £2.2m (2019: £1.8m) inclusive of associated staff costs, driven in part by continued significant investment in technical infrastructure in the year.

Year end position

Our financial statements show a deficit of £3.6m (2019: a break-even balance of £nil), a value that is reported before the application of our total return investment policy, which allows us to treat a portion of the value of our portfolio as income which is then used to meet our operating and administrative costs, meaning that the highest possible proportion of donated funds can be applied directly to charitable purposes. The net gains on our investment portfolio reported in the consolidated statement of financial activity were £1.6m (2019: £5.4m) resulting in an overall decrease in Art Fund's total funds to £56.3m (2019: £58.3m).



Jeremy Palmer
Treasurer

Objectives and activities

Summary of aims and objectives

Art Fund exists to help museums and galleries across the UK to buy, show and share great art so that it can be experienced and enjoyed by everyone. Set up over a hundred years ago, Art Fund is the leading national fundraising charity for art and is independently funded and supported by 130,000 members.

Our four strategic objectives to 2020 are as follows:

- *Art:*
Building our national funding programme to help public art collections to grow, be seen, shared and enjoyed.
- *Sector:*
Reach a widening range of museums and visual arts organisations, helping them to be more creative, innovative and ambitious.
- *Community:*
Broadening our community of members and museum visitors to generate more support and income for UK public collections.
- *Resources:*
Increasing our income, building our support systems and making efficient use of our resources to maximise our charitable impact.

Art Fund used the above objectives as criteria against which it measured success in the reporting period. Financial achievements during the year are detailed in the Treasurer's report.

Structure, governance & management

Appointment of Trustees

Art Fund is governed by its Board of Trustees, which meets six times a year. It currently has 16 members. Vacant Trustee positions are advertised to the membership in *Art Quarterly* and via external recruitment websites, and are appointed by the Board, on the recommendation of the Nominations Committee. The subsequent appointment is then notified to the membership at the Annual General Meeting (AGM) following their appointment. The five Trustees who have been longest in office since their last election must 'retire' each year at the AGM and are eligible for re-election. Trustees can serve for a maximum of two consecutive terms of four years.

Trustee induction & training

All new Trustees undertake an induction process in which they are briefed on their legal obligations under charity law, the Charity Commission guidance on public benefit, the content of Art Fund's Royal Charter, the board structure and decision-making processes, Art Fund's strategy and recent financial performance.

During the induction each new Trustee will meet the Director of Art Fund, Senior Management Team members and other key Art Fund personnel. New Trustees are issued with a portfolio of documents outlining their responsibilities as a charity trustee including a Board policies and procedures manual.

Organisation

The Board, while retaining overall responsibility, delegates certain functions to three sub-committees and executive staff as described here.

The Finance and General Purposes Committee, which meets up to five times a year under the chairmanship of the Treasurer, considers all matters relating to finance, investments, risk management and the administration of the charity including its property. It currently has three Trustee members and one non-Trustee advisory member.

The Nominations Committee, which meets at least annually under the chairmanship of the Chairman, considers candidates for membership of the Board and terms of appointment.

The Remuneration Committee, which meets at least annually under the chairmanship of the Chairman, considers the remuneration of senior management and oversees key workforce metrics. The committee has been set up to ensure transparency and clearer governance for donors and interested parties on this issue.

The day-to-day direction of Art Fund's affairs is the responsibility of the Director who reports to the Board through the Chairman. The Director is supported by a Senior Management Team consisting of the Director of Finance & Resources, Director of Development, Director of Programme and Policy, Director of Marketing and Director of Communications.

Related parties and co-operation with other organisations

None of Art Fund's Trustees receive remuneration or other benefit from their work with the charity. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The trading activities of Art Fund are carried out by its service company, Art Fund Services Limited, a company incorporated in England and Wales (registered number 01487654). The company is wholly owned by Art Fund and it donates all its profits in the year to Art Fund by way of Gift Aid.

A member of Art Fund's Senior Management Team is also a director of American Friends of the Art Fund (AFAF), a US-based non-profit organisation which provides grants to Art Fund and other institutions to encourage the appreciation and enjoyment of art in general. As such, AFAF is considered to be a related party and so grants received in the year have been disclosed in note 16 of the accounts.

Pay policy for senior staff

The pay of the Senior Management Team is reviewed and approved by the Remuneration Committee on an annual basis. Remuneration is benchmarked against similar roles within the not-for-profit and cultural sector and is considered against key inflation measures and cost-of-living benchmarks.

Risk management

The major risks to Art Fund’s business, finance and reputation, as identified by the Board, have been reviewed and systems have been established to mitigate those risks.

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within Art Fund is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted takes into account the Charity Commission guidance on management of risk with reference to best-practice risk management standards. Art Fund assesses risk through consideration of the likelihood of an event occurring, and the impact that would arise if the event were to occur.

Risk management within Art Fund includes:

- identifying and assessing risks (the “inherent risks”);
- assigning each of those risks to a risk owner;
- evaluating the effectiveness of relevant mitigating controls;
- assessing the risks remaining given the controls in place (the “residual risks”); and
- agreeing, implementing and monitoring controls to reduce the residual risks.

The principal risks and uncertainties facing Art Fund, along with mitigations, are shown below:

Risk	Explanation and mitigations
Loss of income caused by Covid-19	As a result of fewer members joining and renewing whilst museums and galleries are closed, income from membership sales reduced in 2020 but is expected to increase as lockdown measures are eased. Trading income from advertising and holiday commissions has also been temporarily reduced due to the pandemic. Whilst income levels recover it is expected that Art Fund will need to use unrestricted reserves if it wishes to maintain the same levels of charitable and operational expenditure. This is not considered to be a risk to Art Fund’s going concern, due to the level of unrestricted reserves held and the discretionary nature of the majority of expenditure.
Technology, digital systems and frameworks	Art Fund’s technology systems, skills and processes have been inadequate to facilitate a scaling-up of the organisation’s ambition and output, constraining ability to grow its charitable impact. Significant investment in systems, staff and processes has been and will continue to be made to ensure that Art Fund delivers the best possible user experience when interacting with all stakeholders.
Charter and byelaws	Art Fund’s byelaws and royal charter were last amended in 1991, and are not reflective of the many advances in technology and changes to the environment in which the charity operates. A review was carried out in 2020, with recommendations on potential changes to the charter currently under consideration.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes,” and such amounts receivable are presented in our accounts as “voluntary activities” income and includes legacies. In relation to the above we confirm that all solicitations are managed internally, without the involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Senior Management Team, who are accountable to the Trustees. The charity is not bound by any undertaking to participate in any regulatory scheme, however the charity is a member of the Fundraising Regulator and complies with the relevant codes of practice.

Art Fund has established a formal complaints policy to facilitate the monitoring and reporting of relevant issues, there were no formal complaints in 2020. This policy is available online. Also available online is our fundraising promise which confirms that Art Fund is registered with the Fundraising Regulator and affirms our organisational commitment to conducting open, honest and respectful fundraising practices.

Grant making

Art Fund provides grants to museums and galleries to acquire great works of art, and to help the public make the most of them. Grants are made via various programmes, all of which are aligned with one or more of the strategic objectives listed on page 40. Payments made to museums and galleries in the year in respect of Art Fund’s grants for acquisitions programme are disclosed in note 4 of the accounts. Further detail on the grant programmes offered can be found at artfund.org.

