

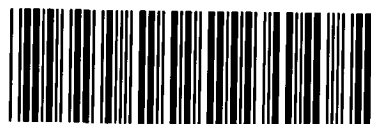
Registered number: 4573564
Charity numbers: 1096185 and SC048601

THE PUBLIC CATALOGUE FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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THE PUBLIC CATALOGUE FOUNDATION
(A Company Limited by Guarantee)

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THE PUBLIC CATALOGUE FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

Charles Gregson, Chairman
Victoria Barnsley
Rana Begum (appointed 16 July 2018)
Patrick Brill
David Ekserdjian
George Entwistle
Camilla Eden-Davies (appointed 20 July 2018)
Clare Lilley
Robert Lisney OBE
Thomas Marks (appointed 14 September 2018)
Alex Morrison (resigned 11 December 2018)
Graham Southern
Kimberley Streets

Company registered number

4573564

Charity registered numbers

1096185 and SC048601

Registered office

The Courtyard, Shoreham Road, Upper Beeding, Steyning, West Sussex, BN44 3TN

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

THE PUBLIC CATALOGUE FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

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 2019. 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).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Company operates under the name Art UK.

OBJECTIVES AND ACTIVITIES

Purpose and Objectives

In brief, the charity is transforming public access to the art that is owned by the public across the whole of the United Kingdom. At the same time, it is opening up opportunities to learn about and engage with the nation's art collection.

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 promote the efficiency and effectiveness of charities, including without limitation charitable museums, art galleries and other charitable organisations making works of art available to the public and the effective use of charitable resources in the arts sector; and
5. To carry out such other charitable objects which the trustees may consider to be ancillary or complimentary 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. In July 2017, as part of a general updating of the charity's Memorandum and Articles of Association, the fourth object listed above was added to the charity's founding list of objects to reflect work already being carried out by the charity.

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)
FOR THE YEAR ENDED 31 MARCH 2019

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 Work

The charity's purpose is to open up art in public collections for enjoyment, learning and research. In the March 2018 four year business plan the charity explained the vision as: 'Universal free online access to the nation's art for anyone who loves art, wishes to learn about art or visit art, through a single digital platform shared by all the UK's public art collections.'

It pursues its mission through digitising artworks, telling the stories behind the art and creating exciting opportunities for public interaction with art both online and offline. Its 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 the organisation.

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. In February 2016 Your Paintings was retired and replaced by the Art UK website at artuk.org. 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. In the summer of 2017 the charity commenced a major project to digitise the nation's sculpture collection of the last thousand years in a threeyear project funded by the National Lottery and other funders. This will be the charity's second largest digitisation project after its oil painting project. The charity will also be inviting important private collections such as those in country houses and corporations to add their art to Art UK. However, private collections will never constitute more than a very small percentage of institutions on the website; the charity's principal focus will always be showing art from public collections.

The shared digital infrastructure that has been created by Art UK has been extended to include a shared e-commerce platform to allow participating art collections that are Partner Collections, to generate much needed commercial income for themselves.

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.

The charity's head office is in London but the charity also runs a small office in Glasgow. This was set up to bring the charity closer to its Scottish audience and participating collections and comprises staff working principally on the Sculpture Project. Scottish, Welsh and Northern Ireland collections join English collections in being involved in the strategic development of the charity through the Art UK Steering Panel.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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.

Since the charity's launch in 2003, collaborations with other organisations have been central to the way it works. Such collaborations and partnerships have allowed it to access specialist knowledge, innovative technologies, authoritative content and new audiences. The BBC, Culture 24, Oxford University Press and the Public Monuments and Sculpture Association have been among its project partners for a number of years. More recently, as part of its sculpture digitisation project, the charity has been joined by a number of other partners including Culture Street, Factum Foundation, the Royal Photographic Society, the Royal Society of Sculptors and VocalEyes. In 2017 the charity embarked on a new partnership with the Paul Mellon Centre to set up the 'Write on Art' essay prize, aimed at students in their last four years of school.

A key feature of the charity's offer to collections (and indirectly to public audiences) is that by creating shared digital infrastructures and digitising art in nation-wide projects, it enables participating 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. Indeed, for the 3,000 + institutions on Art UK, the vast majority of these would not be able to put their art online without Art UK's assistance. Similarly, most of these collections are not able to take advantage of e-commerce opportunities on their own.

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. A significant focus is therefore put on writing or commissioning engaging articles about art and artists and the subject matter represented in the art. Through initiatives such as Art Detective and Tagger (to be re-launched, it is hoped, in the next six months) the charity provides new and imaginative mechanisms for the public to engage and contribute in satisfying ways to its work. However, the biggest focus in this area over the next few years will be growing the learning resources on the site.

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 Charity's work accrue to the public at large and art collections that participate in the Art UK website.

Art UK believes that the public should have the right to access the art that is held on their behalf by publicly funded institutions. 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 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. Evidence amassed by the charity confirms the view that seeing art online encourages audiences to want to go and see artworks for real.

Since 2014, as a result of the Art Detective project, the benefits have included improved knowledge of paintings

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

in public collections. In addition, participating in Art UK's Shop allows collections to generate much needed 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 and grants that are received from both the private and public sector. At present the charity is more dependent on public sector income, a reversal of the position five years ago.

To ensure the sustainability of the charity, the charity has diversified its income streams beyond voluntary and grant income. A key element of this is a subscription scheme whereby participating public art collections become Partner Collections and pay an annual fee that ranges from £50 per year to £2500 per year. 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. The growth in this income stream is a key focus for the charity. Recruiting corporate collections – all paying at the higher annual rate – will be part of this focus.

For some years there has been a focus on growing the recurring revenue income from the Benefactor scheme whereby individuals and corporations contribute £1,000 to £5,000 per annum to the charity. Towards the end of the period under review plans were developed for two additional philanthropy schemes aimed at individuals. The Angels scheme is focused on one-off donations of £25,000 and above. It is a high impact philanthropy programme aimed at garnering vital core funding and valuable insight from a small group of individual donors in order to enable Art UK to achieve its ambitions. Later this year, to help us tell our story, increase access and reach a bigger audience, we are also introducing an important entry-level online giving Scheme – the Art UK Citizens – which will be aimed at raising recurring donations of £2.50 a month or £25 for 12 months paid-up front.

