

The National Gallery Annual Report and Accounts for the year ended 31 March 2024

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

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Objectives and activities

The National Gallery was founded in 1824. It is governed by the Museums and Galleries Act 1992 (the “Act”) and its statutory and charitable purposes are set out in section 2(1) of the Act. The National Gallery’s statutory and charitable duties and functions are to:

- Care for, preserve, and add to the works of art and the documents in its collection. Ensure that the works of art are exhibited to the public;
- Ensure that the works of art and the documents are available to persons seeking to inspect or study them in connection with study or research; and
- Generally, promote the public’s enjoyment and understanding of painting and other fine art both by means of the NG’s collection and by such other means as the NG considers appropriate.

The National Gallery is classified as a central government organisation by HM Treasury. It has been administratively classified by the Cabinet Office as a non-departmental public body. The National Gallery is an exempt charity whose Principal Regulator is the Secretary of State for Culture, Media and Sport.

The specific priorities of the National Gallery are:

- To ensure that free entry to the permanent collections will continue to be made available; and to prioritise maximising attendance and broadening audiences.
- To protect the world-class collections and front-line services.
- To continue to work closely with DCMS and to operate in a manner consistent with government’s priorities and policy positions.
- To continue to pursue commercial and philanthropic approaches to generating revenue which will complement Grant-in-Aid funding, and to seek innovative cost-sharing solutions with other Arm’s Length Bodies to maximise these additional sources of income; and
- To take a strategic approach to partnership working and to coordinate with other DCMS-sponsored museums through the Partnership Framework.

Our strategic aims

Our overarching aim, and core purpose, is to deliver more public benefit by increasing access to and enjoyment of the National Gallery's collections. In addition to its statutory and charitable duties, The National Gallery's current strategic aims are as follows:

- The Gallery at 200: a series of capital projects and public engagement to celebrate the Gallery's bicentenary.
- The Gallery Across the Nation: Partnerships with key institutions around the UK and creation of a national learning service.
- The Gallery Across the World: Building a bigger digital audience and greater range of content; and
- Research for Public Benefit: Becoming the World's leading research centre for historic paintings.

These strategic pillars form the basis of the development of the Gallery's capital works and its public programme of activities taking the Gallery to the end of its Bicentenary celebrations in 2025.

Review of achievements and performance in 2023–24

The Gallery at 200

The National Gallery is the home of some of the world’s most beautiful and important paintings. We have a unique ability to delight and inspire, connecting paintings and people in myriad, meaningful ways.

The National Gallery opened its doors 200 years ago on 10 May 1824 in a town house on Pall Mall. The regulations pinned to the door declared that it was a collection of pictures for the ‘use of the public’ and it has continued to be that in its site on Trafalgar Square, growing in size and ambition and serving an ever-larger number of visitors, peaking in 2019 at just under six million.

Visitor numbers have continued to slowly recover from the impact of the pandemic. Although domestic visitation has recovered to pre-pandemic levels, international visitors have yet to return in substantial numbers. Our significant reliance on this audience group both for footfall and commercial revenue is still keenly felt. Our long-term visitor forecasts suggest that visitor numbers will recover to and perhaps exceed pre-pandemic levels towards the end of the decade. We have taken this situation as an opportunity to make significant changes to our estate in anticipation of this growth in visitation.

The Gallery’s capability to create a welcome suitable for a world class institution, especially at the numbers of visitors experience pre-pandemic, is severely restricted by existing facilities. We are addressing this through a series of capital works (NG200) over two phases to be completed by 2028, funded through a mix of private donations, institutional funding and the Gallery’s own limited restricted reserves. Phase 1 of NG200 will:

- Provide a superb welcome experience by reconfiguring the Sainsbury Wing entrance, foyer and café areas, ultimately creating a more welcoming and inclusive space for all.
- Celebrate the Gallery’s historic setting by reimagining the public realm outside the Sainsbury Wing. Improve our visitors’ experience by upgrading a host of amenities, from wayfinding to better toilet provision, with an emphasis on sustainability, accessibility, comfort, and wellbeing.
- Create a new Supporters’ House for those wishing to engage more deeply and regularly with the Gallery and our artworks.
- Transform our Education Centre into a Centre for Creative Learning for families and community groups, school children and adult learners.
- Reduce our environmental impact and increase our resilience to the impacts of climate change on our collections, staff and visitors.
- Invest in revenue generating facilities like retail, cafés, private hire spaces and a new Supporters’ House to enhance visitor services and reduce our reliance on public funding.
- Respect and conserve the special architectural and historic character of our buildings and their internationally important heritage setting.
- Open up our collection to a broader and more diverse demographic and communicate better with harder-to-reach groups in London, the UK and beyond.

The construction works continued apace during the year and the aim is have these new facilities ready for Spring 2025. We also took advantage of an opportunity through generous donations to clean the Gallery’s facades and refurbish Gallery 29, to be known as the Wolfson Gallery. Phase 2 of NG200 is scheduled to commence towards the end of 2026, completing a new underground link to the Sainsbury Wing and creating a new Research Centre which will underpin the Gallery’s reputation as a global leader in this area. The Gallery has remained free for all to visit thanks to the commitment of successive governments and the Gallery Trustees. As the Bicentenary approaches we look forward to rededicating the Gallery to the people of the United Kingdom and visitors from beyond these islands.

In addition to our bicentenary preparations the Gallery continued with its extensive programme of activities during 2023–24 including ticketed and free to enter exhibitions. Other activities included Summer on the Square which returned to the north terrace of Trafalgar Square, with eight workshops running between 1 and 28 August. Over 26,000 visitors directly engaged in activities this year, compared to 8,890 in 2022. The free inclusive drop-in sessions were designed to engage families from diverse communities who may never have visited the Gallery before. The project is supported by and part of Westminster City Council’s Inside Out Programme. This year artists and Gallery Educators also led outreach sessions with the Westminster community to develop and shape

activities, and tours led people into the Gallery, connecting participants with the Collection and the Take One Picture exhibition.

We reframed the six of the nine monumental paintings from *The Triumphs of Caesar* series by Andrea Mantegna, on loan from the Royal Collection Trust, while the place where they are normally displayed, the Orangery at Hampton Court Palace, is being refurbished. They were painted for the ruling Gonzaga family in Mantua between the mid-1480s and the artist's death in 1506. Considered to be amongst the finest achievements in Italian Renaissance art, they depict a magnificent procession celebrating the victories of the Roman general – and later dictator – Julius Caesar over Gaul between 58 and 50 BC. Mantegna's Triumphs were acquired by King Charles I in 1629 and displayed at Hampton Court Palace, where they have remained to this day.

Art historian Melissa Baksh led a series of tours exploring paintings in the collection where people of colour have an implicit or explicit presence, with increased global colonial encounters and the explosion of the Atlantic slave trade impacting the ways in which they were represented.

The Gallery's new audience strategy was agreed in February 2024. It will continue the ambition, successes and learnings from past activities harnessing our achievements to build stronger relationships with domestic audiences and greater business resilience in second half of the decade. The strategy focuses primarily on audiences for Trafalgar Square but acknowledges the ways in which can align with our digital growth strategy and national programme strategy for those who engage with us offsite and online. The Gallery's ultimate aim is to become a leader in the field of public engagement.

The Gallery Across the Nation

We retained our Visit England accreditation for another year having achieved an overall visitor experience quality score of 94%. This is an improvement on the strong 91% assessment rating that we achieved last year.

Our Learning activity continued to grow during the year. In order to develop the impact and reach of Articulation, our national secondary school programme, we officially launched the 'Vision and Voices' research project, where we work with three state secondary schools over a three-year period. The project aims to improve the ability of secondary school students to express their thoughts and opinions more fluently, through the development of oracy skills, using the National Gallery Collection. The project is delivered in partnership with Oracy Cambridge (University of Cambridge) and we have worked with over 75 Year 7 pupils (ages 11 to 12) in this year.

The Discover Articulation Challenge for GCSE students (14- to 16-year-olds) took place on 14 June and was adjudicated by two of our Gallery Educators. The Challenge is organised in partnership with the University of Leeds and invites students to submit three-minute filmed presentations on an artwork of their choice. This year, six speakers were selected from over 30 entries and invited to deliver in person at the University of Leeds. Schools travelled from Cambridge, Slough, Manchester and Reading to attend the day.

During May 2023 we consulted with children and teachers across the country to choose the next Take One Picture painting. They were overwhelmingly in favour of Pieter de Hooch's *The Courtyard of a House in Delft*, which was confirmed as the focus picture for teacher training in 2023–24 and exhibition in 2025. After the painting was chosen, we ran workshops with children and teachers from a primary school in Wigan, to inform the resources and teacher training that we will develop.

The Take One Picture exhibition 2023 exploring *A Shipwreck in Stormy Seas* by Claude-Joseph Vernet opened in July. The preview was hosted by children who introduced the exhibition and spoke to attendees about their artworks and the experience of working with us to design the exhibition, building invaluable confidence and oracy skills. During November 2023, we reviewed c.700 works from 175 schools for the next Take One Picture exhibition, inspired by Rousseau's *Surprised!*. This was a record-breaking number of submissions to the exhibition. Submissions were graded against the Take One Picture criteria and projects from 47 schools were shortlisted. Works cover a wide range of themes and media, including sculptures, animations, collages, puppets and prints.

The Whitworth Gallery, Manchester, was confirmed as our partner for the next iteration of the National Gallery Contemporary Fellowship programme. Selected from a nationwide open call for applications last year, The Whitworth will work with us over the next two years to co-commission an artist of global standing to respond to the collections at both institutions for a touring exhibition that we will be shown at each of the venues.

The national touring programme has continued to deliver strong and inspiring exhibitions which has engaged a broad range of audiences across the UK and further developed the National Gallery's reputation with non-London partners across the sector.

In June, John Constable's *The Cornfield* (1826), surprised and delighted 11,508 visitors in five shopping centres and community spaces located on the Isle of Wight, Essex, Tyne and Wear, West Midlands, and the London borough of Culture for 2023, Croydon. Selected as a painting of significance that had a good level of recognition and

accessibility for the public, the display was focused on the theme of 'home' which was felt to be relevant to our partners and their audiences, especially during a time of post-pandemic cultural recovery. Locations and partners were identified as areas of low cultural engagement and opportunity, with a focus on UK High Streets with regeneration plans, looking at areas of need outside of the capital city. Constable Visits built upon the successes of Artemisia Visits (2019) and Jan van Huysum Visits (2021), working with local museums and heritage partners to deliver workshops in collaboration with children and young people, and families with special educational needs or learning disabilities, to create a welcoming sensory experience. The web content produced for the tour attracted 455K video views across all social media. The total digital reach was 1.3 million across all National Gallery's channels, Facebook, X (formerly known as Twitter), Instagram and YouTube. It restated the inclusive model of taking one painting to unusual and unexpected locations throughout the UK, promoting the National Gallery's collection as belonging to the entirety of the UK and demonstrating a commitment to sharing the collection.

The Masterpiece Tour is a collaborative project, working with three partners, to display a different National Gallery painting each year. The third and final painting was the *Workshop of Andrea Del Verrocchio, Tobias and the Angel* (1470–5), chosen jointly by the partner venues; Oriel Davies Gallery, Newtown; the Beacon Museum, Whitehaven; and Carmarthenshire Museum, Carmarthen. These exhibitions ranged from a contemporary exhibition responding to themes of wellbeing, reflection, and contemplation within the 'masterpiece' to exploring the changes that took place in Europe during Verrocchio's life, where religion, folklore and magic had once coexisted. The tour has been seen by a total of 60,965 visitors.

Dutch Flowers and Sin continued to tour the UK in 2023. Dutch Flowers, a rich exhibition that featured ten of the finest examples of Dutch flower paintings from the National Gallery's collection, toured to The Millennium Gallery, Sheffield and The Box, Plymouth in 2023, following a successful showing at Compton Verney in 2022 and has welcomed a total of 61,901 visitors. Sin, an exhibition consisting of eight exceptional paintings from the National Gallery's collection, as well as two works on loan: Tracey Emin's *It was just a kiss...* and Ron Mueck's *Youth* attracted a total of 30,880 visitors whilst on a national tour to Perth Museum, York Museums Trust, The Arc and The Auckland Project.

The Gallery Across the World

The Asia international touring exhibition of 52 of the Gallery's paintings was seen by more than a million people in three venues (Shanghai, Seoul, Hong Kong). The exhibition travels to Tainan City in Taiwan during Spring 2024. The Gallery continued to collaborate with museums across Europe and the US with reciprocal loan arrangements and also exhibitions such as Frans Hals with the Rijksmuseum in Amsterdam.

Research for Public Benefit

A new Research Strategy was presented to the Trustees in March. It describes an ambitious vision and aims for research at the Gallery over the next decade in which the Gallery consolidates and expands its recognised global leadership concerning the generation and dissemination of knowledge about our evolving collection of paintings, including their making and meaning and how we care for them, with public benefit always in mind.

The project of digitising all the information relating to our collection, The Digital Dossier Project, continued during the year. This will provide a unique online resource for the National Gallery's paintings, making available the many types of curatorial, scientific and conservation content and data we have generated over the last two centuries through research and endeavour – in essence, presenting everything we know about a painting, all in one place. We continued to make progress on the preparation of the DDP '200 Paintings for 200 Years' catalogue entries for publication during 2024.

Conservation continued to work on a number of major artworks which will form the centrepiece of The Main Event redisplay with the cleaning of Pollaiuolo's *Martyrdom of St Sebastian*, Matteo Di Giovanni's *Assumption of the Virgin*, Uccello's *Battle of San Romano*, Parmigianino's *Vision of St Jerome*, Richard Wilson's *Valley of the Dee* and Rubens's *Judgement of Paris*, to name but a few.

The Scientific team continues to make a significant contribution to preventive conservation work, most recently vibration testing and mitigation advice in advance of the NG200 Learning Centre building work, and tests to map vibration transmission expected during work on the Supporters' House. This will help inform the hang in the main galleries so that the curatorial team are aware of any high-risk areas as works on NG200 continue. The department also continued its collaboration with the Digital teams in the preparation of video content describing our work, explaining the treatments of paintings by Rubens, Poussin, and Uccello, among others.

Among the scientific examination supporting conservation treatment has been further work on Paolo Uccello's *Battle of San Romano* to clarify the changes made when it was moved to new locations in the late 15th and 16th centuries. This helps in understanding the painting's history and will inform the approach to retouching. Another

major conservation project was *The Judgment of Paris* by Peter Paul Rubens, where technical investigation unravelled the complex genesis of the composition, which has connections with other versions of the same subject. The macro XRF scanning of Orazio Gentileschi's *Finding of Moses* has been our largest ever, taking four weeks during July and August.

Over recent months Scientific have contributed to revising and improving the Gallery's approach to lighting of the collection to protect it whilst optimising visitor access, which will help inform the new lighting plan for The Main Event, the re-display of the whole collection in 2025. The team continue to support the NG200 Welcome building work, liaising with the contractors, monitoring vibration levels and advising the curatorial team on implications for planned rehangs. Risk maps to show areas likely to be affected by Phase 2 of the NG200 Welcome project are also being prepared to inform the hang for The Main Event.

Our digital activity continued to break new ground. In July we reached 2 million followers on Instagram, our first social media channel to reach this milestone. We posted a celebratory 'thank you' reel to Instagram, which received 241k views, over 9k likes and 140 comments. This is a huge achievement by our content media team, and an outcome that reflects the digital growth support received from the Bloomberg digital accelerator programme. In September we broke ground on transforming NGX into a fully functioning virtual production studio (also through the Bloomberg Digital Accelerator Programme). This signals another step along the way in maturing the digital production capabilities, resources and skillsets the Gallery has, providing a dedicated space to innovate in the use of video production tools and creatively explore new digital engagement opportunities.

In May, we released two films featuring Quinten Massys's 16th-century depiction of an old woman, known as The Ugly Duchess, as part of a social series on The Ugly Duchess & The Royal Wardrobe, presented by historian Rosie Harte. The first film was our most liked video in May receiving 370k views and 13.1k likes on Instagram.

We continued to grow our online communities across other channels. Meta launched its new social platform, Threads, on 5 July and the National Gallery's account now has over 160k followers. We have one of the highest followers counts of any major UK cultural institution on the platform. In a Gallery first, we went inside the Gallery's Summer Party on 15 June, interviewing celebrities including Grayson Perry, actors Felicity Jones, Alice Eve and Arsema Thomas. Four videos were released on the night with two extra videos released the following day. In total, the content received over 1.2 million views. The video of costume designer Sandy Powell thanking her art teacher received 340,000 views.