Going concern

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern with no material uncertainty for the foreseeable future and the accounts have been prepared on that basis. Although the Covid-19 pandemic has required significant changes to activities, it is not a threat to Art Fund’s going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. Membership and commercial income decreased in 2020 as a result of the measures in place to control the virus and are expected to take some time to recover to 2019 levels. Art Fund’s charitable programmes will continue to adapt in response to the changing needs of the sector. In 2020 it was necessary to utilise some of Art Fund’s unrestricted reserves to provide support whilst income was lower than usual and it is expected that this will also be required in future years. At the date of signing these financial statements, the Trustees’ forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

[Reserves policy](#)

[General funds](#)

The Trustees review Art Fund's reserves policy on an annual basis to consider the gap between the spending and receiving of income and to ensure that sufficient liquid resources are available to meet liabilities as they fall due, in the event of a sudden shortfall in income. Moreover, the responsive nature of Art Fund's programme, especially around special appeals, means it is essential that adequate resources are always available to meet the cost of providing grants for exceptional works of art that may be under threat of export.

The Trustees of Art Fund have set a target for general funds of between 3-6 months of total unrestricted operating expenditure. At the end of 2020 free reserves stand at £5.0m (2019: £8.0m) and are therefore within the thresholds of the policy (£4.7m to £9.5m). The Trustees have allocated a total of £5.0m in funds from the designated perpetuity fund to ensure that general reserves are maintained within the target levels, whilst continuing to provide financial support to the sector in 2020 and 2021. Given the probable continued impact on Art Fund's revenue streams in the coming years, it is expected that the Trustees will need to further reallocate funds that are currently designated part of the perpetuity fund to ensure that general reserves are maintained within the target levels, whilst continuing to provide financial support to the sector.

[The Parker fund](#)

In 2016 the Trustees designated the value of £2.9m to the Parker fund following the receipt of a legacy from Mr Donald Parker, who had been a member of Art Fund since 1977. The Parker fund represents the aggregate amount set aside to fund internal income and efficiency projects and is available to supplement resources in any particular year, if needed, to meet the cost of major initiatives of this kind.

There is no specific target for this fund and it is anticipated this will be topped up from annual surpluses to ensure that sufficient funds are available for investment when required. At the end of 2020 the value of this fund was £2.0m (2019: £2.4m).

[Perpetuity fund](#)

This designated fund serves as the core component of Art Fund's capital distribution policy. The annual value drawn from this fund guarantees the existence of Art Fund in perpetuity by contributing to the cost of core operating and administrative expenses, thereby ensuring that the maximum proportion of donated income is applied to charitable purposes.

The long-term target for this fund is the grossed-up value of Art Fund's core operating and administrative costs based on a distribution rate of 3.5% of the trailing 12 quarter value of the investment portfolio. At the end of 2020 the target value for this fund was £33.8m (2019: £35.5m).

[Fixed asset fund](#)

This designated fund represents the carrying value of Art Fund's fixed asset base. At the end of 2020 the value of this fund was £5.7m (2019: £5.7m).

[Challenge fund](#)

This fund was generously gifted by Sir David Verey to be used for leveraging match funding in support of Art Fund's charitable programme. The current value of the fund is £75k (2019: £218k), and it is anticipated that the reserve will be expended in full over five years.

[Wedgwood future fund](#)

The Wedgwood future fund was established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum. There is no target value for the fund. The current value of the fund is £472k (2019: £458k) and it is anticipated that the reserve will be expended in full within a period of approximately 20 years, or as required by the beneficiaries.

[Investment policy](#)

The Trustees adopt a total return policy regarding Art Fund's investment portfolio and so Art Fund withdraws 3.5% of the trailing 12 quarter value of the portfolio each year as a contribution towards core operating and administrative costs. The intention is to produce a consistent and sustainable amount to pay for core costs while maintaining the purchasing power of the portfolio over the long term and ensuring that the maximum possible proportion of donated funds are applied to charitable activities. Although Art Fund's investments fell by approximately 12% in the first four months of 2020 due to the Covid-19 pandemic, they recovered to gain 3.6% overall during the year. The long-term investment strategy remains unchanged and the Trustees maintained the distribution at 3.5% in the year. A reallocation of £1.8m was made from the portfolio to maintain Art Fund's general reserves levels in the year, which would otherwise have fallen due to the operating deficit. A further distribution of up to £3.2m has been approved by Trustees to maintain general reserve levels in 2021 and future reallocations may be required over the coming years whilst Art Fund's income recovers to pre-pandemic levels.

Public benefit

The Trustees have taken the Charity Commission's guidance on public benefit into consideration when reviewing the aims and objectives of Art Fund. In setting out the strategy and developing its programme of activity, Art Fund has focused on increasing the breadth and accessibility of public benefit, in particular through works of art being acquired by public collections in the UK and being available for the public to enjoy; by works of art being shown and shared by public collections, backed up by the curatorial expertise to understand and interpret them to the public; by celebrating creativity and excellence in museums which benefit the public through the annual Art Fund Prize for Museum of the Year; and by encouraging the enjoyment, understanding and appreciation of works of art through the National Art Pass, Art Fund website, *Art Quarterly* and other editorial channels.

Charity Governance Code

The Board of Trustees is committed to good governance and to its own and the charity's continuous improvement in delivering its purposes most effectively for the public benefit. It is clear about the charity's aims and seeks to ensure that these are being delivered effectively and sustainably, keeping under review the Code's recommended practice and seven principles of organisational purpose: leadership, integrity, decision-making, risk and control, board effectiveness, diversity, and openness and accountability. The Board strives for best practice in accordance with the Charity Governance Code; many of the measures it takes in achieving this are addressed in this report. In 2020 the Board's strategy, work-plan and risk management activity was informed by the principles of the Code.

Plans for future period

Having reacted to the effects of the Covid-19 pandemic throughout 2020, Art Fund is developing a long-term strategy that will guide its direction in future years.

Art Fund will continue to develop its support to UK museums and galleries, collaborating with beneficiaries and supporters to develop grant-giving programmes that deliver charitable impact where it is most needed.

Art Fund will continue the process of critically appraising its internal infrastructure to ensure the organisation is able to operate on an efficient, robust and agile basis in the years ahead. The organisation will continue to seek innovative new ways to leverage income for the benefit of our museum and gallery partners and develop and diversify our membership of 130,000 individuals.

This report was approved by the Board of Trustees at its meeting on 10th May 2021 and the Chair of Trustees was authorised to sign the report and the annual financial statements on its behalf.

Lord Smith of Finsbury



Chairman

10 May 2021

Reference and administrative details Year ended 31 December 2020

Art Fund was established in 1903 as the National Art Collections Fund and was granted a Royal Charter in 1928. It is registered as a charity in England and Wales under number 209174 and in Scotland under SC038331. In May 2006 'Art Fund' was adopted as its public and trading name but its full name has been retained for legal purposes.