The sale of hardcopy catalogues raises funds for the charity as does the sale of a number of Art UK products through the shop. The charity also offers commercial digitisation services to public and private art collections.

Two full-time Development Officers are employed by the charity as part of the Development Team, together with a part-time Senior Development Consultant to mentor the Development Team and to guide the charity in the evolution of its fundraising strategy. A Philanthropy Board comprising Trustees, the Director and external members, with the Development Team in attendance, meets every two months with a focus on fundraising from individuals. The Head of Commercial Programmes and Collection Partnerships is focused on increasing the recurring Collection Partnership income stream.

Approach to Fundraising

The Board of Trustees are closely involved in fundraising planning and implementation establishing priorities and goals, and approving plans put forward by the Philanthropy Board.

The Philanthropy Board is primarily focused on sourcing both one-off and recurring donations from high net worth individuals and corporates with an interest in the arts, through introducing prospects, making approaches and developing a funder events programme. The efforts of the Philanthropy Board are focused on generating funds towards core costs through encouraging prospects to join the Angels and Benefactors schemes.

Approaches to trusts and foundations are largely project-based (but not exclusively), and made when appropriate prospects have been identified through research. Care is taken to approach trusts and foundations with a demonstrable history of supporting similar projects and organisations.

There were no professional fundraisers carrying out any fundraising activities on the Charity's behalf during the year, and there were no failures by the charity or by any person acting on its behalf to comply with fundraising standards. There were no complaints received by the charity with regards to fundraising activity. The Charity subscribes voluntarily to the Fundraising Regulator.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

Digitisation Activities

Significant progress was made during the year on the digitisation of sculptures. This project funded with the award of a £2.8m grant from the National Lottery Heritage Fund (alongside match funding raised by the charity of £1m) is focused on digitising the nation's sculpture collection of the last 1000 years with everything outdoors in the country's parks and streets being photographed and around 20% of sculptures inside collections being photographed with everything being recorded.

Over the period under review we worked in 321 collections and took just under 29,000 photographs of approaching 5,000 objects in these collections. Additional photographs of sculptures already taken by collections were shared with the charity for use on Art UK. A team of volunteer photographers in receipt of professional training by Art UK are photographing outdoor public sculpture across the UK.

The first records and images of sculptures appeared on the Art UK site in February 2019 and as of September 2019 there are over 8,000 records on the site. The first 3D images will appear on the site in 2020.

A significant amount of public engagement, the creation of learning resources (covered below) and the offering of many volunteering and training opportunities will accompany this project. The charity employs on fix term contracts over 40 staff for the sculpture project, as well as 50 freelance Photographers and over 120 volunteers. This has been a considerable task and involves a great deal of management, especially as the majority of contributors to the project work remotely, from northern Scotland to the West Country. Collections are very enthusiastic about the project, but many have limited resources and depend on Art UK to support them through the process.

Having expected the Sculpture Project to be completed by the summer of 2020 we have now realised this will not be possible and instead, by agreement with the National Lottery Heritage Fund, the project will be completed in December 2020.

Partner Collections can upload onto the site existing digitized artworks including watercolours, prints and drawings through the Collection Portal. Over the period under review (year to 31 March 19), the charity added 6791 such works to the site including works from Russell-cotes Art Gallery & Museum, Colchester and Ipswich Museums Service, Tate and Gallery Oldham. After the end of the financial year, some 2,000 oil paintings from the Yale Center for British Art were added to the site. This is the greatest collection of British art outside the UK and the charity felt it appropriate that an exception was made to the strict geographical UK remit normally applied to artworks joining the site.

The Permissions Portal is a self-service online interface that allows collections and artists/artist estates to update and upgrade the image and data licences related to the digitised artworks on Art UK in a sophisticated and granular way. It allows them to choose to open up the rights in their images by attaching Creative Commons licences, which are then made available to users of the Art UK website using an easy to use filter. 39% of collections, who have signed the Art UK image reproduction agreement, had chosen to attach a type of Creative Commons licence at the end of the period under review. There are currently 33,323 Creative Commons images available on Art UK. The Permissions Portal will also offer users the option to make their images available for commercial products and licensing opportunities on the Art UK Shop, in order to generate revenue for participating partner collections.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Audiences

Over the year to end March 2019 there were just under 2.1m unique users to the Art UK website, up 7.3% on the year before with the UK audience up 26% year on year. Overseas visits constituted 45% of total users versus 55% from the UK. After the UK, the USA, Canada, Australia and France made up the top five countries visiting the site.

Following the recruitment of a new Head of Content who joined the Charity from the British Museum in June 2018, a new content strategy was put in place at the end of the calendar year. This has a particular focus on growing the story content on the site to enable the charity's offer to pivot away from simply being a comprehensive database of art and allow it to attract a growing and more diverse audience. Now there are over 860 articles on the site linked to the relevant artworks and artists. This corpus will grow significantly over the next few years with a particular focus on sculpture-related stories, particularly around the leading sculptors (and less well-known ones) as well as the making of sculpture. Also, we are looking to grow our Scottish content.

The strategy appears to be paying off in terms of traffic. Over the last six months, the traffic to stories on the site has almost quadrupled year on year. And whereas in the first six months of 2018 most of our top ten stories had at most 1,000 views, in the same period in 2019 all the top ten had over 5,000 views. Our most popular story in the first half of calendar year 2019 has had over 16,000 views.

Social media platforms provide a key alternative vehicle for sharing the nation's art with audiences, particularly younger audiences. Over the 12 months to March 2019 there was a substantial improvement in social media followers across the charity's combined platforms from 35,551 followers up to 51,791, up 46%. Sharing the content on the Art UK site with a younger and more diverse audience is a key priority for the charity.

An initial survey following the launch of Art UK in February 2016 showed that Art UK's audience was not as broad as it had expected. Although a substantial programme of work to broaden the audience funded by Arts Council England finished in June 2018, the charity was pleased to see that the percentage of BAME (Black Asian and Minority Ethnic) audiences visiting the site had continued to rise from 5.9% in early 2018 to 8.8% in late 2018. The substantial report covering the ACE-funded Audience Broadening Initiative which lasted 21 months was published by the Audience Agency in October 2018 and its recommendations shared with the sector. The focus on attracting diverse audiences to the Art UK site continues with the Audience Broadening Initiative Steering Panel meeting every 3-4 months.

