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**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**



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**THE PUBLIC CATALOGUE FOUNDATION**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Public Catalogue Foundation (the company) for the year ended 31 March 2016. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The Company operates under the name Art UK.

## **OBJECTIVES AND ACTIVITIES**

### **Purpose and Objectives**

The Public Catalogue Foundation's 'objects', as laid out in its Memorandum and Articles of Association, are:

- " 1. To research, publish and distribute information in relation to, and to promote, publish and provide catalogues of, paintings, sculptures and other works of art, including associating with museums, art galleries and organisations affiliated with art, in a common effort to advance and promote arts and education generally.
2. To encourage, assist, arrange and provide support for the restoration of paintings, sculptures and works of art held or owned by museums art galleries and other bodies and organisations making works of art available to the public and to cooperate with, assist and support such museums, art galleries and other bodies in connection with the same.
3. To promote, maintain, improve and advance works of art and the arts in general for the benefit of the public, including the arts of painting, drawing, sculpture, photography and design and to promote, maintain and advance public education and appreciation of, and public interest in, the arts generally.
4. To carry out such other charitable objects which the trustees may consider to be ancillary or complementary to any of the foregoing objects or which may be undertaken in connection or conjunction therewith or which are incidental or conducive to the attainment of any of the foregoing. "

The mission and work of the charity are driven by these objectives. The charity pursues its mission and performs its activities under the operating name 'Art UK'. This operating name was adopted by the Trustees in February 2016. The 'Public Catalogue Foundation' will remain the charity's legal name.

The charity's mission is to open up art in public collections for enjoyment, learning and research. We do this through digitising artworks, telling the stories behind the art and creating exciting opportunities for public interaction with art both online and offline. Our work contributes to the promotion and sustainability of the UK cultural sector through the use of the shared artuk.org digital infrastructure. Successful partnership and collaboration are a hallmark of our organisation.

In the early years of the charity there was a focus on raising funds for the conservation and restoration of oil paintings, as per the second object above. However, this was not found to be an effective use of the charity's resources and the Trustees determined to focus on supporting the institutions that hold public art collections in other ways, as described in this report.

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**TRUSTEES' REPORT (continued)**  
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**Our Work**

The UK holds one of the greatest public collections of art in the world. The vast majority of this collection is not on public view. Outside the collection of 200,000 plus oil paintings – digitised by the charity – most of the nation's public art collection has not been photographed. At the same time few collections have the resources to put their collections online. Therefore, what is publicly owned is often not publicly accessible.

The charity's first major project was to create a photographic record of every oil painting in public ownership in the United Kingdom. This project was completed in late 2012. Initially, the principal publication vehicle for this project was the Oil Paintings in Public Ownership series of printed volumes. However, in 2011 the project went online through the Your Paintings website. Online publication is now the Charity's principal publication vehicle.

Oil paintings are not the only artworks where large numbers of objects are not on public view. High percentages of public collections' holdings of watercolours, prints, drawings and sculpture are in store and have not been photographed. Since September 2016 collections have been able to upload already digitised works on paper onto Art UK. From 2017, subject to a Round Two grant application to the HLF, Art UK plans to record the UK's sculpture of the last thousand years, photograph an ambitious proportion of this and show these on Art UK. We will also be inviting important private collections such as country houses to add their art to Art UK.

Showing art online creates substantial public and economic benefit. It dramatically improves access to artworks and collections. It allows audiences to find out about artworks in store while encouraging visits to the art that is on display, thereby promoting greater cultural tourism. It opens up wonderful learning opportunities for schools and audiences of all ages, inspires creativity and is vital for academic research. All of this can be achieved in ways that promote maximum social inclusion. And for collections it offers valuable commercial income-generating potential.

**Strategies for Achieving the Charitable Objectives**

Three strategies underline the charity's approach to achieving its objectives: innovative partnership building; the exploitation of scale; and delivering exciting public engagement offerings.

Art UK comprises a small team – currently under ten full-time equivalent staff members. Since our launch in 2003, collaborations with other organisations have been central to the way we work. Such collaborations and partnerships have allowed us to access specialist knowledge, innovative technologies, authoritative content and new audiences. The BBC, Culture 24, Oxford University Press and the Public Monuments and Sculpture Society are among our project partners.

A key feature of our offer to collections (and indirectly to public audiences) is that by creating shared digital infrastructures we enable these institutions to reap the benefits of technology and scale and achieve outcomes that they would not normally be able to achieve on their own, particularly if they are smaller institutions. For most small institutions, digitising and putting their art collections online is out of their reach.

Whilst the recording and digitisation of artworks is a key part of the process of improving access to the nation's art collection, the charity believes strongly in ensuring these artworks can be made accessible to as wide an audience as possible through creating engaging ways of interacting with the artworks online and telling the stories behind the art, thereby improving their relevance to a wide audience.

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**Main Activities Undertaken to Further the Charity's Purposes for the Public Benefit**

The trustees have had due regard to guidance published by the Charity Commission on public benefit. The benefits of the project accrue to the public at large and art collections that participate in the project.

The benefits to the public at large include easier access to images of and information about artworks owned by the public. This information aids learning and informs the public of collections they can visit. This resource is available to the public for free through the Art UK website and is presented to the public in an easy-to-use manner with interesting and contextual information that tells the stories behind many of the artworks. In addition, catalogues are available for sale and for viewing in many public libraries.

