

The Board of Trustees of the Tate Gallery Annual Accounts 2020-21

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

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 14 JULY 2021

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ANNUAL REPORT

Presentation of the financial statements

The accounts have been prepared in accordance with the Charities Statement of Recommended Practice 2019 (the SORP), FRS102 (updated for reporting from 2019) and in compliance with the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport (DCMS).

The consolidated statement of financial activities set out on page 52 has been prepared in line with the SORP. The Trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in defining the strategic direction of Tate.

Mission

Tate's mission, drawn from the 1992 Museums and Galleries Act, is to increase the public's understanding and enjoyment of British art from the sixteenth century to the present day and of international modern and contemporary art.

The four aims listed by the Act are to:

- care for, preserve and add to the works of art and documents in Tate's Collection;
- secure that the works of art are exhibited to the public;
- secure that the works of art and documents are available to persons seeking to inspect them in connection with study or research; and
- generally promote the public's enjoyment and understanding of British art and of twentieth-century and contemporary art, both by means of Tate's Collection and by such other means as it considers appropriate.

All Tate's activities and aspirations are driven by this statutory purpose. Tate's strategic objectives in fulfilling this mission can be summarised as follows:

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

Major activities that Tate undertakes in doing this include:

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

A review of Tate's key business activities during 2020-21, including its finances and key performance indicators, has been included within the foreword, together with commentary on Tate's future development plans and its policies and performance on employees, environmental and social and community issues. Tate's reserves and investments policies are also included within the foreword.

History and statutory background

History

The Tate Gallery was founded at Millbank, London in 1897. Although officially known as The National Gallery of British Art, it was commonly called the Tate Gallery after Henry Tate, with its name being changed officially in 1932. During the early and mid-twentieth century, the original building at Millbank was added to as Tate's Collection grew and expanded to include modern works.

The last two decades of the twentieth century saw considerable expansion of Tate with the Clore Gallery, housing the Turner collection, opening in 1987 and Tate Liverpool opening the following year. Tate St Ives opened in 1993 and in March 2000 the Tate Gallery Millbank site was re-dedicated as Tate Britain. Tate Modern opened to the public in May 2000 and June 2016 saw the opening of a new, ten-storey extension to Tate Modern, adding significantly to the space available to visitors and for the display of art. A new extension to the gallery at St Ives opened in October 2017.

Background

From its foundation in 1897 until 1917, the Board of Trustees of the National Gallery administered the Tate Gallery. A separate Board of Trustees for the Tate Gallery was first established by the Treasury Minute of 24 March 1917, although all works of art remained vested in the Trustees of the National Gallery, whose Director remained responsible for the financial affairs of the Tate Gallery.

The Tate Gallery was established as an independent institution by the National Gallery and Tate Gallery Act, 1954. A further Treasury Minute of 5 February 1955 defined the scope of the Tate Gallery Collection and vested in its Board of Trustees the responsibility for the Collection and for the management of the Gallery.

The Museums and Galleries Act, 1992, which repealed the 1954 Act, established the Board of Trustees of the Tate Gallery as a corporate body and added it to the list of exempt charities under the 1960 Charities Act. An Order in Council enabling the new Act was issued on 1 September 1992.

In March 2000 the Trustees launched a new organisational identity, re-branding the Tate Gallery as Tate. For statutory purposes the corporate body remains the Board of Trustees of the Tate Gallery.

Tate is a non-departmental public body (NDPB) under the auspices of the Department for Digital, Culture, Media and Sport (DCMS). Tate is an exempt charity as defined by Schedule 3 to the Charities Act 2011.

Associated charities

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

Tate Foundation: an independent charity created to further the charitable purposes of the Board of Trustees of the Tate Gallery through active fundraising, investment and membership schemes.

Tate Americas Foundation: an independent charity based in New York that supports the work of Tate in the United Kingdom.

Tate Canada Foundation: an independent charity based in Toronto that supports the work of Tate in the United Kingdom.

Auditors

Tate's principal auditor is the Comptroller and Auditor General. The audit fee for the year ended 31 March 2021 was £65,000 (£73,000 in 2019-20).

So far as the Accounting Officer and Trustees are aware, at the time of approving the annual report, there is no relevant audit information of which the charitable NDPB's auditors are unaware. The Accounting Officer and Trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charitable NDPB's auditors are aware of that information.

Signed

Maria Balshaw
Director, Tate

7 July 2021

Signed

Roland Rudd
Chairman, Tate

7 July 2021

FOREWORD

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

Review of activities in 2020-21

For Tate, 2020-21 was defined by the impact of the global Coronavirus pandemic and the institution's response to it. The galleries closed on 17 March 2020 and did not reopen until July. Thereafter they shut again in October and November, and then from 16 December for the remainder of the financial year.

Shutting the galleries and managing safe operations for the periods in which it was possible to open were tremendous tasks, requiring unprecedented action and decisions from all teams. The impact on Tate's finances was significant, with reductions in income detailed in this report. As well as ticket sales, catering and retail revenues were all but wiped out. The logistical endeavour required to recast the programme across all sites and for all teams to adapt to a period of closure was enormous. Meeting these challenges can be considered successes in their own right. There have also been highlights as Tate has continued to serve audiences nationwide and globally through its online platforms. Some of the achievements have been:

- the appointment of a new Chairman, Roland Rudd, in succession to Lionel Barber;
- the formation of a Race Equality Taskforce to recommend ways in which Tate can ensure equality in its work and respond to the effects of inequality on art;
- the collaboration of teams in adapting the galleries to maintain social distancing and moving to digital and online ticketing sales only;
- an enhancement of online programming, providing digital opportunities for audiences during the lockdown periods;
- revising the budget on several occasions throughout the year, adapting operational and financial planning to ever-changing circumstances;
- the successful implementation of a Voluntary Redundancy scheme in the Gallery, enabling colleagues to depart on their own terms;
- the retention of members during a period of prolonged closure, a demonstration of the support that there is for Tate and what it does;
- planning successfully for the management of any impact arising from the end of the Brexit transition period on 31 December 2020;
- the successful delivery of consultancy to the Pudong Museum of Art in Shanghai and preparation for touring a major show to mark its opening in July 2021; and
- new senior appointments including Neil McConnon as the Director of International Partnerships and Lisa Mack as Director of People.

Tate is grateful to the commitment and expertise of colleagues and the interest, support, and continuing generosity of all those who support Tate. Such support has taken on even greater significance in this year. Colleagues have come together to adapt to new circumstances, devise new ways of serving audiences and, most of all, support each other. While the impact of the pandemic on individuals and the organisation has been profound, one positive has been the ready adaptation to new ways of working. A challenge for the future is to take the best of this to enhance Tate further.

Tate's Objectives

Under the Director Maria Balshaw's leadership, a new Vision and set of objectives was set in 2018-19 that will guide Tate for the following five years. The impact of the pandemic has been to change the way that Tate will work to achieve these, however the objectives themselves remain the same.

They are to:

- support artistic risk taking and scholarly excellence across the five centuries of British Art and the international modern and contemporary collections;
- grow audiences and membership that are more reflective of the UK and continue to attract a diverse global audience as visitors to Tate's exhibitions and digital spaces;
- enhance our role as a global innovator by promoting a more diverse art history, reflecting how art is made and seen now;
- expand the possibilities of museum spaces as sites of learning, playing a leading role in practice and advocacy regarding the importance of creative learning and access to the arts for young people;
- expand access to the collection across the four nations of the UK, taking a leading role in supporting and working in partnership with the regional museums ecology;
- make digital part of everything we do by placing audiences at the centre of experiences which span online, gallery and commerce spaces and collaborating across departments;
- maximise partnerships internationally to advance research, contribute to international dialogue about art and increase international fundraising;
- enable Tate's people to thrive and shift the workforce to more closely reflect the UK population today;
- reduce our carbon consumption significantly and lead sectoral thinking in this area;
- develop Tate's Estate and digital, technical and environmental infrastructure to preserve buildings and our growing collection for the future and expand access to it through digital and physical means; and
- conceive and implement a business model that is not dependent on income generation through maximal ticket sales.

These objectives are pursued following a common set of values, which were developed through conversation among colleagues from across Tate. These are to be open, bold, rigorous and kind.

Coronavirus Pandemic

When Tate closed its galleries at the end of March we had just experienced one of its most successful years, generating 70% of our own income and welcoming record visitor figures to many of our galleries. In stark contrast, less than 9 months later, the impact of the pandemic had changed everything, as it has for so many other organisations and communities around the world.

The pandemic affected every aspect of the Gallery's operations. Further detail of Tate's response and management of this is given in this report. Overall, however, the reduction in attendance, and therefore revenue, meant that the scale of Tate's operations and enterprise had to be reduced dramatically. The galleries were closed from Tuesday, 17 March 2020 and remained so until reopening was permitted on Monday, 27 July 2020. The galleries then remained open until the second national lockdown in October and November. Soon after reopening in December, it was necessary to close the galleries again in line with the Government's tiering system, from 16 December in London, and from 31 December in Liverpool and St Ives. The galleries would not open again for the remainder of the financial year and, in total, they were closed for over 6 months of the year. As a result, at the end of this financial year we welcomed only 591,000 visitors instead of 8 million. The road to recovery will be a long one, with tourism not expected to return to previous levels until 2024-25, and the wider economy facing the long-term effects of the pandemic.

During the closure period, the majority of staff started working from home, a shift that in itself required significant adaptation in both technological and human terms. The majority of meetings took place online, from Board meetings to everyday catch ups. It was essential for some colleagues to work onsite, ensuring the security and maintenance of the collection and estate. We are particularly grateful for these efforts and to all colleagues for the resilience and dedication that they have shown.

Following the announcement of the Government's Job Retention Scheme, a large number of staff were placed on furlough. Behind the scenes, the process of doing so was handled admirably by

colleagues in the People team, adapting to new and complex processes at speed, fulfilling work that, ultimately, has been essential to Tate's financial survival.

Last year, we reported on the formation and early work of a Remobilisation Steering Group comprising colleagues from across Tate. This continued throughout the year and into 2021-22, helping to prepare the organisation for reopening in May 2021. In tandem, audience teams oversaw the task of ensuring the safe reopening of the galleries in the context of Coronavirus, working with curatorial teams to plan routes around the collections and exhibitions and implementing booked and timed entry to control visitor numbers. Colleagues in both audiences teams and Tate Commerce and Tate Eats also ensured that Tate was able to contribute to the Government's Test and Trace Scheme.

Financial impact of the pandemic and closure

Alongside the practical planning outlined above, the finance and business teams undertook the complex task of rewriting the budgets and reducing operational activity in response to a reduced anticipated footfall of only 20% of usual numbers and reductions in all income streams. Revised budgets were presented to the Finance and Operations Committee in March 2020 and then again in May. The operations and finances were then closely examined by the Trustees at every Board meeting. The budgets were balanced but this required the use of the Job Retention Scheme and Tate's own reserves. Funding received from HM Government has been essential to Tate's sustainability during this period. We are grateful to the Department of Digital, Culture, Media and Sport in both ensuring Grant in Aid for the 2020-21 year was paid quarterly in advance in the first six months of the year, as well as making available additional funding of £8.9m following demonstration of need.

In the forthcoming period, Tate will monitor revenue streams closely. Expenditure remains reduced in all areas and will be flexed according to performance throughout the year. As detailed below, changes to the programme have also been implemented to reduce expenditure. The effect of this will also reduce income-generating opportunities, but this has been necessary to ensure Tate's sustainability.

Inclusivity and Equality

As well as the Coronavirus pandemic, the wider world around Tate in 2020-21 has been characterised by a heightened awareness of, and need to, address inequality. This year, Tate made significant strides in relation to its commitment to inclusivity and equality. Throughout, it is recognised that these are steps on a journey and that there is further to go. Inequality has been foregrounded in the eyes of many following events such as the death of George Floyd. In June, Tate made a public commitment to address any inequality in its own work and to promote and champion artists as they address issues on inequality.

This led internally to the formation of the Race Equality Taskforce which comprises staff from across the organisation and service providers. It includes a member of Tate's Executive Group and makes recommendations to the Executive Group with additional support from two Trustee Co-Chairs. They have begun meeting regularly and working on an action plan, including commissioning a guide to allyship to help shape positive practice in our sector.

A roadmap for diversifying recruitment has been completed, which has led to a new commitment to ensure diverse interview panels and a new recruitment and selection training scheme. Other new training and development programmes include mandatory inclusion training for new starters, Active Bystander training (an industry recognised programme to equip people to tackle racism and bullying), new diversity and inclusion training for volunteers and managers, race discussion seminars led by Business in the Community, and a development programme for those underrepresented in Tate's workforce.

Other specific actions were taken. One of these was the announcement, following discussion of the subject by Trustees, that the Rex Whistler Restaurant at Tate Britain would no longer be used as a dining space, and that a process of consultation with artists, historians and the public should be

undertaken to determine how the mural can best be displayed and interpreted. This process acknowledges the racist nature of the imagery and the offence that it has caused. It also seeks to establish new practice for the gallery when presenting such controversial and difficult histories.

As part of this process, independent research was commissioned into the connection between Tate and Henry Tate's involvement in the sugar trade. A full statement on this and the research itself were published on Tate's website. This corrected some misunderstandings, but acknowledges that Henry Tate's wealth, from which the original benefaction for the museum came, was derived from an industry whose history was inextricably linked to colonial exploitation.

While there are many issues to address, and areas for improvement, this work is also about the future and putting in place the steps necessary to achieve progress. This year saw measures put in place to draw different perspectives into the interpretation and understanding of art displayed. Tate's programme included exhibitions and commissions that directly explored race and cultural heritage, including *Zanele Muholi* at Tate Modern and the associated Learning programme, and Chila Kumari Singh Burman's Winter Commission at Tate Britain. As part of the restructure of Tate Enterprises Ltd, two new roles were created called Diversity and Inclusivity Retail Producers. An Equality Impact Assessment was also undertaken, which ensured that staff at the company who identify as Black, Asian and/or minority ethnic were not disproportionately affected by the restructure. A similar role in the Gallery will see inclusivity given a senior and central profile in the institution.

Such work will be continued, developed and added to. Tate has made the commitment to publish its progress in this area, and we look forward to reporting further and greater steps in the future.

Programme

Across all sites, the programme had consistently to be recast and renegotiated as the conditions around the pandemic and galleries' closure changed. This notwithstanding, each site was able to ensure that the public could see the best of both historic and contemporary art, both in the galleries, when this was possible, and online throughout the year.

Among Tate Britain's major exhibitions this year were *Turner and the Modern World* and *Lynette Yiadom-Boakye*. Each opened shortly before lockdown, meaning that there were few chances for the public to see these major exhibitions, one by one of the UK's most well-known artists and the other Tate's first major monographic exhibition of one of the foremost artists working today. Complex renegotiation with partners means that the public will have a chance to see each when the galleries reopen in May 2021. *Turner and the Modern World* was extended to September 2021, and *Lynette Yiadom-Boakye* will return at a later point, after it has toured elsewhere. Earlier in the year, *Aubrey Beardsley* gathered the most significant display of his work for fifty years, many from private collections that would not otherwise be available for public view. As well as being a remarkable exhibition in its own right, it was also one of the first that the Curatorial and Audience teams had to manage and programme with prescribed routes to manage social distancing, a challenge that they met with great success. Other highlights of the programme this year include Chila Kumari Singh Burman's Winter Commission, *remembering a brave new world*, which combined Hindu mythology, imagery from Bollywood and colonial history and personal memories. This work ran throughout Diwali and Christmas and into March, providing an opportunity for the public to see art during the winter and lockdown months. Elsewhere, *Cooking Sections* fulfilled the Art Now Commission, a display that opened in August and ran to February. The team, the duo of Daniel Fernández Pascual and Alon Schwabe, uses installation, performance, mapping and video to explore the systems that organise the world through food. We were also delighted to be able to continue one of the highlights of 2019-20, Steve McQueen's *Year 3* project, ensuring that as many of the schoolchildren who had sat for the work could visit and not be deprived of the opportunity to do so by the lockdown period.

At Tate Liverpool, *Don McCullin* recast his 2018 Tate Britain show to incorporate work focused on Liverpool. In its Liverpool edition, the exhibition featured images depicting life and industrial scenes in Liverpool and other northern towns and cities during the 1960s and 70s. As with exhibitions at other sites, we were pleased to be able to extend this show after lockdown to enable as many people to see it as possible. The same was so for another exhibition this year, Aliza Nisenbaum's portraits

of key workers in Liverpool. The artist worked by teleconference to portray sitters who are key workers in and around Liverpool. It was fitting and appropriate that an exhibition respecting and marking their role in responding to the pandemic should be seen after the galleries reopened in May 2021.

Zanele Muholi opened at Tate Modern on 5 November, which meant that the public could see the work of this celebrated South African artist for a matter of days. We were therefore delighted to be able to agree an extension with partners that enabled it to run to 1 June 2021. Initially, Yayoi Kusama's remarkable *Infinity Room* had been scheduled to show at Tate Modern at the time of the gallery's twentieth birthday in May 2020. This too was deferred until reopening in May 2021. The appetite for the display of this collection of work was remarkable, with advance tickets selling out quickly at each scheduling and tickets sold for the first planned showing were honoured for its second scheduling.

Andy Warhol opened days before the first national lockdown in March. Anticipated to be the major show over the summer, this major retrospective was the first Warhol exhibition at Tate Modern for almost 20 years. As well as his iconic pop images of Marilyn Monroe, Coca-Cola, and Campbell's soup cans, it gathered works never before seen in the UK. Twenty-five works from his *Ladies and Gentlemen* series – portraits of black and Latinx drag queens and trans women – were shown for the first time in 30 years. Notwithstanding its run from March to an extended close in November, coinciding with the bulk of the national lockdown, demand exceeded capacity, with the exhibition attracting over 50,000 visitors, a remarkable attendance given the limitations in place. *Bruce Nauman* showed at Tate Modern from November 2020 to February 2021. Featuring more than 40 works, the exhibition explored the themes that have preoccupied Nauman during his remarkable 50-year career. A sequence of immersive installations invited deep viewer engagement, contrasting with the instant gratification of today's screen-based information and entertainment culture.

Another exhibition that spanned the onset of lockdown and social distancing measures was *Steve McQueen*. This major exhibition was the first of his work at Tate Modern since he won the Turner Prize in 1999 and featured 14 major works spanning film, photography and sculpture, including his first film shot on a Super 8 camera, *Exodus* 1992/97, and the recent *End Credits* 2012–ongoing. This latter work is McQueen's homage to the African American singer, actor and civil rights activist Paul Robeson, shown at Tate for the first time in the UK. The nature of the show, based around a small number of large screens, presented a challenge under the conditions of social distancing. However, given its significance, curators and colleagues were determined that it should be available to the public and not only devised safe ways in which this could be done, but renegotiated its return for a month after the first period of lockdown.

This year's Hyundai Turbine Hall Commission was Kara Walker's *Fons Americanus*, a 13-metre tall working fountain inspired by the Victoria Memorial in front of Buckingham Palace, London. Walker's fountain explored the interconnected histories of Africa, America and Europe. With water as a key theme, the fountain – the largest indoor fountain ever installed in the UK – referred to the transatlantic slave trade and the ambitions, fates and tragedies of people from these three continents. This commission was made with the environment in mind. The structure was built using recyclable or reusable cork, wood and metal and the surface covering made from a non-toxic acrylic and cement composite. It avoided the use of large quantities of non-recyclable materials and harmful substances.

In September, The ORA Singers performed live in the Turbine Hall in an event streamed live online. On its 450th anniversary, the performance included Thomas Tallis' 1570 *Spem in Alium*, a monumental work composed for 40 separate singers. The performance also included the world premiere of a specially commissioned 40-part work by one of the UK's greatest living choral composers, Sir James MacMillan. This piece reflects the message of 'Spem', meaning hope, for the modern day.

At Tate St Ives, *Naum Gabo* ran from January to September 2020, complementing the displays of St Ives Modernism in the galleries. The exhibition marked the centenary of the *Realistic Manifesto* 1920, a set of pioneering artistic principles launched in Moscow by Gabo and his brother

Antoine Pevsner. It was succeeded by an exhibition of the Korean artist, Haegue Yang, the first exhibition to make use of both the award-winning top-lit gallery in the new building and the sea-facing gallery in the original building. It too was extended at the end of the year, meaning that visitors would not miss out because of closure during lockdown.

Collection

Changes in collection displays were reduced across all galleries, saving costs but also ensuring that the work done to look at the collection in different ways and introduce visitors to different perspectives gained an audience after reopening. During the first lockdown period, curators and visitor experience teams devised different routes that would both give visitors a choice of experience and ensure that visits could be managed safely and within regulations.