The key focus for the charity is raising the awareness of the Art UK website and accelerating the growth in traffic. To support this, in November 2018 we recruited our first ever Digital Marketing Manager who will focus principally on digital marketing campaigns for Art UK.

Growing Collection Knowledge

The charity's Art Detective initiative provides 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.

In June 2018 the charity recruited a Courtauld graduate, Dr Marion Richards, to run the Art Detective network on a full-time basis, whereas previously it had been run only on a part-time basis.

During the year to March 2019 the number of discussions on the site grew from 355 to 427. This continues to grow reaching 455 in August 2019. In total, there have been 959 database updates made as a result of the Art Detective initiative: 261 updates have been achieved through public discussions and the remainder – some 698 updates – made behind the scenes directly from 'Proposed Discussions'. The total number of discoveries made through public discussions in the year to March 2019 was 46.

Notable discoveries include: a fine portrait rescued from a skip some years previously was found to be by famous society portraitist William D. Dring (1904–1990), and the Royal Watercolour Society's unknown

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'Collector' found to be a self-portrait by one of their members, Robert Brown (b.1927) – both these newsworthy stories have been grippingly retold for Art UK by Maev Kennedy. 'Children and a Roe Deer', a high quality Old Master picture at Warrington Art Gallery, was found to be by Tommaso Salini (1575–1625), a contemporary of Caravaggio, and we identified 'Classical Harbour Scene' as 'Reconstruction of the Ancient Port of Rome' by Justo Ruiz Luna (1865–1926), thus adding a new artist to Art UK and providing Barrow-in-Furness Council with knowledge of a more interesting and valuable object in its collection. Further, we have updated 10 records as a result of a single public discussion, which centred on an unidentified signature (Arthur George Mills, 1907–1996). This discussion was exceptionally rich, and the detective work led us to the artist's daughter, now living in Cairo, who has offered to check other Art UK records against her father's portfolio potentially leading to even more updates.

In addition to the discoveries made on the site, several high-profile discoveries were made outside the initiative through the BBC's three-part Britain's Lost Masterpieces series which aired in summer of 2018. These included attributing to Titian a 16th-century portrait of a young cardinal at Petworth House and attributing to Johann Zoffany a painting of a country gentleman from the 1770s in the collection of Manchester Art Gallery. A fourth season of the series will air in September 2019. The pictures are sourced through Art UK which will receive significant publicity on air and via social media.

Marion Richards' audit of pictures on Art UK with renowned Gainsborough scholar Hugh Belsey is ongoing and has yielded 89 potential updates to this important corpus of works by a major British artist. She intends to invite other experts to advise Art UK, such as Professor David Mannings for Sir Joshua Reynolds.

With the addition of many more sculpture records to Art UK, Art Detective enquiries about sculpture are now taking off. A statue of 'Metternich' in Stockton-on-Tees has been identified as a cast of John Evan Thomas's posthumous marble statue of Lord Castlereagh in Westminster Abbey.

Generating Commercial Income for Partner Collections

The vision behind the Art UK Shop is that it will form a unique platform through which all Art UK Partner collections can offer not just print-on-demand, licensing but also their own merchandise for sale. Like the main site, it offers collections a shared digital infrastructure, but in this case, in order to generate much needed commercial revenue for the Partner Collections.

In order to include their artworks in the Shop, the collection simply needs to sign a commercial agreement, and apply the relevant commercial licence to their images through the Permissions Portal. In brief, the charity has made it exceptionally easy for Partner Collections to monetise their image assets. Very importantly, the Shop customers can add all items they purchase to a single basket and pay for everything in one transaction. The ambition is for the Shop to become the first port of call for customers wishing to purchase high quality prints and products from the UK's public art collections and to be a leading marketplace for cultural merchandise. Art UK will also generate revenue for itself from the Shop from a range of Art UK branded products.

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. By sharing the commercial infrastructure with both small and large organisations, the charity is giving the same opportunities to smaller, often local, institutions as the big brands through a platform-based approach.

The Shop launched as a pilot in November 2016 and then for real in the summer of 2018 following signing contracts with our supplier. A new Shop Manager joined the charity in March 2018.

In the period under review gross sales (shared between collections and the supplier) amounted to £42,579 compared to the previous (pilot) year figure of £12,466. Over the same period monthly unique visitors rose from 6,135 to 13,828 and page views from 62,000 to 103,000. The number of collections on the Shop grew from 13 to 35 with some significant collections such as the Courtauld and Museums Sheffield joining.

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FOR THE YEAR ENDED 31 MARCH 2019

Sales of prints are by far the biggest contributor to revenues. In later 2018 Manchester Art Gallery became the first collection to add merchandise to the site which is fulfilled by the collection.

Since the end of the period under review sales have continued to grow sharply with gross sales in the four months to end July at £28,537 up 425% year on year and there are now in August 2019, 44 collections on the site.

The current focus is adding more collections and product from the site and making small improvements to the way the functionality works. However, the major focus is growing the profile of the shop through better marketing.

Learning Activities

Learning and Engagement activities constitute a major aspect of the Sculpture Project. Fourteen Masterpieces in Schools events took place in the period under review with 14 sculptures visiting schools across the country. These include Philip King's Point X from the Arts Council Collection which was loaned to Pinders Primary School, Wakefield; a bust of Horace Brodzky by Henri Gaudier-Brzeska, loaned to Weetwood Primary School, Leeds, from Leeds Art Gallery; and Royal Society of Sculptors member Kate Robinson loaned her own artwork, Persephone, and ran a workshop at St Andrew and St Bride's Secondary School in Glasgow. This resulted in 2046 acts of participation by these schools with 1,811 school students being involved over the 12 months.

Our Sculpture Around You programme involves local community groups and members of the public in activities to celebrate the sculpture around them. There were thirteen Sculpture Around You events around the country including a four-day creative project at the BBC partnering with London-based charity Accumulate and led by artist Sadie Edgington; a sculpture recording session with Stoke-on-Trent's Young Archaeologist's Club; and a family day at Southampton City Art Gallery. These have resulted in 1,358 acts of participation over the 12 months.

Also 13 films were made about sculptures by our Culture Street partner in conjunction with schools across the UK. These films covered a range of subjects including the techniques of making sculptures and explored both collections-based and public works of sculpture around the UK. These will go on the Art UK website in 2020.