Registered office

2 Granary Square
King's Cross
London N1C 4BH

Members of the Board

Lord Smith of Finsbury, Chairman (N, R)

Jeremy Palmer, Treasurer (F, N, R)

Katrina Brown

Professor Richard Deacon CBE RA

Dame Liz Forgan (F, N)

Anupam Ganguli (F)

– appointed February 2020

Philippa Glanville OBE FSA

Professor Chris Gosden FBA (N)

– retired October 2020

Professor Antony Griffiths FBA

– retired September 2020

Tessa Jackson OBE (N)

Isaac Julien CBE RA (N)

Madeleine Kennedy

– appointed February 2021

Alastair Laing FSA

Professor Susan Lambert

– appointed February 2021

Dr Satish Padiyar

– appointed February 2021

Professor Marcia Pointon (N)

Axel Rüger

Monisha Shah (N)

Professor Lisa Tickner FBA (N)

– retired December 2020

Michael G Wilson OBE (F)

– retired May 2020

F: Also a member of the Finance and General Purposes Committee

N: Also a member of the Nominations Committee

R: Also a member of the Remuneration Committee

Advisory Members of the Finance and General Purposes Committee

Brendan Finucane QC

Ruth Jarratt – retired November 2020

Director and Senior Management Team

Jenny Waldman CBE, Director (appointed April 2020)

Sir Stephen Deuchar CBE, Director (resigned April 2020)

Rachel Mapplebeck, Director of Communications

Sarah Philp, Director of Programme and Policy

Clive Rosen, Director of Finance & Resources

Amy Ross, Director of Development

Carolyn Young, Director of Marketing

Professional advisers

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Investment advisers

Cambridge Associates LLP
80 Victoria Street
London SW1E 5JL

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources, including the income and expenditure, of the group and parent charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, including FRS 102, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the parent charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the parent charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent auditor's report to Trustees of The National Art Collections Fund

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of the National Art Collections Fund ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the consolidated and charity statement of financial activities (including income and expenditure account), the consolidated and charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity'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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charity'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 either intend to liquidate the Group or the Parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our 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 an auditor's report that includes our 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 capable of detecting irregularities, including fraud

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

Based on our understanding of the group and parent charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK and Ireland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance, key drivers for bonus or other performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

In addition, the group and parent charity are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

We understood how the parent charity is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes and correspondences with HMRC and the various charity regulators.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries of the Board of Trustees and management, and a review of minutes of meetings of those charged with governance. We made enquiries regarding any matters identified as a Serious Incident as reportable to the Charity regulators. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We challenged assumptions made by management in their significant accounting estimates in particular in relation to accruals, legacy accrued income, deferred income, depreciation and bad debt provision.

We did not identify any matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals including those which potentially impact remuneration and other performance targets and evaluating whether there was evidence of bias by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP
Statutory Auditor
London,
United Kingdom

Date: 17 May 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities (including consolidated income and expenditure account)

For the year ended 31 December 2020

Note	Unrestricted 2020 £'000	Restricted 2020 £'000	Endowment 2020 £'000	Total 2020 £'000	Unrestricted 2019 £'000	Restricted 2019 £'000	Endowment 2019 £'000	Total 2019 £'000
Income from:								
<i>Voluntary activities:</i>								
Donations	606	3,428	-	4,034	1,136	942	-	2,078
Legacies	2,763	423	-	3,186	5,964	-	-	5,964
<i>Charitable activities:</i>								
Members' subscriptions	6,775	5	-	6,780	8,097	9	-	8,106
<i>Other trading activities:</i>								
Fundraising events	71	-	-	71	257	-	-	257
Other income	78	-	-	78	396	-	-	396
Income from investments	321	-	-	321	228	20	12	260
Total income	10,614	3,856	-	14,470	16,078	971	12	17,061
Expenditure on:								
<i>Raising funds:</i>								
Cost of generating voluntary income	986	-	-	986	999	-	-	999
Cost of trading subsidiary	52	-	-	52	64	-	-	64
Cost of fundraising events	5	-	-	5	158	-	-	158
Investment adviser's costs	93	-	-	93	93	-	-	93
Total cost of raising funds	1,136	-	-	1,136	1,314	-	-	1,314
Total charitable expenditure	15,388	1,543	-	16,931	14,211	1,568	-	15,779
Total expenditure	5	16,524	-	18,067	15,525	1,568	-	17,093
Operating (deficit) / surplus	(5,910)	2,313	-	(3,597)	553	(597)	12	(32)
Net gains / (losses) on investments								
	1,378	96	82	1,556	4,840	269	251	5,360
Net (expenditure)/income	(4,532)	2,409	82	(2,041)	5,393	(328)	263	5,328
Transfers between funds	12 (701)	701	-	-	(325)	325	-	-
Net movement in funds	(5,233)	3,110	82	(2,041)	5,068	(3)	263	5,328
Reconciliation of funds								
Total funds brought forward	52,269	3,599	2,434	58,303	47,201	3,603	2,171	52,975
Total funds carried forward	12 47,036	6,709	2,517	56,262	52,269	3,600	2,434	58,303

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities. The notes on pages 57 to 75 form part of these financial statements.

Charity Statement of Financial Activities (including income and expenditure account)

For the year ended 31 December 2020

Note	Unrestricted 2020 £'000	Restricted 2020 £'000	Endowment 2020 £'000	Total 2020 £'000	Unrestricted 2019 £'000	Restricted 2019 £'000	Endowment 2019 £'000	Total 2019 £'000
Income from:								
<i>Voluntary activities:</i>								
Donations	606	3,428	-	4,034	1,136	942	-	2,078
Legacies	2,763	423	-	3,186	5,964	-	-	5,964
<i>Charitable activities:</i>								
Members' subscriptions	6,775	5	-	6,780	8,097	9	-	8,106
<i>Other trading activities:</i>								
Fundraising events	71	-	-	71	249	-	-	249
Other income	22	-	-	22	190	-	-	190
Income from investments	325	-	-	325	378	20	12	410
Total income	10,562	3,856	-	14,418	16,014	971	12	16,996
Expenditure on:								
<i>Raising funds:</i>								
Cost of generating voluntary income	986	-	-	986	999	-	-	999
Cost of fundraising events	5	-	-	5	158	-	-	158
Investment adviser's costs	93	-	-	93	93	-	-	93
Total cost of raising funds	1,084	-	-	1,084	1,250	-	-	1,250
Total charitable expenditure	15,388	1,543	-	16,931	14,211	1,568	-	15,779
Total expenditure	16,472	1,543	-	18,015	15,461	1,568	-	17,029
Operating (deficit) / surplus	(5,910)	2,313	-	(3,597)	552	(597)	12	(33)
Net gains / (losses) on investments	1,378	96	82	1,556	4,840	269	251	5,360
Net income / (expenditure)	(4,532)	2,409	82	(2,041)	5,391	(328)	263	5,327
Transfers between funds	12 (701)	701	-	-	(325)	325	-	-
Net movement in funds	(5,233)	3,110	82	(2,041)	5,067	(3)	263	5,327
Reconciliation of funds								
Total funds brought forward	52,267	3,599	2,434	58,300	47,198	3,603	2,171	52,972
Total funds carried forward	12 47,034	6,709	2,517	56,259	52,266	3,600	2,434	58,300

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure are derived from continuing activities.

The notes on pages 57 to 75 form part of these financial statements.

Consolidated and Charity Balance sheet

As at 31 December 2020

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Fixed assets:				
Tangible assets	6	5,665	5,718	5,665
Investments	7	50,102	48,245	50,102
		55,767	53,963	53,963
Current assets:				
Debtors	8	1,978	2,031	2,066
Cash at bank and in hand		8,619	11,951	8,511
		10,597	13,982	10,577
Liabilities:				
Creditors falling due within one year	10	(6,952)	(5,324)	(6,935)
Provision for grants authorised but not paid	3	(2,653)	(3,537)	(2,653)
		(9,605)	(8,861)	(9,588)
Net current assets		992	5,121	989
Total assets less current liabilities		56,759	59,084	56,756
Creditors: due after more than 1 year	11	(497)	(781)	(497)
Net assets		56,262	58,303	56,259
The funds of the charity:				
Permanent endowment funds	12	2,517	2,434	2,517
Other restricted funds	12	6,709	3,599	6,709
Designated funds	12	42,028	44,271	42,028
General funds	12	5,008	7,999	5,006
Total charity funds		56,262	58,303	56,259

The Trustees have prepared group accounts in accordance with section 138 of the Charities Act 2011. The notes on pages 57 to 75 form part of these accounts.