At Tate St Ives, much work was done in the latter part of the year to rehang the collection displays of modernist art for the first time since the gallery's reopening in 2017. This work was completed, ready for the gallery to open in May 2021, welcoming audiences for the new holiday season. Similarly, at Tate Liverpool, the galleries were rehung to coincide with the gallery's regular partnership with the Liverpool Biennial. The exhibition included new commissions and recent acquisitions and built on the central themes of this edition of the Biennial: the body and non-Western ways of thinking.

During the closure periods, teams across all galleries worked on new displays ready for reopening. At Tate Modern, for instance, displays of indigenous Australian art were planned, celebrating recent additions to the Collection which were the product of a long relationship with Qantas and the Museum of Contemporary Art Australia. Such work was the basis for the collection routes that were offered throughout the year. At Tate Britain, a new route, *Rothko and Turner*, opened to celebrate 50 years since Mark Rothko first gave Tate his iconic *Seagram Murals* to join the paintings he so admired by J.M.W. Turner. The route through *British Art 1540-1920* featured a new room devoted to works about fairies from the past 200 years, including Mat Collishaw's magical three-dimensional animation *Garden of Unearthly Delights* 2009, as well as displays focusing on Gwen John, Stanley Spencer and the Vorticists. *British Art 1930-Now* was also expanded with a new display about Kim Lim, including works which have never been seen before, as well as a room of ground-breaking sculptures from the 1980s. At Tate Modern, a circular route was devised, offering visitors a range of experiences of modernism and contemporary art. In the Natalie Bell Building, the route explored how artists have created new ideas and how they have responded to the mass media and social change, taking in artists including Henri Matisse, Dia al-Azzawi and the Guerrilla Girls, and room-sized installations by artists including Yinka Shonibare, Cildo Meireles and Sarah Sze. In the Blavatnik Building the routes included performance art, video and installation in the Tanks, and in the galleries artists who broke down the barriers between 'art' and 'real life', including Paul Neagu and Ana Lupas. On Level 4, The *Living Cities* display explored contemporary city life, with artists such as Mark Bradford and Monika Sosnowska and included *ARTIST ROOMS: Ed Ruscha*, a multiple room display of work by the influential American artist, known for his bold slogans. At Tate Liverpool, a new commission by the Greek artist Mikhail Karikis was presented and two new collection displays opened: *Democracies* and *Whose Tradition?* by artists from around the world.

Acquisitions continued throughout the year, but in smaller numbers than previous years, reflecting reduced budgets in all areas. Nevertheless, significant additions were made to the collection, including building on previous exhibitions, notably the acquisition of work by Frank Bowling and Lynette Yiadom-Boakye, each enhancing the representation of key artists working in Britain in recent years. Following Tate Modern's retrospective of Nam June Paik in 2019, two significant film and video works were added to the collection. In the historic area, work by Edward Burne-Jones was added, building on the legacy of the exhibition at Tate Britain in 2018-19. Likewise, work by Dora Maar was added to the international collection. Fifty-nine percent of works which entered the international collection were by artists whose region of birth was beyond Europe and North America, reflecting a commitment to build a truly diverse collection.

Much of Tate's acquisition programme is generously supported by donors, and 2020-21 was no different as supporters maintained their commitment to Tate and the promotion of art through the

most difficult of years. The work of our acquisition committees continued, supporting acquisitions that included Huang Yong Ping's *The Pole of the East*, which first featured in the Liverpool Biennial in 2004, and Siah Armajani's *Room for Deported*. 2020 was the fifth year that Endeavour has gifted £150,000 to support acquisitions from the Frieze Art Fair, supporting the selection made by curators from the best of contemporary art each year. This year the acquisitions included work by Larry Achiampong, Helen Cammock, Grada Kilomba, Veronica Ryan, Buhlebezwe Siwani, Mounira Al Solh and Tourmaline.

In the historic collection, this year saw the acquisition of John Opie's painting *The School Mistress* 1784, which came to Tate on long loan in 2018 and has now been accepted by HM Government in lieu of Inheritance Tax and allocated to Tate. We also acquired a rare portfolio of watercolours by Emily Sargent, adding to the holdings of works by historic women artists.

At the beginning of the year, we were delighted to be able to announce the success of a campaign conceived and run in association by the Art Fund to save Derek Jarman's Prospect Cottage for the nation. Tate's part in this will be to house the content and other material associated with the Cottage in its archive, ensuring that it is accessible to researchers and the public alike. Jarman's archive from the cottage - including notebooks, sketchbooks, letters, drawings and photographs - will be placed on long-term loan to Tate Archive and made publicly available for the first time. The Library and Archive Collection was also strengthened by acquisitions that included three of Alfred Wallis's sketchbooks, a landmark co-acquisition between Tate and Kettle's Yard, Cambridge thanks to support from Art Fund, the National Lottery Heritage Fund, the friends of Kettle's Yard and Tate Members.

This year also marked the 50th anniversary of Tate Archive, the world's largest archive of British art. It was celebrated in a special display of archival material presented in the Marie-Louise von Motesiczky Archive Gallery at Tate Britain. Highlights in the display included Derek Jarman's handcrafted sketchbook *A blueprint for Bliss* 1989, recently discovered photographs showing paintings and sculptures by renowned abstract artist Marlow Moss taken in the 1940s, and a small sketch by L.S. Lowry found among items compiled for a close friend and his son.

Sharing the Collection

Tate's loans programme is a central part of the role it plays nationally and internationally. This year, the restrictions in place nationwide has limited this to a degree. However, Tate's commitment to partnership and the importance of mutual loans in realising exhibitions has not been curtailed.

Caring for the Collection

From the announcement of lockdown in March 2020, the ordinary course of business in the Collection Care and Library teams – whether handling, moving, packing, transporting, installing, photographing, book buying, shelving, condition checking, analysing, and mounting, framing and modifying artworks – was reconsidered and rescheduled. Over the course of the year, backlogs in new acquisitions and artworks returning to store that had arisen as a result of delays during the pandemic were addressed. Artworks scheduled for displays at reopening were checked and prepared. While the galleries were closed, the safety and security of works in the galleries were consistently monitored, with colleagues coming onsite to do so.

On the day the first lockdown was announced, works from the Tate collection were on loan in 150 venues worldwide. Within Tate's galleries, displays featured many works borrowed from institutions, collectors, and individuals around the world. The logistical challenge of holding, caring for and returning works to their owners as countries moved in and out of lockdown was unprecedented and took complex and skilful negotiation and collaboration.

Ways of working also changed. Art Handling, for instance, was done in bubbles to ensure social distancing. One particular area of advancement is virtual couriering. Through negotiation with partners and lenders, we were able to develop a way of working that will be more sustainable both economically and environmentally in the future. In early 2021, this was formalised in a Memorandum of Understanding with the Museum of Modern Art in New York, a partnership and commitment that sets a world-standard for a more sustainable way of moving art in the global museum world.

Conservation teams also worked to prepare works for display in the galleries and, in the process, made significant discoveries that have added to the knowledge of the Collection. A complex work by Pacita Abad was prepared for display at Tate Liverpool and a Piet Mondrian was restored for the forthcoming collection rehang at Tate St Ives. Meanwhile, a technical study of *Listening* 1947–8 by John Wells, destined for display at Penlee House in Cornwall, revealed a circle only visible under X-ray. In another instance, when it was examined under X-ray in preparation for a touring exhibition, two portraits were discovered beneath an early landscape painting by J.M.W. Turner, *Mountain Scene with Castle, Probably Martigny* c.1802–3.

Throughout the year, the Library and Archive developed and offered an enhanced, remote service. Like couriering, this has included innovation and learning that will have benefits beyond this year. Work is underway to establish how this practice can be built into a working model when the galleries are reopened, in particular where we can link new protocols to Tate's environmental commitment and work on the climate emergency.

Partnerships

Partnerships have contributed significantly to Tate's resilience during the pandemic. The Memorandum of Understanding with MoMA is a good example of this. One of the striking aspects of the many discussions with partners over this year in rescheduling exhibitions has been the spirit of co-operation and mutual endeavour.

Through such programmes as ARTIST ROOMS and the British Art Network, Tate has been a leader in working nationally, creating networks of mutual support. The Plus Tate network has been foremost amongst this. This year we were pleased to announce that 13 more visual arts organisations will join the Plus Tate network, taking the cohort of member organisations across the country to 48. Launched in 2010, Plus Tate shares collections and expertise to build a network that exchanges knowledge, skills, and resources to strengthen the contemporary visual arts ecology in the UK. The new members range in size and include universities, collection-based galleries and non-venue organisations, all with a commitment to better reflect their local communities and developing close connections with a range of audiences. Among the new Plus Tate partners are Iniva (Institute of International Visual Arts), whose programme reflects on the social and political impact of globalisation; DASH, a disabled-led organisation that creates opportunities for disabled artists to develop their creative practice; Void, a contemporary art space commissioning a diverse range of artistic practices which places participation, engagement and learning at its heart; and Autograph, which explores identity, representation, human rights and social justice through photography and film. In full, the new Plus Tate partners are: Autograph, Gasworks, Iniva and The Showroom in London; Cooper Gallery and Dundee Contemporary Arts in Dundee; DASH in Shropshire; De La Warr Pavilion in Bexhill-on-Sea; Focal Point Gallery in Southend-on-Sea; Leeds Art Gallery; New Art Exchange in Nottingham; Site Gallery in Sheffield; and Void Gallery in Derry~Londonderry. Manchester Art Gallery will also join its sister gallery, the Whitworth, as part of the network.

Audiences

As a result of the pandemic, Tate's visitor numbers fell from 8.26 million in 2019-20 to 591,000 in 2020-21. From March 2020, much work was undertaken to ensure that the galleries could be opened safely when permitted. On reopening in July, a number of new measures had been devised and put in place and a set of principles had been agreed with the Government, peer national museums and other leading visitor attractions. Within Tate, teams developed plans based on both international precedent and drawing from other sectors' experience, such as retail. New visitor flows were designed to manage the path of visitors in, through and out of all of the galleries. Lifts were prioritised for those with access needs and to ensure social distancing. Timed entry and pre-booking for all sites was implemented. In each gallery, communications were put in place to support the new visitor flows, including signage, barriers, security, queue management, and social distancing demarcated by taping. Contactless payment and donation methods were deployed across all sites. Staff were also supported, with visitor-facing colleagues given equipment and training in new routines and procedures and responding to audience needs in a new social context.

Tate Membership was extended for the duration of the first lockdown. At the end of the year, there were 135,133 Tate Collective Members and 132,121 Tate Members. Such strong numbers show the depth of support for Tate, notwithstanding the galleries being open for just four and a half months in total. Another significant step this year was the redesign of the Members' magazine, *Tate Etc.*, giving it a fresher appearance.

Tate's digital output proved highly popular during periods of lockdown, and much work was done to maintain engagement online and offer audiences art during a difficult time. An early example of this was a performance at Tate Modern by Faustin Linyekula, which was streamed online. Films were made of curators giving tours of exhibitions, including *Warhol* and *Beardsley*, and these provided the public with a means to see exhibitions whose doors we had been forced to close. Much of this content remains available and popular, notably Tate Kids, which saw 1,500 works uploaded by children in the first weekend of lockdown alone and an increase in audiences internationally of 157% in the first week. In all, over 3.5 million users visited Tate Kids – a 250% increase from the previous year. Overall, the appetite for Tate's online content in the first phases of lockdown was astounding and Tate's website was visited by almost 19 million people over the course of the year.

March and April 2020 saw the highest engagement rates on record for our social media channels, with 2.5 million comments, likes, shares and retweets. In the same period, Tate's Instagram feed saw growth of 57%, and engagement across all channels collectively grew 24%. In 2020-21, Tate's social media welcomed over half a million new followers, totalling an audience of 11 million across Instagram, Facebook, Pinterest and Twitter. Tate remains the most-followed cultural account in the UK with 16 million engagements – comments, shares, saves, retweets, likes – in 2020. Our social media content was seen on feeds over 400 million times across the year, with a 22% increase in clicks through to the website to see and read more.

Content included: Instagram stories on appreciating life at home, featuring artworks showing window views; invitations to followers to share their favourite Tate Modern memory on its 20th birthday on 11 May; an Instagram-hosted NHS takeover on 16 April; family communications on creative activities; and an Instagram Story asking followers to share a one-minute sculpture inspired by Erwin Wurm's One Minute Sculpture Series. Much was learned during the first lockdown about what succeeds best online and a path was taken that delivered content specifically edited for online audiences. Informed by research into online audiences more generally and the growing sense of screen fatigue during lockdown, this proved a success. Video interviews with artists including Olafur Eliasson and Lubaina Himid proved very popular.

Uniqlo Tate Lates have established themselves as a highlight in Tate's programme for younger audiences. This year, Uniqlo Tate Lates Night In brought this popular monthly event into viewers' homes. Two separate content streams allowed audiences to curate their own evenings of talks, music and poetry. The long-running Late at Tate Britain events, curated by Tate Collective, also went online with programmes responding to lockdown, identity and activism.

Learning and Research

Many of Tate's learning programmes are based on interaction in the galleries. Like many other activities this year, these could not take place. Adapting to working online, the team maintained its strategy to prioritise children and young people as well as older people and those with particular, multiple and complex needs. Printed material was produced to support families and pupils as they learned at home. During lockdown, over 100 online events were run, including artist talks, workshops and community conversations, engaging over 20,000 people. Highlights included a peer-led session for people near or beyond the age of 60, the *Queer & Now* festival to celebrate LGBTIQA+ History Month, and a collaborative performance inspired by the painting of Lynette Yiadom-Boakye livestreamed to over 700 people on the day.

At the same time, the extension of the *Year 3* project after the galleries were reopened ensured that as many children as possible were able to see their portrait in the galleries and participate in the programmes around the work. The project had featured 76,000 schoolchildren from across all 33 London Boroughs. Over 50% of the schools that took part had not been to Tate before, of which

83% said that they would now go and see another cultural activity. In total, the resources associated with the project had been downloaded 18,500 times, and the response on social media had been tremendous, with 750,000 views on Facebook and 250,000 on Twitter. The legacy of the project has always been one of its key focuses and work will continue to trace the effect of the experience by working with schools. The resources made available will be shared with all schools and future projects include an online offer to schools, building on the learning of the project.

Cultural learning is a national concern. We were therefore grateful to receive an allocation as part of a rescue package to cultural organisations in response to the pandemic from the Clore Foundation, who gave a generous grant of £280,000. The funding supported learning and community work at all four Tate sites, as well as the development of new digital creative learning packs for schoolchildren and teachers and creative resources for families to access digitally, distributed through foodbanks local to Tate's galleries. It also supported *Hear My Story*, a project with artist Hannah Kemp-Welch, which collected recordings of children from two schools participating in Year 3 sharing their personal stories.

Tate Collective – our membership scheme for 16 to 25-year olds – continued as a community of creativity. Among other activities this year, members were invited to respond to, reinterpret or remix seven works selected from the collection displays at Tate Britain and Tate Modern. For two weeks, Londoners could view some of the entries, alongside the works that inspired the participants, across seven billboards in Camden, Hackney, Haringey, Islington, Lambeth, Southwark and Walthamstow. In addition to the billboard displays, Tate Collective will run week-long takeovers across their social media channels, showcasing all the selected works and the artists involved.

Tate's Young People's Programmes also developed the Routes-In Network programme to support young people from under-represented backgrounds with careers at Tate and the wider cultural sector. A report published in the second half of the year discussed how young people could better be supported in their first career steps in museums and galleries and examined what has proved effective in enabling change for Black, Asian, minority ethnic, working class, disabled and neurodiverse young people.

Tate's active programme of research continued throughout the year. Currently, Tate supports over 30 doctoral researchers, most of whom are funded through the Collaborative Doctoral Programme scheme. Funded by the Arts and Humanities Research Council (AHRC), this offers fully funded studentships for study towards a Doctoral degree. Students are jointly supervised by subject specialists at both their Higher Education Institute (HEI) and at one of the 25 museums, libraries, archives or heritage organisations that make up the CDP Consortium. Elsewhere, Tate's Research Seminar Series continued to meet monthly during term-time, convening online. Relaxed, discursive sessions provide a forum for Tate staff and students to share and discuss their current research projects and interests. Work continued on the AHRC-funded *Provisional Semantics* project, which will be completed in February 2022. Another research stream, *Logistics 4.0: Securing High Value Goods using Self-Protecting Edge Computers*, is a collaborative project led by Imperial College and funded by PETRAS. It will advance technologies to protect the transit of high-value works of art.

The Hyundai Tate Research Centre: Transnational was launched in January 2019 to help challenge and revise dominant art histories and highlight the global exchanges of artists and ideas. The Centre is supported by Hyundai Motor, who also support Tate Modern's annual Hyundai Commission as part of a unique long-term partnership with Tate. This year, its work came to fruition as it informed displays in the galleries, notably a free exhibition bringing together works which respond to debates around Aboriginal and Torres Strait Islander land rights in Australia. Other projects this year included a display at Tate Modern considering how artists responded to the 1973 coup d'état in Chile. The Centre's research also supported the exhibition of South African visual activist *Zanele Muholi*, on show at Tate Modern in 2021. The Centre also offers events, seminars and workshops, which investigate how art, artists and art histories are connected beyond their countries of origin. Highlights this year included an online panel discussion on the life and work of Pakistani artist Lala Rukh, as well as a digital forum organised in collaboration with the Museo Universitario Arte Contemporáneo (MUAC), analysing the relationship between indigeneity and contemporary art in the Americas. A range of essays, talks and videos from the forum are now available to view on the MUAC website.

Tate's Research programme is distinguished by the collaboration that it represents across teams within the institution. This year, £1.25 million was awarded through two Arts and Humanities Research Council Capability for Collections Fund grants: one for the refurbishment of the conservation science and preventive conservation laboratory spaces, and the other to purchase portable analytical, digital and imaging equipment. These grants will underpin current and future conservation work, enhancing Tate's ability to research and care for the collection. Individual projects continued, among them are a digital repository to preserve our time-based media collection and a collaborative research project on Rineke Dijkstra's *Mothers*, a series of chromogenic photographs, which will inform future preservation of works in this medium.

People and Culture

The response of colleagues across Tate to the pandemic has been exemplary. Adapting to remote working required significant industry and effort. From March 2020, Tate's IT teams swiftly enabled over 500 staff to work remotely and were on hand well beyond working hours to help colleagues adjust to the new working environment. The IT helpdesk managed and responded to almost 1,000 calls in a month. Three hundred and fifty devices – such as computers, laptops and tablets – were built or rebuilt, and systems were upgraded.

Colleagues' wellbeing was supported throughout with a range of activities designed to keep people in touch with one another, including wellbeing webinars and learning bites. In all, around 150 training sessions were delivered and over 50 projects were supported including Zoom webinars, YouTube livestreams and onsite video pre-production. If they wished, colleagues were also connected to external support and advice in adapting to the pandemic, be it through guidance on wider wellbeing or how to manage the financial challenges of the lockdown period.

Furlough

Tate's financial position was significantly affected by the galleries' closures due to the Coronavirus pandemic and associated lockdowns and, as a result, was given permission by the Cabinet Office to access the Job Retention Scheme. In the vast majority of cases, redeployment to other work or projects was not possible for staff due to the galleries' closure and so access to the scheme was vital for Tate and its staff.

In total, £5,190,000 (2019-20: £131,000) was claimed through the Job Retention Scheme, with 918 gallery staff either fully or flexibly furloughed between March and July 2020 and November 2020 and March 2021.

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

Restructuring

With great regret, and as these accounts demonstrate, the impact of the pandemic was such that the scale of the organisation and its activity prior to March 2020 was simply not sustainable given the reduction in attendance and consequent impact on the institution's finances.

As reported in 2019-20, in line with the overall impact on the hospitality and retail industries, Tate Enterprises Ltd has been particularly badly affected by the Coronavirus pandemic. The closure of the galleries during this time meant that Tate's restaurants and shops lost half a year of trading. While some of the retail and food outlets reopened alongside the galleries, social distancing measures meant that footfall was limited to 30% of usual levels and, particularly in the restaurants, many of Tate's usual offers were simply not possible. The Government's Job Retention Scheme was used as much as possible to mitigate the impact on staff. However, it was with tremendous regret that the future sustainability of Tate Enterprises required a reduction in staff costs and redundancies were therefore announced in August 2020.

In November, it was announced that there would also have to be staffing reductions in the gallery and that a severance scheme would be required. A voluntary scheme was run over the winter and, by the year end, 160 colleagues had decided to take voluntary redundancy or agreed a change in their working hours. Without this response, the impact on Tate's workforce would have been far greater. We are very grateful for the collaboration of Tate's Unions in overseeing a process that was difficult for all, but the impact of which was as lessened as any could possibly have hoped.