We continue to explore ways to provide fresh interpretations of the Gallery's collection. June's Picture of The Month featured a poetry performance and discussion with poet and writer Maz Hedgehog, responding to Titian's Diana and Callisto, which received over 180k views on Instagram and 167 comments, the most commented on post in June.

We released a teaser of the new display of Venetian paintings, following a major refurbishment in Room 29, the Wolfson Gallery. The full-length version of this film was released in mid-July becoming the first NG200 branded Behind the Scenes film, exploring how the consideration of the room's history and its architecture fed into decisions on its refurbishment.

Other social media highlights include a timelapse of the garden wall created for the entrance of the Saint Francis exhibition which reached over 100k views on Instagram and the Gallery featuring on Sky TV's 'The Overlap' with former professional footballers Gary Neville, Jamie Carragher and Roy Keane. The clip of which attracted 31,000 video views on Twitter.

Commercial and Development

The NG200 fundraising campaign is the biggest in the National Gallery's history, and reaching the target of £50m continued to be the Development team's primary focus during 2023–24. Significant progress was made throughout the year and we were grateful to receive further pledges of support from donors and sponsors, sharing our ambition to create a meaningful legacy of improvements to the Gallery.

In aid of NG200, the Gallery hosted its second summer gala in June 2023. This year's theme was inspired by our exhibition *After Impressionism: Inventing Modern Art* and the Gallery welcomed an array of guests including royalty, philanthropists, artists and celebrities, who enjoyed a spectacular evening of art and entertainment, including a mesmerising live performance by Celeste.

Our NG200 public appeal was launched in January 2024, asking National Gallery Members and visitors to help towards the remaining shortfall of our fundraising campaign. We have been heartened by the incredible response and moved by the many beautiful messages accompanying donations, reminding us how special the Gallery is to so many people.

In addition to the exciting plans to mark the Gallery's 200th anniversary, we continued to raise crucial income towards our core activities, in particular our free exhibition and learning programmes, with *Saint Francis of Assisi*, *Discover Liotard and The Lavergne Family Breakfast*, and *Take One Picture* all benefitting from generous support.

The trading and performance of National Gallery Global in 2023–24 can be characterised as a year of change and redevelopment; when teams planned and worked towards delivering new NG200 projects, products, and locations, whilst trading 'business as usual' onsite, online and in trade markets.

Onsite retail had an exceptionally strong year, with trading in the recently refurbished Portico Store contributing £0.5m higher revenues than budget and 37% higher than the previous year. Following on from the success of the Portico Store refurbishment in Spring 23, a project to redesign and rethink the Getty store commenced in September 2023, with the store reopening early May 2024.

Other highlights included our highly successful Licensing partnership with Dr Martens. Now in its third year, this collaboration continued with the launch of Dr. Martens x The National Gallery: Harmen Steenwyck collection. Here Steenwyck's most famous painting, 'Still Life: An Allegory of the Vanities of Human Life', features across Dr Martens iconic footwear and accessories.

Exhibitions

Exhibition	Dated	Location	Ticketed?	Final Attendance
After Impressionism: Inventing Modern Art	25 March – 13 August 2023	Rooms 1 – 8	Yes	160,376
Saint Francis of Assisi	6 May – 30 July 2023	Ground Floor Galleries	No	220,910
The Ugly Duchess: Beauty and Satire in the Renaissance	16 March – 11 June 2023	Sunley Room	No	188,170
Nalini Malani: My Reality is Different National Gallery Contemporary Fellowship with Art Fund	2 March – 11 June 2023	Sunley Room	No	246,599
Take One Picture:	13 July – 8 October 2023	Sunley Room	No	175,911
Paula Rego: Crivelli's Garden	20 July – 29 October 2023	Room 46	No	151,686
2023 National Gallery Artist in Residence: Céline Condorelli: Pentimenti (The Corrections)	13 September – 7 January 2024	Room 31	No	-
The Credit Suisse Exhibition: Frans Hals	30 September – 21 January 2024	Rooms 1 – 8	Yes	92,533
Discover Liotard and The Lavergne Family Breakfast	16 November – 3 March 2024	Sunley Room	No	156,703
Pesellino: A Renaissance Master Revealed	7 Dec – 10 Mar 2024	Room 46	No	125,222
Fourth Plinth Shortlist Exhibition 2024	19 Feb – 17 Mar 24	Room 1	No	25,459

The Year Ahead

In 2024 the Gallery will celebrate its bicentenary with a year-long festival of art and creativity across the entire UK, creating reach and impact with audiences on a scale we have never attempted before. In Spring 2025 significant capital works including the redevelopment of the Sainsbury Wing, the opening of the Roden Centre for Creative Learning, the refurbishment of the Piggott Lecture Theatre and the opening of a new Supporters House will create major opportunities for fresh ways of thinking about and engaging with our visitors.

The Bicentenary programme is scheduled to include the following major activities:

- **Big Birthday Weekend** – the celebration will commence in May with a festival of music, creative sessions, talks and a 'birthday cake' to encourage families to attach their drawings and paintings of the Gallery's collection.
- **The National Gallery Visits Parliament** – One of the original 38 Angerstein paintings will sit in the Palace of Westminster, placing culture at the heart of civic life.
- **National Treasures** – a national celebration of the National Gallery created in partnership with organisations and audiences across the UK, lending paintings to 12 partners, one in each region of the UK, each of whom will curate their own exhibition around the painting.
- **Summer on the Square** – A free, vibrant, accessible and inclusive programme for families inspired by Henri Rousseau's painting *Surprised!*. Housed in an inspiring structure on the North Terrace of Trafalgar square, it will introduce new audiences to the National Gallery and support children and young people's leadership, learning and creativity.
- **National Gallery Stories** – A series of connected digital experiences that open a conversation with the British public to celebrate and engage with the nation's most treasured art collection and its historic, cultural and emotional significance.
- **The Virtual Gallery** – A virtual experience to enable global online engagement with the National Gallery's collection.
- **Van Gogh: Poets and Lovers exhibition** – The first public presentation of new research into the way in which Van Gogh transformed his day to day, often mundane surroundings into poetic images of dazzling intensity and creativity.
- **Siena: The Rise of Painting 1300–1350 exhibition** – The exploration of the innovative and important art made in Siena c.1300, enabling audiences to engage with some of the oldest paintings it is possible to display.
- **Art Road Trip** – A tour of the UK in a custom-made vehicle visiting communities which would not typically engage with the National Gallery. The concept is to engage with these local communities with learning activities and digital experiences to garner interest in the cultural importance of art as a medium to generate creative thought and emotional wellbeing.
- **Jeremy Deller's *Triumph of Art*** – A major new performance piece by the Turner Prize-winning artist. The performance will take place in four key locations across the UK celebrating how festivals are a key part of art, culture and civic life.

The re-opening of the Sainsbury Wing in Spring 2025 will be celebrated with The Main Event, a working title for a re-interpretation of the Gallery's collections. This will involve the re-hanging of the collection, connecting paintings in new ways beyond the normal grouping of art by country, period, technique or style. It will involve the development of fresh narratives and visitor journeys through the Gallery.

The final design stage of phase 2 of NG200 will be completed in 2025 to include the creation of a new Research Centre in 2028. This will incorporate four designated spaces: the Artist Studio, Seminar Room and within the library and archives, the Reading Room and Study Room. As the National Gallery enters its third century, our commitment to research is timely and more vital than ever, both for the many opportunities it presents to us and also within the current climate of challenges for the museum and gallery sector across the country. Research at the National Gallery enables us to enrich our understanding, to communicate with depth and authority, and to ensure that the paintings in our care are safe for generations to come.

DCMS Key performance indicators

Below is specific information relevant to the Gallery's contribution to DCMS performance indicators for 2023–24 as set out in the Funding Agreement agreed with DCMS.

	Performance in 2023–24	Performance in 2022–23
1. Number of visits to the Gallery (excluding virtual visitors)	3.1m	3.03m
2. Number of unique users visiting the website	11.0m	9.3m ¹
3. Number of visits by children under 16	274k	198k
4. Number of overseas visits	1.7m	1.3m
5. (a) Number of facilitated and self-directed visits to the Gallery by visitors under 18 in formal education ²	138k	40k
5. (b) Instances of visitors under 18 participating in on-site organised activities	1.4k	35k
6. % of visitors who would recommend a visit	94%	91%
7. Number of UK loan venues	27	28
8. (a) Self-generated income – admissions	£5.6m	£5.5m
8. (b) Self-generated income – trading ³	£5.1m	£3.8m
8. (c) Self-generated income – fundraising	£66.0m	£33.1m

¹ Restated to disclose sessions to bring methodology in line with sector peers.

² Restated to include visits to the Summer on the Square programme held in Trafalgar Square.

³ Gallery only income, does not include consolidated income from NGG of £11.7m (2023: £9.4m)

Financial Review

Financial performance

The Group Statement of Financial Activities is set out on page 42 of this document. The group presents its income and expenditure across three groups of columns, being:

- Operating income and expenditure – any income or expenditure not relating to the acquisition or development of assets
- Capital projects and revaluations – building works, depreciation and any further income or expenditure relating to physical assets other than the collection
- Acquisitions for the collection – income to acquire, or gifts of, paintings

The income in each of these areas is split between unrestricted income – that the group may spend as it chooses, and restricted income – that donors have instructed the group to spend in a particular way. Where expenditure incurred by the group meets the criteria of any unspent restricted income this is allocated against the same column. All expenditure not met by restricted income is allocated to the first column, unrestricted operating income.

Income for 2023–24 amounted to £113.5 million (2023: £82.0 million); total expenditure amounted to £62.0 million (2023: £59.5 million), resulting in initial net income of £51.6 million (2023: £22.5 million). Adding in gains on investments of £2.4million (2023: £1.5 million loss) and the revaluation gain on property and plant & equipment of £1.8 million (2023: £7.0 million loss), we achieved final net income of £55.7 million (2023: £14.0 million). The cost of acquisition of pictures is included in fixed asset additions.

The accounts have been prepared on the going concern basis. The National Gallery has a statutory responsibility for keeping its collections and making them available for inspection by the public. The Trustees and Accounting Officer have assumed in making the going concern assumption that sufficient Government funding support will continue to be made available to fulfil those responsibilities.

The Group has undertaken a bottom-up budgeting exercise and has forecasted anticipated income and expenditure for the next three years. After reviewing these forecasts and projections, the Trustees have a reasonable expectation that the National Gallery Group has adequate resources to continue in operation for a period of at least twelve months from when the financial statements are authorised for issue. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Income is disclosed in the Statement of Financial Activities by method of income generation:

- Income from donations & legacies
- Income from other trading activities
- Investment income
- Income from charitable activities
- Other income

Further detail is available in notes 3–7.

Income from donations and legacies for the year totalled £88.8 million (2023: £59.4 million). This figure includes income relating to picture acquisitions, Government grant-in-aid and other donations, as well as legacy income. Excluding grant-in-aid, this figure is £60.0 million (2023: £28.7 million). In kind services valued at £0.2 million (2023: £0.2 million) were received.

Income relating to picture acquisitions was mainly attributable to grants towards the acquisition of *The Virgin and Child and Saints Louis, Margaret and two Angels*. The value of donated paintings art acquired during 2023–24 was £nil (2023: £1.2 million).

Income from charitable activities for the year totalled £5.6 million (2023: £5.5 million), this includes admission to exhibitions, exhibition touring income and other educational events.

Income from trading activities increased substantially to £18.0 million (2023: £16.3 million) primarily thanks to strong results from National Gallery Global, the Gallery's trading subsidiary, with both onsite retail performing

particularly well following the renovation of the Portico shop. Gallery income relating primarily to corporate and individual membership schemes, and sponsorship was £7.4 million (2023: £6.9 million).

Expenditure

Expenditure is disclosed in the Statement of Financial Activities, analysed according to the activities that the expenditure relates to; being either the raising of funds, commercial trading or one of the Gallery's charitable activities to which the spend relates, which are:

- Exhibitions
- Broaden our appeal and provide an exceptional visitor experience
- Preserve, enhance and develop the potential of our collections
- Inspire learning and engagement
- Invest in our staff, increase income and care for our physical facilities

Further analysis of our expenditure is available in notes 8–11.

The group allocates support costs across our charitable activities; full details of this allocation are shown in note 9. It should be noted that the costs of front of house and security staff are included within the activity 'Broaden our appeal and provide an exceptional visitor experience'.

The group's total expenditure for the year was £62.0 million (2023: £59.5 million). Spend in all areas increased from 2022–23 as the Gallery continued prepares for the bicentenary celebrations in 2024.

Financial position

The Consolidated and Gallery Balance Sheets are shown on page 44 of this document, with further analysis shown in notes 12–23.

The net movement in funds for the year amounted to £55.7 million (2023: £14.0 million). Of this, £35.4 million relates to restricted funds and capital projects; with a further £18.3 million relating to donated works of art and donations received towards future acquisitions.

The net movement includes any gain or loss on the value of the Gallery's land and buildings, any gain or loss on its investments and the value of donated works of art capitalised as collection acquisitions. This year the movement includes a gain on revaluation of £1.8 million (2023: £7.0 million loss) and investment gains of £2.4 million (2023: £1.5 million loss).

In accordance with the Government Financial Reporting Manual (FRM) – which reflects the requirements of FRS 102, Section 34 and Charities Statement of Recommended Practice s18 – works of art are capitalised and recognised in the Balance Sheet at their cost or value at the date of acquisition, where such a cost or value is reasonably obtainable.

The Trustees consider that the cost of valuing pictures in the National Gallery Collection, where cost or valuation information is not available but would be possible to obtain, would not be commensurate with any benefit that could be derived by the user of the financial statements from the inclusion of part of the National Gallery Collection on the Balance Sheet. Further information on the nature and scale of the Gallery's collection can be found in note 14 and on the Gallery's website.

Details of the treatment of pension liabilities are disclosed in the Remuneration Report and the effect of the revaluation of land, buildings, and plant and machinery is disclosed in note 12.

Fundraising and resources

Grant-in-aid from the Department for Culture, Media and Sport (DCMS) amounted to £28.9 million for the year ended 31 March 2024 (2023: £30.7 million). Additional income was generated as a result of the Gallery's exhibitions, educational activities and fundraising programme. Fundraising is carried out by the Gallery's Development department, through donations, patrons and corporate supporter schemes.

Our Development department focused on raising charitable income from individuals, grant-making trusts and companies and on generating other income through corporate sponsorship and membership. A key focus of our efforts this year has been on meeting the £50m target for the NG200 fundraising campaign.

Charitable support, largely from individuals and grant-making trusts, made an important contribution to the Gallery's operational activities and capital development. Our education work benefited significantly as a result of major donations and grants from individual donors and charitable trusts.

The Gallery continues to benefit from private support for several senior curatorial posts and curatorial fellow positions, academic colloquia, and the publication of catalogues. Charitable income also supported the work of the framing, scientific and conservation departments.

Credit Suisse continued in their role as Partner of the National Gallery, sponsoring *The Credit Suisse Exhibition: Frans Hals* in 2023–24. The Gallery also benefited from the ongoing sponsorship from Hiscox in their role as Contemporary Art Partner of the National Gallery.

Philanthropic support and corporate sponsorship continued to make an essential contribution to the Gallery's capacity to preserve, enhance and display its collection for public enjoyment. We remain indebted to every individual, trust and company for their support during the course of this year.

Fundraising is undertaken by National Gallery staff. To ensure that vulnerable people and other members of the public are not put under undue pressure to give money, the Gallery monitors fundraising activities through a programme of training, weekly meetings with fundraising managers, dip sampling assessments and feedback from colleagues and visitors.

The National Gallery is registered with the Fundraising Regulator and individual members of staff are members of the Institute of Fundraising which has set standards of best practice in fundraising. We are part of the Fundraising Preference Centre service to ensure we do not contact people who do not wish to receive communications from us. Legitimate interest assessments are carried out to ensure we consider the rights of all individuals whose personal data is processed by us.

In the year to 31 March 2024 there have been no failures to comply with the fundraising schemes and standards that the Gallery has committed to (2023: nil). During this period we received no formal complaints relating to our fundraising activities (2023: nil).