The benefits to the participating collections principally revolve around the use of a shared digital infrastructure, which would in most cases be out of the reach of individual collection budgets. In addition, the benefits include free digital images during third party-funded digitization projects, improved artwork security, better cataloguing records, greater public recognition and the encouragement of cultural tourism.

More recently, as a result of the Art Detective project, the benefits have included improved knowledge of paintings in public collections. Starting in October 2016, the Art UK Shop will give collections, in return for a Partner Collection subscription fee, the ability to generate commercial income through the sale of products such as print on demand and museum merchandise.

**Revenue-Generating Activities**

Funds are raised for the charity principally through charitable donations. The sale of hardcopy catalogues also raises funds as does the offer of commercial digitisation services to public and private art collections. However, to ensure the sustainability of the charity, it has now also introduced a subscription payment whereby participating public art collections become Partner Collections by paying an annual fee. In return the Partner Collections are able to advertise their exhibitions on the Art UK site and use the Charity's new Art UK Shop digital infrastructure.

**ACHIEVEMENTS AND PERFORMANCE**

**Review of Activities**

The year to March 2016 was an important period in the short history of the charity as it saw the charity launch the Art UK website and take on the operating name of Art UK.

The launch of the website [artuk.org](http://artuk.org) was two years in the making. There were a number of reasons for replacing the predecessor site, Your Paintings. Your Paintings was launched in 2011 and was hosted on [bbc.co.uk](http://bbc.co.uk). It attracted some 300,000 unique visitors per month with over 40% coming from abroad. Its success proved that collaboration between public art collections, the charity and the BBC was an effective force. It also confirmed the potential for using a shared digital infrastructure to make other art accessible to global audiences at a time when the vast majority of public collections could not do this on their own.

However, it was clear to the two main partners – the charity and the BBC – that a digital platform sitting on BBC servers could not provide the basis for long-term sustainability. At the same time the BBC was looking to rationalise the number of websites it published. The charity and BBC therefore decided that the best way to ensure this was to build a successor to Your Paintings separate from [bbc.co.uk](http://bbc.co.uk). Hence the idea for the Art UK website was born.

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It would be a shared digital platform for all 3,000+ public art collections across the UK – not just museums but also university, hospital and council collections as well as institutions such as the National Trust, Government Art Collection and English Heritage. Important private collections such as those of the Oxbridge Colleges would be displayed and others would be invited to join. It would be operated by the PCF but still very much in partnership with the BBC, who would create relevant editorial using Art UK content and bring audiences to Art UK.

An application was successfully submitted to Arts Council England for the majority of the costs of building Art UK. Additional funding was provided by the Scottish Government and a private charitable trust. Guided by a Steering Panel of experts inside and outside the museum sector, the charity started building Art UK in April 2015. It was launched at the House of Commons in February 2016. At that point, the Your Paintings website was retired.

For the most part of the year under review, the Your Paintings website was the charity's online publication vehicle. Over this period it achieved average unique monthly users of 292,000. The charity was satisfied with this audience as it was in line with the year before. However, from a technological angle the site, sitting on [bbc.co.uk](http://bbc.co.uk), presented a number of challenges as the site was becoming increasingly difficult to maintain. A particular feature of the site since launch was that the charity could only update data once a quarter through a particularly complex 'synchronisation' with the BBC. A major advantage of the Art UK website is that it can be updated on a daily basis.

The building of the Art UK website was a key focus for the small team over the period under review and rather dominated the small team's resources. The site itself was built by London-based Keepthinking, which won the contract to build the site after a competitive tender. Throughout the design, development and testing of the new site, the charity's team was in daily contact with the supplier and in regular contact with the Art UK Steering Panel that guided the team on the build to ensure that it met the objectives agreed by the Panel – and therefore reflected the needs of audiences and participating art collections.

The charity successfully launched Art UK in February 2016. Traffic to the site in the period after launch has been lower than on the Your Paintings website. A decline in traffic was not a surprise given the rebranding, the fact that it was a new site for search engine purposes and the fact that the site was coming off [bbc.co.uk](http://bbc.co.uk), a very popular website. Where we have been particularly successful, however, has been in attracting an overseas audience. Over 50% of our web traffic comes from outside the UK. The focus now is re-growing that traffic.

Whilst the public interface of the website were delivered on time for the launch in February 2016, the building of two back-end components was late. These were delivered in the summer of 2016. The first of these was the Collections Portal, an interface that will allow participating collections who are Partner Collections in the project to upload onto the site existing digitized artworks including watercolours, prints and drawings. This will be an important mechanism to allow the Art UK website to grow to include a broader range of art. The second mechanism is the BBC Project Partner Portal, which will allow the BBC to download images for use on [bbc.co.uk](http://bbc.co.uk), subject to the permissions of collections and artists, to allow the BBC to curate Art UK-related content on [bbc.co.uk](http://bbc.co.uk), thereby telling the stories behind the art and sending audiences to [artuk.org](http://artuk.org).

Late in 2015, the charity launched the Permissions Portal (previously called Your Art Your Digital Rights). This infrastructure, funded earlier by Arts Council England, is allowing collections to update and upgrade their image and data licences with Art UK in a sophisticated and granular way. This includes allowing Art UK to share images with the BBC and through Creative Commons licences.