Volunteers at Tate

There are almost 400 volunteers in our Visitor Experience team at Tate, involved as Volunteer Guides and Visitor Hosts. There are also volunteers involved with Tate Exchange, the Library and Archives team and at Tate St Ives, with plans to engage volunteers at Tate Liverpool in 2021. Volunteers contribute to making Tate a friendly, dynamic and accessible place to be, enhancing our programmes and activities as well as providing opportunities for people to become involved at Tate. We aim to involve a broad and diverse range of people from our communities to strengthen local links. Our volunteers are fantastic supporters and advocates for Tate.

Over the past year we have worked hard to keep our Visitor Experience volunteers engaged and supported during the pandemic. Since the first lockdown in March 2020, the team have organised a host of online activities and events including Art Talks by volunteers, social "cuppas", volunteer forums, Diversity and Inclusion training sessions, workshops and quizzes. Volunteers have given just over 100 online talks as part of our Ten Minute Talks and Guides Talks series. The volunteer staff team have also made regular support calls to volunteers who are vulnerable or isolated.

As part of reopening, a new 'Welcome and Reassurance' role was developed, giving all volunteers full briefings, PPE and ensuring Coronavirus safety to enable them to welcome back visitors and reassure them. Additionally, in the autumn, our Guides devised and delivered short, socially distanced talks at Tate Britain and Tate Modern. We received positive feedback from visitors, one calling a talk "nourishment for the soul".

Overall, 150 volunteers returned to the galleries in 2020. Others paused their volunteering due to safety concerns, mostly regarding usage of public transport, but they remain engaged and are keen to return in 2021. Since the beginning of 2021, the team has embarked upon volunteer recruitment aimed at increasing the diversity of the volunteer pool.

Estates and Infrastructure

Tate's adaptation to the lockdown gave lessons in how things might be done differently in the future. This year, work began on how the institution can benefit from the different ways of working that have emerged over the course of this year. A project was initiated to look at a model of blended working, combining work in the office and remotely in a way that benefits both operational and individual needs. This will report next year and inform future thinking about Tate's office space needs.

Likewise, the smoothness with which virtual meetings were adopted is encouraging in an institution with dispersed sites. As well as the galleries in London, Liverpool and St Ives, Tate has stores in different locations. Colleagues are now able to meet with a minimum need to travel and a consequent reduction in the organisation's overall carbon footprint.

Meanwhile, progress was made in the Estates Strategy agreed in 2020. Successful bids were made to the DCMS' maintenance funds, allowing critical repairs to Tate Liverpool, Tate Modern and other aspects of the estate to be made or planned. In St Ives, the Palais de Danse was listed, recognising both its architectural significance and its importance as Barbara Hepworth's workshop. The Director and team at Tate St Ives also secured a commitment of £4 million from the Town Fund toward restoration of the Palais. When realised, this will include the creation of a digital creative hub for young people in the building.

A number of further improvements were made as part of Tate's commitment to take action in relation to the climate. In July, the minibus shuttle that connects the London sites was upgraded to become

an electric vehicle, one of the first such services in the UK. At the same time, car charging points were installed in the car park at Tate Britain.

These and other efforts were recognised in winning the Creative Green Pioneer Award at Julie's Bicycle Creative Green Awards, the only environmental awards designed specifically for the creative industries. Tate has committed to reduce its carbon emissions by 50 percent by 2023 from the baseline year of 2007-08. One of its objectives is to make tangible progress towards net zero emissions by 2030. To provide a baseline and hold ourselves to account, Julie's Bicycle was commissioned to do an audit across our operations.

This year also saw the initiation of a major project to replace Tate's ticketing system by combining ticketing with a Single Customer View (SCV) solution, including eCommerce. A new ticketing and SCV solution will deliver the longstanding ambition of a consistent, simplified and strategic way of looking at audiences across both the Gallery and its commercial entities.

Tate Enterprises Limited

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

Due to the effects of the Coronavirus pandemic on the retail and hospitality sector and with the galleries shut for most of the financial year, Tate Enterprises Limited made an overall loss of £4,029,794 (2019-20 profit: £5,030,485), with turnover of £10,324,466 (2019-20: £41,998,363).

In St Ives, both the shop and the café were redesigned, each making use of the unique spaces and views available in the gallery. While open, these proved popular with visitors and attracted as strong sales and revenues as could be expected in the circumstances.

Sadly, however, and as with many retail and hospitality businesses, the year was marked by the need to resize the company in response to overwhelming losses as a result of closure during lockdown and the restrictions of social distancing. It was with great regret that we had to lose so many valued colleagues.

In order to facilitate the return of the company to profitability, and thus, in turn, be able to return its profits to the gallery in the form of gift aid donations as done in previous years, a working capital loan between Tate Gallery and Tate Enterprises was agreed and £4m drawn down during 2020-21 which Tate Enterprises will begin to repay in 2023-24. Tate Enterprises continues to maintain a low cost base and its directors will take the necessary action required to ensure the future sustainability of the company.

Tate Business

Turnover for the year was £2,244,357 (2019-20: £5,191,345) and profit for the year was £1,429,793 (2019-20: £3,306,997). In April 2020, Events and Corporate Memberships moved from Tate Business to Tate Eats, with Tate Etc magazine, consultancy and chargeable education remaining in Tate Business. If Corporate Events and Memberships are excluded from the division's 2019-20 results, turnover would have been £2,241,467 and profit £1,372,056, thus demonstrating that the financial impact of the Coronavirus pandemic on these areas has been minimal to date.

The Tate Etc magazine underwent a full redesign in 2020-21 to better align the publication with the Tate brand and increase appeal to its core audiences. In line with an ongoing focus on increasing sustainability, the magazine moved to sustainably sourced materials. In response to the pandemic and need to manage expenditure, design of the publication was brought permanently in-house and pagination lowered from 112 to 88 pages to drive efficiencies in operating costs.

As part of ongoing efforts to 'right-size' the business and build a stronger operating model for the future, the focus in 2021-22 will be consolidating activity and achieving greater integration with key

levers in Tate Gallery. An editorial review will be conducted to better align the magazine with Tate's audience and membership strategies. The content model (including distribution, formats and platforms) will be reshaped to leverage opportunities to better syndicate content to Tate's known audiences and beyond. We will continue to build upon the strategy for increasing income from advertising by identifying commercial opportunities with Tate's Corporate Partnership and Marketing teams, expanding the sectors from which we seek advertising and increasing promotion of Tate products and services.

During the year, the division successfully rolled out consultancy and training services across all areas of museum expertise to the Museum of Art Pudong, Shanghai (MAP) in support of the Museum's opening in July 2021. The contract is due to run through to March 2022 and the successful delivery of this project will be used to develop future international consultancy within and without the museum sector, encompassing all aspects of Tate's expertise.

Tate Commerce

The Coronavirus pandemic had a profound impact on the division and necessitated a restructure of Tate Commerce at all levels. The human cost and financial loss have been dramatic, with over a third of colleagues being made redundant and income reduced by 70%. Turnover for the year was £6,714,098 (2019-20: £20,223,503) and Tate Commerce operated at a loss of £3,178,237 (2019-20 profit: £764,576).

The collective consultation redundancy process resulted in industrial action and a strike by PCS Union members at Tate Britain and Tate Modern which lasted seven weeks from August to September. During that time the galleries were open to the public and we managed to keep a retail presence open too with the support of non-striking staff from all departments. The strike action came to an end following ACAS arbitration and reconciliation work.

There were also positive changes during the financial year. Despite the galleries' closure, we remained 'open' online for all but four weeks of the year. Outperforming a pre-Coronavirus budget of £1.87 million, our online shop took just shy of £3 million. Elsewhere, new revenue streams were identified which also contributed towards sustainability in operations. For example, in the shops, we announced a collaboration with the circular economy platform Teemill, an eco-conscious producer, to make custom printed clothing for sale in our shops and online. To coincide with *Cooking Sections*, the Art Now project at Tate Britain, Tate Eats removed farmed salmon from its menus.

Publishing remained an area of strength and a new Publishing Director was appointed in June. Tate's children's publishing has developed into a market-leading brand, and in March, we were delighted that several books from Tate's children's list were nominated for prestigious prizes. *How the Stars Came to Be* by Poonam Mistry was shortlisted for the CILIP Kate Greenaway Medal, one of the UK's oldest children's book awards which recognises outstanding books for children and young people. *Lost* by Alexandra Mirzac, *The Twin Dogs* by Chihiro Inoue, and *It Isn't Rude to be Nude* by Rosie Haine have all made the 2021 Klaus Flugge Prize longlist, where they make up three of only 20 titles – an incredible achievement. Finally, *The Big Trip* by Alex Willmore has been longlisted for The Book Trust Storytime Prize 2021, and *The Extraordinary Gardener* by Sam Boughton has been shortlisted for the Hampshire Picture Book Award 2021.

In recent years, the team has worked to grow Tate's Limited Edition business. This year, it passed £500,000 sales in year, meeting one of the targets for its growth. Sales across all channels delivered £522,000, a 13% increase from the previous year. 556 editions were sold, an increase of 75% by unit sales. Not surprisingly, but encouraging for future growth, online proved the main channel and saw a 149% increase in sales from the previous year and a 364% increase by unit. Trade sales also saw a 118% increase by unit sales. The best selling edition was Lisa Brice, *Untitled (After Ophelia)*, 2020, Edition, followed by the Lynette Yiadom-Boakye, *The World For A Wilderness*, 2020, Edition, and Zarina Hashmi, *Rohingyas: Floating on the Dark Sea*, Edition, which was created in 2016. In an extremely challenging year, it was encouraging to see categories such as Editions and Custom Print outperform previous years.

With the shops in the galleries closed, trade in image licensing continued and a new Tate Images website was launched over the course of the year. In October, we also announced our first product licensing agreement with the Spanish fashion company, Inditex, under their Pull & Bear brand in 72 countries and 500 stores. This features the work of Turner, all produced in their sustainable Join Life collection.

Tate Eats

Tate Eats' losses in 2020-21 were caused by the Coronavirus pandemic with operating losses incurred in all twelve months of the year. Total turnover for the year was £1,704,692 (2019-20: £16,854,463) and losses for the year were £3,132,681 (2019-20 profit: £1,028,870). During periods of the galleries' closure almost all revenue generating activity ceased within Tate Eats. When open, reduced demand and visitor capacities prevented the business from being able to trade profitably.

During 2020-21 Tate Eats went through a major restructuring process to ensure the business's survival, with 127 staff made redundant in the autumn of 2020, being just over 50% of the total workforce.

Tate's decision to permanently close the Rex Whistler Restaurant at Tate Britain, resulted in £90,000 on the balance sheet being written off. With reduced demand for the foreseeable future making the Level 9 Restaurant at Tate Modern no longer viable, the decision was also taken to write off equipment left on the balance sheet, a sum of £64,000.

Tate Britain, Tate Modern, Tate Liverpool and the café run at The Fitzwilliam in Cambridge all suffered heavy losses. Tate St Ives fared better, buoyed by strong domestic tourism over the months it could open, while the Tate Roastery was able to generate limited sales during the second and third lockdown. Revenue was also generated through external wine sales, helping to generate cash and move ageing stock. The Events and Corporate Membership team were hardest hit with the sector frozen for the whole of 2020-21: from an original budget of £6 million, it managed turnover of only £43,000.

Fundraising

During the lockdown, the fundraising teams provided donors, patrons and other supporters with online means of engaging with Tate and its work, with meetings, events and content delivered online and virtually. While exhibition and other programmes will remain a major driver of fundraising, global partners and supporters have been engaged in new ways by taking a more thematic approach, inviting support of Tate's commitment to broader audiences and our mission to champion art for everyone. This will also enable fundraising that can be used to support all four Tate sites. Members of the regular giving schemes were supported throughout this period through regular and prioritised communications.

Overall, the impact of the pandemic was to reduce fundraised income, primarily a reflection of the reduced programme. The contraction of the wider economy also affected corporate partnership income. Nevertheless, some sectors – such as technology – were active and new business conversations continued.

Supporter groups, including the Acquisition Committees and the International Council, continued to be active and were generous in their support of a number of acquisitions. Alongside those mentioned above, highlights included Danica Dakić's *ISOLA BELLA*, which entered the collection with the help of the Russia and Eastern Europe Acquisitions Committee.

As with colleagues at Tate, donors responded to the unusual nature of this year with innovation. This was one of the few years in its long history that the Turner Prize nominees could neither be selected from exhibitions over the course of the year nor be included in an exhibition as part of the Prize. At the same time, the impact of the pandemic on artists was as stark as in many professions, with commissions held or deferred and commercial galleries unable to show their work. Supported by generous donors, the decision was made to help support ten nominated artists with one-off bursaries of £10,000. These went to: Arika, Liz Johnson Artur, Oreet Ashery, Shawanda Corbett,

Jamie Crewe, Sean Edwards, Sidsel Meineche Hansen, Ima-Abasi Okon, Imran Perretta and Alberta Whittle. It was also announced that Turner Prize 2021 would be presented at the Herbert Art Gallery and Museum in Coventry as part of the city's UK City of Culture 2021 celebrations.

Touring Exhibitions and International Partnerships

Touring Exhibitions play a significant part in both Tate's and the UK's international profile, and also generate important revenue. This year, shows based on the collection had been scheduled to include *A Sense of Place* at the Hong Kong Museum of Art, *J.M.W. Turner: The Quest for the Sublime* at the Frist Art Museum in Nashville, *Turner: Paintings and Watercolours from Tate* at Musée Jacquemart-André in Paris, *Barbara Hepworth* at Musée Rodin in Paris and *David Hockney* at Bucerius Kunst Forum in Hamburg. All were affected by the pandemic and either postponed or extended. However, in February 2021 we were delighted to be able to open *Turner and the Sublime* at Musée des Beaux-Arts du Québec and *Constable: A History of his Affections in England* at Mitsubishi Ichigokan in Tokyo.

A remarkable success this year has been the delivery of the Pudong consultancy and initial stages of preparation for *Light*, the Tate Collection exhibition that will open the new Pudong Museum of Art on July 2021. Teams across the organisation fulfilled the delivery of the consultancy programme, providing training and guidance in multiple areas of museum practice. Working virtually, the project was delivered to schedule. By the end of the year, planning for the exhibition was well underway and similarly on course with the exhibition content and layouts agreed and plans for virtual installation laid.

Sustainability

Operations and sustainability

Environmental sustainability is a prime consideration across Tate's work, from the way food is sourced for cafés and restaurants, to the way buildings are managed and exhibitions created. Since 2007, Tate has been working to reduce the environmental impact of its estate and operations, lead and influence the cultural sector and inspire and engage visitors on sustainability, and in June 2019 Tate declared a Climate Emergency.

As part of this declaration, Tate has recently committed to a five-year plan for climate action, which includes a target to reduce Tate carbon footprint by 10% in this time, as well as to act as a sector leader in carbon reduction.

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

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

Greenhouse gas emissions

Tate has been measuring and reporting emissions since 2007 and set 2007-08 as a baseline year for reductions, mainly for Scope 1 and 2 emissions. Tate has since achieved the Carbon Trust Certification twice and in 2020 was awarded the Pioneer Award acknowledging Tate's commitment to Climate Change.

Overall Tate's carbon emissions for Scopes 1 and 2 have reduced by 50% since the baseline year because of the impact of the Coronavirus pandemic necessitating extended periods of closure, reduced visitor numbers, and the majority of staff working from home during the entirety of the financial year. For 2019-20, the reduction in carbon emissions was 33% from the baseline year, therefore it is possible to attribute the further 17% reduction to the pandemic's impact. During 2020-21, Tate continued to invest and upgrade in our estate, by improving our heating and cooling

machinery in order to cool the building using natural ventilation, using automated windows, embedded coils and natural sunlight in areas such as the entrances and café/shop areas. Tate Liverpool is also undergoing significant works which will result in a significant reduction on emissions next year.

Energy expenditure decreased in 2020-21 by 7% from 2019-20, again reflecting the impact of the pandemic. Business travel emissions data is based on a combination of actual business travel mileage from centralised travel providers and estimated mileage using the Carbon Trust methodology. Scope 3 emissions from business travel are 90% lower than the baseline year (2013-14), mainly due to the impact of the pandemic on travel of any kind. In 2019-20, Tate adopted a train first policy in the UK and destinations in northern Europe that are accessible by high-speed train and have encouraged colleagues to take the train where possible further afield in Europe too. Over the coming year Tate will be encouraging its staff to maintain some of these reductions in business travel in order to continue to reduce our carbon footprint.

Greenhouse gas emissions (tCO₂e)

		2017-18	2018-19	2019-20	2020-21	% change on base yr
Greenhouse gas emissions (tCO ₂ e) ¹	Scope 1 & 2 emissions					
	Scope 1 ²	3,421	3,335	3,418	3,446	(11)
	Scope 2	9,206	7,746	7,136	5,406	(61)
	Total Scope 1 & 2	12,627	11,081	10,554	8,852	(50)
	Total Scope 1 & 2 tCO ₂ e per m ²	0.107	0.094	0.100	0.075	(59)
	Scope 3 emissions					
	Business travel ³	740	549	329	32	(97)
	Water use ⁴	191	101	80	18	(85)
	Electricity transmission & distribution	861	660	606	465	(58)
	Total Scope 3	1,792	1,310	1,015	515	(76)
	Total Scope 1–3	14,419	12,391	11,569	9,367	(56)
Energy use (million kWh)	Electricity, non-renewable	21.9	24.1	0	0	(100)
	Electricity, renewable ⁵	4.3	3.3	27.9	23.1	100
	Total electricity	26.2	27.4	27.9	23.2	(17)
	Gas	18.6	18.1	18.6	18.6	11
	Total kWh per visitor	5.6	6.4	5.6	70	1106
Expenditure (£000)	Energy	3,070	3,433	3,682	3,427	51
	Carbon Reduction Commitment	257	172	0	0	(100)
	Business travel	680	682	762	57	(92)

Waste and finite resources

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

Tate has committed to attaining zero waste to landfill. Due to the pandemic and the closure of our galleries, waste levels reduced by 78%, however Tate has seen a 58% decline in overall recycling levels. The decline has very much been related to the galleries and offices being closed, as generally the waste being produced has been non-recyclable. Tate will continue to reduce the amount of waste produced and to re-use or upcycle products. Tate have added additional recycling bins across

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

² Includes emissions from natural gas consumption and refrigerants

³ All business travel including international air and rail travel

⁴ Mains water only and boreholes abstraction, in line with government guidance. All figures updated with water treatment and supply conversion factors, in line with Defra guidance

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

the London sites grounds to encourage and offer the facility for visitors to separate and recycle their waste.

We've adapted our shops and cafes so that we eliminate some of the waste previously being produced, such as single use plastic cups and packaging and Tate St Ives is newly able to recycle all of its food waste. Waste costs have decreased by 56% since the baseline year. This reduction has once again arisen from reduced need for waste collection due to the closure of the galleries and colleagues working from home.

Water use under Scope 2 (Finite Resource Consumption) reduced by 55% in the year. A water harvesting facility is now operational in the Blavatnik Building at Tate Modern that allows the collection, storage and distribution of recycled rainwater for flushing the toilets. Moving forward, Automated Meter Reading technology for water was installed across the London sites in 2019 so that water usage can now be closely monitored.

Scope 3 emissions from water use have significantly reduced since 2017-18 due to the decommissioning of the borehole cooling system at Tate Modern which has eradicated water abstraction. Electricity transmission and distribution emissions have fallen by 45% since the base year, reflecting the savings made through the energy reduction programme.

Finite resources: Waste

		2017-18	2018-19	2019-20	2020-21	% change on base yr
Waste (tonnes)	Landfilled	0	0	0	0	
	Reused/recycled	569	608	580	109	(37)
	ICT waste reused/recycled	4	4	3	2	100
	Composted ⁶	267	244	243	42	(37)
	Energy from waste	363	416	334	110	(19)
	Incineration without energy recovery	0	0	0	0	0
	Total waste ⁷	1,203	1,272	1160	262	(82)
	Total waste tonnes/m ²	0.0109	0.0116	0.0098	0.0020	(84)
Spend (£000)	Landfilled	0	0	0	0	
	Reused/recycled	87	82	87	23	(68)
	ICT waste reused/recycled	N/A	N/A	N/A	0	
	Composted	40	36	39	9	(75)
	Energy from waste	54	66	59	23	(40)
	Incineration without energy recovery	0	0	0	0	
	Total waste	181	184	185	55	(56)

Finite resources: Water

		2017-18	2018-19	2019-20	2020-21	% change on base yr
Water use (m ³)	Total scope 1 & 2	181,224	96,207	116,400	52,409	(53)
	Scope 2 m ³ per m ²	1.54	0.82	1.28	0.45	(65)
	Total scope 2 litres per visitor	22.71	11.79	14.08	0.08	(99)
Expenditure (£000)	Water supply	276	302	220	154	0

⁶ Disposal via anaerobic digestion

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

Biodiversity action planning

Tate, in partnership with its ISO 14001-certified landscape contractor, actively works to preserve and enhance biodiversity within its estate. Varied habitats are provided wherever possible, including bee-friendly plants within our Tate gardens and encouraging wildlife activity by providing bug hotels. Tate has kept bees on the roofs of Tate Modern and Tate Britain since 2010. At Tate Britain we have 10,000 square meters of a green wall, which encourage bio diversity even further and encourages a sense of wellbeing. Tate Modern is also in the process of planting approximately 30 London plane trees.