Investment policy

Scope of investment powers and power to delegate management of investments

The Trustees, in respect of their general funds, including assets given to them without restriction by donors or testators, rely for their investment powers on the general power in section 2(6) of the Museums and Galleries Act 1992, which permits them to do such things as they may think necessary or expedient for the purpose of fulfilling their functions under the Act. This implies a wide power of investment. In respect of general funds, the Board may delegate investment decisions to a committee of the Board, under the powers in the 1992 Act, but have no power to delegate investment decisions to third parties.

Funds held on trust ('trust funds') are governed by a Charities Act Scheme varied by resolution of the Board in March 2012 to provide wide powers of investment similar to those available under the Trustee Act 2000. In respect of these funds, the Board has a power to delegate investment decisions to a committee of the Board and also has an express power to delegate the management of investments to financial experts, subject to the restrictions laid out in the Scheme.

Investment objectives

The Gallery's reserves policy sets out the level of general funds required to meet working capital needs and to provide a safeguard against volatile and unpredictable income streams. National Gallery Funds are split between:

- *Unrestricted:* These include funds designated by the Gallery for picture purchase and funds held for contingency. In normal circumstances the Gallery will hold £2.0m as operating contingency, but may increase this sum in specific circumstances – for example to cover anticipated fluctuations in income from exhibitions. The assets representing these funds are short term and should be readily realisable.
- *Restricted:* These funds are held for a wide range of specific purposes ranging from current projects which are expected to be delivered in the next 12 months and ongoing staffing commitments, to picture purchase and longer term research work. The assets representing these funds are matched to the purposes for which the funds are held and are a mix of short and long term.

- *Non spendable 'endowment'*: These are historic funds held for picture purchase and research work. The assets representing these funds are expected to be invested for the long term with a minimum time horizon of five years.

The overall objective is to maintain the real value of the portfolio and produce the best financial return within an acceptable level of risk. Long term returns over rolling three year periods are compared to UK RPI and over shorter periods returns are compared to appropriate indices for the asset classes the investment manager has invested in.

Attitude to risk

The National Gallery recognises that the key risk to the investment portfolio is the erosion of capital value by inflation and therefore the long term portfolio needs to be invested in assets which mitigate that risk. The Trustees understand that this is likely to mean that the investments will be concentrated in real assets (that is equities, fixed interest instruments and property) though diversified by asset class.

The National Gallery accepts that although diversification reduces risk, the capital value will fluctuate. Since the Unrestricted Funds, and a significant portion of the Restricted Funds, may be required at short notice, capital volatility cannot be tolerated. These assets are held in sterling cash or via cash funds.

Types of investment

The Gallery currently splits its investment portfolio in to two separate funds in order to better align investment management approaches to the underlying nature of funds.

The permanent endowment element of the portfolio is held in a short duration credit fund largely comprising investment grade-rated corporate bonds as a guard against volatility which would damage the underlying capital. The fund aims for a return, over a period of 1 – 3 years, of 1.5% per annum (gross of fees) over the return of the Sterling Overnight Interest Average. The Fund invests at least 50% of its total assets in a range of Sterling denominated fixed income (FI) securities (such as bonds) issued by companies and supranationals (e.g. the International Bank for Reconstruction and Development). The Fund may invest in a full range of available FI securities, without geographical restriction, including non-sterling denominated FI securities, investment grade and non-investment grade (i.e. securities which have a relatively low credit rating or which are unrated) FI securities and FI securities issued by governments and government agencies. Investment in non-investment grade FI securities is expected to be limited to 10% of the Fund's total assets.

The restricted element of the portfolio is held in a multi asset managed index fund. The Fund will seek to achieve its investment objective by obtaining indirect exposure to equity securities (e.g. shares), equity related (ER) securities, fixed income (FI) securities (such as bonds), FI-related securities, alternative assets (such as property and 'hard' commodities, but excluding 'soft' commodities), cash and deposits. FI securities include money market instruments (MMIs) (i.e. debt securities with short term maturities). ER securities and FI-related securities include financial derivative instruments (FDIs) (i.e. investments the prices of which are based on one or more underlying assets). 'Hard' commodities are commodities which are natural resources that are mined or extracted (e.g. gold, aluminium, copper, oil and natural gas) and 'soft' commodities are commodities which are agricultural products or livestock (e.g. corn, wheat, coffee, sugar, soybeans and pork). It is intended that the Fund's exposure (direct and indirect) to equity securities will not exceed 90% of its net asset value, however, this exposure may vary over time.

Investment management

The Finance Committee has the responsibility of overseeing the National Gallery Funds, and usually meets four times a year. The Finance Committee is responsible for agreeing strategy and monitoring the investment assets.

The Finance Committee will review and, if it sees fit, approve any change in Investment Manager or Fund into which National Gallery assets are placed. The Finance Committee will also approve any substantial change in the approach or nature of investments made by the incumbent Fund Manager.

Investment performance

The Gallery's investments performed well during 2023–24, returning gains of £2.4m and dividend income of £425k, with performance being driven by a rally in global fixed income assets as the market began to price the expectation that the major central banks were largely at the end of their tightening cycle which prompted bond yields to fall.

The Gallery also holds some cash in fixed-rate interest accounts. Performance is measured against the official Bank Rate set by the Bank of England. In the year to 31 March 2024 the fixed rate weighted average interest rate was 3.3% (2023: 0.8%) compared with the weighted average base rate of 5.1% (2023: 1.1%).

Details on the movement of investments during the year can be found in note 16. Details of the Gallery's assessment of interest rate risk can be found in note 19.

Reserves policy

The Gallery seeks to maintain unrestricted general funds not committed or invested in tangible fixed assets at a level equivalent to six months' worth of non-guaranteed (i.e. non-contractual) income, as a safeguard against volatile and unpredictable income streams. As at 31 March 2024 this amounted to around £2.8 million, which compares to the actual general fund of £3.0 million.

However, given that grant-in-aid is not drawn down in advance of need and that significant funds may be required for picture purchases, the level of unrestricted general funds may exceed this level at any point in time. Grant-in-Aid should not be held in reserves and will therefore normally be expended in the month it is received.

Restricted funds represent funds held for specific purposes as specified by the donor. These are separately recorded and invested until they can be expended in accordance with the restriction in place. Some restricted funds are held for the long term due to the nature of the restriction.

Permanent endowments represent funds that cannot be expended. These are separately recorded and invested for the long term in accordance with the investment policy.

The reserves policy is reviewed by the Audit Committee annually and changes may be made where appropriate to reflect likely funding requirements in the coming year.

The aggregate value of reserves is £805.7 million (2023: £750.0 million). A breakdown of these is shown in the Balance Sheet and in the Statement of Funds (note 22). A significant proportion of the funds (£365.9 million; 2023: £331.9 million) relate to the Gallery's land and buildings, being the Trafalgar Square site, plant and machinery, and equipment. £406.9 million (2023: £386.0 million) is represented by the value at the date of acquisition of donations to the Collection and pictures acquired since 1 April 2001, and £4.1 million (2023: £6.7 million) relates to funds either restricted or designated for future acquisitions.

£11.4 million (2023: £9.5 million) is in permanent endowments, where the capital must be retained, and £14.3 million (2023: £13.2 million) represents other restricted funds.

The remaining balance of £3.0 million (2023: £2.7 million) undesignated general funds arises from the Gallery's fundraising, trading, and charitable activities. At their meeting in March 2024, the Board agreed this was an appropriate level to maintain, in accordance with this policy.

The Trust Funds of the National Gallery

The Trust Funds of the National Gallery are made up of a number of bequests, which were constituted as a pool for investment purposes by a scheme approved by the Secretary of State for Education and Science in 1972. The Trust Funds are controlled by the National Gallery Trustees and included within these financial statements.

Reference and Administrative Details

These accounts have been prepared in a form directed by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury in accordance with Sections 9(4) and 9(5) of the Museums and Galleries Act 1992, the Government's Financial Reporting Manual and the Accounting and Reporting by Charities: Statement of Recommended Practice (2019) (FRS 102).

So far as the Accounting Officer and the Trustees are aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

History

The National Gallery was established in 1824 when the House of Commons agreed to pay £57,000 for the purchase, presentation and display of a group of 38 paintings, part of the collection of the late John Julius Angerstein.

Organisation

The Gallery is a Non-Departmental Public Body, whose sponsor department is the Department for Culture, Media and Sport (DCMS). The Gallery is exempt from the need to register with the Charity Commission.

Further information about Trustees and senior management, together with information on structure, governance and management can be found in the Governance Statement.

The principal address of the charity is:

The National Gallery
Trafalgar Square
London WC2N 5DN

The National Gallery website address is: www.nationalgallery.org.uk.

Advisors

Banking Services	Government Banking Service (GBS) Southern House 7th Floor Wellesley Road Wellesley Croydon CR9 1WW	Coutts & Co. 440 Strand London WC2R 0QS
Auditors	Auditor of the Gallery and Group The Comptroller and Auditor General National Audit Office 157–197 Buckingham Palace Road Victoria London SW1W 9SP	Auditor of NGG Price Bailey 24 Old Bond Street London W1S 4AP
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH	Various other solicitors are used as required.
Investment Managers	BlackRock Investment Management (UK) Ltd Drapers Gardens, 12 Throgmorton Avenue London EC2N 2DL	

Payment policy

The group aims to settle all bills either within the period stated by the supplier or within 30 days. The year-end creditor day ratio was 27 days (2023: 28 days).

Immunity from Seizure Report 2023–24

This report applies to the continued application of the legislation passed in 2007 (under Part 6 of the Tribunals, Courts and Enforcement Act 2007) to provide immunity from seizure for objects from abroad lent to temporary exhibitions. The National Gallery gained approval in 2008 to apply for protection for specific loans to exhibitions under the provisions of the Act.

The Gallery has continued to apply the necessary processes developed in the first year following its approval under the Act. These involve compiling details of provenance for each exhibition loan, researching and recording further information and carefully considering any gaps in provenance. Details of the objects requiring immunity from seizure, together with details of the research undertaken, are published on the National Gallery website at least four weeks and one day before the objects are imported into the UK.

Exhibitions including works for which protection under the IFS legislation was sought during 2023–24 are as follows:

After Impressionism: Inventing Modern Art

25 March – 13 August 2023

The Ugly Duchess: Beauty and Satire in the Renaissance

16 March – 11 June 23

Saint Francis of Assisi

6 May – 30 July 2023

The Credit Suisse Exhibition: Frans Hals

30 September – 21 January 2024

Pesellino: A Renaissance Master Revealed

7 December 2023 – 10 March 24

Discover Liotard and The Lavergne Family Breakfast

16 November 2023 – 3 March 2024

At the balance sheet date, no enquiries and no claims have been received with respect to the objects under section 7 of the Protection of Cultural Objects on Loan (Publication and Provision of Information) Regulations 2008.

Sustainability report

Our sustainability aim is to save energy and reduce our carbon footprint. We are committed to integrating environmental considerations into our activities and working towards the goals of sustainable development and pollution prevention through a programme of continuous environmental improvement.

We have prepared this Sustainability Report in order to provide information on the plans we have in place for reducing carbon emissions. The report has been prepared in accordance with HM Treasury Public Sector Annual Reports: Sustainability Reporting 2023–24 and compliance with the Streamlined Energy and Carbon Reporting (SECR) framework, under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This report covers the SECR requirement of The National Gallery.

Summary of performance

Area		2023–24		2022–23		2021–22	
		Actual	Target	Actual	Target	Actual	Target
Greenhouse Gas Emissions (Scopes 1, 2 & 3) tCO ₂ e		5,306	*4,691	**5,413	*4,739	5,959	*4,787
Estate energy	Consumption (million kWh)	25.91	-	26.554	-	25.355	-
	Expenditure (£ million)	2.88	-	1.80	-	1.29	-
Estate waste	Amount (tonnes)	305.41	-	256.60	-	189.81	-
	Expenditure (£'000)	72.32	-	72.37	-	47.17	-
Estate water	Consumption ('000 m ³)	***38.3	-	49.6	-	39.4	-
	Expenditure (£'000)	68	-	72	-	58	-
Paper Use	A4 (Reams)	575	-	629	-	218	-
	A3 (Reams)	56	-	66	-	24	-
	A3 and A4 Expenditure (£)	3,640	-	3,839	-	1,074	-

The CO₂e emissions in this table have been calculated using the latest UK Government Conversion Factors for greenhouse gas (GHG) reporting issued by DEFRA (2023) to meet the requirements of HM Treasury Sustainability Reporting Guidance 2023–24.

*Please note that the targets are based on the updated the Carbon Management Plan.

**GHG Emissions error corrected through revisions and in line with the Carbon Management Plan

***The 2023–24 estate water consumption has been calculated using open and closing meter reads.

Overall, the National Gallery carbon emissions decreased from 5,413tCO₂e to 5,306tCO₂e (-2%) during the 2023–24 reporting period due to the reduction of refrigeration gas leaks coupled with the continued reduction of overall grid electricity emissions factors.

Greenhouse gas (GHG) emissions

The National Gallery's collection is predominately housed in a grade 1 listed nineteenth century building which accommodates around 3.1 million visitors a year. The nature of the collection is such that it requires carefully controlled environmental conditions, and most of our spaces are fully air-conditioned to best preserve the paintings. A high proportion of our carbon footprint is associated with the energy required to maintain the environmental conditions within the galleries.

Our Carbon Management Planning and strategy sets out the direction we are taking to reduce our GHG emissions. A fundamental strategy for reduction was the installation of a Combined Heat and Power (CHP) unit, commissioned in 2012. During 2023–24, there has been very little downtime and the engine maximising our proportion of self-generated electricity and minimise our draw of electricity from the national grid. However, since a major service at the end of 2023, the engine hasn't performed well and is currently offline undergoing repairs to the crankshaft. This has little or no effect to the carbon emissions but a significant effect on cost having to import more expensive grid generated electricity.

The National Gallery is committed to integrating energy saving and carbon reduction measures into its activities and to adopting the best environmental practices, where possible, into all areas of its operation.

The following table shows our GHG emissions and energy consumption in the current and previous two financial years.

Greenhouse Gas Emissions		2023–24	2022–23	2020–21
Non-financial indicators (tCO ₂ e)	Total gross emissions (LB)	5,306	5,413	5,959
	Gross emissions Scope 1 (direct)	4,054	4,387	5,143
	Gross emissions Scope 2 (indirect) *Location based (LB)	989	866	732
	Gross emissions Scope 2 (indirect) **Market based (MB)	415	367	145
	Gross emissions Scope 3 (indirect)*	264	161	84
Related energy consumption (million kWh)	Grid Electricity	4.8	4.5	3.4
	Electricity Generated on Site	5.7	6.8	7.5
	Natural Gas	21.1	22.1	21.9
Financial indicators (£ million)	Expenditure on energy	2.88	1.80	1.29
	CRC License Expenditure	-	-	-
	Expenditure on accredited offsets	-	-	-
	Expenditure on official business travel	0.181	0.096	0.019

Due to the complexity of calculating business travel from the data available, assumptions have been made about the methodology used; these are in line with Guidance requirements. This emissions source accounts for 3.086% of the total emissions inventory and therefore this calculation falls within the materiality threshold of <5% of the total carbon footprint. Moving forward efforts will be made to facilitate the collection and reporting of staff travel.

*Location based emission methodology reveals what the company is physically putting into the air as emissions associated with the regional or country-level mix of generation resources as published by BEIS.

**Market based emission methodology shows emissions the company is responsible for through its purchasing decisions by detailing the emissions associated with the actual contractual arrangements with the supplier. These are published on supplier websites.

Key performance indicators (KPI)

Please note, for the purposes of SECR, the KPI is equivalent to the intensity ratio. The number of visitors has remained static with a marginal increase of +0.2% from 2022–23 to 2023–24. Analysis of the data by carbon emissions per visitor as per previous reports is now deemed within expectations of a median year.

KPI – visitor numbers	2023–24	2022–23	2021–22
Total visitors	3,097,135	3,029,193	1,130,904
Total carbon (tCO ₂ e)	5,306	5,414	5,959
Emissions per visitor (tCO ₂ e)	0.00171	0.00179	0.00527
Emissions per visitor (kgCO ₂ e)	1.71	1.79	5.27

Waste management

Waste removal has increased again from 2022–23 to 2023–24 by 18.8% from 256.89 tonnes to 305.22 tonnes. This increase can be explained by the continuation of normal operations and the increased number of visitors.

We aim to reduce waste and to ensure as much waste as possible is reused or recycled. We continue to utilise two cardboard balers reducing the volume of waste requiring collection and reducing our upstream environmental impact by decreasing the number of waste collections.