Approved and authorised for issue by the Board on 10th May 2021 and signed on its behalf by

Lord Smith of Finsbury
Chairman

Jeremy Palmer
Treasurer

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Group 2020 £'000	Group 2019 £'000
Cash flows from operating activities		
Net (expenditure)/income	(2,041)	5,328
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	108	97
Investment income	(321)	(260)
Loss/(Gain) on investments	(1,819)	(4,961)
Movements in working capital:		
(Increase)/decrease in debtors	52	(930)
Increase in creditors: falling due within one year	1,629	925
Increase/(decrease) in creditors: due after more than one year	(285)	527
Increase/(decrease) in provisions	(884)	895
Net cash generated from operating activities	(3,561)	1,621
Cash flows from investing activities:		
Investment income	321	260
Purchases of tangible fixed assets	(55)	(44)
Purchase of investments	(1,638)	(6,722)
Proceeds from sale of investments	1,601	7,505
Net cash from investing activities	229	999
Net increase in cash and cash equivalents	(3,332)	2,620
Analysis of changes in cash:		
Cash and cash equivalents at the beginning of the year	11,951	9,331
Total cash and cash equivalents at the end of the year	8,619	11,951
Cash and cash equivalents comprise:		
Cash at bank and in hand	8,619	11,951

Notes to the accounts

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The organisation is a public benefit entity for the purpose of FRS 102 and a registered charity, and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), and Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the valuation of fixed-asset investments and in accordance with Art Fund's Royal Charter.

The consolidated financial statements include the accounts of the National Art Collections Fund and its subsidiary undertaking, Art Fund Services Limited, which is wholly owned and registered in England and Wales. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements.

The Board of Trustees is of the opinion that Art Fund has adequate resources to operate as a going concern for the foreseeable future and the accounts have been prepared on that basis. Although the Covid-19 pandemic has required significant changes to activities, it is not a threat to Art Fund's going concern status due to the diverse nature of income streams, high level of unrestricted reserves and largely discretionary expenditure base. Membership and commercial income decreased in 2020 as a result of the measures in place to control the virus and are expected to take some time to recover to 2019 levels. Art Fund's charitable programmes will continue to adapt in response to the changing needs of the sector. In 2020 it was necessary to utilise some of Art Fund's unrestricted reserves to provide support whilst income was lower than usual and it is expected that this will also be required in future years. At the date of signing these financial statements, the Trustees' forecasts indicate that the Group and Charity will be able to maintain liquidity for a period of at least one year from the date of signing these financial statements and will therefore be able to continue to trade as a going concern.

b. Income

Income is usually accounted for on a receivable basis. Voluntary income, comprising donations and legacies, are recognised as incoming resources when Art Fund becomes entitled to the income. For donations this is when there is certainty of receipt and value. For all legacies income has been recognised dependent on type which is deemed to be when the receipt and value are probable:

- Pecuniary legacy – the earlier of cash receipt or probate date
- Residuary legacy – the earlier of cash receipt or estate accounts date

Annual ordinary membership income is recognised at the point at which benefit is transferred, being the date that the membership begins. Life membership income is recognised on a straight line basis over a ten year period. Contractual or trading income is recognised as income to the extent that Art Fund has provided the goods or services. Where income is received in advance and Art Fund does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

c. Expenditure

Expenditure is recognised in the financial statements on an accruals basis. Expenditure is classified in the SoFA under the principal categories of costs of raising funds, and cost of charitable activities rather than the type of expense.

Grants payable are recognised when a grant has been approved and this has been communicated to the recipient.

Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to the activities to which they relate as shown in note 5. Costs of raising funds are those incurred in seeking voluntary contributions for Art Fund, the cost of fundraising events, cost of operating the trading subsidiary and investment management fees.

Grant support costs comprise the costs of processing grant applications, including support to actual and potential applicants. Other charitable activities comprise costs incurred in attracting new members and providing services to existing members, including publications and communications. Governance costs are those costs incurred in connection with the general governance of Art Fund including compliance, constitutional and statutory requirements.

d. Fixed Asset Investments

Investments are stated at market value, which is measured at bid price, in accordance with the revised Statement of Recommended Practice. As a result the SoFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SoFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

e. Tangible Fixed Assets

Assets with an economic life greater than one year and with a value exceeding £500 or more are capitalised.

Depreciation is provided on all tangible assets at rates calculated to write-off the value of each asset over its expected useful life with no residual value assumed:

Freehold property	-	1%
Computer equipment	-	33%
Fixtures and fittings	-	20%

A full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying value of assets does not exceed their recoverable amounts.

f. Liquid resources

Liquid resources, as referred to in the Trustees' report, are current asset investments that are disposable without curtailing or disrupting Art Fund's business and are either readily convertible to known amounts of cash at or close to their carrying value or traded in an open market.

g. Pensions

Art Fund operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Art Fund in an independently administered scheme. The pension cost charge represents the amounts payable by Art Fund amounting to £260,000 (2019: £216,000).

h. Provisions

Art Fund provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that the transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

i. Leases

Art Fund has no finance leases. Costs relating to operating leases are charged on a straight-line basis over the life of the lease period to which it relates.

j. Taxation

Art Fund is eligible under Part 11 Corporation Tax Act 2010 and section 271 Taxation of Chargeable Gains Act 1992 to exemption from taxes on income, donations and capital gains arising from the pursuit of its charitable objectives. Art Fund Services Limited donates its profits to Art Fund and therefore is not liable to pay capital gains or corporation tax.

k. Funds structure

Art Fund has the following categories of funds:

- Restricted permanent endowment funds which the donors have stated are to be held as capital.
- Restricted funds whose investment or usage is subject to specific restriction imposed by sponsors and donors.
- Designated funds which have been set aside at the discretion of the Trustees for specific purposes.
- General funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of Art Fund.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are described in note 12.

I. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements.

- 1) The Charity has taken the view of the Trustees that valuing the property at fair value would incur undue cost and effort and has therefore continued to use historical cost as the deemed cost for its freehold property.
- 2) The Charity considers its property to be held solely for operational use and not investment use, meaning that no apportionment is required. The element of the property covered by a sub-lease is occupied by a charitable organisation whose objects are similar to Art Fund's own, therefore the property has been recognised as a tangible fixed asset.
- 3) The method for allocating central expenditure to income streams is a judgement. The Group allocates these costs based on head count.
- 4) For all legacies, income has been recognised dependent on type as disclosed in note 1b.

2. Net surplus of the trading company

Art Fund has a wholly owned trading subsidiary which is incorporated in the UK. Art Fund Services Limited has a share capital of £100 and sells merchandise, advertising and affinity promotions on behalf of Art Fund. The company donates its taxable profits to Art Fund and also pays interest on any loans from Art Fund. A summary of the results of the trading company is shown below. Audited accounts have been filed with the Registrar of Companies.

	2020 £'000	2019 £'000
Profit and loss account		
Turnover	56	214
Cost of sales	(43)	(44)
Gross profit	13	170
Administrative expenses	(9)	(20)
Interest payable	-	-
Net profit	4	150
Gift aid	(4)	(150)
Retained in subsidiary	-	-

The assets and liabilities of the trading company as at 31 December 2020 were as follows:

	2020 £'000	2019 £'000
Balance sheet		
Total assets	116	244
Total liabilities	(113)	(241)
Net assets	3	3

The total income of the parent charity was £14,418,000 (2019: £16,995,000) and the total deficit was £2,041,000 (2019: Surplus of £5,326,000). The values are the same as in the consolidated accounts because the profit of the trading company is counted as investment income to the charity.