Fulfilment of Museums and Galleries Act aims

Tate's fulfilment of the Museums and Galleries Act aims is best reflected by its expenditure on charitable activities. Charitable activities expenditure is broken down into three main areas: gallery activities, gallery operations and Collections. Gallery activities comprises all those costs associated with the public programmes of the four Tate galleries and of the media programmes and website; this includes exhibitions, education and communications and marketing expenditure. Gallery operations comprises visitor services and operations costs. Collections comprises all those costs associated with the Tate Collection; this includes conservation, art handling, photography and acquisitions related expenditure.

Immunity from seizure

From 18 June 2008 Tate is an approved body under Section 136 of the Tribunals, Courts and Enforcement Act 2007. This means that, subject to meeting the conditions set out in the Act, objects on loan from outside the United Kingdom for the purposes of a temporary exhibition may not be seized or forfeited by a United Kingdom court order (unless the court is required to make the order under European Community or international obligations). In accordance with regulations made under the Act, Tate publishes on its website specified information about such protected objects. This includes details of the provenance of the objects, including a statement indicating whether or not Tate possesses a complete history of ownership between the years 1933 and 1945.

Tate's Due Diligence Policy is published online as part of the Freedom of Information Publication Scheme and on the Immunity from Seizure pages of Tate's website. Tate has its own staff training materials for provenance research and internal staff meetings are held to discuss issues relating to immunity from seizure and due diligence.

Over the 2020-2021 period, 7 exhibitions and displays were shown at Tate containing works for which Immunity from Seizure was granted, covering 178 works in total. The individual exhibitions are listed below.

Dóra Maurer	18
Andy Warhol	108
TM 2019 Display: 1973	1
Bruce Nauman	5
British Baroque: Power and Illusion	4
Aubrey Beardsley	32
Lynette Yiadom-Boakye	10
TOTAL	178

Performance indicators

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

Performance indicators	Actual 2021 000s	Actual 2020 000s
Access		
Number of actual visits	591	8,262
Number of unique users visiting the website	18,998	20,059
Audience profile		
Number of visits by children under 16	53	758
Number of overseas visits	14	3,659
Learning / outreach		
Children		
Number of facilitated and self-directed visits to the museum by visitors under 18 in formal education	0	295
Number of instances of visitors under 18 participating in on-site organised activities	1	481
Visitor satisfaction		
Percentage of visitors who would recommend a visit	96%	99%
Income generation		
	£000	£000
Self-generated income		
Admissions	1,594	13,195
Trading income	14,034	39,535
Fundraising (including capital)	31,905	34,316
Fees and other income	6,301	12,951
Donated works of art	14,439	13,250
	68,273	113,247
Regional engagement		
Number of UK loan venues	123	160

Visitor numbers decreased significantly across all sites in 2020-21 due to the galleries' closure during lockdown and the limits on visitor capacity to ensure social distancing in the galleries once they were able to reopen in the summer.

There were 361,000 visitors at Tate Modern in 2020-21 (2019-20: 5.7 million). In the year ending 31 December 2020, Tate Modern was ranked the most visited attraction by the Association of Leading Visitor Attractions with 1.43 million visitors. There were 127,000 visitors at Tate Britain in 2020-21 (2019-20: 1.6 million). St Ives, benefiting from domestic tourism, attracted 55,000 visitors (2019-20: 270,000) while Tate Liverpool had 48,000 visitors (2019-20: 628,000) in 2020-21.

The number of unique users visiting the website decreased from just over 20 million in 2019-20 to just under 19 million in 2020-21.

Financial review

In line with relevant reporting requirements, the consolidated statement of financial activities combines income and expenditure, capital (including major capital projects) and acquisitions for the Collection (including donated works of art). In terms of controllable revenue and expenditure items in the income and expenditure statement, a loss of £10,892,000 was incurred in the year. Three national lockdowns resulted in the galleries being closed for over 6 months and, while additional

support was provided via DCMS and other Coronavirus reliefs, this did not fully offset the loss of self-generated income in the year.

It is anticipated that Tate will continue to see reduced visitor numbers in 2021-22 owing to social distancing and travel restrictions and that this will reduce the level of self-generated income in the year. However the Trustees have approved a balanced budget for the coming year and, as stated below, it is not expected that general reserves will be used to cover operating expenditure in 2021-22.

Tate has been awarded Coronavirus support from DCMS and will continue to access other reliefs such as the business rate relief for the retail, hospitality and leisure sectors and the temporary reduced rate of VAT for attractions. Planned activity levels have been reduced with a corresponding decrease in budgeted operating costs. The successful Voluntary Redundancy scheme will also result in reduced staff costs.

The consolidated statement of financial activities on page 52 shows total income and endowments of £120,241,000 (£155,010,000 in 2019-20). Of this amount £6,404,000 (£4,880,000 in 2019-20) was applied to the ongoing capital programme, £19,178,000 (£19,405,000 in 2019-20) to Collection acquisitions and £500,000 (£nil in 2019-20) to endowments. The remaining £94,159,000 (£130,725,000 in 2019-20) was taken to general funds to be applied to ongoing operations (see expenditure below).

Tate received £51,570,000 of Grant in Aid (£41,208,000 in 2019-20), provided through DCMS. Grant in Aid was made up of three elements in 2020-21:

- revenue grant used to support ongoing operations of £37,330,000 (£36,668,000 in 2019-20);
- general capital expenditure grant used to support the purchase and maintenance of fixed assets of £5,340,000 (£4,540,000 in 2019-20);
- an additional £8,900,000 in Coronavirus pandemic-related financial support.

Tate continues to supplement this grant from other sources and self-generated income from trading, admissions and fundraising amounted to £68,671,000 for the year (£113,802,000 in 2019-20).

Expenditure includes the costs of generating donations and legacies, trading and other costs, investment management costs and costs of charitable activities. The consolidated statement of financial activities on page 52 shows total expenditure of £124,881,000 (£154,475,000 in 2019-20). Of this amount £24,883,000 (£24,122,000 in 2019-20) was applied to capital, £67,000 (£68,000 in 2019-20) to Collection acquisitions and £99,931,000 (£130,285,000 in 2019-20) was applied to ongoing operations (see above).

Over the past year, Tate has added works of art valued at £19,757,000 to the Collection (£18,399,000 in 2019-20). Of this figure, £14,439,000 has been donated by individuals either directly or in lieu of tax (£13,250,000 in 2019-20). Funding for purchased works of art has come from many sources, including the Art Fund, Tate Members, Tate Patrons, Tate International Council, Tate's Acquisition Committees, individual donors and foundations and self-generated income.

Reserves and funds carried forward of £1,677,472,000 (£1,675,361,000 in 2019-20) are:

	2021	2020
	£000	£000
Revaluation reserve	645,372	651,503
Capital reserves	475,814	483,974
Works of art reserves	523,571	504,783
General reserve	9,669	20,561
Endowment funds	15,503	12,773
Other restricted reserves	7,543	1,767
	<u>1,677,472</u>	<u>1,675,361</u>

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

Fixed assets

Tate has property holdings in London, Liverpool, St Ives and Dean Hill, Salisbury. Following a full revaluation at 31 March 2019, Avison Young, independent property consultants, undertook a desktop revaluation of the Trustees' property holding at 31 March 2021. Further disclosure on this can be found in note 9.

The freeholds of the gallery and land at Millbank, London and the Barbara Hepworth Museum at St Ives were transferred from the Secretary of State for the Environment to the Board of Trustees of the Tate Gallery on 14 December 1994. The freehold for Tate Modern was transferred from Tate Gallery Projects Limited to Tate on 18 December 2017. The Trustees hold the property on the Liverpool and Dean Hill sites on long leases. Tate St Ives was constructed for and is owned by Cornwall County Council; the Board of Trustees of the Tate Gallery manages the gallery on behalf of Cornwall County Council. The Trustees purchased the freehold of the Collection Store at Southwark on 31 March 1999.

Additions to tangible fixed assets during the year of £2,590,000 (£2,659,000 in 2019-20) comprise £47,000 (£34,000 in 2019-20) in relation to buildings and leasehold improvements and £2,543,000 (£2,625,000 in 2019-20) on plant and fit-out and other assets.

Heritage assets comprise works of art; additions of £19,757,000 in the year (£18,399,000 in 2019-20) include items donated, bequeathed or given in lieu of tax to Tate with an approximate value of £14,439,000 (£13,250,000 in 2019-20). All works of art acquired during the year have been capitalised in accordance with section 34 FRS102, as detailed in note 10.

Subsidiary undertakings

The results of Tate's trading subsidiary are summarised in note 11 to the financial statements, together with other consolidated companies.

Payment of creditors

Tate aims to settle all bills within 30 days or in accordance with the suppliers' terms of business. In 2020-21 63.4% (66% in 2019-20) of invoices were settled in 30 days or less.

Going concern

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

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

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

Reserves policy

The Trustees review the reserves held annually. This review encompasses the nature of the income and expenditure streams, the need to match potentially variable income streams with largely fixed commitments and the nature of the reserves. The most recent review concluded that, in order to allow efficient financial management and to provide a buffer to give some assurance against interruption to the charitable activities, a general reserve equivalent to two months' worth of charitable expenditure should be maintained. At the year end the general reserve was £9,669,000 (£20,561,000 in 2019-20) equivalent to eight weeks' (fourteen weeks' in 2019-20) worth of charitable expenditure, excluding capital. It is not anticipated that general reserves will be used to cover operating and capital expenditure in 2021-22 owing to cost reduction measures implemented and Coronavirus support from DCMS. It is the intention to build the reserves back up to two months' worth of charitable expenditure from 2022-23 onwards. No amounts have been designated or otherwise committed as at the end of the reporting period and there are no funds that can only be realised by disposing of tangible fixed assets or programme-related investments. An unsecured revolving loan facility was agreed in 2020-21 with Tate Enterprises Limited to assist with their cashflow requirements and this has been funded from reserves, of which £4,000,000 was drawn down during the year. All other reserves are maintained at a level appropriate for their intended purpose. For more information on reserves, please refer to note 17.

Investments

An Investment Committee monitors the performance of the investment portfolio. Only funds intended to be held as long-term endowments are held as investments. Tate's investment managers must ensure that all investments are suitable under the Standard Investment Criteria of the Trustee Act 2000. The objective is to seek to achieve an income yield of 2.5% of the preceding year's closing value under normal market conditions, whilst aiming to grow capital ahead of inflation as defined by the Consumer Price Index over time. Both income generated and capital gains realised may be utilised by Tate for the purpose specified under each endowment. Tate's investment managers advise on the investment strategy required to meet the objective.

The investment return for the year was 20.75% (-6.17% in 2019-20). At 31 March 2021, the investment fund was valued at £17,609,647 (£14,225,468 in 2019-20); historic cost £13,783,368 (£12,876,181 in 2019-20).

Future developments

Tate's mission is to increase public enjoyment and understanding of British art from the sixteenth century to the present day and of international modern and contemporary art. Its strategy is designed to fulfil this mission within the policy and resources framework available.

Activity in the next five years will see Tate deliver on the objectives in its plan. As detailed elsewhere in these accounts, the impact of the Coronavirus pandemic and the period it will take to recover from it will affect the circumstances in which these objectives will be achieved, and the resources available to do so. However, the objectives themselves, as shown on pages 6-7 of this report, remain unchanged. As discussed by Trustees in 2020-21, they will focus on the process of recovery.

The guiding principles of Tate's activities as it fulfils its mission will be equality and sustainability. 2020-21 has seen progress made within Tate's Estates Strategy. The next five years will see this come to fruition as projects take shape to refurbish Tate Liverpool and develop the Palais de Danse in St Ives as a public asset, and to undertake much-needed maintenance to the Estate as a whole.

Employee involvement

Tate aims to promote a sense of ownership and involvement for all those who work and contribute towards its success. A range of formal and informal mechanisms operate to inform, engage, involve and gather ideas and feedback from employees.

Information is cascaded throughout the organisation through all staff emails and briefings, divisional briefings, departmental meetings and individual one-to-one meetings with employees. Efforts are made at all levels to give employees the chance to ask questions and provide feedback in order to help shape the organisation's future plans and working practices. This approach has continued during the Coronavirus pandemic with the use of communications technology and platforms such as Zoom and Microsoft Teams. Tate has a dedicated Internal Communications team and operates its own intranet site, Tatenet, which contains a wide range of information from news and updates about what is happening within Tate to vacancies and more detailed information on Tate's teams, policies and processes.

To promote engagement and involvement of staff, Tate has created the following staff networks: Tate Staff Council (a consultative body that brings together senior managers and employee representatives from all sections of Tate) and Tate's four Diversity Networks (Black, Asian and Minority Ethnic (BAME) network, the Disability (disABILITY) network, Parents and Carers Network and the Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) network). Tate's staff networks provide people who work at Tate the opportunity to discuss issues in a group forum that are important to them and to Tate as a whole. They play an crucial role in helping Tate achieve its objectives by improving decision making and working towards creating a more inclusive culture. Most recently, Tate has created the Race Equality Taskforce who meet regularly to tackle some of the difficult issues facing Tate and generate recommendations for actions around our programme, our people and our public.

Tate recognises three trade unions: First Division Association (FDA), Public and Commercial Services Union (PCS) and Prospect. The trade unions negotiate pay and pay-related conditions of service for all employees other than directors.

Tate is committed to understanding how employees feel about working for Tate and continuously improving this experience. This includes carrying out regular employee surveys. The last full survey was carried out in 2019. During the Coronavirus pandemic, Tate used surveys to help with colleague welfare and concerns regarding returning to work.

Director and employee composition

At 31 March 2021, the composition of directors was as follows:

Group		Tate	
Female	15	Female	14
Male	7	Male	6
Total	22	Total	20

At 31 March 2021, the composition of employees was as follows:

Group		Tate	
Female	772	Female	590
Male	440	Male	296
Total	1212	Total	886

Disability and access

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

Tate is committed to ensuring that opportunities to work at Tate are open to all, including disabled people and that disabled employees feel valued and able to be themselves in the workplace. To support this, Tate has signed up to the Disability Confident Scheme and achieved 'Employer' level.

Tate has undertaken systematic reviews of the barriers in our recruitment processes for disabled candidates. We are explicit in our job descriptions and adverts that we support adjustments throughout the recruitment process, from taking verbal applications through to extended interview times. This is also evidenced through our mandatory recruitment training and policies. This has all contributed to being recognised as a Disability Confident Employer. In 2019, Tate launched the WE MAKE CHANGE programme, which provides career development opportunities for staff from a Black, Asian and Minority Ethnic (BAME) background and/or those who identify as deaf or disabled. This programme was paused during the lockdown in 2020 and Tate will be looking to relaunch it in 2021-22.

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

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

In March 2021, Tate employed 46 staff (53 in March 2020) who declared that they have a disability, as defined by the Equality Act 2010.

In terms of audiences, over the last year Tate has continued its work with Nick Goss Consulting to deliver a programme of 'Disability Confident' training that focuses on creating an inclusive welcome for disabled visitors. Over 100 colleagues attended this training in the year. Tate St Ives has established an Access Working Group that is reviewing barriers to disabled people at the gallery. To better understand the experience of disabled visitors the Audience Research team has included an access question into all evaluation studies. In 2021, Tate will be relaunching its Access Advisory Panel and creating a long-term commitment to access for disabled visitors, staff and volunteers.

Sickness absence data

The average number of days absent through sickness per full-time equivalent staff member was 2.5 in 2020-21 (6.2 in 2019-20).

Staff turnover

Staff turnover in the gallery was 17.91% in 2020-21 (18.45% in 2019-20).

Social policy and wider public benefit

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

- to serve as artistically adventurous and culturally inclusive art museums for the UK and the world that are open, bold, rigorous and kind in all that they do;
- to celebrate the art of the past and present in its complexity and diversity, supporting artistic risk-taking and deep scholarship, shared with all its audiences, in its buildings, in exhibitions it tours, through works it loans, and across its digital spaces;
- to welcome audiences that better reflect the towns and cities in the nation and attract a diverse international public. Tate's reach is already powerful. Tate intends to increase its impact across society, with art that will resonate around the world;

- to champion the importance of making art and encourage people to explore the many ways in which art is created and how they can develop their own creative potential;
- to share and celebrate access to the Collection and deepen knowledge and understanding of its importance.

The projects described earlier in this Foreword demonstrate this Vision, and show how this commitment has been fulfilled, notwithstanding the closure of the galleries. This year has seen progress in relation to diversity and equality in particular, a process that will be ongoing and has been augmented by the inception of the Race Equality Taskforce. It underscores a commitment that will continue and grow in Tate's activities, ensuring that programmes and all of Tate's work truly reflects the breadth of the public that it serves, including the many voices that have constituted the UK, past and present.

Signed

Maria Balshaw
Director, Tate

7 July 2021

Signed

Roland Rudd
Chairman, Tate

7 July 2021

REMUNERATION REPORT

Membership

The Remuneration Committee, advising on contractual terms and remuneration for the Director, Managing Director and senior directors who report to the Director on an annual basis, is made up of the following Trustees: Roland Rudd (Chair), Tim Davie CBE, Dame Jayne-Anne Gadhia DBE, Dame Seona Reid DBE and James Timpson OBE.

Policy on the remuneration of senior managers

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

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

Policy on duration of contracts, notice periods and termination payments

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

Senior directors

In accordance with Treasury guidance per the Financial Reporting Manual (FRM) paragraph 6.5.1, all entities are required to prepare a remuneration report containing certain information about the directors' remuneration. "Directors" shall be interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the entity. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or sections within the entity.

Following a change to the Executive Group members in January 2018, the Accounting Officer and the Audit Committee have decided that this requirement encompasses the posts listed below, whose emoluments and pension details are disclosed. Tate considers that no other key management staff details need to be disclosed under this guidance for 2020-21.

The following paragraphs have been subject to audit.

The Director is eligible to receive a contractual bonus of up to 15% of salary. The Chief Operating Officer is eligible to receive a contractual bonus of up to 10% of salary. The former Managing Director was eligible to receive a contractual bonus of £25,000. Bonuses are paid annually in arrears.

Salary entitlements		2020-21	2019-20
		£	£
Maria Balshaw, Director	a	198,010	198,010
Kerstin Mogull, Managing Director	b	-	189,951
Victoria Cheetham, Chief Operating Officer	c	163,900	163,900

^a Includes a non-consolidated performance-related bonus of £25,171 (2019-20: £25,171);

^b Until July 2019; includes a non-consolidated performance-related bonus of £nil (2019-20: £25,000);

^c From November 2019; includes a non-consolidated performance-related bonus of £14,900 (2019-20: £14,900).

The salary entitlements above represent one full year contractual salary including bonus entitlements. Due to the effects of the Coronavirus pandemic and the challenging financial situation Tate faced as a result, no bonuses were awarded in 2020-21 and the Director and Chief Operating Officer opted to receive a 10% reduction in salary for nine months of the year.

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

2020-21

2019-20

	Salary (excluding non- consolidated performance- related pay)	Non- consolidated performance pay	Benefits- in-kind	Pension benefits d (to the nearest £1,000)	Total remuneration	Salary (excluding non- consolidated performance pay)	Non- consolidated performance pay e	Benefits- in-kind	Pension benefits (to the nearest £1,000)	Total remuneration
Maria Balshaw, Director	£000 155-160	£000 Nil	£000 Nil	£000 48	£000 155-160	£000 170-175	£000 25	£000 Nil	£000 52	£000 195-200
Kerstin Mogull, Managing Director	Nil	Nil	Nil	Nil	Nil	55-60	32	Nil	18	90-95
Victoria Cheetham, Chief Operating Officer	135-140	Nil	Nil	42	135-140	60-65	Nil	Nil	18	60-65
Band of highest-paid director's remuneration			155,000-				195,000-			
Median remuneration			160,000				200,000			
Ratio			27,936				27,586			
			5.6				7.2			

^e The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

^e In 2019-20, Kerstin Mogull received the £25,000 contractual bonus for 2018-19 plus a pro-rata'd contractual bonus up to the leaving date for 2019-20 of £7,000.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in Tate in the financial year 2020-21 was £155,000-160,000 (2019-20: £195,000-200,000). This was 5.6 times (2019-20: 7.2) the median remuneration of the workforce, which was £27,936 (2019-20: £27,586). In 2020-21, no employees (2019-20: nil) received remuneration in excess of the highest-paid director. Remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions. No compensation for loss of office was paid to board members during the year.