Continued communications are carried out on waste management both with employees and visitors to decrease waste generation at the Gallery. The waste management contract in place aims to increase volumes of waste being recycled along with training for staff and contractors, particularly those working in the restaurants regarding waste minimisation, this is an on-going process.

We continue to ensure that no waste from the National Gallery is sent to landfill.

Our performance with respect to waste can be seen in the following table:

Waste		2023-24	2022-23	2021-22	
Non-financial indicators (tonnes)	Total waste	305.41	256.89	189.8	
	Hazardous waste	–	–	–	
	Non-hazardous waste	Landfill	–	–	–
		Reused / recycled	160.45	142.51	50.5
		ICT Waste (Ext) Recycled / recovered	9.82		
		Anaerobic Digestion	60.59	35.11	0
		Incinerated with energy recovery	74.55	78.95	77.2
Incinerated without energy recovery	-	-	-		
Financial indicators (£k)	Total disposal cost	72.32	72.37	47.17	

Finite resource consumption

Our water performance is summarised in the table below:

Finite resource consumption		2023-24	2022-23	2021-22
Non-financial indicators ('000m ³)	Water consumption	38.3	49.6	39.4
Financial indicators (£k)	Water costs	68.3	71.9	57.6

Water consumption has decreased from 2022-23 to 2023-24 by – 22.9% from 49,600m³ to 38,252m³.

Consumption was calculated using the opening and closing meter reads as the main meter developed a fault mid-way through year.

Activities during the year

In caring for and maintaining its physical estate, the Gallery makes every effort to implement energy efficiency technologies whenever it can. We continue to move to LED technology with dimming controls, allowing maximum benefit from natural daylight. The concentration of efforts has continued on back of house areas. Further areas have been surveyed and savings calculated for budgeting purposes and await executive board for approval.

Continued refurbishments have been a work in progress across the Gallery to both improve the display and experience for our visitors and improve the efficiency of the building fabric. The major refurbishment of the Sainsbury Wing entrance continues and will be open for the gallery's bicentennial celebrations in 2025.

Plans for the future

We will continue to develop and care for our physical estate and in the year ahead will focus particularly on managing the Gallery's external space to create a pleasant and hospitable environment and on advancing our CMP through continued investment in energy efficient plant and technology. The gallery's decarbonisation plan has been completed with the results reviewed and the final report issued.

We will continue to replace the membrane and insulation to our roofs to improve thermal and water tightness performance along with upgrades to windows and glazing.

We continue the review of our site metering strategy. We have installed water submeters to allow the tracking of system specific data. These will be connected to our monitoring systems when commissioned. A review of the aM&T system is underway with the aim of significantly improving the quantification of energy consumption and billing queries across different areas of the building, this in turn will help identify key areas where further energy reductions could be made.

Emissions Sources

Natural Gas, Electricity, Indirect Transport, refrigeration gases.

Exclusions

No Mandatory emissions have been excluded from this report.

Emissions Factors

Department for Energy Security and Net Zero and Department for Environment Food & Rural Affairs (DEFRA) emission factors 2023.

Methodology

This report is aligned with GHG protocol and is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting guidance and HM Treasury guidance.

Estimations

0.0% of the energy data is based on estimated or extrapolated values. The water data uses 34% of estimated data, however, the emissions associated with water are 0.122% of overall total emissions so considered de minimis.

Remuneration report

The remuneration report includes salary and pension details of National Gallery staff defined as “directors” of functional areas. These members of staff are considered to constitute senior management, however executive authority over the decisions of the Gallery as a whole remains solely in the hands of the Director, guided by the Chairman and Board of Trustees. For the purposes of this report directors of functional areas are described as “senior managers”.

The Chairman and Board of Trustees neither received nor waived any remuneration or expenses for their services during the year (2023: £nil).

Director’s remuneration and benefits

The salary and performance award details for the Director are as follows (audited):

		Salary	Performance related pay	Benefits in kind (to nearest £100)	Pension benefits (to nearest £’000)	Total
		£’000	£’000	£’000	£’000	£’000
Dr Gabriele Finaldi	2024	170 – 175 ⁴	30 – 35	4.8	65	270 – 275
<i>Director</i>	2023	160 – 165 ⁵	60 – 65	3.3	62	290 – 295

The Director’s performance-related bonus is determined by the Remuneration Committee. The Remuneration Committee reviews the Director’s performance annually, taking account of the achievement of the Gallery’s objectives as set out in the funding agreement between the Department for Culture, Media and Sport and the National Gallery.

Dr Finaldi is eligible for a performance-related bonus in the range of 0% to 20%. In the year to 31 March 2024 Dr Finaldi was offered and accepted a bonus of £34,110 relating to performance in 2023-24. Total bonus payments awarded in 2023-24 represent a decrease of 45.4% from 2022-23. In the year to 31 March 2023 Dr Finaldi was offered and accepted a bonus of £32,455 relating to performance in 2022-23. Dr Finaldi was also offered and accepted a deferred bonus of £29,992 relating to performance in the 2021-22 financial year.

The Director’s appointment is for an indefinite period. In accordance with the provisions of the Alpha occupational defined benefit pension scheme the Director may retire at the later of age 65 or his state pension age. The Director’s contract of employment determines the circumstances in which a compensation payment may be made. The compensation provisions are no more advantageous than those set out in the Civil Service Compensation Scheme. The notice period of the Director is six months.

⁴ The Director’s basic salary for the year to 31 March 2024 was £170,598, reflecting an in-year consolidated increase of 5.0%.

⁵ The Director’s basic salary for the year to 31 March 2023 was £162,474, reflecting an in-year consolidated increase of 8.3%.

Senior managers' remuneration and benefits

The remuneration details for the senior managers, including any compensation benefits, are as follows (audited):

		Salary	Performance related pay	Benefits in kind (to nearest £100)	Pension benefits (to nearest £'000)	Total
		£'000	£'000	£'000	£'000	£'000
Paul Gray	2024	130 – 135	–	4.0	51	185 – 190
<i>Chief Operating Officer & Deputy Director</i>	2023	125 – 130	30 – 35	2.6	49	205 – 210
Andy Hibbert	2024	110 – 115	0 – 5	–	43	150 – 155
<i>Director of Finance and Resources</i>	2023	95 – 100	0 – 5	–	39	140 – 145
Jane Knowles	2024	110 – 115	0 – 5	–	43	155 – 160
<i>Acting Director of Public Partnerships (from 10/5/2022 to 6/11/2022)</i>	2023	80 – 85 ⁶	0 – 5	–	30	110 – 115
<i>Interim Director of Public Engagement (from 7/11/22 to 30/9/23)</i>						
<i>Director of Public Engagement (from 1/10/23)</i>						
Anh Nguyen	2024	110 – 115	10 – 15	0.9	43	155 – 160
<i>Director of Development</i>	2023	95 – 100	15 – 20	0.6	39	150 – 155
Dr Christine Riding	2024	110 – 115	0 – 5	–	43	155 – 160
<i>Director of Collections and Research (from 1/3/23)</i>	2023	5 – 10 ⁷	–	–	3	10 – 15

The Gallery's remuneration policy applies to all staff, including senior management. Other than the Chief Operating Officer, whose pay is determined by his contract, the individuals mentioned above are paid a consistent and equal rate which will be determined each year during the annual pay award process.

Mr Gray is eligible for a performance-related bonus in the range of 0% to 10%. In the year to 31 March 2024, a decision on awarding a bonus to Mr Gray was deferred. In the year to 31 March 2023, Mr Gray was offered and accepted a bonus of £12,545 plus an additional 5% discretionary bonus of £6,273 relating to exceptional performance in 2022-23. Mr Gray was also offered and accepted a deferred bonus of £12,180 relating to performance in the 2021-22 financial year.

Ms Nguyen is eligible for a performance-related bonus in the range of 0% to 10%. In the year to 31 March 2024, Ms Nguyen was offered and accepted a bonus of £11,000. In the year to 31 March 2023, Ms Nguyen was offered and accepted a bonus of £9,907 plus an additional 5% discretionary bonus of £4,953 relating to exceptional performance in 2022-23. Ms Nguyen was also offered and accepted a deferred bonus of £2,405 relating to performance in the 2021-22 financial year.

No further provision is made within the contracts of the above individuals for non-cash benefits. The notice period for the above individuals is three months. The appointment of the above individuals is for an indefinite period and the compensation provisions are no more advantageous than those set out in the Civil Service Compensation Scheme.

In line with all staff, other Directors were awarded a non-consolidated bonus of £900 relating to performance in 2023-24 (2022-23: 2.5% of salary).

Pensions

The Director's pension is covered by the same scheme as other employees. His contract is for no fixed term, in common with other members of staff at the Gallery.

⁶ 95 – 100 based on 1.0 FYE

⁷ 95 – 100 based on 1.0 FYE

The accrued pension and lump sum payments as at 31 March 2024 for senior managers and the Director are as follows (audited):

Pension	Accrued pension at	Real increase	CETV at 31	CETV at 31	Real increase
	pension age as at 31 March 2024 and related lump sum	(decrease) in pension and related lump sum at pension age	March 2024	March 2023	(decrease) in CETV
	£'000	£'000	£'000	£'000	£'000
Gabriele Finaldi	30 – 35	2.5 – 5	542	427	49
Paul Gray	15 – 20	2.5 – 5	276	208	35
Andy Hibbert	10 – 15	2.5 – 5	212	154	33
Jane Knowles	15 – 20	2.5 – 5	208	156	26
Anh Nguyen	10 – 15	2.5 – 5	136	96	21
Christine Riding	10 – 15	2.5 – 5	175	120	32

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the Cabinet Office's Civil Superannuation Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include an additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

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

Calculation of pay differentials

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the remuneration of the first, second, and third quartiles of the organisation's workforce. The full year equivalent remuneration of the highest-paid director at the National Gallery during the year to 31 March 2024 was in the range £205,000 to £210,000 (2023: £225,000 to £230,000). Remuneration ranged from £24,500 to £210,000 on a full year basis as at 31 March 2024 (2023: 21,749 to £228,000). Mean average total remuneration excluding the highest paid director was £38,082, an increase of 6.1% from the prior year figure of £35,876). The quartiles are as follows (audited):

2023-24				
Quartile	Salary	Ratio	Total Remuneration	Ratio
1	33,567	5.1:1	33,764	6.1
2	38,393	4.5:1	39,293	5.3
3	45,930	3.8:1	46,833	4.4

2022-23				
Quartile	Salary	Ratio	Total Remuneration	Ratio
1	£30,653	5.3:1	£30,653	7.4:1
2	£36,565	4.4:1	£36,827	6.2:1
3	£43,057	3.8:1	£43,736	5.2:1

No employee was paid more than the highest-paid director in the year. The decrease in total remuneration ratios in 2023-24 is attributable to 2022-23 figures also including the Director's deferred bonus from the 2021-22 financial year.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include employer pension contributions and the Cash Equivalent Transfer Value of pensions.

Signed:
Dr Gabriele Finaldi
Director and Accounting Officer

Dated: 24 July 2024

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 24 July 2024

Staff report

The group's remuneration policy applies to all staff, including senior management. Members of staff are paid according to the nature of the role they perform and each job is graded and included in a salary band. Following implementation of the pay and grading review in September 2018, there are ten salary bands.

A full analysis of staff numbers and costs is presented in Account Note 10.

Information in the Staff Report is not subject to audit unless otherwise noted.

Staff composition

The split of permanent and fixed term staff (excluding agency staff) by gender at 31 March 2024 was:

	Female	Male
Directors	4	3
Other employees	282	122

Sickness absence management

The average number of days of employee absence due to sickness was 3.3 days (2023: 3.3 days). Excluding long term sickness, the average number of days of absence was 2.5 days (2023: 2.2 days).

Diversity and inclusion

The National Gallery is committed to championing and continuously develop its commitment to Equality, Diversity and Inclusion (EDI). This is identified as follows:

- The Gallery has a formal EDI Delivery group, established to progress the EDI commitments of the Gallery which includes the remit of our workforce, programmes, our building and the access to our collection – both onsite and online.
- The Delivery group is made up of Heads of Department from across the Gallery and National Gallery Global, two Executive Director sponsors and representatives from our Trade Unions and EDI staff network. The group meets quarterly and reports to the Director and Chair of Board on our progress.
- The Gallery is developing its formal EDI action plan roadmap, which will be shared externally as well as internally to showcase our commitment to EDI and to hold ourselves accountable to the goals and targets in which we are setting ourselves.
- A newly formatted Access Working group has been set up, which reports into the EDI Delivery group, meets every two weeks to discuss any Access related issues or concerns pertaining to anyone who may visit the Gallery – both onsite and online.
- The Gallery has an established EDI employee network which works to provide a support and discussion forum for employees.
- The Gallery has six organisational Values, one of them which is Diversity and Inclusion, and commitment to embodying these Values are reflected in annual reviews and recruitment.
- The Gallery continues to be part of a sector-wide EDI network to create a supportive environment for shared learning and best practice – this was established by the Gallery.
- The Gallery works with leading EDI training companies to deliver a suite tailored learning and development programmes which includes mandatory EDI Awareness training, along with courses on Unconscious Bias, Allyship and Neurodiversity Awareness.

Employees receiving remuneration over £60,000 (audited)

The total number of employees, including the Director, whose remuneration amounted to over £60,000 in the year, was:

	2024	2023
	No.	No.
£60,000 – £69,999	25	18
£70,000 – £79,999	10	10
£80,000 – £89,999	4	2
£90,000 – £99,000	3	2
£100,000 – £109,999	–	2
£120,000 – £129,999	5	1
£130,000 – £139,999	1	–
£180,000 – £189,999	1	1
£190,000 – £199,999	–	–
£220,000 – £229,999	1	1
	<u>49</u>	<u>37</u>

All but eight of the employees earning more than £60,000 participated in the Principal Civil Service Pension Scheme (PCSPS) pension schemes (2023: all but seven participated in the Civil Service Pension arrangements).

Compensation payments (audited)

There were three exit packages agreed for staff between April 2023 and March 2024 (2023: three). Two relates to the end of a fixed term contract (2023: one). One member of staff left on Compulsory Redundancy terms during this period (2023: two).

Exit package cost band	2023–24			2022–23		
	Number of compulsory redundancies	Number of other departures agreed	Total cost	Number of compulsory redundancies	Number of other departures agreed	Total cost
	No.	No.	£	No.	No.	£
< £10,000	–	2	9,760	–	1	7,852
£25,001 – £50,000	–	–	–	–	1	35,165
£50,001 – £100,000	1	–	66,911	1	–	90,238
Total number of exit packages	<u>1</u>	<u>2</u>	<u>76,671</u>	<u>1</u>	<u>2</u>	<u>133,255</u>

Departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Where the organisation has agreed early retirements, the additional costs are met by the organisation and not by the Civil Service pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the table.

Whistleblowing policy and procedure

In 2023–24 the National Gallery received one whistleblowing report (2023: nil), which when investigated was determined to be unfounded. All cases are investigated in accordance with whistleblowing policy.

The National Gallery's whistleblowing guidance, policy and procedure document is available for all staff to refer to and can be located through the Gallery's intranet.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires the Gallery to publish information in relation to paid facility time taken by trade union officials.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1-50%	0
51% – 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£22,169,000
Percentage of the total pay bill	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours ⁸	0%
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Off payroll engagements and advisory consultancy

Table 1: Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater.

No. of existing engagements as of 31 March 2024	Of which, no. that existed:	less than one year	for between 1 and 2 years	for between 2 and 3 years	for between 3 and 4 years	for 4 or more years
4		3	1	0	0	0

⁸ This is calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

No. of off-payroll workers engaged during the year ended 31 March 2024	Of which:	Not subject to off-payroll legislation	Subject to off-payroll legislation and determined as in-scope of IR35	Subject to off-payroll legislation and determined as out-of-scope of IR35	No. of engagements reassessed for compliance or assurance purposes during the year	Of which: No. of engagements that saw a change to IR35 status following review
5		5	0	0	0	0

There were six individuals deemed to have significant financial responsibility, all of which were on payroll.

There was no expenditure on 'advisory consultancy' during the year (2023: £nil). All other consultancy fell within the 'business-as-usual' environment and has been classified as 'operational consultancy'.

Signed:
Dr Gabriele Finaldi
Director and Accounting Officer

Dated: 24 July 2024

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 24 July 2024

Statement of Trustees' and Director's responsibilities

Under Section 9(4) of the Museums and Galleries Act 1992 the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury has directed the National Gallery to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the National Gallery and of its income and expenditure, changes in funds and cash flows for the financial year.