3. Reconciliation of grants given for the purchase of works of art

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Grants outstanding at 1 January		3,537		2,642
Grants offered during the year	2,754		4,697	
Grants subsequently not taken up	-		-	
Grants from a previous year no longer required	-		-	
	<u>2,754</u>		<u>4,697</u>	
Acquisition grants committed in the year		2,754		4,697
		6,291		7,399
Grants paid during the year (see note 4)		(3,638)		(3,802)
Provision for grants for acquisitions (see balance sheet)		2,653		3,537

4. Total grants for acquisitions paid in 2020

The total value of grants offered in the year was £2.8m. The note below details the payments made to museums and galleries in the year in respect of Art Fund's grants for acquisitions programme, a value that amounted to £3.6m.

		£
Scotland	Aberdeen Art Gallery	7,000
Wales	Aberystwyth, Ceramics Gallery, Aberystwyth Arts Centre	1,020
Northern Ireland	Belfast, Ulster Museum	7,000
North East	Berwick-upon-Tweed, Berwick Museum and Art Gallery	142,533
West Midlands	Birmingham Museum and Art Gallery	50,000
North West	Bowness-on-Windermere, The Arts and Crafts House (Lakeland Arts)	7,500
South West	Bristol Museum & Art Gallery	75,000
Central Southern	Buckingham Old Gaol	15,000
East Anglia	Cambridge, Pembroke College, University of Cambridge	30,000
Wales	Cardiff, National Museum Cardiff	75,000
Wales	Cardiff, National Museum Cardiff	37,500
South East	Chawton, Jane Austen's House Museum	3,000
South West	Cheltenham, The Wilson: Cheltenham Art Gallery and Museum	24,000
North West	Congleton Museum	18,000
Central Southern	Cookham, Stanley Spencer Gallery	100,000
Scotland	Edinburgh, National Museums Scotland	14,000
Scotland	Edinburgh, Scottish National Gallery	58,519
Scotland	Edinburgh, Scottish National Gallery of Modern Art	40,000
Northern Ireland	Enniskillen, Fermanagh County Museum	20,000
South West	Exeter, Royal Albert Memorial Museum and Art Gallery	10,500
Scotland	Fort William, West Highland Museum	6,500
Scotland	Glasgow, Gallery of Modern Art	9,721
Scotland	Glasgow, Kelvingrove Art Gallery and Museum	175,000
Scotland	Glasgow, The Hunterian at Kelvin Hall	5,000
Central Southern	Hitchin, North Hertfordshire Museum	10,836
East Anglia	Ipswich, Christchurch Mansion	3,000
Scotland	Kirkcaldy, Kirkcaldy Galleries	3,625
Scotland	Kirkcudbright, Kirkcudbright Galleries	20,000
Yorkshire	Leeds Art Gallery	9,000
Yorkshire	Leeds City Museum	11,000
East Midlands	Leicester Museum & Art Gallery	45,000
South East	Lewes, Charleston	6,000
North West	Liverpool, Walker Art Gallery	30,000
Wales	Llandrindod, Radnorshire Museum	1,000
London	London, British Library	50,000
London	London, British Museum	125,000
London	London, British Museum	120,000
London	London, Crafts Council	51,364
London	London, Create London	23,600

		£
London	London, Garden Museum	6,782
London	London, Gunnersbury Park Museum	11,000
London	London, Horniman Museum and Gardens	15,000
London	London, Imperial War Museum	35,438
London	London, Leighton House Museum	10,000
London	London, Museum of Fulham Palace	350
London	London, Museum of Fulham Palace	1,875
London	London, National Army Museum	10,000
London	London, National Portrait Gallery	150
London	London, National Portrait Gallery	40,000
London	London, South London Gallery	38,160
London	London, Southbank Centre	50,000
London	London, Southbank Centre	12,000
London	London, Tate	100,000
London	London, Tate Britain	100,000
London	London, The National Gallery	1,000,000
London	London, Vestry House Museum	4,133
Central Southern	Luton, Wrest Park	5,139
South West	Malmesbury, Athelstan Museum, Malmesbury	150,000
North East	Middlesbrough, mima, Middlesbrough Institute of Modern Art	3,061
South West	Newport Roman Villa	1,500
East Anglia	Norwich Castle Museum & Art Gallery	6,000
East Anglia	Norwich Castle Museum and Art Gallery	4,250
East Anglia	Norwich, Norwich Castle Museum & Art Gallery	223,750
East Anglia	Norwich, Sainsbury Centre	6,000
East Midlands	Nottingham Castle	21,900
Central Southern	Oxford, Ashmolean Museum	45,000
Central Southern	Oxford, Ashmolean Museum	35,000
South West	Plymouth, The Box	20,000
South West	Plymouth, The Box Plymouth	30,050
London	Richmond, Ham House and Garden	80,000
East Anglia	Saffron Walden, Saffron Walden Museum	12,500
South West	Salisbury, John Creasey Museum	2,400
South East	Southampton City Art Gallery	12,500
South East	Southampton City Art Gallery	4,500
West Midlands	Stoke-on-Trent, The Potteries Museum and Art Gallery	4,500
South West	Swindon Museum and Art Gallery	1,100
North East	Teesdale, The Bowes Museum	2,360
Yorkshire	Whitby, Captain Cook Memorial Museum	2,800
South East	Winchester, The Royal Green Jackets (Rifles) Museum	2,580
Yorkshire	York, National Railway Museum	85,000
Total Grants paid during the year		3,637,998

5. Analysis of total expenditure

	Staff costs £'000	Grants & direct expenses £'000	*Support costs £'000	Depreciation £'000	2020 Total £'000	2019 Total £'000
Expenditure on raising funds:						
Cost of generating voluntary income	641	42	283	20	986	999
Cost of trading subsidiary	-	52	-	-	52	64
Cost of fundraising events	-	5	-	-	5	158
Investment advisers' costs	-	93	-	-	93	93
	641	192	283	20	1,136	1,314
Expenditure on charitable activities:						
Grants for acquisitions	-	2,753	-	-	2,753	4,711
Strategic collecting	-	512	-	-	512	1,520
Grant support	394	212	199	15	820	622
Building collections	394	3,477	199	15	4,085	6,853
Reaching audiences	-	2,105	-	-	2,105	430
Shaping futures	-	2,969	-	-	2,969	667
Advocacy & campaigning	270	-	77	5	352	336
Promoting museums & museum visiting	241	775	116	9	1,141	1,094
Digital & communications	679	498	321	23	1,521	1,261
Membership servicing & recruitment	683	3,003	351	26	4,063	4,431
Publications	283	267	135	10	695	707
Making connections	2,156	4,543	1,000	73	7,772	7,829
Total charitable expenditure	2,550	13,094	1,199	88	16,931	15,779
Total expenditure	3,191	13,286	1,482	108	18,067	17,093

The audit fee for the year was £19,150 (2019: £16,650). The auditors' fees for non-audit services in the year were £4,020 (2019: £3,998).

* Support costs of £1,482,000 do not include salaries of £763,000, which are included in the staff costs column (2019: £609,000). Therefore total support costs are calculated as £2.2m (2019: £1.8m).