The charity's Art Detective initiative continued to perform well. The aim of Art Detective is to provide collections that have participated in the Art UK project with access to a network of specialist knowledge offered by professionals and members of the public. Art Detective performed well during the year with the number of discussions on the site growing from 120 to 208 between March 2015 and March 2016 and the number of registered users growing from 2,106 to 4,457. In May 2015, Art Detective won the 'Best of the Web' prize at the

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Chicago Museums and the Web Conference, the only time this prize had ever been won by a UK institution.

Another key focus in the year under review was the Heritage Lottery Funded Development Phase of the Sculpture Project following the award of a Round One grant application pass in November 2014. The Round One pass from the Heritage Lottery Fund included a £109,700 development grant and the earmarking of £2.84m for the project subject to a successful Round Two application and raising approximately £1.9m in match funding. The Development Phase of the Sculpture Project fared well with considerable progress made in researching the likely number of sculptures to be included in the project, developing the engagement, learning and volunteering plans. Over the period considerable time was spent working on collaboration plans with our project partners, which include the BBC, the Public Monuments and Sculpture Association, Culture Street and the Oxford University Engineering Science Department. Additional partners have also been recruited including the Royal Photographic Society and more recently the Royal British Society for Sculptors.

A key challenge over the period was raising the funding of c.£2m to match the funding earmarked by the Heritage Lottery Fund. Following discussions with the HLF in early 2016 we restructured the application to reduce the overall cost by over £1m by reducing the number of sculptures within institutions that would be photographed. This has left us with a smaller amount of match funding to raise. We are making better progress in raising this smaller amount and plan to have it completely committed by the time we submit our second and final-round application in early December 2016. The HLF will make their decision on the Round Two application in March 2017. If that is successful we will start the project in May 2017. Success with this application is key to the future of the charity.

In December 2015 the charity moved office from 33 Maiden Lane, where we had benefited from a generous below-market rental, to smaller accommodation at 18 Percy Street W1, where we now occupy two rooms.

## **FINANCIAL REVIEW**

### **The Year Under Review**

The charity recorded a net surplus during the year of £126,936 (2015: previously a deficit of £115,992 but re-stated as a deficit of £6,617), which resulted in an increase in Net Assets with Reserves carried forward at year-end of £255,818 (2015: £19,507, re-stated as £128,882).

Re-statement of 2015 figures was done under Section 5.27 of SORP 2015 which states that a grant without conditions should not be deferred even if the income is received in advance of the expenditure being incurred. An unrestricted grant of £187,500 was awarded to the charity in the 2015 year of which £109,375 was deferred. This has now been re-stated so as to recognize the previously deferred income in full during the year to 31 March 2015. This adjustment has resulted in an increase of unrestricted reserves as at 31 March 2015 of £109,375.

Funds raised for the Charity through donations and grants amounted to £857,737 over the period and revenue from catalogues sales amounted to £19,771. In addition, contributions in kind from corporations are estimated to have amounted to at least £17,500 during the year.

Approximately 5.7% of total expenditure supported fundraising and publicity during the year (2015: 1.7%). This % includes the cost of a development manager for a full year whereas this role was not occupied in 2015.

### **Reserves Policy**

The financial statements of the charity show combined restricted and unrestricted funds of £255,818. Of this total, £73,426 are restricted funds, restricted for the Art UK website build which continued to take place after 31 March 2016. The balance of reserves £182,392 is unrestricted. It is the policy of the charity to have free reserves amounting to approximately six months' budgeted expenditure on core running costs for the following

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year. This currently equates to approximately £250,000. The charity will work towards maintaining this level of reserves during 2016/17 and build it out further over the following years.

The charity is actively securing future income to ensure long-term sustainability through a number of different initiatives described below. The financial position has improved significantly since the previous year with an increase in reserves of £126,936. However, the charity's principal financial management control is to ensure that at the end of each month in a rolling six-month period, there is sufficient surplus net cash available based on budgeted expenditure and committed donations.

**Focus on Improving the Charity's Financial Sustainability**

A key focus during the year was continuing to improve the financial sustainability of the charity. The period between the end of the oil painting digitisation project in 2012 and mid-2015 was a particularly difficult period for the organisation and the financial accounts over the period reflect this.

Over the last 18 months, we have made strong progress in reshaping our funding model to be far less dependent on grant-giving trusts for core funding. We are now firmly on the way to a mixed model of grants, subscriptions, recurring individual and corporate donations and, in due course, commercial revenue. The newly launched Art UK website is the key: it provides us with a substantial opportunity to broaden our revenue base and build a portfolio of recurring income streams. Whereas on the BBC Your Paintings site it was not possible to do anything commercial, appeal for donations or show funders' names, all of this is possible on Art UK.

Two key recurring revenue streams that have been put in place. The first is the Collection Partners Scheme. There are now over 650 Art UK Partner Collections, which pay an annual subscription (or have it paid by supporting charitable trusts such as the Wellcome Trust, which funds all the medical institutions). These collections pay this a) to support the sustainability of the Art UK site and b) to be able to use the Art UK shop to generate commercial income for themselves. The second recurring revenue stream derives from the Benefactor Scheme. In this Corporates and Individuals make philanthropic contributions of between £1,000 and £5,000 per annum.