In preparing the accounts, the Trustees and Accounting Officer are required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction⁹ issued by the Secretary of State for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Secretary of State for Culture, Media and Sport has designated the Director as Accounting Officer of the National Gallery. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the National Gallery's assets, are set out in *Managing Public Money* published by HM Treasury.

The Accounting Officer confirms that as far as he is aware there is no relevant audit information of which the National Gallery's auditors are unaware. Furthermore, the Accounting Officer confirms that he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the National Gallery's auditors are aware of that information.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable, and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Signed:
Dr Gabriele Finaldi
Director and Accounting Officer

Dated: 24 July 2024

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 24 July 2024

⁹ a copy of which is available from the National Gallery, Trafalgar Square, London, WC2N 5DN.

Governance Statement

This statement sets out the Gallery's corporate governance and risk management framework, which provides the structure within which resources are managed and controlled.

Governance framework

The Gallery's constitution is set out in the Museums and Galleries Act 1992, under which a body corporate known as the Board of Trustees of the National Gallery was established. The Charities Act 2011 (updated by the Charities Act 2022) confirms the charitable status of the Board of Trustees of the National Gallery and its exemption from the need to register with the Charity Commission. Both acts can be viewed at www.legislation.gov.uk.

The Gallery is governed by a Board of Trustees, who are non-Executive and unpaid. The establishment, constitution, functions, property and powers of the Board of Trustees are dealt with in Sections 1–8 of the Museums and Galleries Act 1992; Schedule 1 to the Act deals with membership and proceedings of the Board. The Trustees have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to guidance on public benefit published by the Charity Commission.

The Gallery has no fewer than 12 and no more than 14 Trustees at any time. All Trustees except one are appointed by the Prime Minister, usually for a period of four years with the possibility of renewal. Tate appoints one Trustee from its own Board.

The Board usually meets six times a year. In the year to 31 March 2024, there were six Board meetings, five of which were onsite at Trafalgar Square, and one which took place at the Spanish Gallery in Bishop Auckland. Minutes of Board meetings are published on the Gallery's website.

The following is a list of the Trustees of the National Gallery who served for all or part of the year to 31 March 2024, together with a summary of their attendance at the meetings which they were eligible to attend. Overall, attendance by Board members at meetings they were eligible to attend during the year averaged 86% (2023: 89%).

Attendance at Board meetings

John Booth (Chairman)	6/6
Katrin Henkel (Deputy Chair)	6/6
Rosemary Leith	5/6
David Marks	6/6
Sir John Kingman KCB, FRS (Deputy Chair)	5/6
Tonya Nelson	4/6
Professor Dame Molly Stevens DBE, FRS, FREng	6/6
Stuart Roden	5/6
Catherine Goodman CBE, LVO	4/6
Diana Berry	6/6
Dounia Nadar	5/6
James Lambert OBE	6/6
Rosalind Nashashibi (Tate liaison trustee)	4/6
Andrew Marr	0/1

The Chair of the Board is responsible for approving adequate arrangements for induction and training for new Board members. New Trustees are:

- given the Trustee Handbook, which sets out the structure, role and responsibilities of the Board (including the scheme of delegation to management), and includes detailed information about standards, accountability and governance, including the Code of Practice for individual Trustees, and the Board's Conflicts of Interest Policy;
- given copies of the latest Gallery Plan, Funding Agreement, Annual Review and Financial Statements and key strategy documents; and
- given the equivalent of about two days' worth of induction, which includes meeting members of the senior management team to learn about the work of the Gallery.

The Gallery follows governance best practice for public service and charitable bodies, and in so far as it applies, the Gallery complies with the principles of the Corporate Governance in Central Government Departments: Code of Good Practice 2017.

The Board has adopted the Cabinet Office's Code of Conduct for Board Members of Public Bodies published in June 2019, which sets out the responsibilities of individual Trustees and also the Board's Conflicts of Interest Policy. This provides that Trustees must avoid conflicts of interest wherever possible; discuss any difficulty with the Chair; agree the right course of action; and record the decision. Actual or potential conflicts of interest are formally identified at the start of each meeting of the Board and the manner in which the conflict is dealt with is minuted.

The Board maintains a Register of Trustees' Interests which is updated once a year and is reviewed each year by the Board's Audit Committee. The Register is published on the website.

The Board collectively is responsible for ensuring the Gallery operates within the provisions of its governing statute and charity law; for the Gallery's statements of values, aims and strategy; for statements of required governance, procedures, standards and structures; for specific decisions which are not delegated to the Executive and the holding of management to account for implementation and performance.

The Chair's responsibilities are consistent with the requirements of the Framework Document, which is the Gallery's Management Agreement with DCMS. These include responsibilities for leadership; composition and effective working of the Board; effective conduct of Board business; sub-committees of the Board, standards of Governance; close working with the Director and external relations and fundraising.

There are two Deputy Chairs. One has responsibilities which include deputising for the Chair as and when required; leading the annual process of appraisal of the Chair's performance; acting as an intermediary in the event of a serious breakdown of relations between the Chair and Director; and acting as an intermediary for other Board members to raise concerns which they feel it is inappropriate to raise with the Chair direct. The second Deputy Chair assists the Deputy Chair with their responsibilities and takes a lead role in supporting the Chair and the Development Department with fundraising.

The Board delegates operational responsibility to management within an agreed framework. The Director and Accounting Officer as at 31 March 2024 is Dr Gabriele Finaldi. The Accounting Officer is responsible for accounting to Parliament, DCMS, the Board of Trustees and other stakeholders. The Accounting Officer has personal responsibility for ensuring propriety and regularity in the management of public funds and for the day-to-day management of the National Gallery.

The Director has appointed a number of senior staff to act as executive directors of certain functional areas. These individuals are considered senior managers for the purposes of the Remuneration Report. The individuals defined as senior managers at some point during the year ended 31 March 2024 were:

Paul Gray

Andy Hibbert

Anh Nguyen

Jane Knowles

Dr Christine Riding

Senior management take decisions through the mechanism of an Executive Committee, whose members are responsible for the main departments in the Gallery. Management communicates with staff through meetings, Share point, email, additional electronic means and staff notices. The two unions representing a number of members of staff meet regularly with senior management.

Committees of the Board

The Board delegates some of its responsibilities to a number of formal sub-committees of the Board, the membership of which is determined by the Board. The remit and membership of formal sub-committees operating during the year is set out below, and external committee members are indicated with a footnote. Attendance by committee members during the year is also shown.

Committee	Key responsibilities	Membership	Number of meetings attended	Number of meetings eligible to attend
Audit	To support the Board and Accounting Officer in their responsibilities for issues of risk, control and governance, by reviewing the reliability and integrity of assurances provided.	John Kingman (Chair) Gautam Dalal ¹⁰ Stuart Roden John Booth James Lambert Beatrice Hollond ¹¹ Debu Purkayastha ¹²	4 1 3 3 4 3 3	4 2 4 4 4 4 3
Finance	To support the Board and Accounting Officer in their responsibilities for effective financial management of the Gallery and to invest funds in the National Gallery's Trust Funds Pool.	John Kingman (Chair) Gautam Dalal ¹³ Stuart Roden John Booth James Lambert Beatrice Hollond ¹⁴ Debu Purkayastha ¹⁵	4 1 3 2 4 3 3	4 2 4 4 4 4 3
Governance	To support the Board in its responsibilities for governance procedures and standards. To oversee the Board Effectiveness Surveys.	Tonya Nelson (Chair) John Booth Dounia Nadar	2 2 2	2 2 2
Nominations	To keep under review the balance of skills and experience on the Board so as to ensure that the Board has the range of diverse skills, backgrounds and experience it requires for the achievement of its statutory, charitable and financial objectives; it participates in the process of appointment of new Trustees which is run by DCMS in accordance with the OCPA Code.	John Booth (Chair) Katrin Henkel John Kingman Tonya Nelson	1 1 0 1	1 1 1 1
Remuneration	To advise the Board on the terms of appointment of the Director and on his remuneration and on other remuneration issues.	John Booth (Chair) John Kingman Rosemary Leith	2 1 2	2 2 2
Masterplan	To support the Board in developing and overseeing a Masterplan in relation to the Gallery's buildings and estate.	David Marks (Chair) John Kingman Stuart Roden John Booth Tonya Nelson James Lambert	6 3 6 6 2 4	6 6 6 6 6 6
Ethics Committee (renamed Corporate and Donations Review Committee in March 2024)	to support the Board and Accounting Officer in their responsibilities in considering ethical and reputational issues.	Stuart Roden (Chair) Catherine Goodman Susan Liautaud ¹⁶	2 2 1	2 2 2

¹⁰ Independent Committee member until October 2023

¹¹ Independent Committee member

¹² Independent Committee member from October 2023

¹³ Independent Committee member until October 2023

¹⁴ Independent Committee member

¹⁵ Independent Committee member from October 2023

¹⁶ Independent Committee Member

The Committees of the Board reported the following during the year:

The Audit Committee met four times during the year and provided assurance to the Board in the form of its Annual Report, which covered the work of external and internal auditors during the year as well as the overall risk management framework. During the year, the Committee received a report from the Gallery's Security Adviser as to what measures are in place to prevent insider theft in the Gallery along with the Annual Security report. The Committee approved the Framework Document between the Gallery and DCMS and received a Counter Fraud report which included consideration of positive and negative implications of AI.

The Finance Committee met four times during the year and continued to monitor closely the finances of the Gallery, in particular a close scrutiny of the Gallery's Headcount. The Committee was presented with and approved the Gallery's three-year plan, and a full presentation was subsequently given to the Board of Trustees. The Committee approved the appointment of a new Security provider. The Committee continued to monitor costs in the NG200 capital projects.

The Governance Committee met twice during the year. It commissioned an external Board Effectiveness Survey, which took place during the autumn, with the results being reported back to the Board in February. Overall, the report was extremely positive and the Committee made some recommendations of areas to prioritise arising from the survey.

The Nominations Committee met once during the year. It considered and approved role specifications for two new Trustees and discussed suitable candidates for the role.

The Remuneration Committee met twice during the year and reviewed the performance of the Director, Dr Gabriele Finaldi, the Chief Operating Officer Paul Gray and the Director of Development, Anh Nguyen for the period to 31 March 2023 and to agree a recommended bonus for the Director, Chief Operating Officer and Development Director for the period to 31 March 2023 (which recommendation was accepted by the Board).

The Masterplan Committee met six times during the year and continued to oversee progress in the NG200 Welcome project, which includes the refurbishment of the Lecture Theatre, the Centre for Creative Learning and the Research Centre, in addition to the creation of a Supporters House.

The Committee continued to monitor costs and received regular reports on the NG200 Fundraising Campaign. It was presented with plans for the retail and F&B offers in the Sainsbury Wing. In the autumn it commissioned a feasibility study to be drafted for Saint Vincent House and considered the options outlined in the study. It endorsed proceeding with the preferred option.

The Ethics Committee met twice during the year. It reviewed and approved the Gallery's Ethical Sponsorship and Donations Acceptance Policy and discussed and considered sponsors and donors in accordance with the Policy. In March the Committee sought approval from the Board to change its name to The Corporate and Donations Review committee to better reflect the work it does.

Achievements and Effectiveness of the Board

Significant achievements of the Gallery during 2023–24 are recorded under the heading of 'Review of achievements and performance in 2023–2024', within the Annual Report.

During the course of the year, the Board:

- Held a Board meeting in the Spanish Gallery in Bishop Auckland in July, where they were hosted by Jonathan and Jane Ruffer. They had a curator's tour of Auckland Castle, which included a visit to the *Sin* exhibition, part of the Gallery's national touring exhibition programme.
- Received a presentation on the NG200 Bicentenary Programme and continued to receive regular updates at each Board meeting.
- Received a report on the Exhibitions programme, 2022 and a presentation on forthcoming exhibitions.
- Agreed to participate in an external Board Effectiveness Survey, the results of which were presented to them in early February.
- Received a report from the National Gallery's Security Adviser following an attack on Diego Velázquez's *The Toilet of Venus* by Just Stop Oil protesters.
- Approved a new Audience Strategy in February
- Approved a new Research Strategy in March
- Approved the Safeguarding Policy

- Received Safeguarding training and Media training.
- Approved the acquisition of 5 paintings to enrich the collection.
- Approved the carrying out of all conservation work involving cleaning of paintings in the collection and following completion of such cleaning approved the paintings as ready to go back on display.
- Approved all loans out including approval to national touring of paintings within the UK and internationally.
- Received regular reports at Board meetings in relation to key areas of Gallery activity including finance, security, education, national programmes, exhibitions, staffing, digital, marketing and buildings and facilities.

In relation to Board Effectiveness, the Board commissioned an external Board Effectiveness Survey. The Governance Committee met in January 2024 and reviewed the survey, which was presented to the Board in February by the external consultants. The Committee made four recommendations of areas to prioritise, arising from the survey.

The Gallery has robust systems in place whereby one of the Deputy Chairs, following consultation with Trustees and the Director, appraises the Chair annually and reports back to the Board. The Chair appraises Trustees every two years, informally within two years of appointment and formally when recommending for re-appointment. The Board commissions an external review of its governance every three years.

Risk Management

The National Gallery recognises that the effective management of risk and uncertainty is core to its ability to achieve its objectives.

The Board of Trustees (assisted by the Audit Committee) sets risk appetite for the Gallery and reviews the major risks to the Gallery.

The Accounting Officer is responsible for managing risk and ensuring an effective system of internal control is in place. The Accounting Officer places assurance on the work of the Corporate Risk Committee, an executive committee which meets four times a year to review actively the risk environment, to monitor the adequacy of controls and to assess emerging risks. The Committee's membership includes the Chief Operating Officer, Director of Finance, a number of Heads of Department responsible for areas of the Gallery's activity with high risk exposure, as well as a representative from Internal Audit, Secretary to the Board and Legal Counsel and the Senior Collection Registrar.

The Corporate Risk Committee uses a comprehensive operational risk register as a tool for managing risk and recommends areas for internal audit based on the analysis of risks in the register. The Corporate Risk Committee also reviews and is informed by the work of Internal Audit. The minutes of the Corporate Risk Committee, together with its assessment of operational risks, are reviewed by the Audit Committee at each meeting. Key operational risks for 2023–24 included having the capacity to deliver on corporate and strategic objectives, and the physical security of the collection. The risk register continues to monitor several risks that recognise the possibility of damage to the collection, whether accidental or malicious. These risks continue to have high inherent scores, because of the impact that any such damage could have, but the Gallery's mitigating controls, including a detailed conservation plan to deal with any such incidents, means that the residual risk is tracking at the target level, and has been throughout the year.

Strategic risks primarily relate to the NG200 capital and activity programmes, both in terms of ensuring that the overall objectives of projects are met, and that they are delivered on time and on budget without adversely affecting the Gallery's day to day activities. Risks around financial sustainability have become more pressing as whilst the impacts of Covid-19 have gradually been diminishing, they have been replaced by pressures stemming from the current high inflationary environment together with increasing energy costs. These challenges will need to be met across the span of the Gallery's three year plan and whilst it is felt that sufficient mitigations are in place, these risks are being constantly monitored by management and Trustees for changes in the risk profile.

Internal Audit performed reviews across a number of areas of the Gallery's activities during 2022–23. These included reviews of the Gallery's implementation of a new finance system, business continuity planning and access management planning in relation to the NG200 capital project. All of the reviews provided either substantial or reasonable assurance that the controls in these areas were operating effectively and that risks were being appropriately managed. In addition to the reviews, an advisory report was also produced on physical security. Recommendations from these report will be implemented over the coming year.

Internal Audit's primary role is to give the Accounting Officer and the Trustees an independent and objective opinion on the Gallery's risk management, internal control and governance. Internal Audit issues an annual report to the Accounting Officer, which is reviewed by the Accounting Officer and the Audit Committee and which

includes Internal Audit's opinion of risk management in the Gallery and a statement of assurance on Internal Control. Based on work undertaken Internal Audit issued an opinion of Moderate assurance, meaning that some improvements are required to enhance the adequacy and effectiveness of the Gallery's framework of governance, risk management and control.

The Audit Committee provides an annual report to the Board, which includes its opinion on the comprehensiveness, reliability and integrity of assurances received for the purpose of supporting the Board in their overall management of risk. The Audit Committee is of the opinion that the Gallery is responding appropriately to the risks around certain management processes and the documentation of controls.