	2020 £'000	2019 £'000
Salaries and pensions		
Total salary and pensions costs are:		
Salaries	2,648	2,364
Social security costs	283	245
Other pension costs	260	216
	3,191	2,825

	No. of staff	No. of staff
Average number of staff employed (headcount)	69	68

Employees with emoluments totalling £60,000 or more, excluding pension contributions and Employer's National Insurance contributions:

Band	No. of staff	No. of staff
£60,001 - £70,000	2	1
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	-
£160,001 - £170,000	-	1

The charity operates a defined contribution pension scheme. Contributions in respect of these staff were £50,938 (2019: £19,878).

Members of the Board did not receive any fees in the current or preceding year. Three (2019: three) Members of the Board received a total of £539 (2019: £2,826) reimbursement for expenses incurred in the year.

The key management personnel of the parent charity comprise the Trustees and the Senior Management Team. The total employee benefits of the key management personnel of the Charity were £613,759 (2019: £581,434).

6. Tangible assets

Group and charity	Freehold property £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
Cost:				
At 1 January 2020	6,037	161	185	6,383
Additions	-	53	2	55
Disposals	-	-	-	-
At 31 December 2020	6,037	214	187	6,438
Accumulated depreciation:				
At 1 January 2020	(359)	(131)	(174)	(664)
Charge for the year	(61)	(41)	(7)	(109)
Depreciation on disposals	-	-	-	-
At 31 December 2020	(420)	(172)	(181)	(773)
Net book value				
At 31 December 2020	5,617	42	6	5,665
At 31 December 2019	5,677	30	11	5,718

7. Fixed asset investments

Group and charity	2020 £'000	2019 £'000
Investments at market value comprised:		
UK equities	6,925	7,714
Overseas equities	23,966	22,266
Private equity	2,313	2,382
Hedge funds	8,249	7,437
Inflation hedge	2,339	2,213
Overseas bonds	1,727	1,661
Cash	4,583	4,572
	50,102	48,245
Movement in investments – group and charity		
Market value at 1 January	48,245	44,066
Sale proceeds	(1,338)	(7,915)
Acquisitions at cost	1,639	6,734
Net gains on revaluation	1,556	5,360
	50,102	48,245
Historical cost at 31 December	37,462	37,346

Investments constituting at least 5% of the portfolio at 31 December 2020 (at market values) were:

	2020 £'000	(%)	2019 £'000	(%)
Artemis	3,513	(7.0%)	3,953	(8.2%)
Brummer Investment	3,540	(7.1%)	3,147	(6.5%)
Coutts 90-day notice account	3,583	(7.2%)	3,572	(7.4%)
Heron Bridge	3,412	(6.8%)	3,761	(7.8%)
Longview Partners	5,467	(10.9%)	5,573	(11.6%)
Matthews Asia	3,227	(6.4%)	2,593	(5.4%)
MFG Investments	7,002	(14.0%)	6,560	(13.6%)
Orbis	4,137	(8.3%)	3,674	(7.6%)
Stewart	2,653	(5.3%)	2,268	(4.7%)

8. Debtors

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'00	Charity 2019 £'000
Trade debtors	195	81	186	61
Amounts due from subsidiary undertaking	-	-	96	216
Prepayments and accrued income	999	1,475	999	1,473
Other debtors	26	98	26	98
Accrued legacy income	448	120	448	120
VAT	310	257	310	257
	1,978	2,031	2,065	2,225

9. Contingent assets – legacy income

As at 31 December 2020 the Charity has been notified of £3,480,661 (2019: £3,760,320) residuary legacies and £nil (2019: £nil) pecuniary legacies, however they did not meet Art Fund's recognition criteria and have therefore not been accrued.

10. Creditors

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Falling due within one year:				
Trade creditors	344	498	337	488
Tax and social security	94	92	92	82
Other creditors and accruals	6,185	4,367	6,177	4,363
Deferred income	329	367	329	366
	6,952	5,324	6,935	5,299

11. Long-term creditors

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Deferred income as at 1 January	781	254	781	254
Released during the year	(333)	(64)	(333)	(64)
Deferred during the year	49	591	49	591
Deferred income as at 31 December	497	781	497	781

The deferred income falling due after one year is the money received for life membership subscriptions, which is released to the Statement of Financial Activities over a period of ten years.

12. Net movement in funds – Group

These funds are split between permanent endowment funds where the capital must be retained and other restricted funds where both capital and income can be spent in accordance with the donor's wishes. Investment income on endowment funds is expendable in accordance with the donor's wishes. Any income unspent at the end of the year is carried forward to the next year as a restricted fund.

	Balance at 31 December 2018	Balance at 1 January 2020	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2020
General fund	6,749	7,994	10,293	(16,045)	77	2,689	5,008
The Parker fund	1,130	2,383	-	(422)	67	-	2,028
Perpetuity fund	32,843	35,498	321	(3)	1,212	(3,240)	33,788
Fixed asset fund	5,772	5,719	-	(54)	-	-	5,665
Challenge fund	200	218	-	-	7	(150)	75
Wedgwood future fund	507	458	-	-	15	-	472
Total unrestricted funds	47,201	52,270	10,614	(16,524)	1,378	(701)	47,036
Restricted funds:							
Art Connects	106	50	-	(10)	-	-	40
Arts Council England - Visual Arts Programme	-	-	14	-	-	-	14
Art Happens	-	(54)	149	(177)	-	-	(82)
Art Happens - Heritage Lottery Fund	11	-	9	(1)	-	-	8
Art Happens - Unlock campaign	109	138	-	(9)	-	-	129
Art Tickets	57	56	-	(14)	-	(19)	23
Conservation appeal	114	-	5	(8)	-	3	-
Contemporary programme	-	7	-	-	-	-	7
David and Liza Brown bequest	-	77	-	(4)	2	(28)	47
David Armstrong bequest	23	26	-	-	1	-	27
David Harrison bequest	-	-	1	-	-	-	1
De Livera legacy	11	15	-	-	-	-	15
Garfield Weston UK Loans Programme	422	226	270	(310)	-	-	186
Headley Fellowships	200	190	200	(3)	-	-	387
International	-	31	24	(47)	-	-	8
Jonathan Ruffer curatorial scheme	110	53	75	(50)	-	-	78
Ivor Goudge bequest	-	-	200	-	-	-	200
London Historic House Museums Trust	1,321	1,480	-	-	51	-	1,531
Michael Bassett bequest	-	-	223	-	8	-	231
Modern British Group	21	35	4	-	-	-	39
Moving Image Fund	62	104	-	-	-	-	104
National Gallery trainees	-	-	81	-	-	-	81
National Museum Wales	5	5	-	-	-	-	5
National Museums Scotland	5	5	-	-	-	-	5
New Collecting Awards	(2)	-	10	(105)	-	95	-

	Balance at 31 December 2018	Balance at 1 January 2020	Income	Expenditure	Net gains on investments	Transfers between funds	Balance at 31 December 2020
Prevost appeal	28	107	-	-	-	-	107
Prospect Cottage Dungeness	-	6	1,937	(215)	-	650	2,378
Regional grants appeal	14	15	3	-	-	-	18
RI Gunn bequest	750	842	-	-	30	-	872
Rought Fund	-	-	50	-	-	-	50
Student Art Pass programme	7	-	1	-	-	-	1
WM Bond bequest	223	172	-	-	4	-	176
Winter appeal 2017 - Supporting Curators	6	13	-	-	-	-	13
Wolfson	-	-	600	(590)	-	-	10
Total restricted funds	3,603	3,599	3,856	(1,543)	96	701	6,709
Permanent endowment funds:							
Campbell Dodgson bequest	4	4	-	-	-	-	4
Cochrane trust	162	181	-	-	6	-	187
Fulham fund	630	707	-	-	24	-	731
Ramsey Dyce bequest	146	164	-	-	6	-	170
Reginald Jones bequest	327	367	-	-	12	-	379
Modern Art fund	850	953	-	-	32	-	985
Wakefield fund	52	58	-	-	2	-	60
Total endowment funds	2,171	2,434	-	-	82	-	2,517
Total funds	52,975	58,303	14,470	(18,067)	1,556	-	56,262