	Accrued pension at end date at 31 March 2021 £	Real increase / (decrease) in pension at end date £	CETV at 31 March 2021 £	CETV at 31 March 2020 or start date £	Real increase / (decrease) in CETV £
Maria Balshaw, Director					
Pension	57,434	3,709	701,968	633,541	32,463
Lump sum	-	-	-	-	-
Victoria Cheetham, Chief Operating Officer					
Pension	4,629	3,198	53,346	15,889	26,715
Lump sum	-	-	-	-	-

Maria Balshaw and Victoria Cheetham are both members of the Civil Service defined benefit pensions scheme, and contributed 8.05% and 7.35% respectively of their annual salary, subject to the relevant capped limit, to their pensions.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age.

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

The real increase in CETV reflects the increase that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

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

Off-payroll engagements

In accordance with Treasury guidance per the Financial Reporting Manual (FReM) paragraph 5.3.28 all entities are required to present information on high paid and/or senior off-payroll engagements.

Table 1: Off-payroll engagements as of 31 March 2021, for more than £245 per day

Number of existing engagements as of 31 March 2021	9
<i>Of which</i>	
Number that have existed for less than one year at time of reporting	2
Number that have existed for between one and two years at time of reporting	6
Number that have existed for between two and three years at time of reporting	-
Number that have existed for between three and four years at time of reporting	-
Number that have existed for four or more years at time of reporting	1
<i>Confirmation that all existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.</i>	Yes

Table 2: For all off-payroll engagements between 1 April 2020 and 31 March 2021, for more than £245 per day

Number of engagements in force between 1 April 2020 and 31 March 2021	16
<i>Of which</i>	
Number assessed as caught by IR35	-
Number assessed as not caught by IR35	16
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	3
Number of engagements reassessed for consistency / assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-
<i>In any cases where, exceptionally, the department has engaged without including contractual clauses allowing the department to seek assurance as to their tax obligations – or where assurance has been requested and not received, without a contract termination – the department should set out the reasons for this.</i>	

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-
Number of individuals that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both off-payroll and on payroll engagements	3
<i>In any cases where individuals are included within the first row of this table the department should set out:</i>	
<i>details of the exceptional circumstances that led to each of these engagements;</i> <i>details of the length of time each of these exceptional engagements lasted.</i>	

Trade union facility time

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

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	24
Full-time equivalent employee number	17.5

Table 2: Percentage of time spent on facility time

Percentage of time	Number of employees
0%	19
1-50%	5
51%-99%	-
100%	-

Table 3: Percentage of pay bill spent on facility time

Pay spent on facility time	£4,044
Total pay bill (wages + ER NI +ER Pension)	£40,035,845
Percentage of facility time against total pay bill	0.01%

Table 4: Paid union activities

Paid union activities	0%
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Signed

Maria Balshaw
Director, Tate

7 July 2021

Signed

Roland Rudd
Chairman, Tate

7 July 2021

STATEMENT OF TRUSTEES' AND DIRECTOR'S RESPONSIBILITIES

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

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

- observe the accounts directions issued by the Secretary of State*, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Tate will continue its operation.

The Accounting Officer for the DCMS has designated the Director as the Accounting Officer for Tate. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which she is answerable and for the keeping of proper records and for safeguarding Tate's assets, are set out in Managing Public Money.

The Accounting Officer and Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable NDPB's auditors are aware of that information. "Relevant audit information" means information needed by the entity's auditor in connection with preparing the audit report. The Accounting Officer and Trustees confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and have taken personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Signed

Maria Balshaw
Director and Accounting Officer, Tate

7 July 2021

Signed

Roland Rudd
Chairman, Tate

7 July 2021

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

GOVERNANCE STATEMENT

Introduction

Tate is an executive non-departmental public body (NDPB) sponsored by the Department for Digital, Culture, Media and Sport (DCMS) and an exempt charity defined by Schedule 3 to the Charities Act 2011. It is exempt from registration with and oversight by the Charity Commission and is regulated by DCMS in accordance with a management agreement agreed by the Secretary of State for Digital, Culture, Media and Sport for charity law purposes. Tate's management agreement for the period 2016-2020 sets out the broad governance framework within which Tate operates. A new Management Framework has been discussed with DCMS and will be signed in July 2021.

The governance framework

Tate is governed by a Board of Trustees in accordance with the Museums and Galleries Act 1992. The role of the Board of Trustees is to determine policy and set strategic direction, ensuring that Tate fulfils its statutory mission and objectives as set out in the Museums and Galleries Act 1992.

The Board is advised by a number of formal sub-committees, some of which have delegated authority, as set out below.

The Board delegates the day-to-day management and administration of Tate to the Director, currently Dr Maria Balshaw, who is responsible to the Board for the general exercise of its functions and, as Tate's Accounting Officer, she is responsible to the Board of Trustees, DCMS and Parliament for safeguarding the public funds for which she has charge.

The governance framework comprises the systems and processes, culture and values by which Tate is directed and controlled. It enables Tate to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective activities. It also ensures accountability. No governance processes have been either fully, or temporarily, suspended during the year.

Tate follows governance best practice for public service and charitable bodies and, in so far as it applies, the Board has assessed itself to have been fully compliant with the relevant principles set out in the *Corporate governance in central government departments: Code of good practice (2017)* for the 2020-21 period.

The Board of Trustees

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

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

During 2020-21, Lionel Barber (Chairman), John Akomfrah CBE and Dame Moya Greene DBE retired from the Board. Roland Rudd was elected Chairman to replace Lionel Barber, with effect from 31 January 2021. At the end of the financial year, the processes for recruiting a replacement Public Affairs Trustee, Artist Trustee, and International Business Trustee were underway. In light of delays in the appointment process, the terms of Michael Lynton and Dame Seona Reid DBE were extended by one and three months respectively.

Trustees who served during the year and their attendance at meetings* are shown in the following table:

- Lionel Barber (Chairman) – 5 of 5 meetings
- Roland Rudd (Chairman) – 6 of 6 meetings, 1 meeting as Chair
- John Akomfrah CBE – 1 of 1 meeting
- John Booth – 6 of 6 meetings
- Farooq Chaudhry OBE – 6 of 6 meetings
- Tim Davie CBE – 5 of 6 meetings
- Dame Jayne-Anne Gadhia DBE – 6 of 6 meetings
- Dame Moya Greene DBE – 2 of 3 meetings
- Katrin Henkel – 6 of 6 meetings
- Anna Lowe – 6 of 6 meetings
- Michael Lynton – 6 of 6 meetings
- Dame Seona Reid DBE – 6 of 6 meetings
- James Timpson OBE – 6 of 6 meetings
- Jane Wilson – 5 of 6 meetings

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

A number of meetings were conducted by videoconference during the lockdown period. The Board's annual away day, usually held in July, was deferred in light of the Coronavirus pandemic. An away day took place in June 2021.

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

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

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

Delegation of authority and matters reserved to the Board

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

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

- approval of the forward plan, including strategic priorities and budgets;
- approval of the statutory accounts and Annual Report;
- acquisition and disposal of land and buildings and approval of all contracts over £2 million;
- acquisitions of artworks over £250,000 (acquisitions of artworks over £100,000 are delegated to Collection Committee);

- formation and dissolution of subsidiary companies and sub-committees of the Board;
- appointments to the Board's sub-committees;
- variation of admission charge policies;
- use of designated Trust Funds;
- authorisation of signatories on behalf of the Board;
- approval of policies relating to reserved areas: health and safety; environment; equality and diversity; investment; ethics; data protection; IS security; safeguarding; and the policies relating to Trustee benefit;
- approval of acquisition, disposal, loan and due diligence policies for the Collection and of major Collection purchases;
- appointment of the Director, with the approval of the Prime Minister;
- approval of Tate's Management Framework agreement with DCMS;
- approval of programme commitments with reference to sponsorships and donations;
- appointment of Tate's bankers.

Board business 2020-21

The Board was kept informed of Tate's response to the Coronavirus pandemic both through extraordinary meetings and updates at its scheduled meetings, approving decisions as required. The Chairman and Chair of the Finance and Operations and the Audit Committee were also updated and informed regularly, raising matters with Trustees and Committee members as appropriate. The May 2020 Board focused solely on the impact of Coronavirus, with other business either deferred or considered by Trustees outside the meeting where possible.

During 2020-21, the Board considered key strategic issues, matters arising and routine business planning, including:

- the ongoing impact of the Coronavirus pandemic and plans for future recovery;
- the budget for the financial year 2020-21 and 2021-22;
- a review of the Investment Policy;
- consideration of the Rex Whistler mural;
- addressing race equality at Tate and an action plan presented by Tate's Race Equality Taskforce;
- changes to the organisational structure through a voluntary redundancy and restructure process;
- business and finance: the Board regularly discussed current and forward budgets, management information, progress against performance indicators and the development of the forward business plan;
- policies: the following policies within the Board's policy framework were reviewed and approved by the Board – conflict of interest management in fundraising policy; acquisitions and disposals policy.

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

Board effectiveness

The Board of Trustees conducted its annual effectiveness review in March 2020. The Board meeting of that month took place digitally and focused on the extraordinary situation of the Coronavirus pandemic. In light of guidance issued by the National Audit Office in respect of the timings of the laying of the Accounts in 2019-20, and the recently concluded review of non-executive Governance, the annual discussion of Board Effectiveness was deferred due to the appointment of a new Chairman taking up the role at the end of January 2021. A Board Effectiveness review will take place in early 2022.

Prior to the pandemic, the review followed the procedure adopted in previous years. Trustees were asked to rate the Board's effectiveness in relation to the following areas: contribution and culture; process and structure; composition and leadership; and oversight and performance. The review was informed by the work of the internal auditors and the views of Tate's executive team. In addition, the Chairman conducted appraisal meetings with individual trustees to review each member's

contribution to the Board; the Chairman's appraisal was undertaken by the Senior Independent Trustee, Dame Moya Greene DBE.

The Board overall rated its effectiveness highly. Trustees indicated that they are satisfied that the quality of data they receive is sound and there are effective and appropriate processes in place that meet the requirements of good governance. Trustees identified a number of areas of future priority, including strengthening regional representation at Board level, strategy formation in relation to the development of the Collection and ensuring future sustainability of Tate's operating model.

Board sub-committees

The Museums and Galleries Act 1992 allows the Board to establish sub-committees and councils to undertake its activities more efficiently. The Board is advised by a number of formal sub-committees, as set out below:

- committees with delegated authority from the Board: Audit Committee, Collection Committee, Freedom of Information Appeals Committee; Remuneration Committee; Investment Committee;
- advisory committees with no formal decision-making authority: Finance and Operations Committee; Nominations and Governance Committee; Ethics Committee;
- advisory groups: Tate Britain; Tate Modern; Tate Liverpool; Tate St Ives; Tate Members.

Comprising both Trustees and non-Trustees and chaired by a Trustee, councils and committees report to the Board following their meetings through their Trustee Chair. The Committees provide detailed expertise and help to advise the Board on specific areas of Tate's operations. The four site councils are advisory to the director of the relevant site. The Tate Members Council is advisory to the executive; it is chaired by an independent chair and is attended by a Trustee member who reports to the Board following each meeting.

The Collection Committee has authority to approve Collection purchases up to £250,000 on behalf of the Board of Trustees, to oversee the Director's purchase authority within this limit and to approve gifts to and loans from the Collection within the policy agreed by the Board of Trustees. The Collection Committee meets four times each year. Following John Akomfrah's retirement as an Artist Trustee in June 2020, John Booth was appointed Chair of the Collection Committee in September 2020. Attendance* for 2020-21 was as follows:

- John Akomfrah CBE (Chair and Trustee) – 1 of 1 meeting
- John Booth (Chair and Trustee) – 3 of 4 meetings
- Briony Fer (co-opted member) – 4 of 4 meetings
- David Taylor (co-opted member) – 1 of 4 meetings
- Jane Wilson (Trustee) – 4 of 4 meetings

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

The Audit Committee has authority on behalf of the Board of Trustees to carry out the appointment of external auditors to Tate subsidiaries and to appoint other relevant consultants. The Committee considers Tate's internal control structure, internal and external audit risk, compliance with the regulatory environment, relevant codes of conduct and the statutory accounts. The Committee usually meets four times each year, however in light of the extraordinary context of the pandemic, an additional meeting was convened during the year. In 2020-21, Raif Jacobs retired from the Audit Committee. David Crichton-Miller was appointed to the Committee and attended his first meeting in November 2020. Attendance* for 2020-21 was as follows:

- Dame Jayne-Anne Gadhia DBE (Chair and Trustee) – 5 of 5 meetings
- John Booth (Trustee) – 5 of 5 meetings
- David Crichton-Miller (co-opted member) – 3 of 3 meetings
- Raif Jacobs (co-opted member) – 2 of 2 meetings
- Laurie Fitch (co-opted member) – 5 of 5 meetings
- Charles Roxburgh (co-opted member) – 5 of 5 meetings

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

The Remuneration Committee comprises four Trustee members, including the Chairman, the Chair of the Finance and Operations Committee, Dame Jayne-Anne Gadhia DBE, Dame Seona Reid DBE, the Chair of the Tate Enterprises Ltd Board, James Timpson, and Tim Davie CBE. The Committee met in June 2020 to consider the performance and remuneration of the Director and senior management team as detailed in the Remuneration Report.

In 2020-21, the Freedom of Information Appeals Committee considered business on paper only. The Committee is chaired by Dame Jayne-Anne Gadhia DBE.

Highlights of Board committee reports 2020-21

During 2020-21, the Audit Committee, Finance and Operations Committee, Collections Committee and Ethics Committee all considered issues of strategy, governance and risk, including reputational risk.

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

The Finance and Operations Committee advised the Board on: the budget for the financial year 2020-21 and 2021-22; the safe remobilisation of Tate following the closure period; ensuring the future viability of the trading subsidiary in light of the impact on revenue of the Pandemic; information systems; international partnerships; people matters and human resources including the voluntary redundancy and restructure processes; management information; and government spending controls.

In addition to approving Collection purchases up to £250,000 under the terms of its delegated authority from the Board of Trustees, the Collection Committee discussed Collection development and strategies more broadly including consideration of the environmental impact of acquisitions.

The Ethics Committee scrutinised and advised the Board on current and prospective corporate sponsorships and support from individuals, international partnerships and other areas of potential reputational risk. The Committee also examined specific areas of operation, including the Rex Whistler mural and introduced a policy on conflict of interest management in fundraising. Following Dame Moya Greene's retirement, John Booth was appointed Chair of the Ethics Committee in December 2020.

The Nominations and Governance Committee considered business on paper only and advised the Board on Trustee reappointments, Board skills and succession planning, appointments to Board sub-committees and the implementation of the findings of the non-executive governance review in respect of site advisory councils.

Subsidiary undertakings

The Board of Trustees of the Tate Gallery owns the whole of the issued share capital of Tate Enterprises Limited and Tate Exhibition Productions Limited. Further information is provided in note 11 to the financial statements.

Senior Management Team

The Board has delegated responsibility for implementation of its strategy and operational matters to the Director, who has responsibility under the Board for the overall organisation, management and

staffing of Tate. The Director of Tate is appointed by the Board of Trustees with the approval of the Prime Minister.

The Executive Group, consisting of Tate's senior directors, considers and agrees budgets and resource frameworks, as well as strategies and policies where there are resource implications for Tate. The Directors Group serves as a forum for consultation and discussion on important strategic, policy and operational issues and a decision-making body on Tate-wide policy issues without resource implications. Both groups are chaired by the Director, Dr Maria Balshaw. Appropriate management structures have been created throughout the organisation to assist Tate's directors with overseeing their respective departments and areas of responsibility.

The directors serving in the period 2020-21 were:

Maria Balshaw: Director, Tate*
Anna Abbott: Director of Audiences
Anne Barlow: Director, Tate St Ives*
Helen Beeckmans: Director of Communications
Achim Borchardt-Hume: Director of Exhibitions and Programmes, Tate Modern
Vicky Cheetham: Chief Operating Officer*
Anna Cutler: Director of Learning and Research*
Alex Farquharson: Director, Tate Britain*
Claire Gylphé: Director of Development
Hilary Knight: Digital Director
Helen Legg: Director, Tate Liverpool*
Rosemary Lynch: Director of Collection Care*
Lisa Mack: Director of People (from 1 November 2020)
Katherine Montague: Director of People (from 1 April 2020 to 1 November 2020)
Neil McConnon: Director, International Partnerships (from 18 May 2020)
Frances Morris: Director, Tate Modern*
Gregor Muir: Director of Collection, International Art
Nigel Randall: Director of Technology
Andrea Schlieker: Director of Exhibitions and Displays, Tate Britain
Polly Staple: Director of Collection, British Art
Stephen Wingfield: Director of Finance and Estates *

* indicates members of the Executive Group.

Risk management and internal control

The Board of Trustees ensures that effective arrangements are in place to provide assurance on risk management and internal control. As Tate's Accounting Officer, the Director is responsible for managing risk and reviewing the effectiveness of the system of internal control. The review is informed by the work of the internal auditors and the executive managers within Tate who have responsibility for the development and maintenance of the overall internal control and risk framework. Audit Committee supports the Board and Accounting Officer by providing oversight and guidance on risk management, governance and internal control. Comments made by the external auditors in their management letter and other reports are also taken into account and a plan to ensure continuous improvement of the system is in place.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Tate policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

The Risk Management Strategy and Policy, updated and agreed by the Audit Committee in January 2021, describes Tate's approach to risk management and the process to be adopted by managers in its implementation. The policy has been issued to all Directors and is available on Tate's intranet.

The policy sets out the roles and responsibilities for risk management, including those for the Trustees, Audit Committee and the Directors Group. The Trustees have responsibility for ensuring effective risk management processes are in place across Tate, the monitoring of which has been delegated to the Audit Committee. The actual risk management processes are the responsibility of Tate management and are embedded in the management process.

Risk is reported at divisional and Tate-wide levels. Directors are responsible for maintaining a risk register for their division. The most significant risks facing Tate are detailed in the corporate risk register, which is reviewed by Executive Group directors and the Audit Committee at each meeting. The risks have all been assessed and scored for impact, probability and proximity and a mitigation policy has been formulated taking into consideration the targeted risk profile. Each risk is assigned a risk owner.

Risks are explicitly reviewed:

- as part of the annual planning and budget process;
- as part of policymaking;
- by the Audit Committee, consisting of Members of the Board of Trustees and co-opted members, which meets four times a year;
- at Executive Group and Directors Group meetings, with appropriate action being taken as necessary;
- at a divisional level and acted upon where necessary;
- by project boards.

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

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

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

The targeted risk profile is reviewed annually and approved by the Audit Committee, most recently in May 2021.

At Tate the main processes in place for identifying, evaluating and managing risk are:

- to ensure that risk identification is an integral part of the annual planning and budgeting process with risks linked to objectives;
- performance against budget and objectives is regularly reviewed by Trustees;
- key performance indicators are included in internal reports and regularly reviewed by Trustees;
- clearly defined capital investment procedures and formal project control disciplines;
- directors consider risk when assessing any major project and formally review significant risks before they are reviewed by the Audit Committee.

Risk management forms part of a biennial review by internal audit. The Board of Trustees has contracted the internal audit service to RSM, which operates to the standards defined in the Public Sector Internal Audit Standards. The work of the internal auditors is informed by an analysis of the risk to which the organisation is exposed, and annual audit plans are based on this analysis. The analysis of risk and internal audit plans are approved by the Audit Committee and internal audit

reports, key findings and progress towards the implementation of recommendations is reviewed at each meeting.

The internal auditors provide an annual report on the internal audit activity carried out. The report includes the internal auditor's independent opinion on the adequacy and effectiveness of Tate's arrangements for governance, risk management and control, together with recommendations for improvement.

Based upon the programme of work undertaken by internal audit during 2020-21, the Head of Internal Audit provided the opinion that, overall, some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Of ten assurance and two follow up reviews completed, no negative opinions were issued. A reasonable assurance opinion, or better, was given for all assurance reviews carried out and action plans have been agreed to address the recommendations made.

Significant risks

During the year the following significant changes have been made to the risk register:

- addition of the risks relating to how reconfiguring Tate's business model and staffing levels may impact delivery of the 5 year plan;
- reduced risk rating for loss of self-generated income due to support of Government, donors and members.