All budget holders provide the Accounting Officer with annual assurance statements.

Risk assessment

The Accounting Officer and Board of Trustees consider the framework of internal controls and risk management to be effective. The Internal Auditor's assurance to the Accounting Officer and the Audit Committee on the National Gallery's risk management, control and governance processes was that they are generally adequate and effective. Audit recommendations have been accepted and corrective action is being taken.

There were five personal potential data breaches or losses during 2023–24 (2023: four), none of which required reporting to the Information Commissioner's Office (2023: nil).

Signed:
Dr Gabriele Finaldi
Director and Accounting Officer

Dated: 24 July 2024

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 24 July 2024

The Certificate and Report of the Comptroller and Auditor General to Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the National Gallery and its Group for the year ended 31 March 2024 under the Museums and Galleries Act 1992.

The financial statements comprise: the National Gallery and its Group's:

- Consolidated and Gallery balance sheets as at 31 March 2024;
- Consolidated Statement of Financial Activities and the Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the National Gallery and its Group's affairs as at 31 March 2024 and its net income for the year then ended;
- have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Gallery and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the parts of the Remuneration Report and the Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992.

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

- those parts of the Annual Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Gallery and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report,

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

- adequate accounting records have not been kept by the National Gallery and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Annual Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Secretary of State directions issued under the Museums and Galleries Act 1992 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees' and Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Gallery and its Group from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the applicable financial reporting framework;
- preparing the Annual Report which includes the Remuneration and Staff Report, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the National Gallery and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud:

- considered the nature of the sector, control environment and operational performance including the design of the National Gallery and its Group's accounting policies, key performance indicators and performance incentives.
- inquired of management, the National Gallery and its Group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Gallery and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud;
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Gallery and its Group's controls relating to the National Gallery's compliance with the Museums and Galleries Act 1992, Charities Act 2011, and Managing Public Money.
- inquired of management, internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and
 - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with the engagement team including significant component audit teams and the relevant internal and external specialists, including property valuation experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Gallery and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common

with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the National Gallery and its Group's framework of authority as well as other legal and regulatory frameworks in which the National Gallery and its Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Gallery and its Group. The key laws and regulations I considered in this context included, the Museums and Galleries Act 1992, Managing Public Money, employment law, tax legislation, and the Charities Act 2011.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of revenue recognition due to fraud, assessing the recognition of income in line with the accounting framework and undertaking procedures to test the occurrence and cut-off of donations, and legacies.

I communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

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

Date: 25 July 2024

Consolidated Statement of Financial Activities

for the year ended 31 March 2024

	Note	OPERATING INCOME AND EXPENDITURE			Capital projects and revaluations (a)			Acquisitions for the collection (b)			TOTAL 2024			2023	
		Unrestricted funds	Restricted funds	Total core operations	Unrestricted funds	Restricted funds	Total capital projects and revaluations	Unrestricted funds	Restricted funds	Total collection acquisition funds	Unrestricted funds	Restricted funds	Permanent endowment	Total	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income															
Income from donations and legacies															
Grant-in-Aid	3	22,502	–	22,502	–	6,356	6,356	–	–	–	22,502	6,356	–	28,858	30,714
Other government grants	4	–	5	5	–	–	–	–	–	–	–	5	–	5	139
Donations	5	1,815	8,100	9,915	–	31,913	31,913	–	17,684	17,684	1,815	57,697	–	59,512	21,775
Legacies	5	22	454	476	–	–	–	–	–	–	22	454	–	476	6,761
Income from other trading activities	6	17,545	425	17,970	–	–	–	–	–	–	17,545	425	–	17,970	16,266
Investment income	7	753	109	862	–	–	–	87	229	316	840	338	–	1,178	233
Income from charitable activities															
Exhibitions		5,105	–	5,105	–	–	–	–	–	–	5,105	–	–	5,105	4,961
Educational activities		447	–	447	–	–	–	–	–	–	447	–	–	447	497
Other income		–	–	–	–	–	–	–	–	–	–	–	–	–	670
Total income		48,189	9,093	57,282	–	38,269	38,269	87	17,913	18,000	48,276	65,275	–	113,551	82,016
Expenditure on:															
Raising funds	9	(3,187)	(197)	(3,384)	(92)	(364)	(456)	–	–	–	(3,279)	(561)	–	(3,840)	(3,790)
Commercial trading	9	(9,179)	–	(9,179)	–	–	–	–	–	–	(9,179)	–	–	(9,179)	(7,695)
		(12,366)	(197)	(12,563)	(92)	(364)	(456)	–	–	–	(12,458)	(561)	–	(13,019)	(11,485)
Charitable activities															
Exhibitions	9	(4,364)	(1,580)	(5,944)	(139)	(552)	(691)	–	–	–	(4,503)	(2,132)	–	(6,635)	(8,050)
Broaden our appeal and provide an exceptional visitor experience	9	(11,630)	(801)	(12,431)	(371)	(1,471)	(1,842)	–	–	–	(12,001)	(2,272)	–	(14,273)	(17,281)
Preserve, enhance and develop the potential of our collections	9	(9,595)	(1,094)	(10,689)	(306)	(1,213)	(1,519)	–	–	–	(9,901)	(2,307)	–	(12,208)	(9,690)
Inspire learning and engagement	9	(3,573)	(1,808)	(5,381)	(114)	(452)	(566)	–	–	–	(3,687)	(2,260)	–	(5,947)	(5,420)
Invest in our staff, increase income and care for our physical facilities	9	(6,449)	(2,482)	(8,931)	(206)	(815)	(1,021)	–	–	–	(6,655)	(3,297)	–	(9,952)	(7,576)
		(35,611)	(7,765)	(43,376)	(1,136)	(4,503)	(5,639)	–	–	–	(36,747)	(12,268)	–	(49,015)	(48,017)
Total expenditure	9	(47,977)	(7,962)	(55,939)	(1,228)	(4,867)	(6,095)	–	–	–	(49,205)	(12,829)	–	(62,034)	(59,502)

Consolidated Statement of Financial Activities

for the year ended 31 March 2024 (continued)

	Note	OPERATING INCOME AND EXPENDITURE			Capital projects and revaluations (a)			Acquisitions for the collection (b)			TOTAL 2024			2023	
		Unrestricted funds	Restricted funds	Total core operations	Unrestricted funds	Restricted funds	Total capital projects and revaluations	Unrestricted funds	Restricted funds	Total collection acquisition funds	Unrestricted funds	Restricted funds	Permanent endowment	Total	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Realised and unrealised investment (losses)/gains	16	-	267	267	-	-	-	-	270	270	-	537	1,829	2,366	(1,543)
Net income/(expenditure) before transfers and other recognised gains and losses		212	1,398	1,610	(1,228)	33,402	32,174	87	18,183	18,270	(929)	52,983	1,829	53,883	20,971
Transfers	22	-	(112)	(112)	969	(857)	112	-	-	-	969	(969)	-	-	-
Net income/(expenditure) resources before other recognised gains and losses		212	1,286	1,498	(259)	32,545	32,286	87	18,183	18,270	40	52,014	1,829	53,883	20,971
Gain/(loss) on revaluation of fixed assets for charity's own use	12	-	-	-	-	1,810	1,810	-	-	-	-	1,810	-	1,810	(6,965)
Net movement in funds		212	1,286	1,498	(259)	34,355	34,096	87	18,183	18,270	40	53,824	1,829	55,693	14,006
Opening funds		2,689	13,058	15,747	2,234	329,660	331,894	21	392,857	392,878	4,944	735,575	9,527	750,046	736,040
Closing funds	22	2,901	14,344	17,245	1,975	364,015	365,990	108	411,040	411,148	4,984	789,399	11,356	805,739	750,046

(a) representing the value of capital assets, excluding the Collection, and any restricted funds for future additions.

(b) representing the value, at the date of acquisition, of donations to the Collection and picture acquisitions since 1 April 2001, and restricted and designated funds for future acquisitions.

All operations continued throughout the period.

There are no recognised gains and losses other than those shown above.

For full details of the prior year comparatives please see note 2. For an explanation of transfers please see note 22.

This Statement of Financial Activities is shown in this expanded format to enable a reader of the accounts to distinguish between the Gallery's operating activities and those activities relating to capital projects and acquisitions, which due to their high value could otherwise have a distorting effect on the overall presentation of income and expenditure.

The notes on pages 46 to 70 form part of these accounts.

Consolidated and Gallery Balance Sheets as at 31 March 2024

	Note	Group		Gallery	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed Assets					
Tangible Assets	12	347,024	322,730	346,172	322,078
Intangible Assets	13	301	411	187	272
Heritage Assets	14	406,559	385,789	406,559	385,789
Investments	16a	20,465	22,880	20,465	22,880
Investment in Subsidiary	15	-	-	372	372
		774,349	731,810	773,755	731,391
Current Assets					
Stock		1,147	1,311	-	-
Debtors	17	37,113	11,041	37,855	12,722
Investments	16b	3,223	3,120	3,223	3,120
Cash at bank and in hand	24b	15,710	15,099	14,605	13,322
		57,193	30,571	55,683	29,164
Creditors					
Amounts falling due within one year	18a	(23,907)	(11,040)	(22,237)	(9,642)
Net current assets		33,286	19,531	33,446	19,522
Total assets less current liabilities		807,635	751,341	807,201	750,913
Creditors:					
Amounts falling due in more than one year	18b	(1,896)	(1,295)	(1,896)	(1,295)
Net assets		805,739	750,046	805,305	749,618
Represented by:					
Restricted funds					
Restricted funds (excluding revaluation reserves)		677,044	625,031	676,882	624,967
Revaluation reserves		112,354	110,544	112,354	110,544
	22	789,398	735,575	789,236	735,511
Unrestricted funds					
Designated		109	22	109	22
Capital asset reserve		1,975	2,234	1,975	2,234
General funds		2,901	2,688	2,629	2,324
	22	4,985	4,944	4,713	4,580
Total income funds		794,383	740,519	793,949	740,091
Endowment funds	22	11,356	9,527	11,356	9,527
Total funds		805,739	750,046	805,305	749,618

The notes on pages 46 to 70 form part of these accounts.

Signed:
Dr Gabriele Finaldi
Director and Accounting Officer

Dated: 24 July 2024

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 24 July 2024

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

		2024	2023
		£'000	£'000
Cash flows from operating activities:			
Net cash from operating activities	24a	<u>44,299</u>	<u>29,550</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,178	233
Purchase of property, plant and equipment		(28,669)	(11,255)
Purchase of intangible assets		(23)	(433)
Purchase of heritage assets	14	(20,766)	(8,378)
Proceeds from sale of investments		5,120	18,299
Purchase of investments		(528)	(22,915)
Net cash used in investing activities		<u>(43,688)</u>	<u>(24,449)</u>
Change in cash and cash equivalents in the reporting period		611	5,101
Cash and cash equivalents at the beginning of the reporting period		<u>15,099</u>	<u>9,998</u>
Cash and cash equivalents at the end of the reporting period		<u>15,710</u>	<u>15,099</u>

The notes on pages 46 to 70 form part of these accounts.

Notes to the Financial Statements

1. Accounting policies

a. Accounting convention

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of certain fixed assets and the inclusion of the investments at market value. The financial statements have been prepared in accordance with the accounts direction issued by the Secretary of State for Culture, Media and Sport, the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), published in 2019, the Government's Financial Reporting Manual and FRS 102. The Gallery is a public benefit entity.

Consolidated accounts include the National Gallery and its subsidiary, National Gallery Global (NGG). The National Gallery owns 100% of the share capital of NGG.

– Going Concern

The accounts have been prepared on the going concern basis. The National Gallery has a statutory responsibility for keeping its collections and making them available for inspection by the public. The Trustees and Accounting Officer have assumed in making the going concern assumption that sufficient Government funding support will continue to be made available to fulfil those responsibilities.

The Group has undertaken a bottom-up budgeting exercise and has forecasted anticipated income and expenditure for the next three years. After reviewing these forecasts and projections, the Trustees have a reasonable expectation that the National Gallery Group has adequate resources to continue in operation for a period of at least twelve months from when the financial statements are authorised for issue. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

b. Income

All income is included in the SoFA when the Gallery is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

The Grant-in-Aid from the Department for Culture, Media and Sport is taken to the SoFA in the year in which it is received. Lottery income is recognised as income when the conditions for its receipt have been met. Other grants, donations and legacies are recognised as incoming resources when the Gallery becomes entitled to the income, receipt is probable and the amount is quantifiable.

Gifts in kind intended for use by the Gallery are recognised in the SoFA as income at a reasonable estimate of their current value on receipt. Contractual income is recognised as income to the extent that the Gallery has provided the associated goods or services; income from the corporate membership programme, for example, is recognised over the period of membership. Where income is received in advance, and the Gallery does not have entitlement to these resources until the goods or services have been provided, the income is deferred in the accounts.

Income derived from endowments has been included within unrestricted funds in the SoFA, except where the application of the income is restricted to a particular purpose, in which case the income and expenditure has been appropriately identified in restricted funds. See note 22 for further details.

Contractual and trading income is recognised as income to the extent that the associated goods or services have been provided. Where income is received in advance and the Gallery does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

c. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category, including an apportionment of overhead and support costs. The allocation of these support costs, including overheads, is analysed in note 9.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Commercial trading represents those costs incurred by NGG. Exhibitions costs represent the costs of mounting exhibitions. Other direct costs are allocated against the relevant strategic objectives of the Gallery, which are described in detail in the Annual Report.

Governance costs include the costs of providing the governance infrastructure that allows the Gallery to operate, as well as the costs of the strategic planning processes that contribute to the Gallery's future development. These costs include the costs of statutory and internal audit, as well as staff costs.

Liabilities are recognised where legal or constructive obligations mean that it is more likely than not that a transfer of economic benefits will be made.

Irrecoverable VAT is apportioned across the activity cost categories detailed in note 9.

d. 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 Gallery and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The funds include bequests made to the Gallery where it was clearly the wish of the donor that the money is to be used for picture purchase but where no legal restriction exists as to the use made of the bequest. The details of each designated fund are disclosed in note 22.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The aim and use of restricted funds is explained in note 22.

Permanent endowment funds are funds which the donor has stated are to be held as capital.

e. Tangible fixed assets

Tangible fixed assets, other than collection acquisitions, are accounted for using modified historic cost accounting. However, adjustments to the net book value are only made where material. The Gallery applies a £5,000 threshold to the capitalisation of all fixed assets (2023: £5,000).

All of the Gallery's land, properties and plant and machinery are revalued for accounting purposes by external chartered surveyors in accordance with the Appraisal and Valuation Standards as published by the Royal Institute of Chartered Surveyors and with FRS 102, section 17 – Property, Plant and Equipment, every five years. The last quinquennial valuation of the Gallery's land, buildings and plant and machinery was carried out by BNP Paribas as at 31 March 2024. The valuation included the main Gallery site on Trafalgar Square and the connected Sainsbury Wing. In the years in between the full five yearly valuations the revaluation is based on a desktop exercise.

Depreciation is provided on all tangible assets, other than collection acquisitions, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life:

Freehold buildings	75 years
Plant and machinery	30 years
Equipment	4 years"

Depreciation is charged on capital costs in the year in which the asset is brought into use. Collection acquisitions are capitalised at historic cost and are not depreciated or revalued as a matter of routine.

The Gallery has chosen to account for property, plant and equipment under the revaluation model, in line with FRS 102, section 17 – Property, Plant and Equipment. We consider that there exists no market-based evidence of fair value of the freehold buildings because such property is rarely sold, except as part of a continuing business, therefore land and buildings and plant and machinery are revalued annually on a depreciated replacement cost basis. Note 12 provides details of the key valuation assumptions used.

f. Intangible fixed assets

Intangible fixed assets are amortised straight line over a period of between three and five years.

g. Heritage assets

The National Gallery's collection comprises pictures, frames and archive material, and these are treated as heritage assets.

In accordance with the Government Financial Reporting Manual (FRm) – which reflects the requirements of FRS 102, section 34 – Specialised Activities – works of art acquired or donated are capitalised and recognised in the Balance Sheet at their cost or value at the date of acquisition, where such a cost or value is reasonably obtainable.

Additions to the Collection are made by purchase, gift of the asset and/or the purchase of assets funded by donation. Works of art donated by third parties are capitalised and accounted for through the donated works of art reserve.

Capitalised heritage assets are not subject to depreciation or revaluation as a matter of routine.