The recurring revenues from the two main schemes currently contribute just over 40% of our current annual core running costs per annum compared to zero in late 2014. The remainder continues to come from grant-giving trusts and contributions from project grants (it should be noted that such project grants invariably support a build-out in other costs). Our aim is to continue to grow this recurring revenue percentage whilst at the same time increasing our commercial revenue by growing our commercial digitisation income and starting an Art UK merchandise revenue stream from the Art UK Shop.

**Funding Sources**

Funding sources include principally donations and grants from charitable trusts, public sector bodies, companies and individuals. A revenue contribution was made by the Commercial Digitisation service. The sale of hardcopy catalogues also raises funds. A new key source of revenue is subscription funding from Collection Partners made possible by the creation of the Art UK platform whereby participating public art collections pay an annual fee in return for using the Charity's new Art UK Shop digital infrastructure to sell commercial products.

During the year a loan owed to the Director of £96,904 and a loan owed to The Chairman of £30,500 did not change as no repayments were made. These loans are both interest free and repayable only when the Charity has sufficient funds.



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**TRUSTEES' REPORT (continued)**  
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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 12 December 2002, registered under the number 1096185.

**Method of Appointment or Election of Trustees**

Trustees are chosen for their experience in specific areas related to the work of the charity. Trustees are appointed by the Chair of the Board following a recommendation to the Board of Trustees and a minuted decision to appoint at a meeting of the Trustees.

**Policies Adopted for the Induction and Training of Trustees**

A brief induction programme is offered to Trustees to ensure they are aware of the charity's objectives, strategy and activities and their duties as Trustees.

**Pay Policy for Senior Staff**

The setting of pay for staff is the responsibility of the Director following consultation with the Chairman and an assessment of relevant market pay scales. The Chairman is responsible for setting the pay of the Director following consultation with the Trustees and an assessment of relevant market pay scales.

**Organisational Structure and Decision Making**

The Board of Trustees is responsible for the governance and control of the Public Catalogue Foundation. It meets four times per year. A Management Board comprising Charles Gregson (Chairman of the Trustees), Andrew Ellis (Director), Alex Morrison (Trustee), Graham Southern (Trustee) and senior managers from the charity meets monthly.

The day-to-day direction of the Public Catalogue Foundation is the responsibility of the Director. The Director, Andrew Ellis, is not a director under the Companies Act 2006. A weekly meeting with all staff is a key mechanism for providing direction and strong internal communication for staff. In total he has seven direct reports. He is in regular contact with the Chairman, Financial Controller and Trustees.

The charity looks to take external advice on many of its activities through the setting up of Steering Panels. These have included Panels for Art Detective, the Permissions Portal, the Art UK website and the Sculpture Project. A Steering Panel for the Audience Broadening Initiative is also being set up.

Since the end of the year in question an Advisory Board has been set up. The Advisory Board provides the Art UK Board of Trustees with guidance on the strategic direction of the Art UK charity and, in particular, artuk.org. Its membership comprises independent experts and senior representatives from leading stakeholders in the Art UK initiative.

**Related Parties**

Details of related party transactions are disclosed in note 17 to the accounts.

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**TRUSTEES' REPORT (continued)**  
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**Risk Management**

The charity assesses risks to its operations, finances, strategic direction and charitable objectives on a regular basis. A full risk matrix has been compiled and is reviewed by the Trustees every year. Two particular risks are uppermost in the minds of the Trustees and management at all times.

The first is ensuring that the charity represents on the Art UK website and in any related media the catalogue information, data and images of institutions and artists that participate in our projects as accurately and authoritatively as possible and in a way that does not bring the charity or other stakeholders into disrepute. The charity does this by having in place stringent work procedures for the creation and checking of content that is added to the Art UK website and for ensuring that copyright in images is respected in line with the law and best international practice.

The second risk relates to the financial sustainability of the organisation at a challenging time for charities and the arts and culture sector. Considerable focus has been put on protecting and improving the financial strength of the organisation by broadening the streams of income to the charity and ensuring that an increasing proportion of these are from reliable recurring sources. This work continues.

**PLANS FOR THE FUTURE**

Following the launch of the Art UK website, the Art UK charity now has the following six priorities.

**Increase the number and breadth of artworks on the site**

The artuk.org platform allows participating collections that have become paying Partners in the Art UK initiative to add existing digitised artworks to the site. This will result in images and data for substantial numbers of watercolours, prints and drawings being added to the site as well as newly acquired oil paintings. We will also be inviting new collections such as important country house collections to join the site. However, central to fulfilling this objective will be success with our Round Two Heritage Lottery Fund Art UK Sculpture application in March 2017. Should this be successful, the first sculptures will join artuk.org in the second half of 2017. We would expect there to be in total over 250,000 artworks on the site by the end of 2018 and nearer 500,000 by the end of 2020.

**Grow our audience**

We have a target of growing our web traffic to 300,000 unique users per month by March 2018 and nearer 500,000 by March 2020. By that point we wish to be globally recognised as the must-visit online destination for people interested in art in UK public collections. We will achieve this objective by working closely with our lead project partner, the BBC, and with our Partner Collections; and through paid for and pro bono promotion of the site. Social media will support this objective and provide alternative platforms for growing our audiences. However, underlying all of this will be the creation of compelling high-quality content that attracts and retains audiences.

**Reach a younger and more diverse audience**

We believe that a resource such as Art UK, which shows the national collection of art, should attract an audience that is representative of the whole UK population. The evidence to date shows that three audiences are under-represented on Art UK: the 16-24 audience; BAME audiences and C2DE audiences. With support from an Arts Council England grant, we are now embarking on an 18-month project to action research what mechanisms are most effective in growing and broadening the user profile of artuk.org. The body of research will be shared with the cultural sector.