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

Principal Risk/Uncertainty	Mitigating Activities
Loss of self-generated income from reduced visitor numbers owing to social distancing and travel restrictions.	• Close communication of the financial situation to DCMS and HM Treasury with support across major museums and galleries. • Ongoing engagement with foundations, donors and members to provide emergency support. • Successful application to relief funding schemes provided by Government, including emergency relief for directly sponsored museums and furlough.
Changes to the business model and reduced staffing levels may impact delivery of 5 year plan	• Divisional structures have been reviewed to ensure they support the 5 year plan. • Activity levels are reviewed by the Executive Group on a monthly basis. • Funding applications are focussed on core activity. • Scheduling process for programme activity to be reviewed. • Project planning and management protocols to be updated.
Embedding organisation culture across staff groups at different sites and working remotely.	• Regular open meetings are held and email updates are sent to all Tate staff by the Executive Group. • Staff support networks are better resourced and promoted. • Online training and development sessions have been rolled out.

	• A Race Equality Taskforce has been set up. • Cross organisational project to develop new blended and flexible working protocols is in progress. • Enhanced technical resources to support online meetings, which has fostered greater collaboration between disparate sites; this has provided learning for future working.
Under-investment in Tate's estate.	• Funding awarded from DCMS maintenance funds. • Estates Strategy is being revised in line with DCMS advice. • Estates Capital Group meets monthly to prioritise projects and review expenditure.
Technology infrastructure may not support digital initiatives.	• IS Strategy Group meets monthly to identify areas of investment and monitor expenditure. • Scoping work for replacement of key systems has been completed.
Keeping up with the pace of regulatory change in environmental sustainability.	• Track and report greenhouse gas emissions, energy usage and waste management statistics throughout the year. • Sustainability criteria included in all procurement tenders. • Collaboration with other leading global museums to change and set standards for the sector in art transit.

Significant incidents arising relevant to internal control

There were no significant incidents during the year.

Personal data related incidents

Tate maintains a record of incidents involving the loss, unauthorised disclosure or insecure disposal of personal data, whose release risks causing harm or distress to the individuals concerned. The incident record includes the nature of the incident, the nature of data involved, the number of people potentially affected and the steps taken to notify the individuals concerned. Based on severity, these incidents are reported to the Information Commissioner's Office (ICO). This year, Tate reported three incidents to the ICO; in each incident, the cases were closed and the commissioner did not escalate breaches reported.

Whistleblowing arrangements

Tate is committed to the highest standards of openness, probity and accountability. It has a whistleblowing policy and procedures which are in line with the most recent Guidance and Code of Practice on Whistleblowing issued by the Department of Business Energy and Industrial Strategy. No internal whistleblowing activities were brought to management's attention in the period covered by this report.

Matters of interest

There are no other matters of interest to report.

Signed

Maria Balshaw
Director and Accounting Officer, Tate

7 July 2021

Signed

Roland Rudd
Chairman, Tate

7 July 2021

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Board of Trustees of the Tate Gallery for the year ended 31 March 2021 under the Museums and Galleries Act 1992. The financial statements comprise: the Consolidated Statement of Financial Activities, the Consolidated and Tate Balance Sheets, the Consolidated Statement of Cashflows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of Board of Trustees of the Tate Gallery's affairs as at 31 March 2021 and of its net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Board of Trustees of the Tate Gallery in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises information included in the Annual Report, Foreword and Remuneration Report ('the Annual Report') but does not include the Governance Statement, financial statements and my auditor's certificate thereon. The Trustees and the Director are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Museums and Galleries Act 1992.
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board of Trustees and Director as Accounting Officer

As explained more fully in the Statement of Trustees' and the Director's Responsibilities, the Board of Trustees and the Director are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as Trustees and the Director determine is necessary to enable the preparation of the financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the group and the Board of Trustees of the Tate Gallery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Director either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992.

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- inquiring of management, the internal auditor and those charged with governance, including obtaining and reviewing supporting documentation relating to the Board of Trustees of the Tate Gallery's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Board of Trustees of the Tate Gallery's controls relating to the Museum and Galleries Act 1992, Managing Public Money, and the Charities Act 2011.
- discussing among the engagement team including key personnel from the component auditors, and involving relevant internal and or external specialists, including experts in the valuation of land and buildings, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and the application of the Coronavirus Job Retention Scheme.
- obtaining an understanding of the Board of Trustees of the Tate Gallery and the group's framework of authority as well as other legal and regulatory frameworks that the Board of Trustees of the Tate Gallery and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Board of Trustees of the Tate Gallery and group. The key laws and regulations I considered in this context included the Museum and Galleries Act 1992, Managing Public Money, Employment Law, Tax Legislation, the Coronavirus Act 2020 and the Charities Act 2011.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board of Trustees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- in addressing the risk of revenue recognition due to fraud, assessing the recognition of grants and donations in line with the accounting framework and undertaking procedures to test the completeness of grants, donations and legacies;

- in addressing the risk of fraud in the Coronavirus Job Retention Scheme undertaking procedures to test that claims to HM Revenue and Customs were in line with the scheme rules and procedures to test whether employees were working whilst claiming under the scheme.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

13 July 2021

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

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

For the year ended 31 March 2021

	Notes	INCOME AND EXPENDITURE			CAPITAL			COLLECTIONS			TOTAL			2019-20 Total funds £000
		2020-21 Unrestrict -ed funds £000	2020-21 Restricted funds £000	2020-21 Total funds £000	2020-21 Unrestrict -ed funds £000	2020-21 Restricted funds £000	2020-21 Total funds £000	2020-21 Unrestrict -ed funds £000	2020-21 Restricted funds £000	2020-21 Endowme -nt funds £000	2020-21 Total funds £000			
Income and endowments from:														
<i>Donations and legacies</i>														
3		46,230	-	46,230	3,340	2,000	5,340	-	-	-	49,570	2,000	-	41,208
		-	-	-	-	-	-	-	14,439	14,439	-	14,439	-	13,250
		12,097	8,891	20,988	-	1,064	1,064	-	4,163	4,163	12,097	14,118	500	34,316
		-	5,190	5,190	-	-	-	-	-	-	-	5,190	-	131
4		4,481	-	4,481	-	-	-	-	5	5	-	4,486	-	19,109
<i>Charitable activities</i>														
5		13,847	-	13,847	-	-	-	-	187	187	14,034	-	-	39,535
		3,309	-	3,309	-	-	-	-	-	-	3,309	-	-	6,758
6		6	8	14	-	-	-	-	384	384	6	392	-	555
		100	-	100	-	-	-	-	-	-	100	-	-	148
		80,070	14,089	94,159	3,340	3,064	6,404	192	18,986	19,178	83,602	36,139	500	155,010
Expenditure on:														
<i>Raising funds</i>														
8		3,193	335	3,528	67	1	68	-	-	-	3,260	336	-	3,632
		Costs of raising donations and legacies												
		Fundraising trading: cost of goods sold and other costs												
		18,191	-	18,191	512	-	512	-	-	-	18,703	-	-	35,429
		8,117	473	8,590	69	1	70	-	-	-	8,186	474	-	9,653
		26	1	27	-	-	-	-	67	67	26	-	-	94
		61,269	8,160	69,429	4,237	19,996	24,233	-	-	-	65,506	28,156	-	105,436
		166	0	166	-	-	-	-	-	-	166	-	-	227
		90,962	8,969	99,931	4,885	19,998	24,883	-	67	67	95,847	29,034	-	154,475
16		-	11	11	-	-	-	-	322	322	-	333	2,230	(1,387)
		(10,892)	5,131	(5,761)	(1,545)	(16,934)	(18,479)	192	19,241	19,433	(12,245)	7,438	2,730	(852)
16		-	-	-	-	-	-	-	-	-	-	-	-	-
16		-	-	-	853	3,335	4,188	-	-	-	853	3,335	-	(21,983)
		(10,892)	5,131	(5,761)	(692)	(13,599)	(14,291)	192	19,241	19,433	(11,392)	10,773	2,730	(22,835)
16		20,561	296	20,857	37,562	1,097,915	1,135,477	23,464	482,790	506,254	81,587	1,581,001	12,773	1,698,196
		9,669	5,427	15,096	36,870	1,084,316	1,121,186	23,656	502,031	525,687	70,195	1,591,774	15,503	1,675,361
Funds carried forward at 31 March 2021														
Reconciliation of funds:														
		20,063	358	20,421	37,553	1,139,149	1,176,702	22,136	484,846	486,982	79,752	1,604,353	14,091	1,633,877
		498	(62)	436	9	(41,234)	(41,225)	1,328	17,944	19,272	1,835	(23,352)	(1,318)	64,319
		20,561	296	20,857	37,562	1,097,915	1,135,477	23,464	482,790	506,254	81,587	1,581,001	12,773	1,698,196
		Funds carried forward at 31 March 2020												

All operations of Tate continued throughout both periods and no operations were acquired or discontinued in either period. There are no recognised gains or losses other than those shown above.

To provide better understanding of the accounts, Tate provides enhanced statement of financial activities disclosure beyond the requirements of the SORP.

CONSOLIDATED AND TATE BALANCE SHEETS AT 31 MARCH 2021

		Group		Tate	
	Notes	2021 £000	2020 £000	2021 £000	2020 £000
Fixed assets					
Tangible assets	9	1,119,849	1,135,476	1,119,258	1,134,373
Heritage assets	10	523,428	503,671	523,428	503,671
Investments	6	17,610	14,226	20,105	16,721
		1,660,887	1,653,373	1,662,791	1,654,765
Current assets					
Stocks	11	3,360	4,746	-	-
Debtors and prepayments	12	19,876	18,421	23,832	22,952
Cash and liquid resources	13	16,526	22,883	11,722	13,710
		39,762	46,050	35,554	36,662
Creditors: amounts falling due within one year	14	(20,923)	(23,334)	(18,962)	(18,317)
Net current assets		18,839	22,716	16,592	18,345
Total assets less current liabilities		1,679,726	1,676,089	1,679,383	1,673,110
Creditors: amounts falling due after more than one year	14	(752)	(728)	(752)	(728)
Provisions for liabilities	15	(1,502)	-	(1,502)	-
Total assets less liabilities		1,677,472	1,675,361	1,677,129	1,672,382
Represented by:					
Restricted income reserves	17	1,591,774	1,581,001	1,591,774	1,581,001
Unrestricted reserves					
Designated	17	60,526	61,026	59,934	59,923
General	17	9,669	20,561	9,918	18,685
Total funds		1,661,969	1,662,588	1,661,626	1,659,609
Endowments	17	15,503	12,773	15,503	12,773
Total funds		1,677,472	1,675,361	1,677,129	1,672,382

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

Signed

Maria Balshaw
Director, Tate

7 July 2021

Signed

Roland Rudd
Chairman, Tate

7 July 2021

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	19(i)	2,009	7,658
Cash flows from investing activities:			
Dividends and interest		398	555
Purchase of property, plant and equipment		(7,943)	(7,793)
Proceeds from sale of investments		2,709	1,823
Purchase of investments		(3,530)	(2,201)
<i>Net cash used in investing activities</i>		(8,366)	(7,616)
<i>Change in cash and cash equivalents in the reporting period</i>		(6,357)	42
<i>Cash and cash equivalents at the beginning of the reporting period</i>		22,883	22,841
<i>Cash and cash equivalents at the end of the reporting period</i>		16,526	22,883

NOTES TO THE ACCOUNTS

1. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention as modified for the revaluation of certain fixed assets and the inclusion of investments at market value. The accounts comply with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (the SORP) FRS102 (updated for reporting from 2019), applicable accounting standards under UK GAAP and the Government Financial Reporting Manual (the FReM).

The accounts have been prepared in accordance with the accounts direction given by the Secretary of State for Digital, Culture, Media and Sport, with the approval of the Treasury. The particular policies adopted by Tate are described below; they have been applied consistently in dealing with items that are considered material in the accounts.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved Tate following Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in 2019 in preparing its accounts, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Tate is a public benefit entity.

Basis of consolidation

Tate's financial statements consolidate the results of Tate and its wholly-owned subsidiaries Tate Enterprises Limited (company number 3173975) and Tate Exhibitions Productions Limited (company number 3179938). A separate statement of financial activities or income and expenditure account for Tate is not presented due to a direction from the Secretary of State (DCMS).

Going concern basis

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

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

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

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

Key judgements and estimates

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

- For Tate, provisions are made against debts older than six months, except for debts with related charities. At 31 March 2021, this provision totalled £180,000 (2019-20: £258,000) against a total trade receivables balance of £7,177,000 (2019-20: £6,766,000) and is not considered to be a material estimate.
- For Tate, provisions are made for ongoing legal claims, using the latest advice of Tate's legal advisers to quantify the provision amount required. At 31 March 2021, this provision totalled £1,502,000 (2019-20: £nil) and is not considered to be a material estimate.
- For Tate, the useful economic lives of tangible fixed assets is based on an estimate outlined on page 57 of this report for each category of asset. Due to the value of tangible fixed assets held, the length of useful economic life used to calculate depreciation is not considered to be a material estimate.
- For Tate Enterprises, provisions are made against debts where debtors enter into insolvency proceedings or where debts are older than one year and all efforts to recover them have been exhausted.
- For Tate Enterprises, stock is reviewed at least biannually and is written off when no alternative selling options exist.
- A full revaluation of the Trustees' property holding is undertaken on a quinquennial basis, with desktop valuations undertaken in the intervening years. Further details of this are included on page 57 and in note 9.

Income and endowments

Income and endowments are shown net of Value Added Tax. In general, income is accounted for on a receivable basis. The following accounting policies are applied to income:

Donations and legacies:

Grant in Aid from DCMS is recognised on receipt. Income from the Government's Job Retention Scheme is recognised in the same month the related payroll costs are incurred and treated as a restricted grant. Donated works of art are recognised as income on accession to the collection once conservation and provenance checks have been completed using their value at the date of their acceptance by the Board of Trustees. Donations of works of art are normally valued by Tate curators who are experts in their fields, with external validation when required. Donation income, including lottery and grant income, is recognised as income when the conditions for its receipt have been met. Receipt of a legacy will be recognised when there has been grant of probate; the executors have established that there are sufficient assets in the estate; that any conditions attached to the legacy are within the control of Tate or have been met; and it is possible to estimate with sufficient accuracy the amount receivable. Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue, but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then it is treated as an adjusting event and accrued as income if receipt is probable.

Other trading activities:

Sponsorship income is recognised as income when the conditions for its receipt have been met and when the sponsored activity has taken place. Sponsorship also includes gifts in kind (barter) income relating to advertising services, with an equivalent amount recognised as an expense. The fair value is recognised as the amount that the charity would pay on the open market for an alternative item that would provide an equivalent benefit to Tate.

Investments:

Dividend and interest income is recognised on a receivable basis.

Charitable activities:

Admissions and other charitable income is recognised on a receivable basis on the date of the event.

Deferred income:

Income relating to the future provision of services is deferred until the services are provided and entitlement to the income is earned. This includes admissions income from exhibition tickets where the provision is based on the date the visit to the exhibition occurs.

Expenditure

All expenditure is accounted for on an accruals basis and is classified on the following bases:

Costs of raising donations and legacies:

Comprises the costs associated with raising donations and legacies, trading income and income raised from other activities.

Charitable activities:

Comprises the costs associated with the performance of: gallery activities (all those costs associated with the public programmes of the four Tate galleries and of the media programmes and website, including exhibitions, education and communications and marketing expenditure); gallery operations (visitor services and operations costs); and the costs of maintaining the Collection (including conservation, art handling, photography and acquisitions-related expenditure).

Support costs:

Comprises the costs of governance costs (including relevant legal and finance staff, as well as audit fees), finance, human resources, information technology, estates and facilities and general administration and support. These costs are allocated to the various categories of expenditure based on the most appropriate method for each support department, as described in note 8.

The Collection

Additions to the Collection acquired since 1 April 2001 are capitalised and recognised in the balance sheet, at the cost or value of the acquisition. Purchased works are capitalised and recognised in the year they are paid; donated works of art are capitalised and recognised in the year they are accessioned. Such items are not depreciated or revalued as a matter of routine as the assets are deemed to have indeterminable lives. Expenditure to conserve the works is included under charitable activities in the statement of financial activities. Where works of art are included at valuation, external valuations are used where available; more usually assets are valued internally by Tate staff. 16.97% of the Collection (76,131 works, excluding library and archive items) is recognised at a value on the balance sheet. For the remaining 83.03%, the appropriate and relevant valuation information is not available; the Trustees do not consider that the cost of valuing the remainder of the Collection is commensurate with the benefits to the users of the financial statements.

Fixed assets

The threshold for capitalisation of tangible fixed assets is as follows:

Tate	£10,000
Tate Enterprises Limited	£500

In accordance with Treasury requirements, with the exception of assets in the course of construction and fixtures, fittings and equipment, tangible fixed assets are stated at modified historic cost in the accounts, being revalued annually using relevant indices when no formal revaluation is undertaken. Avison Young, independent property consultants, undertook a full revaluation of the Trustees' property holding at 31 March 2019 and a desktop valuation at 31 March 2021. Revaluation of assets is undertaken on a quinquennial basis with desktop valuations in the intervening years; material variations from historical cost are reflected in the balance sheet value and unrealised gains or losses are disclosed in the statement of financial activities. The cost of land and buildings includes interest and fees paid as a result of financing arrangements for assets in the course of construction. Leasehold improvements are capitalised at cost and depreciated over the life of the building.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset evenly over its expected life; a full year's depreciation is charged in the year of acquisition. The useful economic lives of the tangible fixed assets are as follows:

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

Investments

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

Stock

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

Cash and liquid resources

Funds placed on money market deposits for more than one day are defined as liquid resources. Funds held in cash or in current or call accounts are defined as cash.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end. Transactions in foreign currencies are translated at the rate ruling at the time of transaction. All exchange differences go to the statement of financial activities.

Operating leases

Costs in relation to operating leases are charged to the statement of financial activities over the life of the lease.

Pensions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, of which Tate is not able to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk). For more information, please see note 8. Pensions are accounted for as a defined benefit scheme for members of the PCSPS. Since October 2002 a partnership pension account has also been available which is a defined contribution stakeholder pension scheme with a choice of providers.

Fund accounting

Tate maintains general, designated, restricted and endowment funds as set out in note 17.

Taxation

Tate is exempt under section 505 of the Income and Corporation Taxes Act 1988 from taxes on income arising from the pursuit of its charitable objectives. Tate Enterprises Ltd made a loss in 2020-21 and therefore no tax liability is expected for the year end 31 March 2021.

Financial instruments

As required by accounting standards, certain items are classified as financial instruments. Creditors under one year are accounted for at carrying value, as disclosed in note 14. Trade debtors are included at carrying values and all debts over six months old are provided for as doubtful debts. Investments are held at market value, as they are classified as being held at fair value through profit and loss since the funds are actively managed.

Joint arrangements

Where Tate enters into joint arrangements with other organisations to acquire works of art, the value of those works is recognised in the accounts as an acquisition. Tate recognises only its share of the value of the asset in line with the specific arrangement.