The Trustees of the National Gallery believe that the Collection is unusual as an asset in many ways. It is inalienable, unique, irreplaceable, ancient, fragile and very valuable. In this regard, it is an asset that cannot be valued in a way that would be meaningful for readers of the financial statements.

The Trustees consider that even if valuations could be obtained for some of the pictures in the Collection, the cost of performing such an exercise would not be commensurate with any benefit that could be derived by the user of the financial statements from the inclusion of part of the Collection on the Balance Sheet. As a result, no value has been included in the Balance Sheet for heritage assets acquired before April 2001, the point at which additions to the Collection were first capitalised.

Further information on the nature and scale of the Gallery's collection can be found in note 14.

Expenditure which is required to preserve or prevent further deterioration of individual collection items, as well as the costs of managing the Collection, are recognised in the SoFA when incurred. More information about preservation and management of the Collection can be found in note 14.

h. Investments

Investments held as fixed assets are included at market value at the year end. The SoFA includes any realised and unrealised investment gains and losses arising on revaluation and disposals throughout the year.

Cash held for investment purposes in 30-day and 90-day notice accounts is treated as a current asset investment.

i. Stocks

Stocks relate to merchandise sold by NGG and are stated at the lower of cost and net realisable value.

j. Debtors

The measurement of debtors is based on the anticipated recoverable value of cash or services owed to the Gallery at the year end.

k. Cash at bank and in hand

Cash at bank and cash 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.

l. Creditors

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

m. Leases

The National Gallery has no finance leases. Costs in relation to operating leases are charged to the SoFA over the life of the lease.

n. Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Transactions in foreign currencies are recorded at the rate at the time of the transaction. All exchange differences are taken to the SoFA.

The Gallery undertakes the majority of its transactions in sterling, and so has limited exposure to foreign currency risk. Any loss on exchange resulting from market volatility should be manageable through general contingency funds, without resulting in any material risk to the business.

The Gallery does hold some investments in Euro denominated funds and the risk around these investments is discussed further in note 19, financial instruments.

o. Pensions

Staff of the National Gallery are employed under broadly the same conditions of service as Civil Servants, to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme. Full details of the pension scheme are included in note 11.

p. Trust funds

These funds represent amounts which have been bequeathed to the Gallery mainly for the purposes of picture acquisition. Income earned on the capital held in restricted funds is recognised in the SoFA as it arises. Any unutilised income together with the capital is held in a separate restricted fund which can only be used for the purposes originally specified by the donor.

q. Taxation

The Gallery is eligible under the Corporation Tax Act 2010 to seek from HMRC exemption from taxes on income arising from the pursuit of its charitable objectives. HMRC has granted this exemption.

r. Provisions

Provisions are made when an obligation exists for a future liability in respect of a past event, where the amount of the obligation can be reliably estimated, and where the outflow of resources is probable.

s. Key Judgements

– Valuation of property, plant, and equipment

Property, plant and equipment represents a significant proportion of the Gallery's balance sheet and therefore the estimates and assumptions made to determine their carrying value and related depreciation (Note 12) are important to the Gallery's reported financial position and total expenditure.

– Valuation of heritage assets

Heritage assets represents a significant proportion of the Gallery's balance sheet and therefore the estimates and assumptions made to determine their value (Note 14) are important to the Gallery's reported financial position.

2. Prior year SOFA

	OPERATING INCOME AND EXPENDITURE			Capital projects and revaluations (a)			Acquisitions for the collection (b)			TOTAL 2023			
	Unrestricted funds	Restricted funds	Total core operations	Unrestricted funds	Restricted funds	Total capital projects and revaluations	Unrestricted funds	Restricted funds	Total collection acquisition funds	Unrestricted funds	Restricted funds	Permanent endowment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income													
Income from donations and legacies													
Grant-in-Aid	24,353	-	24,353	-	6,361	6,361	-	-	-	24,353	6,361	-	30,714
Other government grants	26	113	139	-	-	-	-	-	-	26	113	-	139
Donations	2,065	4,063	6,128	-	10,489	10,489	-	5,158	5,158	2,065	19,710	-	21,775
Legacies	11	-	11	-	-	-	-	6,750	6,750	11	6,750	-	6,761
Income from other trading activities	15,973	293	16,266	-	-	-	-	-	-	15,973	293	-	16,266
Investment income	129	30	159	-	-	-	22	52	74	151	82	-	233
Income from charitable activities													
Exhibitions	4,961	-	4,961	-	-	-	-	-	-	4,961	-	-	4,961
Educational activities	497	-	497	-	-	-	-	-	-	497	-	-	497
Other income	670	-	670	-	-	-	-	-	-	670	-	-	670
Total income	48,685	4,499	53,184	-	16,850	16,850	22	11,960	11,982	48,707	33,309	-	82,016
Expenditure on:													
Raising funds	(3,226)	(155)	(3,381)	(77)	(332)	(409)	-	-	-	(3,303)	(487)	-	(3,790)
Commercial trading	(7,695)	-	(7,695)	-	-	-	-	-	-	(7,695)	-	-	(7,695)
	(10,921)	(155)	(11,076)	(77)	(332)	(409)	-	-	-	(10,998)	(487)	-	(11,485)
Charitable activities													
Exhibitions	(5,258)	(1,835)	(7,093)	(181)	(776)	(957)	-	-	-	(5,439)	(2,611)	-	(8,050)
Broaden our appeal and provide an exceptional visitor experience	(13,859)	(1,431)	(15,290)	(376)	(1,615)	(1,991)	-	-	-	(14,235)	(3,046)	-	(17,281)
Preserve, enhance and develop the potential of our collections	(7,896)	(733)	(8,629)	(200)	(858)	(1,058)	-	(3)	(3)	(8,096)	(1,594)	-	(9,690)
Inspire learning and engagement	(3,728)	(1,173)	(4,901)	(98)	(421)	(519)	-	-	-	(3,826)	(1,594)	-	(5,420)
Invest in our staff, increase income and care for our physical facilities	(6,662)	(7)	(6,669)	(171)	(736)	(907)	-	-	-	(6,833)	(743)	-	(7,576)
	(37,403)	(5,179)	(42,582)	(1,026)	(4,406)	(5,432)	-	(3)	(3)	(38,429)	(9,588)	-	(48,017)
Total expenditure	(48,324)	(5,334)	(53,658)	(1,103)	(4,738)	(5,841)	-	(3)	(3)	(49,427)	(10,075)	-	(59,502)

	OPERATING INCOME AND EXPENDITURE			Capital projects and revaluations (a)			Acquisitions for the collection (b)			TOTAL 2023			
	Unrestricted funds	Restricted funds	Total core operations	Unrestricted funds	Restricted funds	Total capital projects and revaluations	Unrestricted funds	Restricted funds	Total collection acquisition funds	Unrestricted funds	Restricted funds	Permanent endowment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Realised and unrealised investment gains/(losses)	-	(214)	(214)	-	-	-	-	(92)	(92)	-	(306)	(1,237)	(1,543)
Net income/(expenditure) before transfers and other recognised gains and losses	361	(1,049)	(688)	(1,103)	12,112	11,009	22	11,865	11,887	(720)	22,928	(1,237)	20,971
Transfers	236	909	1,145	1,646	(2,646)	(1,000)	(540)	395	(145)	1,342	(1,342)	-	-
Net income/(expenditure) resources before other recognised gains and losses	597	(140)	457	543	9,466	10,009	(518)	12,260	11,742	622	21,586	(1,237)	20,971
(Loss)/gain on revaluation of fixed assets for charity's own use	-	-	-	-	(6,965)	(6,965)	-	-	-	-	(6,965)	-	(6,965)
Net movement in funds	597	(140)	457	543	2,501	3,044	(518)	12,260	11,742	622	14,621	(1,237)	14,006
Opening funds	2,092	13,198	15,290	1,691	327,159	328,850	539	380,597	381,136	4,322	720,954	10,764	736,040
Closing funds	2,689	13,058	15,747	2,234	329,660	331,894	21	392,857	392,878	4,944	735,575	9,527	750,046

3. Grant-in-Aid

	2024	2023
	£'000	£'000
Department for Digital, Culture, Media and Sport	28,858	30,714

This money is available for running costs, capital improvements and collection purchases. Of the total figure, £6.4 million (2023: £6.4 million) was restricted for capital purposes.

4. Other Government Grant

	2024	2023
	£'000	£'000
UK Research and Innovation	5	–
European Union	–	47
Department for Work and Pensions	–	26
Arts & Humanities Research Council	–	66
	5	139

5. Donations and Legacies

	2024	2023
	£'000	£'000
Donations and legacies relating to Gallery activities excluding acquisitions and other capital expenditure can be split as follows:		
Individuals	1,112	1,223
Trusts and foundations	8,778	4,708
Gifts in kind	25	197
Legacies	476	11
	10,391	6,139

Restricted donations and legacies included above total £8,554k (2023: £4,063k).

	2024	2023
	£'000	£'000
Donations and legacies relating to collection acquisitions can be split as follows:		
Individuals	125	–
Trusts and foundations	17,555	3,943
Legacies	–	6,750
Donated assets	4	1,215
	17,684	11,908

	2024	2023
	£'000	£'000
Donations relating to other capital expenditure can be split as follows:		
Trusts and foundations	31,876	10,239
Individuals	37	250
	31,913	10,489
Total donations and legacies	59,988	28,536

6. Income from other trading activities

	2024	2023
	£'000	£'000
Activities for generating funds		
Commercial trading	10,528	9,402
Other trading activities	7,442	6,864
	17,970	16,266

Other trading income includes royalties, venue hire, floor plan sales, exhibition sponsorship, membership subscriptions, cloakroom charging and the corporate membership programme. Commercial trading represents income generated by NGG. NGG's income generating activities are outlined in note 15.

7. Investment income

	2024	2023
	£'000	£'000
Interest income	753	233
Dividend income	425	–
	1,178	233

8. Trustees' remuneration

The Chairman and Board of Trustees neither received nor waived any remuneration for their services during the year (2023: £nil). The total value of expenses reimbursed to Trustees amounted to £nil for the year (2023: £nil).

9. Total expenditure

	Direct costs	Support costs	Depreciation	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000
Raising funds	2,881	503	456	3,840	3,790
Commercial trading	9,179	–	–	9,179	7,695
Total expenditure on raising funds	12,060	503	456	13,019	11,485
Exhibitions	5,493	451	691	6,635	8,050
Broaden our appeal and provide an exceptional visitor experience	11,023	1,408	1,842	14,273	17,281
Preserve, enhance and develop the potential of our collections	9,301	1,388	1,519	12,208	9,690
Inspire learning and engagement	4,576	805	566	5,947	5,420
Invest in our staff, increase income and care for our physical facilities	8,452	479	1,021	9,952	7,576
Total expenditure on charitable activities	38,845	4,531	5,639	49,015	48,017
Total expenditure	50,905	5,034	6,095	62,034	59,502

A breakdown of support costs, and a description of the basis on which these costs have been allocated to each of the activity cost categories, is set out below:

Cost type	Fundraising costs	Exhibitions	Appeal and visitor experience	Preserve, enhance and develop	Learning and engagement	Staff and physical facilities	Total	Basis of allocation
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Finance	63	214	493	320	26	357	1,473	Direct expenditure of activity
Human Resources	154	68	292	361	280	16	1,171	Headcount
Information Services	272	122	516	638	494	29	2,071	Headcount
Governance	14	47	107	69	5	77	319	Direct expenditure of activity
	<u>503</u>	<u>451</u>	<u>1,408</u>	<u>1,388</u>	<u>805</u>	<u>479</u>	<u>5,034</u>	

Analysis of governance costs:

	2024	2023
	£'000	£'000
Staff costs	116	104
Auditor's remuneration	75	66
Internal audit fees	66	48
Legal fees	62	56
	<u>319</u>	<u>274</u>

Total expenditure includes the following:

	2024	2023
	£'000	£'000
Auditor's remuneration:		
National Audit Office – Statutory audit of consolidated accounts	75	66
Price Bailey – Statutory audit of trading subsidiary accounts	18	18
Leased rental payments on equipment	18	18
	<u>111</u>	<u>102</u>

Our auditor is The National Audit Office who subcontract audit work to Deloitte. During the year no other services were provided by either the National Audit Office or Deloitte. No payments were made to our auditors (2023: £nil) for the provision of non audit services.

10. Staff costs

	2024	2023
	£'000	£'000
Wages and salaries	16,684	14,704
Social security costs	1,795	1,630
Pension costs	3,691	3,149
Apprenticeship levy	70	55
Agency staff	457	435
	<u>22,697</u>	<u>19,973</u>

Total spend on contingent labour is disclosed under the heading 'agency staff'.

The average number of employees during the year, analysed by function was:

	2024	2024	2024	2023
	Permanent	Other	Total	Total
	contracts	contracts	No.	No.
	No.	No.		
Fundraising	34	4	38	33
Commercial trading	88	–	88	72
Exhibitions	14	3	17	16
Broaden our appeal and provide an exceptional visitor experience	56	16	72	61
Preserve, enhance and develop the potential of our collections	70	19	89	78
Inspire learning and engagement	33	36	69	85
Invest in our staff, increase income and care for our physical facilities	4	–	4	4
Support	44	11	55	54
Governance	2	–	2	2
	<u>345</u>	<u>89</u>	<u>434</u>	<u>405</u>

Further information relating to staff pay can be found in the Staff Report.

Further information relating to the Director's and senior managers' pay can be found in the Remuneration Report.

11. Pension costs

Staff of the National Gallery are employed under broadly the same conditions of service as Civil Servants, to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply.

All present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) or the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha'.

PCSPS and alpha are unfunded multi-employer defined benefit schemes. The National Gallery is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk/about-us/resource-accounts/).

For 2024, employer's contributions of £3,522,638 were payable to the PCSPS (2023: £2,942,044) at one of four rates in the range 26.6% to 30.3% of pensionable pay based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023–24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £55,399 (2023: £67,836) were paid to the appointed stakeholder pension provider. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £2,107 (2023: £2,445), 0.5% (2023: 0.5%) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision

of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension provider at the balance sheet date were £6,336 (2023: £5,183).

No individuals retired early on ill-health grounds during the year ended 31 March 2024 (2023: none).

12. Tangible fixed assets

Group	Freehold land and buildings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Equipment £'000	Total £'000
Cost or valuation					
As at April 2023	257,555	91,515	7,515	9,312	365,897
Additions	4,593	2,482	20,256	1,338	28,669
Disposals	–	–	–	(956)	(956)
Revaluation	(17,788)	(21,734)	–	–	(39,522)
Transfers	1,623	737	(2,360)	–	–
As at 31 March 2024	245,983	73,000	25,411	9,694	354,088
Depreciation					
As at 1 April 2023	12,656	23,814	–	6,698	43,168
Disposals	–	–	–	(954)	(954)
Charge for year	1,709	3,159	–	1,313	6,181
Revaluation	(14,358)	(26,973)	–	–	(41,331)
Transfers	–	–	–	–	–
As at 31 March 2024	7	(–)	–	7,057	7,064
Net book value					
31 March 2024	245,976	73,000	25,411	2,637	347,024
31 March 2023	244,899	67,701	7,515	2,614	322,730
Gallery					
	Freehold land and buildings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Equipment £'000	Total £'000
Cost or valuation					
As at April 2023	257,555	91,515	7,515	8,358	364,943
Additions	4,593	2,482	20,256	959	28,290
Disposals	–	–	–	(818)	(818)
Revaluation	(17,788)	(21,734)	–	–	(39,522)
Transfers	1,623	737	(2,360)	–	–
As at 31 March 2024	245,983	73,000	25,411	8,499	352,893
Depreciation					
As at 1 April 2023	12,656	23,814	–	6,395	42,865
Disposals	–	–	–	(815)	(815)
Charge for year	1,709	3,159	–	1,134	6,002
Revaluation	(14,358)	(26,973)	–	–	(41,331)
As at 31 March 2024	7	–	–	6,714	6,721
Net book value					
31 March 2024	245,976	73,000	25,411	1,785	346,172
31 March 2023	244,899	67,701	7,515	1,963	322,078

The freehold of the National Gallery, including both the Wilkins Building and the Sainsbury Wing, was transferred from the Secretary of State for the Environment and the Crown to the Trustees of the Gallery on 12 January 1994.