**Grow the public engagement and learning activities on the site**

We believe that digital technology can provide the public with satisfying and enjoyable ways of contributing to

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and learning from initiatives such as ours. Our crowdsourcing projects – particularly Art Detective – have made a transformational contribution to the way in which the wider public can help art museums improve their knowledge of their artworks. Designing and executing innovative public engagement initiatives such as Tagger, Art Detective and Masterpieces in Schools have been central to the success of our organisation. Developing our existing initiatives and designing new ones will be central to the way we work.

**Generate commercial income for Partner Collections**

Through the Art UK Shop, Art UK will help generate much-needed commercial revenue for the 650 (and growing) Partner Collections. The Shop has been designed in such a way that collections can monetize their image assets and sell collection merchandise in a straightforward manner without a drain on collection resources. The Art UK audience will be able to buy a range of products from across collections with a single shopping basket. Whilst many large collections are still without an online shop, the Art UK Shop is principally aimed at the smaller collections, where for many an e-commerce presence is unaffordable. In due course, Art UK branded merchandise, raising revenue for Art UK, will be sold in the Shop.

**Ensure Art UK's financial sustainability**

This has been a focus for the last two years and will continue to be so. The objective has been to move the charity away from a dependence on grant-giving trusts for funding core costs towards a mixed funding model in which subscription income, recurring donations, project grants and commercial income make up the vast majority of funding. We have made good progress towards this goal with recurring subscriptions and donations providing over 40% of core running costs versus zero two years ago.

**CONCLUDING COMMENTS**

The charity, following a difficult 2014 and 2015, has shown a good financial recovery but continues to work on building its financial strength. Following the launch of the Art UK website in February 2016, the charity is excited about the vast potential that now presents itself in terms of opening up art in UK public collections for enjoyment, learning and research. The Trustees are particularly grateful to all the donors, Partner Collections, project partners and, not least, the charity's dynamic and dedicated staff who have made this possible.

**Trustees' responsibilities statement**

The Trustees (who are also directors of The Public Catalogue Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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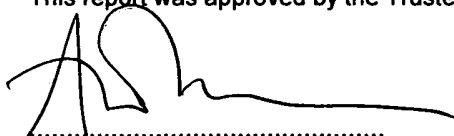
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 22/9/16 and signed on their behalf by:



.....  
**Alex Morrison**  
Trustee

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Trustees**

Charles Gregson, Chairman  
Patrick Brill  
David Ekserdjian  
George Entwistle  
Clare Lilley (appointed 17 July 2015)  
Robert Lisney OBE  
Bridget McConnell CBE  
Alex Morrison  
Marc Sands  
Monisha Shah (appointed 1 July 2016)  
Graham Southern  
Kimberley Streets (appointed 1 December 2015)  
Rebecca Williams (deceased 12 April 2016)

**Company registered number**

4573564

**Charity registered number**

1096185

**Registered office**

First Floor, 18 Percy Street, London, W1T 1DX

**Company secretary**

Elizabeth Rimell

**Director**

Andrew Ellis

**Independent auditors**

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

**Bankers**

CAF Bank Limited, P.O. Box 289, West Malling, Kent, ME19 4TA

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**THE PUBLIC CATALOGUE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PUBLIC CATALOGUE FOUNDATION**

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We have audited the financial statements of The Public Catalogue Foundation for the year ended 31 March 2016 set out on pages 14 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its income and application of expenditure, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**THE PUBLIC CATALOGUE FOUNDATION**  
**(A Company Limited by Guarantee)**

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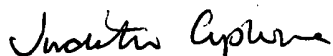
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PUBLIC CATALOGUE FOUNDATION**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Judith Coplowe (Senior Statutory Auditor)

for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

27 September 2016

**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account)  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
<b>INCOME FROM:</b>					
Donations	2	354,648	520,589	875,237	459,419
Investments	3	262	-	262	130
Charitable activities	4	123,458	-	123,458	67,338
<b>TOTAL INCOME</b>		<b>478,368</b>	<b>520,589</b>	<b>998,957</b>	<b>526,887</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	49,625	-	49,625	9,071
Charitable activities	6	443,455	378,941	822,396	524,433
<b>TOTAL EXPENDITURE</b>		<b>493,080</b>	<b>378,941</b>	<b>872,021</b>	<b>533,504</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>					
Transfers between Funds	16	(14,712) 155,842	141,648 (155,842)	126,936 -	(6,617) -
<b>NET INCOME / (EXPENDITURE)</b>		<b>141,130</b>	<b>(14,194)</b>	<b>126,936</b>	<b>(6,617)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>141,130</b>	<b>(14,194)</b>	<b>126,936</b>	<b>(6,617)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds at 1 April 2015		41,262	87,620	128,882	135,499
<b>TOTAL FUNDS AT 31 MARCH 2016</b>		<b>182,392</b>	<b>73,426</b>	<b>255,818</b>	<b>128,882</b>

All activities relate to continuing operations.

The notes on pages 17 to 29 form part of these financial statements.