Net movement in funds – Charity

	Balance at 31 December 2018	Balance at 1 January 2020	Income	Expenditure	Net gains/ (loss) on investments	Transfers between funds	Balance at 31 December 2020
Total unrestricted funds	47,198	52,266	10,562	(16,472)	1,378	(701)	47,033
Total restricted funds	3,603	3,599	3,856	(1,543)	96	701	6,709
Total endowment funds	2,171	2,435	-	-	82	-	2,517
Total funds	52,972	58,300	14,418	(18,015)	1,556	-	56,259

Art Connects

This fund relates to the Student Art Pass programme, specifically the development of the online platform and content / 'beyond visiting' opportunities associated with it to help students get more out of museums, galleries and public art collections. Art Connects is supported by the Stavros Niarchos Foundation, alongside a group of other private donors who support the wider Student Art Pass programme.

Art Happens

This fund relates to Art Fund's crowdfunding initiative which enables museums to make fundraising appeals to the public in support of specific works of art or projects.

Art Happens – Heritage Lottery Foundation

The funds granted to Art Fund by the National Lottery Heritage Fund are to be used towards the future development of the Art Happens crowdfunding platform.

Art Happens – Unlock campaign

This fund is to cover the direct costs of setting up and running each crowdfunding campaign on Art Happens. This includes producing a short film, creating rewards for donors and providing hands-on training throughout.

Art Tickets

This fund related to the development and launch our online ticketing platform, Art Tickets.

Conservation

This was launched in 2018 as an appeal to our Art Partners, donors and wider membership to help us make a bold new commitment towards supporting conservation projects at museums and galleries across the UK. We opened the programme in July 2019 for applications, making 11 grant offers to date, and we continue to develop our funding available to support conservation.

David and Liza Brown Bequest

The bequest is for the benefit of the Department of Prints and Drawings at the British Museum and the Southampton City Art Gallery, supporting cataloguing and acquisition costs. In 2019 Southampton City Art Gallery received the balance of funds from this bequest to acquire a moving-image work, *Robots in Distress*, by Boredomresearch. The Bequest enabled a total of 19 acquisitions to join Southampton City Art Gallery's collection.

David Armstrong Bequest

The funds are for the benefit of Stirling and Falkirk Museums.

David Harrison Bequest

Proceeds from the auctioning of a work of art bequeathed to York Art Gallery by David Harrison. This fund is available to support future acquisitions for York Art Gallery.

De Livera Legacy

The legacy was left to Art Fund to contribute towards the acquisition of decorative arts in Cornwall or Devon.

Garfield Weston UK Loans Programme

This is a three-year programme commencing in 2018 to support loans to regional galleries across the UK from national galleries and museums supported by the Garfield Weston Foundation.

Headley Fellowships

Headley Fellowships with Art Fund give curators focused time to research their collections either on a full-time basis for six months or part-time over a year, providing funding for their posts to be backfilled. Fellows also receive funds towards their project which can be assigned towards travel, research, training opportunities, courses of study and more. Made possible by the support of the Headley Trust, the scheme is especially intended to support those museums and galleries facing the most acute funding challenges.

Ivor Goudge Bequest

The funds are to be used for purchasing works of art that exclude paintings and prints, and that have been completed during the 17th, 18th or 19th centuries. Works are to be for suitable museums or galleries and are to be with an accreditation preference.

Jonathan Ruffer Curatorial Grants Scheme

This fund, provided through the auspices of Jonathan Ruffer, supports collections and exhibitions research for curators working in and with museums and galleries.

London Historic House Museums Trust

The funds were received from the transfer of the assets of the London Historic House Museums Trust in October 2009 and are to be applied towards the purchase of works of art for Kenwood House, Hampstead; Marble Hill House, Twickenham; The Ranger's House, Blackheath; and Chiswick House, Chiswick.

Michael Bassett Bequest

The fund is to be used to save, protect, conserve one single object or building dating before 1900.

Modern British Group

This fund is provided by a group of donors who wish to support acquisitions of work by modern British artists.

Moving Image Fund

This fund supports the acquisition of artists' moving-image work at Towner Eastbourne, Whitworth Art Gallery, Bristol Museums and Galleries and The Hunterian in Glasgow.

National Gallery trainees

The National Gallery Curatorial Traineeship Programme is supported by Art Fund with the assistance of the Vivmar Foundation, offering a training programme for future curators in partnership with regional museums and galleries. Traineeships run for 22 months, with six months spent at the National Gallery and a further 16 months at partner museums.

National Museum Wales

These funds are to be used to support the acquisition of work for the National Museum Wales.

National Museums Scotland

This fund was set up by David and Anne Hyatt King to make money available to National Museums Scotland to purchase a painting by Taki Katei.

New Collecting Awards

This programme enables promising and ambitious curators to pursue new avenues of collecting for their museums, and at the same time build critical professional skills.

Prevost

In July 2018 we asked a group of donors to help the Museum of London to secure a rare 19th-century panorama of the London skyline by the French artist Pierre Prevost, ahead of sale at auction. This quick-fire fundraising helped us to provide a significant grant to enable the museum to purchase the painting.

Prospect Cottage Dungeness

In March 2020 Art Fund successfully completed the largest ever arts crowdfunding campaign to save artist and filmmaker Derek Jarman's Prospect Cottage. The success of the campaign will enable Art Fund to purchase Prospect Cottage and to support a permanent public programme, the conservation and maintenance of the building, its collection, its contents and its renowned garden.

Regional grants appeal

The appeal was launched to support the acquisition of artworks for galleries and museums based outside of London.

R I Gunn Bequest

The bequest is to be applied towards the purchase of one or more paintings or drawings of the French Impressionist School for presentation to one or more of the museums or collections of pictures belonging to the nation in London or the University of Oxford.

Rought Fund

The funds are to be used to acquire artworks prior to 1815. The capital and income of the fund may be accessed by the Trustees from its establishment and they may use their total discretion as to what artworks within the restriction are most appropriate to acquire.

Student Art Pass programme

The funds are to be used towards the future development of the Student Art Pass programme.

Wedgwood Future Fund and Minton Archive Fund

The Wedgwood Future Fund and Minton Archive Fund were established by the Trustees in 2017 to provide support for the ongoing care of the Wedgwood collection following the transfer of its ownership to the Victoria and Albert Museum and the Minton Archive at Stoke-on-Trent City Archives.

Winter Appeal 2017

In 2017 we launched a 'Regional Acquisitions Appeal' to Art Partners and donors, asking for their support to help us increase our grant-giving for museums outside London to acquire works of art for their collections.

Wolfson

The Wolfson Foundation make a major contribution towards our work to support museum collections; their funds are directly primarily to our main acquisitions grant programme and also to the New Collecting Awards.

W M Bond Bequest

The bequest is to be held in trust for the Laing Art Gallery, Newcastle upon Tyne, and is to be devoted to the purchase of the following, to be displayed in that gallery: antique china, pottery, furniture, historical painting including oil painting but in particular watercolours; and work by living artists whose work creatively utilises china, pottery or furniture.