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

For the year ended 31 March 2020

	Notes	INCOME AND EXPENDITURE			CAPITAL			COLLECTIONS			TOTAL		
		2019-20 Unrestricted funds £000	2019-20 Restricted funds £000	2019-20 Total funds £000	2019-20 Unrestricted funds £000	2019-20 Restricted funds £000	2019-20 Total funds £000	2019-20 Unrestricted funds £000	2019-20 Restricted funds £000	2019-20 Total funds £000	2019-20 Unrestricted funds £000	2019-20 Restricted funds £000	2019-20 Total funds £000
Income and endowments from:													
<i>Donations and legacies</i>													
- Grant in Aid	3	36,668	-	36,668	4,540	-	4,540	-	-	-	41,208	-	41,208
- Donated works of art		-	-	-	-	-	-	-	13,250	13,250	-	-	13,250
- Other donations and legacies		21,836	8,034	29,870	-	57	57	-	4,389	4,389	21,836	12,480	34,316
- Job Retention Scheme		-	131	131	-	-	-	-	-	-	-	131	131
<i>Charitable activities</i>	4	19,111	(2)	19,109	-	-	-	-	-	-	19,111	(2)	19,109
<i>Other trading activities</i>	5	37,924	-	37,924	283	-	283	1,328	-	1,328	39,535	-	39,535
- Trading income		6,758	9	6,767	-	-	-	-	-	-	6,758	-	6,758
- Other trading activities	6	108	117	225	-	-	-	-	438	438	108	447	555
<i>Investments</i>		148	-	148	-	-	-	-	-	-	148	-	148
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total		122,553	8,172	130,725	4,823	57	4,880	1,328	18,077	19,405	128,704	26,306	155,010
Expenditure on:													
<i>Raising funds</i>													
Costs of raising donations and legacies	8	3,023	545	3,568	63	1	64	-	-	-	3,086	546	3,632
Fundraising trading: cost of goods sold and other costs		-	-	-	-	-	-	-	-	-	-	-	-
- Trading costs		35,098	-	35,098	331	-	331	-	-	-	35,429	-	35,429
- Other costs of raising funds		9,331	232	9,563	89	1	90	-	-	-	9,420	233	9,653
Investment management costs		29	1	30	-	-	-	-	68	68	29	69	98
<i>Charitable activities</i>		74,347	7,452	81,799	5,173	18,464	23,637	-	-	-	79,520	25,916	105,436
<i>Other</i>		227	-	227	-	-	-	-	-	-	227	-	227
Total		122,055	8,230	130,285	5,656	18,466	24,122	-	68	68	127,711	26,764	154,475
Net (losses)/gains on investments	16	-	(4)	(4)	-	-	-	-	(65)	(65)	-	(69)	(1,318)
Net income/(expenditure)		498	(62)	436	(833)	(18,409)	(19,242)	1,328	17,944	19,272	993	(527)	(852)
Transfers between funds	16	-	-	-	-	-	-	-	-	-	-	-	-
Other recognised gains/(losses):													
(Loss)/gain on revaluation of fixed assets	16	-	-	-	842	(22,825)	(21,983)	-	-	-	842	(22,825)	(21,983)
Net movement in funds		498	(62)	436	9	(41,234)	(41,225)	1,328	17,944	19,272	1,835	(23,352)	(22,835)
Reconciliation of funds:													
Funds brought forward at 1 April 2019	16	20,063	358	20,421	37,553	1,139,149	1,176,702	22,136	464,846	486,982	79,752	1,604,353	1,684,135
Funds carried forward at 31 March 2020		20,561	296	20,857	37,562	1,097,915	1,135,477	23,464	482,790	506,254	81,587	1,581,001	1,667,255
Reconciliation of funds:													
Funds brought forward at 1 April 2018		17,475	371	17,846	36,384	1,097,683	1,134,067	21,034	447,508	468,542	74,893	1,545,562	1,620,379
Net movement in funds		2,588	(13)	2,575	1,169	41,466	42,635	1,102	17,338	18,440	4,859	58,791	63,639
Funds carried forward at 31 March 2019		20,063	358	20,421	37,553	1,139,149	1,176,702	22,136	464,846	486,982	79,752	1,604,353	1,683,877

All operations of Tate continued throughout both periods and no operations were acquired or discontinued in either period. There are no recognised gains or losses other than those shown above.

To provide better understanding of the accounts, Tate provides enhanced statement of financial activities disclosure beyond the requirements of the SORP.

The 2019-20 Statement of Financial Activities has been restated to split out and show separately the £131,000 income received from the Job Retention Scheme within *Donations and Legacies*.

3. Donations and legacies

	2021 £000	2020 £000
Grant in Aid	51,570	41,208
Donated works of art	14,439	13,250
Lottery and other public funding		
Arts and Humanities Research Council	1,100	-
Arts Council	23	49
Arts Council Lottery	-	29
British Council	3	-
City of Liverpool	112	-
Department for Culture, Media and Sport	33	38
Her Majesty's Revenue and Customs	1,043	1,804
Job Retention Scheme (see note 25)	5,190	131
National Heritage Memorial Fund	522	352
Total Lottery and other public funding	8,026	2,403
Donations from associated charities	6,004	6,792
Membership subscriptions	8,290	16,244
Gift Aid	1,152	2,365
Other donations	8,433	6,643
	97,914	88,905
of which the following is taken to (see page 52)		
Income and expenditure	72,408	66,669
Capital	6,404	4,597
Collections	18,602	17,639
Endowments	500	-

The 2019-20 figures have been amended to include the £131,000 income received from the Job Retention Scheme within *Donations and Legacies* which was previously included in *Charitable Activities* (see note 4).

4. Charitable activities

	2021 £000	2020 £000
Admissions	1,594	13,064
Other income from charitable activities	2,892	6,045
	4,486	19,109
of which the following is taken to (see page 52)		
Income and expenditure	4,481	19,109
Collections	5	-

The 2019-20 figures have been amended to reclassify the £131,000 income received from the Job Retention Scheme from *Charitable Activities* to *Donations and Legacies* (see note 3).

5. Other trading activities

	2021 £000	2020 £000
Trading	14,034	39,535
Sponsorship	2,991	5,988
Other activities for raising funds	318	770
	17,343	46,293

of which the following is taken to (see page 52)

Income and expenditure	17,156	44,682
Capital	-	283
Collections	187	1,328

Included in sponsorship income is £90,000 of barter advertising (£971,000 in 2019-20), computed at estimated cost value.

6. Investments

	2021	2020
	£000	£000
Bank interest	6	108
Income on quoted investments	392	447
	398	555
of which the following is taken to (see page 52)		
Income and expenditure	14	117
Collections	384	438

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

At 31 March 2021, the investment fund was valued at £17,610,000 (£14,226,000 in 2019-20); historic cost £13,783,000 (£12,876,000 in 2019-20).

	2020			Realised and unrealised gains/(losses)	2021
	Market value	Additions	Disposals		Market value
	£000	in year	in year	£000	£000
Investment portfolio:					
UK fixed interest	1,949	464	(200)	86	2,299
Non-UK fixed interest	-	237	-	2	239
UK equities	3,537	1,282	(876)	769	4,712
Non-UK equities	4,541	1,417	(877)	1,765	6,846
Property	1,646	-	(346)	(85)	1,215
Alternatives	2,016	217	(410)	25	1,848
Cash	537	(87)	-	1	451
Group investments total	14,226	3,530	(2,709)	2,563	17,610
Subsidiaries' issued share capital (at cost)	2,495	-	-	-	2,495
Tate investments total	16,721	3,530	(2,709)	2,563	20,105

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

Investments held at 31 March 2021 which individually represent greater than 5% of the investment portfolio:

Ishares Core S&P 500 Ucits Etf USD; Vanguard Funds Plc S&P 500 Ucits Etf USD Dis.

7. Net income/(expenditure)

is stated after charging:

	2021 £000	2020 £000
External Auditors' remuneration		
Comptroller and Auditor General	65	73
Subsidiaries – audit	21	26
Subsidiaries – taxation & technical advice	3	3
Operating lease rentals		
Land and buildings	1,509	621
Vehicles and equipment	125	180
Depreciation	22,371	21,902
Loss on disposal of fixed assets	34	-

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

8. Total expenditure

	Staff costs £000	Other direct costs £000	Support costs £000	Depreciated -on and impairments* £000	2021 Total £000	2020 Total £000
<i>Raising funds</i>						
Costs of raising donations and legacies	1,846	57	1,625	68	3,596	3,632
Fundraising trading: cost of goods sold and other costs						
- Trading costs	11,976	6,215	-	512	18,703	35,429
- Other costs of raising funds	4,107	2,231	2,251	71	8,660	9,653
Investment management costs	-	68	26	-	94	98
<i>Total costs of raising funds</i>	17,929	8,571	3,902	651	31,053	48,812
<i>Charitable activities</i>						
- Gallery activities	17,003	7,866	24,496	20,368	69,733	81,571
- Gallery operations	3,722	4,128	3,329	837	12,016	12,940
- Collections	6,596	1,449	3,319	549	11,913	10,925
<i>Total charitable activities</i>	27,321	13,443	31,144	21,754	93,662	105,436
<i>Other</i>	66	-	100	-	166	227
Total	45,316	22,014	35,146	22,405	124,881	154,475

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

The Chairman and other Trustees received no remuneration; two Trustees (eleven in 2019-20) received reimbursement of travel and subsistence expenses amounting to £869 in 2020-21 (£10,108 in 2019-20).

a) Support cost breakdown by activity

	Governance costs £000	Finance and Legal £000	Human resources £000	Information systems £000	Estates £000	Other £000	2021 Total £000	2020 Total £000
<i>Raising funds</i>								
Costs of raising donations and legacies	10	170	65	210	878	292	1,625	1,291
Fundraising trading: cost of goods sold and other costs								
- Other costs of raising funds	583	175	68	216	907	302	2,251	2,451
Investment management costs	-	26	-	-	-	-	26	29
<i>Total costs of raising funds</i>	593	371	133	426	1,785	594	3,902	3,771
<i>Charitable activities</i>								
- Gallery activities	117	1,996	733	2,463	15,753	3,434	24,496	21,984
- Gallery operations	36	623	183	768	648	1,071	3,329	1,979
- Collections	37	638	337	786	424	1,097	3,319	1,787
<i>Total charitable activities</i>	190	3,257	1,253	4,017	16,825	5,602	31,144	25,750
<i>Other</i>	-	100	-	-	-	-	100	132
Total	783	3,728	1,386	4,443	18,610	6,196	35,146	29,653
Basis of allocation	FTE/expenditure	expenditure	average FTE	expenditure	depreciation charge	expenditure		

Support costs include an element of staff costs amounting to £13,131,000 (£7,103,000 in 2019-20).

b) Staff costs

	2021 £000	2020 £000
Wages and salaries	41,640	40,770
Pension costs	7,791	7,909
Social Security costs	4,018	3,905
Redundancy costs	3,045	54
Total employee costs	56,494	52,638
Agency staff costs	1,953	3,975
	58,447	56,613

In addition, £nil of staff costs relating to staff working exclusively on capital projects were capitalised in 2020-21 (£25,000 in 2019-20). The average number of full-time equivalent (FTE) staff directly employed on capital projects was 0 in 2020-21 (0.5 in 2019-20).

The number of Tate employees, including the Director, whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2021 No.	2020 No.
£60,000 - £64,999	10	10
£65,000 - £69,999	6	3
£70,000 - £74,999	2	2
£75,000 - £79,999	7	3
£80,000 - £84,999	2	2
£85,000 - £89,999	3	4
£90,000 - £94,999	3	1
£95,000 - £99,999	1	3
£100,000 - £104,999	1	1
£105,000 - £109,999	-	1
£110,000 - £114,999	-	1
£115,000 - £119,999	1	-
£120,000 - £124,999	1	-
£130,000 - £134,999	-	1
£135,000 - £139,999	1	-
£155,000 - £159,999	1	-
£195,000 - £199,999	-	1
	39	33

39 of the 39 staff earning more than £60,000 are members of a defined benefit pension scheme (thirty-three of the thirty-three in 2019-20); their total contributions to the scheme amounted to £917,000 during the year (£785,000 in 2019-20).

The average number of full-time equivalent (FTE) staff during the year was 1,288 (1,422 in 2019-20). Included within this total are 13 FTE staff on temporary contracts (16 in 2019-20) and 82 FTE staff on fixed-term contracts (91 in 2019-20).

The breakdown of average FTE staff by occupational group was:

	2021 No.	2020 No.
<i>Costs of raising funds</i>		
Costs of raising donations and legacies	41	39
Fundraising trading: cost of goods sold and other costs		
- Trading	449	572
- Other	108	125
<i>Charitable activities</i>	687	681
<i>Other resources expended</i>	3	5
	1,288	1,422

Exit package cost band	Number of compulsory redundancies	Number of other redundancies agreed	Total number of exit packages by cost band 2021	Total number of exit packages by cost band 2020
<£10,000	4	32	36	3
£10,000 - £25,000	1	45	46	-
£25,000 - £50,000	-	35	35	-
£50,000 - £100,000	-	10	10	1
£100,000 - £150,000	-	1	1	-
£150,000 - £200,000	-	1	1	-
Total number of exit packages	5	124	129	4
Total resource cost/£	42,000	3,064,000	3,106,000	74,000

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

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under *classic*, *premium*, *classic plus*, *nuvos* and *alpha* are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into *alpha* sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in the Remuneration Report). All members who switch to *alpha* have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave *alpha*. (The pension figures quoted for

officials show pension earned in PCSPS or *alpha* – as appropriate. Where the official has benefits in both the PCSPS and *alpha* the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of *classic*, *premium*, *classic plus*, *nuvos* and *alpha*. Benefits in *classic* accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For *premium*, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike *classic*, there is no automatic lump sum. *classic plus* is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per *classic* and benefits for service from October 2002 worked out as in *premium*. In *nuvos* members build up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in *alpha* build up in a similar way to *nuvos*, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The *partnership* pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

For 2020-21, employers' contributions of £6,857,000 were payable to the PCSPS (2019-20 £6,873,000) at one of four rates in the range of 26.6% to 30.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020-21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employers' contributions of £181,000 (2019-20 £182,000) were paid to one or more of a panel of three appointed stakeholder pension providers. In addition, employer contributions of £136,000 (£138,000 in 2019-20), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. There were no contributions due to the partnership pension providers at the balance sheet date. There were no contributions prepaid at that date.

No employees retired early on ill-health grounds (none in 2019-20); the total additional accrued pension liabilities to PCSPS in the year amounted to £nil (£nil in 2019-20).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of *classic*, *premium* and *classic plus*, 65 for members of *nuvos*, and the higher of 65 or State Pension Age for members of *alpha*.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Tate Enterprises Limited operates a money purchase pension scheme provided by Scottish Widows. The assets of the schemes are held separately from those of the group in an independently administered fund. The amounts charged against profit represent the contributions payable to the schemes in respect of the accounting period. Pension contributions of £617,000 were made in the year (2019-20 £716,000).

9. Tangible assets

Group	Land £000	Freehold buildings £000	Leasehol- d improvem- -ents £000	Plant and fit-out £000	Fixture, fittings and equipmen- -t £000	Total tangible assets £000
Value at 1 April 2020	475,537	415,035	13,145	232,840	16,498	1,153,055
Additions at cost	-	-	47	927	1,616	2,590
Transfer of assets	-	-	-	-	-	-
Valuation of assets	598	(3,858)	988	(13,673)	-	(15,945)
Disposals	-	-	-	-	(198)	(198)
Value at 31 March 2021	476,135	411,177	14,180	220,094	17,916	1,139,502
Depreciation at 1 April 2020	-	112	331	3,251	13,885	17,579
Charge for the year	-	4,310	147	16,218	1,696	22,371
Valuation of assets	-	(4,260)	(104)	(15,769)	-	(20,133)
Disposals	-	-	-	-	(164)	(164)
Depreciation at 31 March 2021	-	162	374	3,700	15,417	19,653
Net book value at 31 March 2021	476,135	411,015	13,806	216,394	2,499	1,119,849
Net book value at 1 April 2020	475,537	414,923	12,814	229,589	2,613	1,135,476
Historic cost NBV at 31 March 2021	98,487	267,059	12,189	94,243	2,499	474,477

Tate	Land £000	Freehold buildings £000	Leasehol- d improvem- -ents £000	Plant and fit-out £000	Fixture, fittings and equipmen- -t £000	Total tangible assets £000
Value at 1 April 2020	475,537	414,873	13,145	232,840	11,926	1,148,321
Additions at cost	-	-	47	927	1,616	2,590
Transfer of assets	-	-	-	-	-	-
Valuation of assets	598	(3,858)	988	(13,673)	-	(15,945)
Disposals	-	-	-	-	(147)	(147)
Value at 31 March 2021	476,135	411,015	14,180	220,094	13,395	1,134,819
Depreciation at 1 April 2020	-	-	331	3,251	10,366	13,948
Charge for the year	-	4,260	147	16,218	1,268	21,893
Valuation of assets	-	(4,260)	(104)	(15,769)	-	(20,133)
Disposals	-	-	-	-	(147)	(147)
Depreciation at 31 March 2021	-	-	374	3,700	11,487	15,561
Net book value at 31 March 2021	476,135	411,015	13,806	216,394	1,908	1,119,258
Net book value at 1 April 2020	475,537	414,873	12,814	229,589	1,560	1,134,373
Historic cost NBV at 31 March 2021	98,487	267,059	12,189	94,243	1,908	473,886

In accordance with Treasury requirements, with the exception of assets in the course of construction and fixtures, fittings and equipment, tangible fixed assets are stated at modified historic cost in the accounts. Specialised property is valued at depreciated replacement cost and non-specialised property at market value for existing use. Where no formal revaluation is undertaken, buildings, plant and fit-out and the buildings and plant element of long leasehold assets have been revalued using indices provided by the Department for Business, Energy and Industrial Strategy.

A formal revaluation of the Trustees' property holdings was undertaken at 31 March 2019 by Avison Young, independent property consultants. Certain estimates and judgements were updated in 2018-19 as a result of a change in valuer, the most significant of which was the split of the asset value between components. This resulted in a transfer of assets in 2018-19 of £141,463,000 to freehold buildings from plant and fit-out and reflected a change in the apportionment of the valuation between the respective asset classes rather than an underlying change in the value of these assets.

A desktop revaluation for the 2020-21 accounts was undertaken in accordance with HM Government Financial Reporting Manual (FReM) Guidance, International Valuation Standards (IVS) and the requirements of the RICS Valuation – Global Standards 2020 (the Red Book). The Coronavirus pandemic and the measures taken to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the valuations are not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. However, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of the pandemic the importance of the valuation date is to be highlighted.

Where no full revaluation is undertaken, buildings, plant and fit-out and the buildings and plant element of long leasehold assets have been revalued via a desktop valuation using indices provided by the Department for Business, Energy and Industrial Strategy. Had these not been revalued, the historic cost net book value at 31 March 2021 would have been: £98,487,000 for land, £267,059,000 for freehold buildings, £12,189,000 for leasehold improvements and £94,243,000 for plant and fit-out. The financial effect of revaluing fixtures, fittings and equipment was considered to be immaterial and therefore they have been disclosed at their historical cost value.

The net book value at 31 March 2021 represents fixed assets for:

Group	Land	Freehold buildings	Leasehold improvements	Plant and fit-out	Fixture, fittings and equipment	Total tangible assets
	£000	£000	£000	£000	£000	£000
Charitable activities	476,135	411,015	13,806	216,394	1,908	1,119,258
Other activities	-	-	-	-	591	591
	476,135	411,015	13,806	216,394	2,499	1,119,849

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

10. Heritage assets

Group and Tate	Value at 1 April 2020 £000	Additions £000	Value at 31 March 2021 £000
Cost			
Installations	20,692	1,256	21,948
Paintings	65,844	393	66,237
Reliefs	2,465	-	2,465
Sculptures	25,483	717	26,200
Works on paper	22,536	1,557	24,093
Time-based media	2,484	387	2,871
Archives	6,132	4	6,136
Other	342	-	342
ARTIST ROOMS	20,660	-	20,660
Valuation			
Installations	15,900	1,344	17,244
Paintings	190,037	7,311	197,348
Reliefs	2,648	-	2,648
Sculptures	41,252	1,078	42,330
Works on paper	26,074	4,137	30,211
Time-based media	2,862	1,219	4,081
Archives	7,277	214	7,491
Other	287	-	287
ARTIST ROOMS	49,405	103	49,508
The Qantas Foundation	1,291	37	1,328
Total	503,671	19,757	523,428

In the year 653 works of art and archives were added to the Collection of which 98 are included at cost price and 555 (including 2 part-purchased ARTIST ROOMS works) have been valued.

Five-year financial summary of heritage asset transactions

	2020-21 £000	2019-20 £000	2018-19 £000	2017-18 £000	2016-17 £000
Cost					
Installations	1,256	1,031	2,285	239	930
Paintings	393	1,478	1,846	724	2,896
Reliefs	-	76	51	811	60
Sculptures	717	1,849	1,935	1,081	970
Works on paper	1,557	810	1,154	671	868
Time-based media	387	353	113	400	666
Archives	4	131	35	2,534	46
ARTIST ROOMS	-	-	-	-	7
Valuation					
Installations	1,344	960	1,417	748	1,949
Paintings	7,311	6,332	3,344	6,978	10,337
Reliefs	-	424	467	991	43
Sculptures	1,078	1,842	2,339	4,012	1,113
Works on paper	4,137	1,340	1,500	1,957	6,244
Time-based media	1,219	543	894	17	1,088
Archives	214	498	115	330	-
Other	-	-	-	-	-
ARTIST ROOMS	103	-	218	883	221
The Qantas Foundation	37	732	408	151	-
Total additions	19,757	18,399	18,121	22,527	27,438

Further information on Tate's Collection

Tate holds the National Collection of British art from 1500 and international modern and contemporary art from 1900. Tate's Collection embraces all media from painting, drawing, sculpture and prints, to photography, video and film, installation and performance. The Collection is displayed at Tate Britain, Tate Modern, Tate Liverpool and Tate St Ives and through loans to temporary national and international exhibitions and long loans. Tate rotates its displays at all sites, partly with the aim of giving exposure to as much of the Collection as possible. Works on paper can be viewed by appointment in the Prints and Drawings Rooms at Tate Britain, which also houses the Turner Bequest. Tate also houses the National Archive of British Art from 1900, Tate's institutional records including material relating to the Collection and the Tate Library. The Tate Archive contains manuscripts, notebooks, sketches, prints, documentation and supporting material. The Archive and Library are accessible through the Tate Library and Archive Collections: Hyman Kreitman Reading Rooms at Tate Britain.