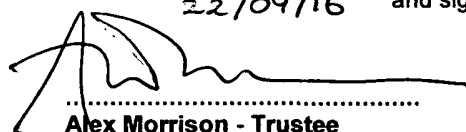


**THE PUBLIC CATALOGUE FOUNDATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 4573564**

**BALANCE SHEET**  
**AS AT 31 MARCH 2016**

	Note	£	2016 £	As restated 2015 £
<b>FIXED ASSETS</b>				
Tangible assets	11		234,864	59,638
<b>CURRENT ASSETS</b>				
Stocks	12	64,731		89,236
Debtors	13	143,821		37,591
Cash at bank and in hand		128,444		153,339
		<u>336,996</u>		<u>280,166</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(316,042)</u>		<u>(210,922)</u>
<b>NET CURRENT ASSETS</b>			<u>20,954</u>	<u>69,244</u>
<b>NET ASSETS</b>			<u>255,818</u>	<u>128,882</u>
<b>CHARITY FUNDS</b>				
Restricted funds	16		73,426	87,620
Unrestricted funds	16		182,392	41,262
<b>TOTAL FUNDS</b>			<u>255,818</u>	<u>128,882</u>

The financial statements were approved and authorised for issue by the Trustees on 22/09/16 and signed on their behalf, by:



.....  
**Alex Morrison - Trustee**

The notes on pages 17 to 29 form part of these financial statements.

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**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

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	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	198,739	83,122
<b>Cash flows from investing activities:</b>			
Interest		262	130
Purchase of property, plant and equipment		(223,896)	(13,579)
<b>Net cash used in investing activities</b>		(223,634)	(13,449)
<b>Change in cash and cash equivalents in the year</b>		(24,895)	69,673
Cash and cash equivalents brought forward		153,339	83,666
<b>Cash and cash equivalents carried forward</b>	19	128,444	153,339

The notes on pages 10 to 23 form part of these financial statements.

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**THE PUBLIC CATALOGUE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Public Catalogue Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

A significant estimate made by management in preparing these financial statements is the stock provision in respect of the printed books.

**1.2 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE**

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required. No restatements under Charities SORP (FRS 102) were required. However, a restatement was required to the loan balances which were reclassified as due within 1 year. The accounts have also been restated as a result of the change in treatment of grant funding. See note 15 for further information and the Trustee's Report.

**1.3 COMPANY STATUS**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 11. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.4 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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**THE PUBLIC CATALOGUE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 GOING CONCERN**

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

With respect to the next reporting period, 2017, the most significant area of uncertainty that affects the Charity is the sustainability of income. There are no significant estimates at the reporting date that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**1.6 INCOME**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donation income, including income from the Art UK Benefactor Scheme, is recognised when the Charity has entitlement to the donation and grant income is recognised in line with the agreement or as expenditure is incurred.

Income from the Collection Partnership scheme is spread over the period to which it relates. Any income received in advance is deferred and released in the period to which it relates.

Commercial digitisation income is recognised when the service has been undertaken.

Catalogue sales are recognised on the sale of a book.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs have been allocated between governance costs and other support costs. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs comprise of all costs involving public accountability of the charity and its compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged against expenditure.

**1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	33% straight line
Website costs	-	25% straight line
Computer equipment	-	33% straight line
Furniture and equipment	-	33% straight line

**1.9 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.10 FINANCIAL INSTRUMENTS**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value.

**1.11 STOCKS**

Stock of printed catalogues is valued at the lower of cost and net realisable value. A provision has been made for catalogues which were printed before March 2012 to reflect the net realisable value being considered less than cost.

**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.12 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

**1.13 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.14 CREDITORS AND PROVISIONS**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**2. INCOME FROM DONATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Donations and grants	354,648	520,589	875,237	459,419

In 2015, of the total income from donations, £231,757 was attributable to unrestricted funds and £227,662 was attributable to restricted funds.

Included in unrestricted donations of £117,148 is £17,500 of donations in kind for legal services (£10,000), marketing costs (£5,000) and event support (£2,500).

**Unrestricted Donations**

Significant (over £10,000) donations and grants received during the year include:

	2016 £	As restated 2015 £
Rothschild Foundation	10,000	10,000
The Monument Trust	187,500	187,500
Art UK Benefactor - L Ellis	20,000	-
Art UK Benefactor - M Porter	20,000	-
Other small unrestricted donations and grants below £10,000	117,148	34,257
<b>Total</b>	<b>354,648</b>	<b>231,757</b>

**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**Restricted Donations**

	2016 £	2015 £
Arts Council England	267,912	157,517
Foyle Foundation	-	20,000
Heritage Lottery Fund	92,677	12,220
National Gallery Trust	30,000	30,000
Fidelity Foundation	100,000	-
Scottish Government	25,000	-
Other small restricted donations and grants below £10,000	5,000	7,925
<b>Total</b>	<b>520,589</b>	<b>227,662</b>

**3. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest receivable	262	-	262	130

In 2015, all of the investment income was unrestricted.

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Art UK Partner Collection Subscriptions	80,832	-	80,832	8,019
Miscellaneous book sales and replacement discs	80	-	80	446
Catalogue, cards and print sales	19,857	-	19,857	32,908
Commercial digitisation	22,689	-	22,689	25,965
<b>Total</b>	<b>123,458</b>	<b>-</b>	<b>123,458</b>	<b>67,338</b>

In 2015, all of the income from charitable activities was unrestricted.