Campbell Dodgson Bequest

The income is to be used for the benefit of the Department of Prints and Drawings in the British Museum.

Cochrane Trust

The income may be used for the purchase of works of art not being the work of any person living at the date of purchase.

Fulham Fund

The income generated is neither restricted nor designated and is therefore taken to unrestricted funds.

Ramsey Dyce Bequest

The income must be used to acquire objects of art to be added to the permanent collection of the Aberdeen Art Gallery.

Reginald Jones Bequest

The income is to be used to purchase pictures and other works of art that are at least 100 years old.

Modern Art Fund

The income is to be used towards the purchase of 20th-century art.

Wakefield Fund

The income is to be used for the purchase of contemporary craft.

13. Unrestricted funds

At the balance sheet date, Art Fund's reserves comprised the following:

	2020 £'000	2019 £'000
Total funds per balance sheet	56,262	58,303
Endowment funds (note 12)	(2,517)	(2,434)
Restricted funds (note 12)	(6,709)	(3,599)
Unrestricted funds as per the balance sheet	47,036	52,270
Parker fund	(2,028)	(2,382)
Perpetuity fund	(33,788)	(35,495)
Fixed assets held for charity use	(5,665)	(5,718)
Challenge fund	(75)	(218)
Wedgwood future fund	(472)	(458)
General funds at 31 December	5,008	7,999

14. Analysis of net assets between funds – Group

	General funds 2020 £'000	Designated funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,665	-	-	5,665	5,718
Investments	11,222	36,363	-	2,517	50,102	48,245
Current assets	3,888	-	6,709	-	10,597	13,982
Total liabilities	(10,102)	-	-	-	(10,102)	(9,642)
	5,008	42,028	6,709	2,517	56,262	58,303

Included above are unrealised gains on investment assets at 31 December 2020 of £1,556,000.

Analysis of net assets between funds – Charity

	General funds 2020 £'000	Designated funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
Fund balances at 31 December are represented by:						
Tangible fixed assets	-	5,665	-	-	5,665	5,718
Investments	11,222	36,363	-	2,517	50,102	48,245
Current assets	3,868	-	6,709	-	10,577	13,954
Total liabilities	(10,085)	-	-	-	(10,085)	(9,617)
	5,006	42,028	6,709	2,517	56,259	58,300

Analysis of net assets between funds – Group (Previous Year)

	General funds 2019 £'000	Designated funds 2019 £'000	Restricted funds 2019 £'000	Endowment funds 2019 £'000	Total funds 2019 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,718	-	-	5,718
Investments	7,258	38,553	-	2,434	48,245
Current assets	10,383	-	3,599	-	13,982
Total liabilities	(9,642)	-	-	-	(9,642)
	7,999	44,271	3,599	2,434	58,303

Included above are unrealised gains on investment assets at 31 December 2019 of £5,599,000.

Analysis of net assets between funds – Charity (Previous Year)

	General funds 2019 £'000	Designated funds 2019 £'000	Restricted funds 2019 £'000	Endowment funds 2019 £'000	Total funds 2019 £'000
Fund balances at 31 December are represented by:					
Tangible fixed assets	-	5,718	-	-	5,718
Investments	7,258	38,553	-	2,434	48,245
Current assets	10,355	-	3,599	-	13,954
Total liabilities	(9,617)	-	-	-	(9,617)
	7,996	44,271	3,599	2,434	58,300

15. Operating leases

At 31 December 2020 the charity had minimum lease commitments under operating leases which expire:

	2020 £'000	2019 £'000
In the first year	6	6
In the second to fifth years inclusive	8	16
	14	22

16. Related party transactions

During the year seven Trustees (2019: four) made donations to Art Fund totalling £13,103 (2019: £6,668). One Trustee made a donation to Art Fund via the American Friends of Art Fund of £32,373 (2019: £20,412).

A donation was made of £24,727 (2019: £24,948) by the Dana and Albert Broccoli Charitable Foundation of which Michael Wilson is a trustee via the American Friends of Art Fund.

At the February 2020 Board meeting, Anupam Ganguli declared a conflict with regard to the Liverpool Biennial with Liverpool, Walker Art Gallery (National Museums Liverpool) application for £45,000 towards the commission of a moving-image work *STEPHEN* (2022) by Melanie Manchot, as he worked closely with the artist Melanie Manchot as a trustee at the Whitechapel Gallery. He left the room when this item was discussed.

At the February 2020 Board meeting, Michael Wilson declared a conflict with regard to an application for £1,000,000 towards the ARTIST ROOMS Fund from National Galleries of Scotland jointly with Tate, as he had been considering making a gift to the ARTIST ROOMS collection. He left the room when this item was discussed.

Also at the February 2020 Board meeting, Lisa Tickner declared a conflict with regard to an application by Ham House (National Trust) for £80,000 towards a painting *Cathedral Interior* (1621) by Hendrick van Steenwijck, the Younger offered by Agnews for £197,000, as her husband was a trustee of the National Trust. She left the room when this item was discussed.

In addition, also at the February 2020 Board meeting, Michael Wilson wished it to be minuted that he owned works by the artists under consideration in a joint application from Forma Arts & Media with National Museum Wales, National Galleries Scotland, Tate Liverpool, Guildhall Art Gallery, Norwich Castle Museum and Art Gallery and The Box for £60,000 towards six portfolios of 12 photographs from the commission *Ledger* (2021) by Broomberg & Chanarin offered by the artists through Forma Arts & Media. It was not felt that he would need to leave the room when this application was discussed.

At the February 2020 Board meeting, Monisha Shah also wished for it to be noted, in reference to the application of £1,000,000 towards the ARTIST ROOMS Fund by National Galleries of Scotland jointly with Tate, that she was a trustee at Tate when the original ARTIST ROOMS acquisitions were made.

At the July 2020 Board meeting, Chris Gosden declared a conflict of interest with regard to an application by the Ashmolean Museum for £200,000 towards a painting *Portrait of a Woman* (c1618-20) by Anthony van Dyck and a collection of silver offered by the Executors of the Estate of the late Countess of Mountbatten through Sotheby's for £500,000 as he was Director of the Institute of Archaeology at the University of Oxford. He left the online meeting when this item was discussed.

In 2020 a total of £530,000 was donated to Art Fund by American Friends of the Art Fund (AFAF), a US-based non-profit organisation. AFAF is considered to be a related party, as a member of Art Fund's Senior Management Team is also a director of AFAF.

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Amy Bradley

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Howard Buckley

Jane Cairns

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Karolina Chwiecko

Robin Clark

Emma Coleman

Edward Cutcher

Victoria Diaz Vilas

Robert Dingle

John England

Ruth Findlay

Catriona Gallagher

Wes Gilpin

Samantha Grayson

Lucy Hawes

Rosalind Hayes

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Emma Hutchins

Paul Julier

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Rhys Mathews

Peter McAndrew

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Paul McQueen

Scarlett Millar

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Catherine Monks

Emma Morris

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Sarah Philp

Mary Pitt

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Julianne Walshe

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Richard Wilkinson

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Carolyn Young



Cover images: **Front:** 'Blue Skies' conversation series, organised by the International Curators Forum; Jillian Mayer, *You'll Be Okay* video still (2014). Courtesy the artist and David Castillo.
Back: Magdalene Odundo, *Tall Bottle*, 2009, Aberystwyth University, Ceramic Collection, acquired 2010 with Art Fund support, © Magdalene Anyango Namakhiya Odundo.

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