Tate's Collection seeks to represent significant developments in art in all areas covered by its remit with artworks of outstanding quality and importance. The representation of British art encompasses work by artists defined by their contribution to its history and development rather than simply by nationality. While it has traditionally focused on art from Western Europe and North America, Tate seeks to represent international modern and contemporary art from a global perspective and has recently expanded its holdings of work from Latin America, South-East Asia and Eastern Europe. When the Tate Gallery opened in 1897, its Collection consisted of the 65 works gifted by Henry Tate to the nation. The Collection currently consists of 76,131 works of art. Every work in the Collection has its own online information page and the majority are illustrated, though this is not always possible due to copyright restrictions. Further information on the Collection may be found in the Foreword on page 11.

More information is available on Tate's website, www.tate.org.uk. The Collection is under the care of the Collection Care department, details of which can be found at www.tate.org.uk/about/our-work/conservation and the acquisitions and disposals and loans policy can be found at www.tate.org.uk/about/our-work/collection.

11. Subsidiaries

The Board of Trustees of the Tate Gallery owns the whole of the issued share capital of Tate Enterprises Limited (comprising 2,495,320 ordinary shares of £1 each) and Tate Exhibition Productions Limited (comprising 100 ordinary shares of £1 each).

Tate Enterprises Limited

Tate Enterprises Limited's principal activities comprise the management and operation of restaurant, café and ancillary services for the benefit of visitors to Tate's galleries, the publishing and sale of books and other products and merchandise associated with the Collection and Tate activities and the provision of consultancy, events, corporate memberships, education and some media services at all Tate sites.

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

	2021	2020
	£000	£000
Fixed assets	591	1,103
Current assets	11,550	15,506
Current liabilities	(5,303)	(13,684)
Long-term liabilities	(4,000)	-
Net assets	2,838	2,925
Capital and reserves	2,838	2,925
	2,838	2,925

Current assets include stock of £3,360,000 comprising: work in progress £268,000; finished goods and goods for resale £3,092,000 (£4,746,000, comprising: work in progress £322,000; finished goods and goods for resale £4,424,000 in 2019-20).

	2021	2020
	£000	£000
Turnover	10,324	41,960
Cost of sales	(3,683)	(14,982)
Gross profit	6,641	26,978
Other income (Job Retention Scheme)	5,017	-
Administrative expenses	(16,541)	(21,956)
Trading (loss)/profit	(4,883)	5,022
Interest receivable	2	40
Net (loss)/contribution	(4,881)	5,062

The net loss consists of £3,178,000 from publishing and retail operations (contribution of £764,000 in 2019-20), £3,133,000 from catering and events operations (contribution of £1,029,000 in 2019-20) and contribution of £1,430,000 from education, consultancy and media services (contribution of £3,269,000 in 2019-20). Turnover includes £1,298,000 of sales to Tate (£2,285,000 in 2019-20). Administrative expenses include £1,442,000 of expenditure recharged by Tate (£2,717,000 in 2019-20).

The taxable profits of Tate Enterprises Limited are distributed to the Board of Trustees of the Tate Gallery and Tate Foundation under Gift Aid rules each year. As Tate Enterprises Limited made a loss in 2020-21, there will be no distribution under Gift Aid in the year.

In 2020-21, an unsecured revolving loan facility was made available to Tate Enterprises Limited by Tate Gallery in order to provide working capital to the company. At 31 March 2021, £4,000,000 had been drawn down (2019-20: nil). The repayment date is 5 years from the date of drawdown. Interest is payable quarterly in arrears at the UK base rate +3.0% per annum.

Tate Exhibition Productions Limited

Tate Exhibition Productions Limited is a wholly-owned subsidiary of the Board of Trustees of the Tate Gallery. Tate Exhibition Productions Limited is a dormant company.

12. Debtors and prepayments

	Group		Tate	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	7,882	6,605	7,481	5,214
Amounts due from group companies	-	-	5,277	6,417
Other debtors	1,664	2,258	1,309	1,873
Prepayments and accrued income	10,330	9,558	9,765	9,448
	19,876	18,421	23,832	22,952

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

	Group		Tate	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts due from group companies	-	-	4,000	-
	-	-	4,000	-

Amounts due from group companies includes £4,000,000 (2019-20: nil) due from Tate Enterprises Ltd on the unsecured revolving loan facility drawn down in 2020-21.

13. Cash and liquid resources

	Group		Tate	
	2021	2020	2021	2020
	£000	£000	£000	£000
held at/in:				
Government Banking Service	3,434	4,312	3,434	4,312
Interest-bearing accounts	11,925	18,350	8,222	9,334
Cash and non-interest-bearing accounts	1,167	221	66	64
	16,526	22,883	11,722	13,710

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

	2021	2020
	£000	£000
Interest-bearing accounts	11,925	18,350
Less: funds held in interest-bearing current or call accounts	-	-
Liquid resources (funds held on deposit)	11,925	18,350

14. Creditors: amounts falling due within one year

	Group		Tate	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	4,093	4,244	3,794	3,907
Amounts due to group companies	-	-	1,974	1,064
Taxation and social security	1,093	1,525	1,004	736
Other creditors	927	2,262	717	1,890
Accruals	13,520	10,300	9,478	6,648
Deferred income	1,290	5,003	1,995	4,072
	20,923	23,334	18,962	18,317

Creditors: amounts falling due after more than one year

	Group		Tate	
	2021	2020	2021	2020
	£000	£000	£000	£000
Other creditors	109	109	109	109
Accruals	643	-	643	-
Deferred income	-	619	-	619
	752	728	752	728

Deferred income

	Group		Tate	
	2021	2020	2021	2020
	£000	£000	£000	£000
Deferred income brought forward	5,622	5,357	4,691	5,042
Released in year	(6,683)	(4,266)	(4,672)	(3,694)
Deferred in year	2,351	4,531	1,976	3,343
Deferred income carried forward	1,290	5,622	1,995	4,691

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

15. Provisions for liabilities

	Group		Tate	
	2021	2020	2021	2020
	£000	£000	£000	£000
Provisions brought forward	-	-	-	-
Released in year	-	-	-	-
Provided in year	1,502	-	1,502	-
Provisions carried forward	1,502	-	1,502	-

£1,502,000 (2019-20: nil) was provided for in the year in relation to the potential outcome of two legal claims brought against Tate. The timing of outflows is uncertain, however the current estimate is within one year for both cases.

16. Operating leases

At 31 March 2021 Tate had annual commitments under non-cancellable leases as follows:

Group	Land and buildings £000	Other £000	2021 £000	2020 £000
Operating leases expiring within				
One year	864	86	950	783
Two to five years	2,792	34	2,826	1,922
More than five years	2,123	-	2,123	2,143
	5,779	120	5,899	4,848

Tate	Land and buildings £000	Other £000	2021 £000	2020 £000
Operating leases expiring within				
One year	733	49	782	585
Two to five years	2,751	4	2,755	1,815
More than five years	2,123	-	2,123	2,143
	5,607	53	5,660	4,543

17. Statement of funds

Group

	Opening Funds £000	Transfers £000	Income £000	Expenditure £000	Gain/(loss) on revaluation £000	Gain/(loss) on investment £000	Closing funds £000
Unrestricted							
<i>Designated</i>							
Works of art	23,464	-	192	-	-	-	23,656
Buildings and equipment	37,562	-	3,340	(4,885)	853	-	36,870
	61,026	-	3,532	(4,885)	853	-	60,526
<i>General funds</i>	20,561	-	80,070	(90,962)	-	-	9,669
Total unrestricted funds	81,587	-	83,602	(95,847)	853	-	70,195
Restricted							
Buildings and equipment	446,412	-	3,064	(19,998)	9,466	-	438,944
Revaluation reserve	651,503	-	-	-	(6,131)	-	645,372
Works of art	481,319	-	18,596	-	-	-	499,915
Acquisition trust funds	1,471	-	390	(67)	-	322	2,116
Other funds	296	-	14,089	(8,969)	-	11	5,427
	1,581,001	-	36,139	(29,034)	3,335	333	1,591,774
Endowments	12,773	-	500	-	-	2,230	15,503
Total funds	1,675,361	-	120,241	(124,881)	4,188	2,563	1,677,472

Tate

	Opening Funds £000	Transfers £000	Income £000	Expenditure £000	Gain on revaluation £000	Gain on investment £000	Closing funds £000
Unrestricted							
<i>Designated</i>							
Works of art	23,464	-	192	-	-	-	23,656
Buildings and equipment	36,459	-	3,340	(4,374)	853	-	36,278
	59,923	-	3,532	(4,374)	853	-	59,934
<i>General funds</i>	18,865	-	65,677	(74,444)	-	-	9,918
Total unrestricted funds	78,608	-	69,209	(78,818)	853	-	69,852
Restricted							
Buildings and equipment	446,411	-	3,064	(19,997)	9,466	-	438,944
Revaluation reserve	651,503	-	-	-	(6,131)	-	645,372
Works of art	481,319	-	18,596	-	-	-	499,915
Acquisition trust funds	1,471	-	390	(67)	-	322	2,116
Other funds	297	-	14,089	(8,970)	-	11	5,427
	1,581,001	-	36,139	(29,034)	3,335	333	1,591,774
Endowments	12,773	-	500	-	-	2,230	15,503
Total funds	1,672,382	-	105,848	(107,852)	4,188	2,563	1,677,129

Fair value reserve (investments) – movements

	As at 1 April 2020 £000	Unrealised gains under fair value £000	Realised gains under fair value £000	As at 31 March 2021 £000	Reserve fund net of FV at 31 March £000	Reserve fund incl. FV at 31 March £000
Restricted						
Acquisition trust funds	135	305	8	448	1,613	2,061
Other funds	6	10	-	16	58	74
	141	315	8	464	1,671	2,135
Endowments	1,209	2,087	67	3,363	12,112	15,475
Total funds	1,350	2,402	75	3,827	13,783	17,610

The accounts comprise a number of individual funds that divide into distinct categories, which are defined below.

Designated funds

Funds designated for a particular use by the Trustees.

Designated funds and the purpose for which their income may be applied are:

- *Works of art* – funds applied towards the purchase of works of art for the Collection;
- *Buildings and equipment* – funds applied towards the purchase of equipment and building works.

General funds

Funds available for general use.

Restricted funds

Funds restricted for particular purposes either by the wishes of the donor or by the nature of the fundraising appeal.

Restricted funds and the purpose for which their income may be applied are:

- *Buildings and equipment* – the value of Tate's estate vested in the Board of Trustees by the Secretary of State for the Environment and adjusted for subsequent valuations and disposals; also, restricted funds, including money from lottery and other public sources, raised specifically for and applied to the purchase of equipment and building works;
- *Revaluation reserve* – the reserve arising from the revaluation and the indexation of historical asset values to arrive at a modified historical cost. The reserve applies to both restricted and unrestricted assets, but all of the reserve is restricted;
- *Works of art* – restricted funds, including money from the Heritage Lottery Fund, raised specifically for and applied to the purchase of works of art together with all donated works of art since 1 April 2001;
- *Acquisition trust funds* – a number of restricted trust funds for the purchase of works of art for the Collection, including:
 - *Knapping Fund* – for the purchase for exhibition in England, Scotland and Wales of paintings in any medium, or sculpture, by artists of any nationality living at or within twenty-five years of the time of purchase;
 - *Gytha Trust* – for purchases for the Collection;
 - The expendable elements of the *ARTIST ROOMS*, *Abbott Bequest*, *Evelyn*, *Lady Downshire's Fund* and *Themans Trust* endowments;
- *Other restricted funds*:
 - The expendable element of the *Shenkman Fund* and *Porter Kreitman Artists Book Fund* endowments;

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

Endowment funds

Endowment funds are funds that the donor has stated are to be held as capital.

The endowment funds and the purpose for which their income may be applied are:

- *ARTIST ROOMS Fund* – for the purchase of works of art for the *ARTIST ROOMS* collection;
- *Abbott Bequest* – for the purchase of pictures and drawings by DG Rosetti or his contemporaries. The capital element of this endowment remains permanently intact and only the income can be spent;
- *Evelyn, Lady Downshire's Fund* – permanent endowment for the purchase of modern paintings. The capital element of this endowment remains permanently intact and only the income can be spent;
- *Shenkman Fund* – to pay for commissions of works of art at Tate Modern Restaurant. The capital element of this endowment remains permanently intact and only the income can be spent;
- *Themans Trust* – permanent endowment for the purchase of paintings. The capital element of this endowment remains permanently intact and only the income can be spent;
- *Porter Kreitman Artists Book Fund* – permanent endowment for the purchase of artists' books. The capital element of this endowment remains permanently intact and only the income can be spent.

18. Analysis of net assets between funds

Funds balances at 31 March 2021 are represented by:

Group	Unrestricted designated funds £000	Unrestricted general funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
Tangible assets	36,870	-	1,082,979	-	1,119,849	1,135,476
Heritage assets	23,656	-	499,772	-	523,428	503,671
Investments	-	-	2,135	15,475	17,610	14,226
Net current assets	-	11,923	6,888	28	18,839	22,716
Long term creditors	-	(752)	-	-	(752)	(728)
Provisions	-	(1,502)	-	-	(1,502)	-
Total net assets	60,526	9,669	1,591,774	15,503	1,677,472	1,675,361

Tate	Unrestricted designated funds £000	Unrestricted general funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
Tangible assets	36,278	-	1,082,980	-	1,119,258	1,134,373
Heritage assets	23,656	-	499,772	-	523,428	503,671
Investments	-	2,495	2,135	15,475	20,105	16,721
Net current assets	-	9,677	6,887	28	16,592	18,345
Long term creditors	-	(752)	-	-	(752)	(728)
Provisions	-	(1,502)	-	-	(1,502)	-
Total net assets	59,934	9,918	1,591,774	15,503	1,677,129	1,672,382

19. Cash flow information

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

	2021 £000	2020 £000
Net expenditure for the reporting period	(2,077)	(852)
Adjustments for:		
Depreciation charges	22,371	21,902
(Gains)/losses on investments	(2,563)	1,387
Dividends and interest	(398)	(555)
Loss on disposal of fixed assets	34	-
Donations of works of art	(14,439)	(13,250)
Decrease/(increase) in stocks	1,386	(454)
Increase in debtors	(1,455)	(2,516)
(Decrease)/increase in creditors	(850)	1,996
Net cash inflow from operating activities	2,009	7,658

(ii) Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	4,601	4,533
Notice deposits (less than three months)	11,925	18,350
Total cash and cash equivalents	16,526	22,883

20. Capital commitments

Financial commitments were as follows:

	2021 £000	2020 £000
Acquisition of works of art contracted for, but not provided in the accounts	202	3,361
		Works of art
		£000
Opening commitments at 31 March 2020		3,361
Less paid for during the year		(3,289)
Additional commitments		130
Closing commitments at 31 March 2021		202

Commitments to acquire works of art are made throughout the year with the timing of payments dependent upon bringing the work into Tate's premises and satisfactory completion of condition checks. Payments for works are normally expected to take place within the following year and will be funded via donations already pledged to the acquisitions as well as further fundraising during the coming months.

21. Contingent liabilities

There are no material contingent liabilities.

22. Related party transactions

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

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

As well as being Trustees of Tate, John Booth and Katrin Henkel are also Trustees of the National Gallery. Dame Moya Greene DBE was a Trustee of both Tate and the National Gallery until her retirement from Tate's Board in 2020-21.

Roland Rudd is the Chair of Tate Foundation. As of January 2021, Dame Jayne-Anne Gadhia DBE is the Chair of the Board of HMRC.

Roland Rudd donated £3,000 to Tate during 2020-21. Roland Rudd is Director of the Finsbury Group Limited, whose corporate membership with Tate Enterprises Limited was frozen as a result of the Coronavirus pandemic and galleries' closure during 2020-21 on the same terms as other corporate memberships.

Dame Jayne-Anne Gadhia DBE acts as a Strategic Advisor to Salesforce, to whom Tate paid £249,500 in software licensing fees in 2020-21. Jane Wilson is on the board of Design and Artists Copyright Society (DACS), to whom Tate paid £18,052 in copyright fees in 2020-21. John Booth is a director of Maintel Europe Limited, to whom Tate paid £101,725 in respect of telephone equipment and licence fees in 2020-21. Michael Lynton is a director of the Los Angeles County Museum of Art (LACMA) from whom Tate received £7,885 in exhibition fees in 2020-21.

The John Booth Charitable Foundation contributed £50,000 towards the Turner Prize bursary in 2020-21. John Booth is also a Tate Patron and paid subscription fees of £1,100 to Tate Foundation and the John Booth Charitable Foundation made a donation of £10,680 to Tate Foundation for Tate Patrons in 2020-21. Katrin Henkel is the founder of the Tavolezza Foundation, from whom Tate received a £25,000 donation. James Timpson OBE is a director of Timpson Ltd, which is a member of the Tate Patron programme and paid subscription and donation fees totalling £1,000 in 2020-21.

Maria Balshaw CBE is a director of Tate Foundation. James Timpson OBE, Victoria Cheetham and Stephen Wingfield are directors of Tate Enterprises Limited. Maria Balshaw CBE, Victoria Cheetham and Stephen Wingfield are directors of Tate Exhibition Productions Limited.

Maria Balshaw CBE is a trustee of the Clore Leadership Programme, to whom Tate paid £2,000 in training fees in 2020-21, and a member of the Executive Committee of the National Museum Directors' Council, to whom Tate paid £16,163 in membership fees in 2020-21. Frances Morris is a board member of the Fruitmarket Gallery, from whom Tate received £555 in fees in 2020-21.

During the year, Tate Foundation made donations to Tate of £3,180,116 (£4,755,332 in 2019-20) and reimbursed Tate for staff costs totalling £656,571 (£573,655 in 2019-20) and support costs totalling £126,475 (£131,764 in 2019-20). At the year end, debtors included £7,332,000 (£3,401,000 in 2019-20) and creditors included £1,133,000 (£1,124,000 in 2019-20) in respect of Tate Foundation. During the year the American Fund and Americas Foundation made donations to Tate of £2,035,000 (£2,685,000 in 2019-20). At the year end, debtors included £nil (£1,073,000 in 2019-20) and creditors included £nil (£396,000 in 2019-20) in respect of the American Fund. During the year the Canada Foundation made donations to Tate of £nil (£nil in 2018-19).

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

23. Financial instruments

As a significant proportion of the cash requirements of the charity are met through Grant in Aid received from DCMS, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments are cash relating to the running of the operation. The charity's main exposure is investments and debtors.

Credit risk

Tate is exposed to a credit risk of £6,607,000 representing trade debtors (£5,442,000 in 2019-20), however the risk is not considered significant as major customers are known to Tate. In Tate, all debtors over six months in age, except for debts with related charities, are provided for as doubtful debts; in Tate Enterprises, all debtors over one year in age are provided for. This totalled £293,000 (£307,000 in 2019-20).

Cash is held by Tate's bankers. The charity has not suffered any loss in relation to cash held by its bankers. See note 13.

Liquidity risk

Tate manages liquidity risk through its reserves policy. Tate does not make use of long-term debt or borrowing facilities. As a result, Tate is not exposed to significant liquidity risks. There are sufficient funds to cover existing current liabilities.

Market risk

Tate is not exposed to significant market risk from financial instruments. Interest and investment income represents 0.33% of the total incoming resources for Tate (0.36% in 2019-20). Tate is therefore not exposed to significant interest or investment risk.

Foreign currency risk

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

24. Net debt

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

25. Job Retention Scheme income

During 2020-21, Tate utilised the Government's Job Retention Scheme. In total, £5,190,000 (2019-20: £131,000) was claimed through the scheme, with 918 gallery staff either fully or flexibly furloughed between March and July 2020 and November 2020 and March 2021.

Tate's financial position was significantly affected by the galleries' closures due to the Coronavirus pandemic and associated lockdowns and, as a result, was given permission by the Cabinet Office to access the scheme. In the vast majority of cases, redeployment to other work or projects was not possible for staff due to the galleries' closure and so access to the scheme was vital for Tate and its staff.

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

26. Post balance sheet events

The Trustees designated the annual report and accounts for signing by the Accounting Officer on 7 July 2021 and authorised them for issue on the date they were certified by the Comptroller and Auditor General.

Subsequent to the year end, in line with the Government's re-opening timetable following the third lockdown, Tate Modern, Tate Britain and Tate St Ives re-opened on 17 May and Tate Liverpool re-opened on 18 May. Activities onsite continue to be conducted in line with government guidelines and staff continue to work both onsite and from home.

On demonstration of need, Tate has been awarded Coronavirus support from the Government in addition to the previously agreed Grant in Aid for 2021-22. Following the voluntary redundancy programme completed towards the end of 2020-21, further restructuring consultations commenced in April 2021 and concluded in June 2021 in order to remodel the organisation in line with the five year plan.

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