The charity's Write on Art competition staged in partnership with the Paul Mellon Centre was run for a second year. In total there were 160 applicants and our judges included the crime writer Val McDermid. The Charity was also successful with a grant application to the Freeland Foundation for the piloting of a project called the Superpower of Looking which is aimed at honing the visual literacy skills of children at primary schools whilst also providing teachers with a toolkit to help them deliver parts of the Art and Design Curriculum. This pilot will take place in Autumn 2019.

Following the completion of the period under review the charity received a grant commitment from the Wolfson Foundation towards the costs of building a Schools Learning Portal. This will play a major role in bringing together all the schools-related resources on Art UK (including lesson plans, films, stories, links to further resources) for school teachers and students in an easily searchable interface. Match funding the remaining funds is taking place with the aim of building the Portal towards the end of 2019.

Operations and staff

The Art UK team expanded greatly in the previous year due to a large number of sculpture project posts being recruited. This expansion continued (but to a lesser degree) in the year under review. In April 2018, there were 44 staff members (25.8 FTE). By March 2019 this had increased to 54 (39.20 FTE), including 36 fixed term sculpture digitisation staff and two learning and engagement staff. The charity also manages 40 freelance professional photographers and over 100 volunteers as part of the sculpture project.

In May 2018 the charity relocated the London office to a new address on Eastcheap, in the City of London. The move was needed as it was becoming increasingly difficult for the previous space on Percy Street to

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accommodate the growing team. The office move was made possible by a generous three year donation to fund the net rental increase.

To bring it closer to audiences and collections throughout Scotland and to help fundraising on the ground, the charity opened a small office in Glasgow in the spring of 2018.

January 2018 saw the inaugural meeting of the newly-formed Equality, Diversity and Inclusion group, the creation of which reflects our commitment to championing EDI throughout our organisation. The group comprises five members including one Trustee and two senior staff. All EDI group members are committed to providing advice, guidance and support on EDI issues, and they also act as advocates for and present the needs of all characteristics protected by the Equality Act 2010.

FINANCIAL REVIEW

The Year Under Review

The charity recorded a net income during the year of £54,818 (2018: deficit of £84,209), which resulted in an increase in Net Assets, with Reserves carried forward at year end of £302,124 (2018: £247,306).

Funds raised for the Charity through donations and grants amounted to £1,914,886 over the period (2018: £979,450) and revenue from charitable activities amounted to £118,921 (2018: £107,986). Included in the donations figure, contributions in kind from corporations are estimated to have amounted to £57,215 (2018: £50,784) during the year.

Approximately 4.8% of total expenditure supported fundraising and publicity during the year (2018: 5.8%). This % includes the cost of a development manager and development officer as well as a senior development consultant for part of the year and an allocation of support costs based on staff costs allocated to fundraising.

The funds generated have been used to invest in its fixed assets namely the development of the Sculpture interface, the platform through which the charity will showcase the nation's public sculpture collections, and the Art UK Shop.

Reserves Policy

The financial statements of the charity show total funds of £302,124 being unrestricted. At 31 March 2019 there were no restricted funds. With the investment in its fixed assets, free reserves (unrestricted funds less fixed assets) at 31 March 2019 remain in deficit at £2,413 (31 March 2018: deficit of £252,311).

Nevertheless, as predicted in last year's report, this is a significant improvement over the 12 month period and the reserves position remains on track to improve further over the next two years.

It has been the policy of the charity to have free reserves amounting to approximately six months' budgeted expenditure on core running costs for the following year. This currently equates to approximately £250,000.

To improve financial resilience the charity has made substantial changes to the fundraising model. The charity is actively securing future income to ensure long-term sustainability through a number of different initiatives. It now has a healthier 'mixed model' of grants, subscriptions, recurring individual and corporate donations and the beginnings of a commercial income stream.

Over the period 2017 to 2022 dependence on total public funding (mainly ACE and HLF) rises to a peak of c75% in 2019 before dropping each year to 32% in 2022.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Focus on Improving the Charity's Financial Sustainability

There continues to be emphasis on further improving the financial sustainability of the charity.

In the previous year a key achievement was securing a four year Strategic Funds grant from the Arts Council in total £1.6m over 4 years. The first year of the grant has been received during the year to March 19. Following this grant from ACE, Art UK is now seeking similar longer-term funding contributions (albeit of a smaller order) from the equivalent bodies in Northern Ireland, Scotland and Wales.

The two key recurring revenue streams continue to be successful. The first is the Collection Partners Scheme. There were at the year end 377 Art UK Partner Collections, which pay an annual subscription (or have their fee paid for them by another body). 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 whereby Corporates and Individuals contribute between £5,000 and £10,000 to the charity. In the year ahead there will be a focus on introducing a new low-end giving recurring donation scheme called the Art UK Citizens Scheme.

The principal focus in the year ahead is to continue to grow all these recurring revenue streams whilst putting great emphasis on bringing in significant one-off donations from the Angels Scheme. We will also look to grow income from the Art UK merchandise revenue stream from the Art UK Shop.

The remainder of the charity's revenue 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). The charity's ten year oil painting project was approximately 75% funded by the private sector (trusts, corporates and individuals) and only 25% funded by the public sector. In recent years ACE has become a strong supporter of the charity's work and investor in the digital infrastructure that we have built whilst the National Lottery is the lead funder of the Sculpture digitisation project. The Scottish Government has also been a good supporter. This means for now the charity is much more dependent on public funding than it has been historically. However, longer term, it would prefer to return to its previous funding split and believes its new funding model will help it achieve this.

Going Concern

Given the plans and forecasts in place and known income streams for the next years referred to in the sections above, the Trustees are satisfied that the going concern basis of preparation of the accounts remains appropriate.

PLANS FOR THE FUTURE

A four year Business Plan which started April 1st 2018 was approved by the Art UK Board in March 2018 and reviewed again in March 2019.

The mission statement agreed by the Board states: 'By 2022 make the Art UK website the online destination for anyone, anywhere who wants to find out about art in public collections across the UK. Make it the indispensable platform for art collections wanting to showcase their art, generate revenue, build knowledge and collaborate in innovative ways. Make the organisation financially sustainable and resilient'.