**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**5. RAISING FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>FUNDRAISING TRADING EXPENSES</b>				
Fundraising and publicity costs	6,776	-	6,776	9,071
Wages and salaries	38,897	-	38,897	-
National Insurance	3,952	-	3,952	-
	<u>49,625</u>	<u>-</u>	<u>49,625</u>	<u>9,071</u>

**6. ANALYSIS OF CHARITABLE EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2016 £	Support and governance costs 2016 £	Total 2016 £	Total 2015 £
Expenditure	<u>500,739</u>	<u>321,657</u>	<u>822,396</u>	<u>524,433</u>

Included within support and governance costs is £7,650 (2015: £8,180) which relates to governance costs.

**7. DIRECT COSTS**

	Total 2016 £	Total 2015 £
Marketing costs	9,150	325
Consultancy and subcontractor costs	146,309	70,492
IT costs	9,900	2,100
Copyright costs and licences	22,954	14,344
Public Catalogue division costs	44,257	69,386
Other costs	24,224	3,549
Wages and salaries	226,426	121,422
National insurance	17,519	11,411
	<u>500,739</u>	<u>293,029</u>



**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**8. SUPPORT COSTS**

	Governance 2016 £	Other support costs 2016 £	Total 2016 £	Total 2015 £
Office costs	-	43,541	43,541	27,331
IT costs	-	49,627	49,627	39,748
Utility costs	-	7,117	7,117	7,561
Professional fees	-	13,561	13,561	185
Financial Control fees	-	32,275	32,275	27,575
Travel costs	-	18,981	18,981	11,389
Non reclaimable VAT	-	28,289	28,289	9,361
Other costs	-	11,480	11,480	20,018
Stock write off	-	20,000	20,000	-
Auditor's fees	6,900	-	6,900	7,500
Auditor's non audit fees	750	-	750	680
Wages and salaries	-	37,607	37,607	48,609
National insurance	-	2,858	2,858	-
Depreciation	-	48,671	48,671	31,447
	<u>7,650</u>	<u>314,007</u>	<u>321,657</u>	<u>231,404</u>

**9. NET INCOME/ (EXPENDITURE)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	48,670	31,447
Auditors' remuneration	6,900	-
Auditors' remuneration - other	750	-
Previous Auditors' remuneration	-	7,500
Previous Auditors' remuneration - other	-	680
	<u>56,320</u>	<u>39,627</u>

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**THE PUBLIC CATALOGUE FOUNDATION**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**10. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>302,930</b>	170,031
Social security costs	<b>24,329</b>	11,411
	<b>327,259</b>	<b>181,442</b>

The average monthly number of employees was: 14 (2015: 10) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

<b>2016</b>	<b>2015</b>
<b>No.</b>	<b>No.</b>
<b>12</b>	<b>7</b>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprises the Trustees and the Director. The Trustees all give their time and expertise without any kind of remuneration or other benefit in kind (2015: £nil). The total employment benefits of key management personnel were £13,817 (2015: £16,920).

During the year, 1 (2015: 1) Trustee received reimbursed travel expenses of £148 (2015: £472).

**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**11. TANGIBLE FIXED ASSETS**

	Computer software £	Computer equipment £	Fixtures and fittings £	Website Development £	Total £
<b>COST</b>					
At 1 April 2015	259,412	30,500	9,953	-	299,865
Additions	41,494	9,656	6,710	166,036	223,896
Disposals	-	(1,361)	(9,318)	-	(10,679)
At 31 March 2016	300,906	38,795	7,345	166,036	513,082
<b>DEPRECIATION</b>					
At 1 April 2015	201,409	28,867	9,951	-	240,227
Charge for the year	39,208	2,644	739	6,079	48,670
On disposals	-	(1,361)	(9,318)	-	(10,679)
At 31 March 2016	240,617	30,150	1,372	6,079	278,218
<b>NET BOOK VALUE</b>					
At 31 March 2016	60,289	8,645	5,973	159,957	234,864
At 31 March 2015	58,003	1,633	2	-	59,638

**12. STOCKS**

	2016 £	2015 £
Finished goods and goods for resale	64,731	89,236

**13. DEBTORS**

	2016 £	2015 £
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Other debtors	9,000	-
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	53,458	20,235
Other debtors	44,914	505
Prepayments and accrued income	36,449	16,851
	143,821	37,591

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**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**14. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	Restated
	£	2015
		£
Other loans	<b>127,404</b>	127,404
Trade creditors	<b>110,053</b>	20,773
Other taxation and social security	<b>5,848</b>	11,011
Accruals and deferred income	<b>72,737</b>	51,734
	<hr/> <b>316,042</b> <hr/>	<hr/> 210,922 <hr/>

**DEFERRED INCOME**

Deferred income at 1 April 2015	<b>40,453</b>
Resources deferred during the year	<b>46,863</b>
Amounts released from previous years	<b>(40,453)</b>
	<hr/> <b>46,863</b> <hr/>
Deferred income at 31 March 2016	

Deferred income relates to Art UK partnership subscriptions. These are renewed on an annual basis, hence income received in advance is deferred.

Other loans comprise of a loan from Charles Gregson (Trustee) of £30,500 (2015: £30,500) and a loan from Andrew Ellis (Director) of £96,904 (2015: £96,904).

The loans will be repaid when the charity has sufficient funds to do so and the trustees acknowledge the Foundation may not be in a position to do so within the next 12 months.