The Business plan lists the organisation's five high level aims for the next four years and breaks each aim down into a series of objectives. Internally, a number of actions is associated with each objective to ensure the objectives are achieved. Execution of the objectives is monitored by the Management Board on a monthly basis. The high-level aims and objectives are shown below:

THE PUBLIC CATALOGUE FOUNDATION
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

AIM 1: Support public art collections through shared infrastructures and skills development (i) Ensure the Art UK platform develops to meet the needs of collections. A key focus here in 2019/20 will be building a more efficient mechanism for managing high resolution images using cloud computing and introducing a zoom facility using IIIF standards. (ii) Improve collection knowledge of their artworks through Art Detective (iii) Facilitate best practice image rights management for and on behalf of collections (iv) Encourage best practice digitisation by collections.

AIM 2: Grow and diversify audiences for the nation's art via Art UK and Partner Collections (i) Improve the marketing and promotion of the site (ii) Improve the relevance of site content to younger and more diverse audiences (iii) Deliver planned Sculpture Project learning resources (iv) Develop and deliver new learning resources. A key focus here in 2019/20 will be the building of the Schools Learning Portal (v) Grow the interactive nature of Art UK to distinguish it from museum websites. A key focus here in 2019/20 will be the launch of a Tagging Initiative and a public Curation Tool (vi) Drive traffic to collections' venues and websites.

AIM 3: Grow the number of artworks on the Art UK site (i) Complete the Sculpture Digitisation Project. This is now expected to be completed by end 2020 (ii) Grow the number of other artworks added to the site by collections (iii) Plan new funded digitisation programmes. Here the organisation is currently focusing on plans for a National Art Digitisation Initiative to follow the completion of the sculpture digitisation project in which collections would determine what art objects are digitised based on likely public interest and artwork significance. A panel of experts would guide the charity on choosing between collection requests for digitisation services.

AIM 4: Grow mutually beneficial relationships with artists and estates (i) Continue to provide artists and artist's estates with clear messaging and guidance about image rights and artwork copyright. (ii) Increase the number of links from Art UK to artists' own websites (iii) Increase artists' and estates' revenues from Art UK (iv) Increase artist involvement in Art UK.

AIM 5: Improve the financial resilience and sustainability of the sector and of Art UK (i) Grow and diversify Art UK's revenues whilst reducing the dependency on public funding. The introduction of the Angels and Citizens schemes will be the key focus for 2019/20 period. (ii) Grow commercial revenues for participating collections through the Shop.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The charity was also recently registered in the Scottish Charity Register by the OSCR on 3 August 2018 and now has charitable status under the Charities and Trustee Investment (Scotland) Act 2005, registered under the number SC048601.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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 a year. A Management Board comprising Andrew Ellis (Director), George Entwistle (Trustee), Bob Lisney (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. Katey Goodwin was appointed Deputy Director in April 2018. A weekly meeting with all staff is a key mechanism for providing direction and encouraging strong internal communication for staff. In total the Director 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. The charity sees Art UK as a digital platform that is shared by the participating collections. All of them have a stake in it. Ensuring the collections – large institutions and small – are involved in developing the initiative is key and the Steering Panels play a key role here. These have included Panels for Art Detective, the Permissions Portal, the Art UK website, the audience broadening initiative, the Shop and the Sculpture Project. The charity has also recently created a Learning and Engagement Steering Panel.

An 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. A Philanthropy Board plays a key role in supporting the charity raise funds from individuals and corporates.

Related Parties

Details of related party transactions are disclosed in note 23 to the accounts.

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 the charity's 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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.

Internal Controls

The Board has overall responsibility for establishing, maintaining and reviewing the effectiveness of the system of internal control. The system of internal control is designed to manage risk and provide reasonable (not absolute) assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information, the safeguarding of the Charity's assets and interests and compliance with relevant legislation, law and regulations.

The assurance framework is designed to provide sufficient, continuous and reliable assurance on organisational stewardship and the management of the major risks to organisational success and delivery of value for money. Executive responsibility has been clearly defined for the identification, evaluation and control of significant risks. The Director and executive members of the Management Board carry out evaluations of the risks which impact on the charity's ability to meet key business objectives. Risk assessments are carried out on a monthly basis and are aligned to the business planning process. The Director is responsible for reporting to the Board any significant changes affecting key risks or the breakdown of internal control.

The Board is responsible for a defined range of issues covering strategic, operational, and financial and compliance issues. The Board has not formally adopted the Charity Governance Code for smaller charities but has due regard to it. The governance framework is supported by a framework of policies and procedures with which employees must comply covering issues such as health and safety, data protection, and safeguarding. Financial reporting procedures include detailed budgets for the year ahead which are reviewed and approved by the Board.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Charity. This process has been in place throughout the year under review, up to the date of the annual report, and is reviewed by the Board. The Board has reviewed the effectiveness of the systems of internal control, including the agreed sources of assurance and confirm they are appropriate for that purpose. The Board is satisfied there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year. Up to the date of signing of these financial statements those systems were directed at the management of the significant risks facing the Charity. No weaknesses were identified which would have resulted in material misstatement or loss that would have required disclosure in the financial statements.

CONCLUDING COMMENTS

The Trustees believe that the work of the charity is transforming public access to the art that is owned by the nation. At the same time it is providing an economically efficient shared digital infrastructure for public collections the length and breadth of the UK that is now widely recognized by public and private funders as well as the participating collections. The award of the £2.8m grant by the National Lottery to digitise the nation's sculpture collection and £1.6m four year Strategic Funds grant from Arts Council England are examples of public recognition of this.

The Plans for the Future section above outline the focus for the charity over the next four years. A short-term key focus is raising the profile of the charity's work through better marketing of its work. More resources have been dedicated to this including the appointment of a Digital Marketing Manager. Awareness of the charity's work is still low despite the significant value of this work. Improving awareness of Art UK will at the same time grow awareness of the nation's art collection whilst making it easier for Art UK to raise funds.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

The Chairman of the Trustees is grateful to Alex Morrison for his service as a Trustee to the charity. He also welcomes on to the Board Rana Begum, Camilla Eden-Davies and Thomas Marks and very much looks forward to working with them over the coming years.

The Trustees are 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.

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 19/09/2019 and signed on their behalf by:


.....
Charles Gregson, Chairman

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

Opinion

We have audited the financial statements of The Public Catalogue Foundation (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2019 and of its incoming resources and application of resources, 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

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

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our 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 our Auditors' Report.

Use of our report

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 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 opinions we have formed.

Judith Coplowe (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: *14 October 2019.*

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations	2	294,191	1,620,695	1,914,886	979,450
Charitable activities	4	118,291	-	118,291	107,986
Investments	3	64	-	64	27
TOTAL INCOME		412,546	1,620,695	2,033,241	1,087,463
EXPENDITURE ON:					
Raising funds	5	94,918	-	94,918	67,456
Charitable activities	6	59,601	1,823,904	1,883,505	1,104,216
TOTAL EXPENDITURE		154,519	1,823,904	1,978,423	1,171,672
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	17	258,027 66,883	(203,209) (66,883)	54,818 -	(84,209) -
NET INCOME / (EXPENDITURE)		324,910	(270,092)	54,818	(84,209)
NET MOVEMENT IN FUNDS		324,910	(270,092)	54,818	(84,209)
RECONCILIATION OF FUNDS:					
Total funds brought forward		(22,786)	270,092	247,306	331,515
TOTAL FUNDS CARRIED FORWARD		302,124	-	302,124	247,306

The notes on pages 22 to 40 form part of these financial statements.

THE PUBLIC CATALOGUE FOUNDATION
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REGISTERED NUMBER: 4573564

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	As restated 2018 £
FIXED ASSETS				
Intangible assets	11		271,801	224,433
Tangible assets	12		32,736	5,092
			<u>304,537</u>	<u>229,525</u>
CURRENT ASSETS				
Stocks	13	22,585		38,139
Debtors	14	172,784		163,338
Cash at bank and in hand		151,669		79,792
			<u>347,038</u>	<u>281,269</u>
CREDITORS: amounts falling due within one year	15	(334,201)		(263,488)
NET CURRENT ASSETS			<u>12,837</u>	<u>17,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>317,374</u>	<u>247,306</u>
CREDITORS: amounts falling due after more than one year	16		(15,250)	-
NET ASSETS			<u>302,124</u>	<u>247,306</u>
CHARITY FUNDS				
Restricted funds	17			270,092
Unrestricted funds	17		302,124	(22,786)
TOTAL FUNDS			<u>302,124</u>	<u>247,306</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 19/09/2019 and signed on their behalf, by:


Charles Gregson, Chairman

The notes on pages 22 to 40 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>272,898</u>	<u>118,315</u>
Cash flows from investing activities:			
Interest		64	25
Purchase of tangible fixed assets		(44,515)	(20,084)
Purchase of intangible fixed assets		(183,014)	(75,100)
Net cash used in investing activities		<u>(227,465)</u>	<u>(95,159)</u>
Cash flows from financing activities:			
Repayments of borrowings		26,444	-
Net cash provided by financing activities		<u>26,444</u>	<u>-</u>
Change in cash and cash equivalents in the year		<u>71,877</u>	23,156
Cash and cash equivalents brought forward		<u>79,792</u>	56,636
Cash and cash equivalents carried forward	20	<u><u>151,669</u></u>	<u><u>79,792</u></u>

The notes on pages 22 to 40 form part of these financial statements.

THE PUBLIC CATALOGUE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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.

The functional and presentational currency is GBP.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. 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.

1.3 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.

1.4 GOING CONCERN

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

THE PUBLIC CATALOGUE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.5 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 Company has entitlement to the donation and grant income is recognised in line with the agreement.

Income from the Collection Partnership scheme is recognised 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 and Art Matters products are recognised on the sale of a book or item.

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.

1.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued):

1.7 INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Sculpture interface development	-	33% straight line
Computer software	-	33% straight line
Art UK website development	-	25% - 50% straight line

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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 equipment	-	33% straight line
Fixtures and fittings	-	33% straight line

1.9 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 OPERATING LEASES

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.11 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 subsequently measured at their settlement value.

1.12 STOCKS

Stock of printed books and Art Matters products are valued at the lower of cost and net realisable value. A provision has been made against books to reflect the net realisable value being considered at less than cost.

1.13 DEBTORS

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

1.14 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.

1.15 CREDITORS AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 PENSIONS

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

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2. INCOME FROM DONATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations and grants	294,191	1,620,695	1,914,886	979,450
Total 2018	199,584	779,866	979,450	

Included in unrestricted donations of £794,191 is £57,215 (2018:£35,635) of donations in kind for legal services (£20,000) (2018:£20,000) and marketing costs (£37,215) (2018:£15,635).

Included in restricted donations of £1,120,695 is £nil (2018:£15,149) of donations in kind for event support.

Unrestricted Donations

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

	2019 £	2018 £
NEX	50,000	-
J & G de Pass	25,000	-
C Gregson	20,000	-
Rothschild Foundation	20,000	20,000
S Rausing	15,000	-
Ampersand Foundation	10,000	-
Wellcome Trust Art UK Partnership	-	20,000
Gifts in kind - Freshfields Legal	20,000	20,000
Gifts in kind - Amazon	17,428	-
Gifts in kind - Google	15,504	-
Other small unrestricted donations and grants below £10,000	101,259	89,584
Total	294,191	149,584

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FOR THE YEAR ENDED 31 MARCH 2019

Restricted Donations

	2019 £	2018 £
The National Lottery Heritage Fund	821,653	241,924
Arts Council England – A Share Digital Platform for England's Art	500,000	-
Arts Council England - Sculpture	80,000	321,492
Esmée Fairbairn Foundation	50,000	-
Stavros Niarchos Foundation	47,100	-
Scottish Government	25,000	75,000
The Linbury Trust	-	40,000
Pilgrim Trust	20,000	20,000
Henry Moore Foundation	20,000	-
Arts Council England – Audience Broadening	19,864	-
Dino and Raffaello Tomasso	-	15,000
Glasgow Museums	11,103	-
Aberdeen Standard Life	10,000	-
PF Charitable Trust	10,000	-
Danny Katz	-	10,000
Gifts in kind - Google	-	15,149
Other small restricted donations and grants below £10,000	5,975	41,301
Total	1,620,695	779,866

3. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest receivable	64	-	64	27
Total 2018	27	-	27	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Art UK Partner Collection Subscriptions	103,046	-	103,046	85,072
Replacement image discs	10	-	10	77
Book Sales	4,098	-	4,098	5,881
Commercial digitisation	8,268	-	8,268	11,031
Art UK Dealership Scheme	1,000	-	1,000	1,250
Art Matters Products	1,604	-	1,604	275
Miscellaneous	265	-	265	4,400
	<u>118,291</u>	<u>-</u>	<u>118,291</u>	<u>107,986</u>
Total 2018	<u>107,986</u>	<u>-</u>	<u>107,986</u>	

5. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising and publicity costs	22,647	-	22,647	17,836
Wages and salaries	50,993	-	50,993	31,339
National Insurance	5,101	-	5,101	3,443
Pension cost	594	-	594	-
Allocation of support costs	15,583	-	15,583	14,838
	<u>94,918</u>	<u>-</u>	<u>94,918</u>	<u>67,456</u>

In 2018 £61,996 of expenditure from raising funds was attributable to unrestricted funds and £5,460 was attributable to restricted funds.