**15. PRIOR YEAR ADJUSTMENT**

An adjustment was made to 2015 unrestricted donations to recognise the total amount received from Monument Trust of £187,500, with no performance conditions attached. The balance which was previously deferred amounting to £109,375 has been released to income in 2015. This has resulted in an increase to funds carried forward of £109,375 in 2015. 2015 balances have been restated accordingly.

**THE PUBLIC CATALOGUE FOUNDATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**16. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>					
Reserves	41,262	478,368	(493,080)	155,842	182,392
<b>RESTRICTED FUNDS</b>					
Commercial Digitisation	4,572	-	(54,933)	50,361	-
Your Art Your Digital Rights	83,048	15,000	(65,899)	(32,149)	-
Art Detective OPEN	-	30,000	(19,400)	(10,600)	-
Art UK Build	-	377,912	(141,032)	(163,454)	73,426
Sculpture	-	97,677	(97,677)	-	-
	87,620	520,589	(378,941)	(155,842)	73,426
Total of funds	128,882	998,957	(872,021)	-	255,818

Each of the restricted fund balances represents a specific PCF project.

**Commercial Digitisation** - This is commercial services regarding fine art digitisation which are available for private collections, as well as public institutions including photography of paintings, sculpture and other museum objects.

**Your Art Your Digital Rights** - This is a permissions portal which is an online interface that allows collections and artists represented on Art UK to update and open up the rights in their works. This licensing and technology framework will help propagate a more consistent approach to copyright and licensing across the museum sector and will assist museums of all sizes to manage more efficiently the copyright in images of their works.

**Art Detective** - This fund aims to improve knowledge of the UK's public art collection. It is an award-winning, free-to-use online network that connects public art collections with members of the public and providers of specialist knowledge.

**Art UK Build** - The Art UK platform was launched as the successor to Your Paintings. Whilst the BBC's role in the project changed, it remained the charity's lead partner in the initiative. Coinciding with the launch, 'Art UK' became the operating name for the charity. We are expanding the project to include already digitised watercolours, drawings and prints. Also Art UK will launch the Art UK Shop, a commercial platform for Art UK Partner collections to sell collection merchandise.

**Sculpture** - The Sculpture Project will create a comprehensive record of the UK's publicly owned sculptures. Many of these works are hidden away, without records, images or online access. Many public monuments are not fully recorded and are at risk. The project will transform the way people access and learn about their sculpture heritage, and will allow existing, new and diverse audiences to share knowledge, exchange opinions and visit objects, both in person and online.

**Transfers** - Where expenditure on a project exceeds funds raised for that particular project, a transfer is made from unrestricted funds to cover the remainder of the costs.

Where funding has been received toward capital expenditure and no further restrictions remain, a



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**16. STATEMENT OF FUNDS (continued)**

transfer, equal to the costs capitalised has been made against those funds.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	234,864	-	234,864	59,637
Debtors due after more than 1 year	9,000	-	9,000	-
Current assets	254,570	73,426	327,996	280,166
Creditors due within one year	(316,042)	-	(316,042)	(210,921)
	<u>182,392</u>	<u>73,426</u>	<u>255,818</u>	<u>128,882</u>

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	126,936	(6,617)
<b>Adjustment for:</b>		
Depreciation charges	48,670	31,447
Interest	(262)	(130)
Profit on the sale of fixed assets	-	(407)
Decrease in stocks	24,505	30,278
Increase in debtors	(106,229)	(9,123)
Increase in creditors	105,119	37,674
<b>Net cash provided by operating activities</b>	<u>198,739</u>	<u>83,122</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	128,444	153,339
<b>Total</b>	<u>128,444</u>	<u>153,339</u>

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**20. OPERATING LEASE COMMITMENTS**

At 31 March 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>			<b>Other</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>restated</b>	<b>£</b>	<b>restated</b>
		<b>£</b>		<b>£</b>
Not later than 1 year	<b>30,000</b>	9,000	-	128
Later than 1 year but not later than 5 years	<b>52,500</b>	-	-	-
<b>Total</b>	<b>82,500</b>	<b>9,000</b>	<b>-</b>	<b>128</b>

**21. RELATED PARTY TRANSACTIONS**

At the year end the charity owed Charles Gregson (Chair of Trustees) £30,500 (2015: £30,500). No advances or repayments were made on this loan during the current year. The loan will be repaid when the charity has sufficient funds to do so.

At the year end the charity owed Andrew Ellis (Director) £96,904 (2015: £96,904). No advances or repayments were made on this loan during the current year. The loan will be repaid when the charity has sufficient funds to do so.

During the year a donation of £5,000 (2015: nil) was received from the Public Monuments & Sculpture Association charity. One of the trustees is also a trustee of this charity.

A donation of £20,000 was received in the year (2015: £nil) from Mrs L Ellis, the wife of Andrew Ellis (Director).

During the year a donation of £5,000 (2015: nil) was received from ICAP. Charles Gregson is non-executive Chairman of that company.

During the year a donation of £5,000 (2015: nil) was received from Christie's. Marc Sands is an officer of that company.

The charity held a fundraising and promotional event in the year. The hosting costs of this event were donated to the charity and amounted to £2,500 (2015: £nil). This is shown in the accounts as a gift in kind. One of the trustees of The Public Catalogue Foundation is also a director of the contemporary art gallery which hosted the event.