Support costs amounting to £15,583 (2018: £14,838) have been allocated to fundraising activities on the basis of staff time.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs 2019 £	Support and Governance 2019 £	Total 2019 £	Total 2018 £
Expenditure	1,576,399	307,106	1,883,505	1,104,216

In 2018, direct costs amounted to £889,414 and support costs were £214,802.

In 2018 £358,166 of expenditure on charitable activities was attributable to unrestricted funds and £746,050 was attributable to restricted funds.

7. DIRECT COSTS

	Total 2018 £	Total 2018 £
Marketing costs	52,526	59,548
Consultancy and subcontractor costs	221,742	109,271
IT costs	102,722	57,012
Copyright costs and licences	14,829	19,365
Books and Art UK Products costs	28,719	23,525
Other costs	127,002	51,675
Wages and salaries	825,137	427,307
National insurance	55,686	30,834
Pension cost	8,818	3,067
Depreciation	139,218	107,810
	1,576,399	889,414
Total 2018	889,414	

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NOTES TO THE FINANCIAL STATEMENTS
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8. SUPPORT COSTS

	Governance 2019 £	Other support costs 2019 £	Total 2019 £	Total 2018 £
Office running costs	-	78,782	78,782	40,274
IT costs	-	24,805	24,805	24,663
Utility costs	-	4,072	4,072	4,707
Professional fees	503	20,000	20,503	20,548
Financial Control fees	-	36,000	36,000	33,250
Travel costs	-	13,587	13,587	10,239
Non reclaimable VAT	-	18,029	18,029	22,434
Other costs	-	23,290	23,290	13,634
Auditor's fees	8,285	-	8,285	7,240
Auditor's non audit fees	750	-	750	1,570
Loss on disposal of fixed assets	-	1,017	1,017	-
Allocation of support costs to fundraising activities	-	(15,583)	(15,583)	(14,838)
Wages and salaries	-	73,000	73,000	40,659
National insurance	-	7,747	7,747	3,325
Pension cost	-	539	539	-
Depreciation	-	12,283	12,283	7,097
	<u>9,538</u>	<u>297,568</u>	<u>307,106</u>	<u>214,802</u>
Total 2018	<u>9,358</u>	<u>205,444</u>	<u>214,802</u>	

Support costs amounting to £15,583 (2018: £14,838) have been allocated to fundraising activities on the basis of staff time.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	16,872	7,097
Amortisation of intangible fixed assets	134,629	-
Auditors' remuneration - audit	8,285	7,240
Auditors' remuneration - other services	750	1,570
	<u>160,536</u>	<u>16,907</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	949,130	499,305
Social security costs	68,534	37,602
Other pension costs	9,951	3,067
	<u>1,027,615</u>	<u>539,974</u>

The average number of persons employed by the company during the year was as follows:

	2019 No.	2018 No.
Employees	50	23

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
Employees	34	18

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 (2018: £nil). The total employment benefits of key management personnel including employer's national insurance were £44,357 (2018: £11,960).

During the year, 6 (2018: 4) Trustees received reimbursed travel expenses of £1,519 (2018: £886).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. INTANGIBLE FIXED ASSETS

	Sculpture interface development £	Computer software £	Art UK website development £	Total £
COST				
At 1 April 2018 (as previously stated)	-	-	-	-
Prior year adjustment	18,200	224,379	361,137	603,716
At 1 April 2018	18,200	224,379	361,137	603,716
Additions	142,814	-	40,200	183,014
Disposals	-	-	(20,199)	(20,199)
At 31 March 2019	161,014	224,379	381,138	766,531
AMORTISATION				
At 1 April 2018 (as previously stated)	-	-	-	-
Prior year adjustment	2,739	220,657	155,887	379,283
At 1 April 2018	2,739	220,657	155,887	379,283
Charge for the year	31,794	3,722	99,113	134,629
On disposals	-	-	(19,182)	(19,182)
At 31 March 2019	34,533	224,379	235,818	494,730
CARRYING AMOUNT				
At 31 March 2019	126,481	-	145,320	271,801
At 31 March 2018	15,461	3,722	205,250	224,433

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

	Computer software £	Computer equipment £	Fixtures and fittings £	Other website development £	Total £
COST					
At 1 April 2018 (as previously stated)	224,379	58,471	7,345	361,137	651,332
Prior year adjustment	(224,379)	(18,200)	-	(361,137)	(603,716)
At 1 April 2018 (as restated)	-	40,271	7,345	-	47,616
Additions	-	38,147	6,368	-	44,515
Disposals	-	(8,366)	(5,894)	-	(14,260)
At 31 March 2019	-	70,052	7,819	-	77,871
DEPRECIATION					
At 1 April 2018 (as previously stated)	220,657	39,461	5,802	155,887	421,807
Prior year adjustment	(220,657)	(2,739)	-	(155,887)	(379,283)
At 1 April 2018 (as restated)	-	36,722	5,802	-	42,524
Charge for the year	-	13,273	3,599	-	16,872
On disposals	-	(8,366)	(5,895)	-	(14,261)
At 31 March 2019	-	41,629	3,506	-	45,135
NET BOOK VALUE					
At 31 March 2019	-	28,423	4,313	-	32,736
At 31 March 2018 (as restated)	-	3,549	1,543	-	5,092

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	As restated 2018 £
Computer equipment	25,512	-

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**NOTES TO THE FINANCIAL STATEMENTS
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13. STOCKS

	2019 £	2018 £
Art UK Products	4,520	1,863
Books	18,065	36,276
	<u>22,585</u>	<u>38,139</u>

Stock recognised in cost of sales during the year as an expense was £4,151 (2018 - £2,095).

14. DEBTORS

	2019 £	2018 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	14,400	-
DUE WITHIN ONE YEAR		
Trade debtors	37,118	53,593
Other debtors	6,975	13,320
Prepayments and accrued income	114,291	96,425
	<u>172,784</u>	<u>163,338</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other loans	127,404	127,404
Net obligations under finance leases and hire purchase contracts	11,195	-
Trade creditors	60,637	41,618
Other taxation and social security	23,742	12,263
Other creditors	678	-
Accruals and deferred income	110,545	82,203
	<u>334,201</u>	<u>263,488</u>

DEFERRED INCOME

	£
Deferred income at 1 April 2018	44,199
Resources deferred during the year	46,595
Amounts released from previous years	(44,199)
Deferred income at 31 March 2019	<u>46,595</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

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 (2018: £30,500) and a loan from Andrew Ellis (Director) of £96,904 (2018: £96,904).

The loans will be repaid when the charity has sufficient funds to do so.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	15,250	-
	<u>15,250</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2019 £	2018 £
Between one and five years	15,250	-
	<u>15,250</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
UNRESTRICTED FUNDS					
General	(22,786)	412,546	(154,519)	66,883	302,124
RESTRICTED FUNDS					
Sculpture	250,242	1,069,028	(1,165,077)	(154,193)	-
Research Assistant	7,256	-	(18,833)	11,577	-
Shop Build	-	11,103	(86,574)	75,471	-
Art UK ABI	12,594	19,864	(32,458)	-	-
Scottish Content Funding	-	20,700	(20,962)	262	-
A Shared Digital Platform for England's Art	-	500,000	(500,000)	-	-
	270,092	1,620,695	(1,823,904)	(66,883)	-
Total of funds	247,306	2,033,241	(1,978,423)	-	302,124

Each of the restricted fund balances represents a specific Art UK project.

Sculpture – The Sculpture Project is creating 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.

Research assistant – This fixed term position was funded for a year by the Paul Mellon Centre. The assistant has been researching collections of works on paper that can be uploaded on to Art UK by participating public collections.

Shop build – This project, funded by the Arts Council England and Scottish Government, has involved Art UK creating a shared digital infrastructure that can be used by Partner Collections to sell prints on demand, image licences and other merchandise in order to generate commercial income for these collections. Art UK has also started selling a range of branded products through the Shop.

Art UK ABI – This initiative has involved working with The Audience Agency to test a variety of digital mechanisms to reach young and diverse audiences. Through this initiative Art UK has broadened its own audience for its website whilst sharing valuable research with the sector.

Scottish Content Funding - This fund is for Scottish content on the Art UK site covering funding for existing and growing content relating specifically to Scotland.

A Shared Digital Platform for England's Art - Arts Council England is providing Art UK with a grant of £1.6m spread over four years starting 2018/2019 to support public collections in England to make their art

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

17. STATEMENT OF FUNDS (continued)

collections digitally accessible to the global public.

Art Detective (relevant for 2018 only) - Art Detective aimed to improve knowledge of the UK's public art collection. It was an award-winning, free-to-use online network that connected public art collections with members of the public and providers of specialist knowledge encouraging public discussions.

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
GENERAL FUNDS					
General	48,095	307,597	(420,162)	41,684	(22,786)
RESTRICTED FUNDS					
Sculpture	229,813	532,256	(493,627)	(18,200)	250,242
Research Assistant	15,833	-	(8,577)	-	7,256
Shop Build	-	129,969	(140,618)	10,649	-
Art UK ABI	37,774	116,641	(107,688)	(34,133)	12,594
Art Detective	-	1,000	(1,000)	-	-
	283,420	779,866	(751,510)	(41,684)	270,092
Total of funds	331,515	1,087,463	(1,171,672)	-	247,306

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Intangible fixed assets	271,801	-	271,801
Tangible fixed assets	32,736	-	32,736
Debtors due after more than 1 year	14,400	-	14,400
Current assets	332,638	-	332,638
Creditors due within one year	(334,201)	-	(334,201)
Creditors due in more than one year	(15,250)	-	(15,250)
	<u>302,124</u>	<u>-</u>	<u>302,124</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	224,432
Tangible fixed assets	229,525	-	5,093
Current assets	11,177	270,092	281,269
Creditors due within one year	(263,488)	-	(263,488)
	<u>(22,786)</u>	<u>270,092</u>	<u>247,306</u>

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	54,818	(84,209)
Adjustment for:		
Depreciation charges - fixed assets	16,872	105,071
Depreciation charges - intangible fixed assets	134,629	9,836
Interest	(64)	(27)
Loss on the sale of intangible fixed assets	1,017	-
Decrease in stocks	15,554	9,944
(Increase)/Decrease in debtors	(9,445)	69,530
Increase in creditors	59,517	8,170
Net cash provided by operating activities	<u>272,898</u>	<u>118,315</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	151,669	79,792
Total	<u>151,669</u>	<u>79,792</u>

21. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £9,951 (2018: £3,067). There were no (2018: £nil) contributions payable to the fund at the balance sheet date.

22. OPERATING LEASE COMMITMENTS

At 31 March 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings 2019 £	2018 £	2019 £	Other 2018 £
Not later than 1 year	48,000	7,500	1,600	960
Later than 1 year but not later than 5 years	144,000	-	3,240	1,600
Total	<u>192,000</u>	<u>7,500</u>	<u>4,840</u>	<u>2,560</u>

23. RELATED PARTY TRANSACTIONS

At the year end the charity owed Charles Gregson (Chair of Trustees) £30,500 (2018: £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 (2018: £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, the wife of Andy Ellis (Director) undertook retail consultancy work relating to Art UK and had costs reimbursed amounting to £2,016 (2018: £1,575).

Donations of £26,000 were received in the year (2018: £1,750) from the trustees and the director.

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24. PRIOR YEAR RESTATEMENT

The opening balance on computer equipment in note 12 has been restated to reflect assets relating to the sculpture project amounting to £18,200 being reclassified to intangible assets. Asset categories 'computer software' and 'website development' have also been reclassified to intangible assets.