“The freehold property was independently valued as at 31 March 2024 by Peter Sudell FRICS of BNP Paribas Real Estate, (the “Valuer”) acting in the capacity of an external valuer. The valuation was in accordance with the requirements of the Government’s Financial Reporting Manual, the Statement of Recommended Practice

'Accounting and Reporting by Charities', the current RICS Valuation – Professional Standards and FRS 102 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The valuation was on the basis of Fair Value, subject to the following assumption:

- That the property would be sold as part of the continuing business (or entity) in occupation.

The Valuer's opinion of Fair Value was primarily derived using:

- The depreciated replacement cost method of valuation because the specialised nature of the asset means that there are no market transactions of this type of asset except on the basis of a sale as part of the business or entity in occupation.

The Valuer has reported a total Fair Value of £318,400,000.

Had the revaluation model not been applied, the carrying amount that would have been recognised had the assets been carried under the historical cost model for each class of revalued assets is as follows:

	Freehold land and buildings £'000	Plant and machinery £'000
Effective value under historical cost model	169,996	36,626

The financial effect of revaluing other assets (excluding plant and machinery) was considered to be immaterial in terms of the overall net book value and therefore they have been disclosed at their historic cost value.

13. Intangible fixed assets

	Group		Gallery	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cost or valuation				
As at April 2023	892	375	625	–
Additions	23	433	7	363
Disposals	(196)	(179)	(194)	–
Transfers	–	262		262
As at 31 March 2024	719	891	438	625
Depreciation				
As at 1 April 2023	480	243	353	–
Disposals	(196)	(172)	(194)	–
Charge for year	134	149	92	93
Transfers	–	260		260
As at 31 March 2024	418	480	251	353
Net book value				
31 March 2024	301	411	187	272
31 March 2023	411	132	272	–

14. Heritage assets

The National Gallery houses one of the greatest collections of Western European painting in the world. These pictures belong to the public and entrance to see them is free. The Gallery aims to tell the story of European painting as completely as possible and at the highest possible level. The Collection contains over 2,300 works, including many iconic masterpieces such as van Eyck's *Arnolfini Portrait*, Piero della Francesca's *Baptism*, Holbein's *Ambassadors*, Leonardo's *Virgin of the Rocks*, Vermeer's *Young Woman Standing at a Virginal*, Velázquez's *Rokeby Venus*, Turner's *Fighting Temeraire* and Van Gogh's *Sunflowers*. The work of some of the greatest painters, including Raphael, Titian, Rembrandt, Monet and Cezanne, is represented in great depth, with a range of works of varying types and from different periods of the artists' careers.

A full description of the Collection, including zoomable images of every picture, can be found on the National Gallery's website.

Heritage assets capitalised in the Balance Sheet

	Cost £'000	Valuation £'000	Total £'000
As at 1 April 2023	90,003	295,786	385,789
Additions	<u>20,766</u>	<u>4</u>	<u>20,770</u>
As at 31 March 2024	<u>110,769</u>	<u>295,790</u>	<u>406,559</u>

All heritage assets acquired since 1 April 2001 have been included in the Balance Sheet at their cost or value at the date of acquisition.

Where heritage assets have been acquired under the Acceptance in Lieu Scheme or Cultural Gifts Scheme, valuations are provided by the Arts Council England. Where pictures have been donated, bequeathed or acquired other than on the open market, valuations have been performed by the Gallery's curators, who are recognised experts in their fields, or by external valuers. The primary method of valuation involves the analysis of recent market values for comparable works, together with a detailed technical assessment of the painting's physical condition to arrive at a reasonable valuation. However, there is an inherent limitation to valuation of works acquired by the National Gallery, simply because by their nature they are usually unique and iconic works of art for which little or no comparable market data exists.

Additions during the year ending 31 March 2024 comprise:

- Nicholas Poussin, *Eucharist*
- Abraham Bloemaert, *Lot and his Daughters*
- Eva Gonzales, *La Psyche*
- The Virgin and Child and Saints Louis, Margaret and two Angels, attributed to the Franco-Flemish school
- 23 frames for various pictures

Five year financial summary of acquisitions

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Donated assets and acquisitions funded by donations	20,643	9,380	9,246	9,560	32,303
Other acquisitions	127	253	105	–	22
Total cost/value of acquisitions	<u>20,770</u>	<u>9,633</u>	<u>9,351</u>	<u>9,560</u>	<u>32,325</u>

Significant additions over the last five years include:

- Ferdinand Hodler's *The Kien Valley with the Bluemlisalp Massif*. Bought with the support of the National Gallery Trust, the Athene Foundation in memory of Asbjørn Lunde, the Estate of Mr David Leslie Medd OBE and other bequests, 2022.
- Sir Thomas Lawrence's *The Red Boy*, bought with the support of the American Friends of the National Gallery, the Estate of Miss Gillian Cleaver, Art Fund (with a contribution from the Wolfson Foundation), The Al Thani Collection Foundation, The Manny and Brigitta Davidson Charitable Foundation, Mr William Sharpe, and The Society of Dilettanti Charitable Trust, 2021.
- Orazio Gentileschi's *The Finding of Moses*, bought with the support of the American Friends of the National Gallery, the National Gallery Trust, the National Heritage Memorial Fund, Art Fund (through the legacy of Sir Denis Mahon), The Maurice Wohl Charitable Foundation, The Deborah Loeb Brice Foundation, The Capricorn Foundation, The Manny and Brigitta Davidson Charitable Foundation, Alejandro and Charlotte Santo Domingo, Beatrice Santo Domingo, The Wei Family and other donors, and through public appeal and bequests.
- Artemisia Gentileschi's *Self Portrait as Saint Catherine of Alexandria*, bought with the support of American Friends of the National Gallery, the National Gallery Trust, Art Fund (through the legacy of Sir Denis Mahon), Lord and Lady Sassoon, Lady Getty, Hannah Rothschild CBE, Mrs Mollie W. Vickers, the Hon. Mrs Ashley Dawson-Damer, The Society of Dilettanti Charitable Trust Fund, Mr Andrew Green QC and Ms Hirschl, Mr Matthew Santos and Mrs Mary Kuusisto, Mr Peter Scott CBE QC and Dr Richard Ballantine, the Diane Apostolos-Cappadona Trust, Mr Stephen Allcock, Mr James and Lady Emma Barnard, Miss Maxine White and Mr James Mortimer, Michael and Felicia Crystal, The W T J Griffin Charitable Settlement and other donors including those who wish to remain anonymous.

Heritage assets not capitalised on the Balance Sheet

The proportion of the Collection not capitalised on the Balance Sheet is set out below:

	Total number of items	Number capitalised	% capitalised	Number not capitalised	% not capitalised
Pictures	<u>2,401</u>	<u>113</u>	<u>5%</u>	<u>2,288</u>	<u>95%</u>

The vast majority of the Gallery's collection is not capitalised. The nature and scale of the Collection can be viewed in detail on the Gallery's website.

Heritage asset management

Acquisitions

The acquisition of pictures and frames is one of the Gallery's statutory objectives. Acquisitions are essential to enhance the Collection now and for future generations. In particular, acquisitions enable the Gallery to develop its presentation of the history of Western European painting.

The Gallery's principal aims in making acquisitions are as follows:

- to obtain masterpieces of outstanding quality;
- to develop the Gallery's uniquely coherent narrative of Western European painting beyond the canon established during the nineteenth century; and
- to build on the Gallery's strengths.

All acquisitions, whether by purchase or donation, require the approval of the Board of Trustees. Prior to approval, potential acquisitions are subject to detailed checks concerning the ownership, provenance, condition and value of the picture, taking into account guidelines published by the Department for Culture, Media and Sport (Combating Illicit Trade: due diligence guidelines for museums, libraries and archives on collecting and borrowing cultural material).

Preservation

The most effective strategy for preservation is the application of principles of preventive conservation, largely achieved through environmental and light control. These principles are the subject of research and refinement and are specified by the Scientific and Conservation departments working with the Gallery's engineers. In addition to conservation treatments, the Conservation department's work includes assessment of the Collection, preventive maintenance and minor treatment such as blister laying, surface cleaning and re-varnishing. Except in an emergency, all proposals for major conservation work including cleaning are referred to the Board, both for permission to begin and on completion, for approval of the work done and for the painting's return to exhibition. All minor work is discussed with and agreed by the relevant curator.

Detailed information on the Gallery's preservation policies can be found in the Conservation Risk Management Statement and Preventive Conservation Risk Management Statement on the Gallery's website.

Management

The Gallery's collection comprises 2,401 paintings and approximately 2,612 frames. As at 31 March 2024 664 (28%) paintings were on public display at the Gallery, 118 (5%) on loan elsewhere and the remainder were in the conservation and photographic studios or in storage.

The National Gallery is committed to the widest possible access to the collection which it houses, conserves and displays. Details of the policy adopted by the Gallery to provide access can be found in the Access Statement on the Gallery's website.

The Museum System (TMS), a sophisticated collections management system, is used by a number of departments to catalogue the Collection and to manage acquisitions, location recording, exhibitions and loans. Location recording in TMS is a core part of the processes involved in moving paintings within and into and out of the National Gallery. This is supported by daily inventory checks of the public display galleries and regular checks of other areas where pictures may be stored.

Disposals

The Trustees of the Gallery have a statutory responsibility to hold and maintain the collection of pictures in trust for future generations in accordance with the Gallery's charitable objectives. The Trustees are not empowered to dispose of any pictures: the Collection is inalienable. Any disposal of an item in the Collection could only be made by transfer to another national collection in accordance with the provisions of the Museums and Galleries Act 1992.

15. Subsidiaries

The Gallery has one subsidiary, National Gallery Global Limited (NGG). NGG's principal activities comprise the management and operation of restaurant, café and ancillary services for the benefit of visitors to the National Gallery, the publishing and sale of books and other products and merchandise associated with the Collection, and the hosting of events at the Gallery.

The NGG balance sheet is disclosed below.

	2024	2023
	£'000	£'000
Fixed assets		
Intangible assets	114	140
Tangible assets	852	652
	966	792
Current assets		
Stock	1,142	1,311
Debtors	1,066	1,113
Cash	1,105	1,777
	3,313	4,201
Creditors	(3,479)	(4,193)
Net assets	800	800
Capital and reserves		
Called up share capital	800	800
Retained earnings	–	–
	800	800

During the period NGG generated turnover of £11.7m (2023: £10.8m) and incurred expenditure of £10.3m (2023: £8.8m), creating a net profit of £1.4m (2023: £2.0m). NGG made a gift aid payment of £1.4m to NG in 2023–24 (2023: £1.5m).

16. Investments

a. Fixed asset investments

	Group		Gallery	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Market value as at 1 April	22,880	19,833	22,880	19,833
Investment portfolio additions	425	6,190	425	6,190
Additions	–	16,699	–	16,699
Disposals	(5,120)	(18,299)	(5,120)	(18,299)
Realised and unrealised (losses)/gains	2,367	(1,543)	2,367	(1,543)
Management fees deducted from portfolio	(87)		(87)	
Market value as at 31 March	20,465	22,880	20,465	22,880

Fixed asset investments comprise the following:

	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Authorised funds	20,253	22,874	20,253	22,874
Cash held as part of the investment portfolio	212	5	212	5
	20,465	22,879	20,465	22,879

Fair value reserve:

	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Investment in funds at historic cost	18,587	22,884	18,587	22,884
Fair value reserve	1,666	(10)	1,666	(10)
Cash held as part of the investment portfolio	212	5	212	5
Market value of investments	20,465	22,879	20,465	22,879

b. Current asset investments

	Group		Gallery	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current asset investments	3,223	3,120	3,223	3,120
Movement in the year				
Total as at 1 April	3,120	3,094	3,120	3,094
Net transfers in year	103	26	103	26
Total as at 31 March	3,223	3,120	3,223	3,120

Cash held for investment purposes in 30-day and 90-day notice accounts is treated as a current asset investment.

17. Debtors

	Group		Gallery	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	988	1,523	324	1,016
Other debtors	35	257	32	58
Tax and social security	3,036	2,058	3,036	2,094
Prepayments and accrued income	26,036	7,146	25,893	6,967
Amount due from subsidiaries	-	-	1,552	2,530
	30,095	10,984	30,837	12,665
Amounts falling due in more than one year				
Prepayments and accrued income	7,018	57	7,018	57
	37,113	11,041	37,855	12,722

18. Creditors**a. Creditors: amounts falling due within one year**

	Group		Gallery	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	4,663	4,630	4,143	3,885
Other creditors	758	443	434	352
Accruals and deferred income	18,486	5,967	17,660	5,405
	23,907	11,040	22,237	9,642

b. Creditors: amounts falling due in more than one year

	Group		Gallery	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due in more than one year				
In more than one year but not more than two years	800	200	800	200
In more than two years but not more than five years	1,096	1,095	1,096	1,095
	1,896	1,295	1,896	1,295

The movement on the deferred income account in the year was:

	Group		Gallery	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
As at 1 April	5,352	4,831	4,872	4,371
Amounts released from previous years	(805)	(652)	(805)	(672)
Income deferred in the current year	1,356	1,173	1,154	1,173
As at 31 March	5,903	5,352	5,221	4,872

Deferred income released during the year related to acquisitions where the transactions were completed during the year. Income deferred in the year includes grants restricted to future activities, as well as corporate membership, exhibition sponsorship and other membership income.

19. Financial instruments

The group's financial instruments, as defined in FRS 102 section 11, are set out by category below:

	Measured at cost £'000	Measured at fair value £'000	Total £'000
At 31 March 2024			
Cash	15,710	–	15,710
Current asset investments	3,223	–	3,223
Trade and other debtors	2,149	–	2,149
Fixed asset investments	–	20,465	20,465
Trade and other creditors	(18,851)	–	(18,851)
	<u>2,231</u>	<u>20,465</u>	<u>22,696</u>
At 31 March 2023			
Cash	15,099	–	15,099
Current asset investments	3,120	–	3,120
Trade and other debtors	2,809	–	2,809
Fixed asset investments	–	22,879	22,879
Trade and other creditors	(6,306)	–	(6,306)
	<u>14,722</u>	<u>22,879</u>	<u>37,601</u>

Information on the Gallery's overall approach to financial risk management may be found in the investment, reserves, and risk sections of the Annual Report. The significance of financial instruments to the risk profile is as follows:

Credit risk

The Gallery's credit risk arises from its investments, bank deposits, and trade and other debtors. Other than cash within the investment portfolio, term deposits and cash holdings are spread across regulated UK banks. The Gallery has not suffered any loss in relation to cash held by its bankers. Trade debtors of £0.3 million (2023: £1.2 million) are not considered a significant risk since major customers are familiar to the Gallery. The Gallery's debtor profile is reviewed regularly to ensure that prompt action is taken, and a provision is made at the end of the year against any debts considered doubtful. No provision (2023: £nil) was made against doubtful debts. Write-offs in the year for bad debts amounted to £2k. (2023: £4k).

Accrued income balances for 2023–24 were high at £32.9m (2023: £7.0m), and mostly related to outstanding grant receipts. Even though these balances are much larger than usual, donors are known to the Gallery so we do not deem there to be a significant credit risk.

Liquidity risk

The Gallery's reserves policy, set out in the Annual Report, helps provide a safeguard against volatile and unpredictable income streams. Grant-in-aid from the Department for Culture, Media and Sport represents 25% (2023: 37%) of the Gallery's income before transfers and revaluations. Current asset investments of £3.2m (2023: £3.1m) and a further £20.5m (2023: £23m) of readily realisable fixed asset investments help mitigate exposure to liquidity risk.

To further guard against liquidity risk created by the NG200 capital project, the Gallery has a currently unused voted loan facility with the Treasury of £15m.

Market risk

a. Interest rate risk

The Gallery has no borrowings. Interest receivable is 0.7% of incoming resources before transfers and revaluations. The interest rate is not considered to be a significant risk for the Gallery in relation to income. The Gallery has made aggressive budgeting assumption in regard to the expected inflationary pressures on expenditure. A contingency is also maintained which further mitigates the risk of rising prices.

b. Price risk

The Gallery is exposed to market fluctuations on its investments, mitigated through diversification. This risk is monitored by a sub-committee of the Board, as described in the investment policy above. For non-investment transactions, exposure is reduced by competitive tendering and the securing of multi-year fixed-price contracts where appropriate.

c. Foreign currency risk

At the end of the year £nil (2023: £12.9 million) was invested in Euro denominated funds and £9.8 million invested in US dollar denominated funds (2023: £nil). Given the value compared to overall net assets, exposure to currency fluctuations is not considered significant enough to require sensitivity analysis.

20. Financial commitments

Capital Commitments

The Gallery had capital commitments totalling £23.3m (2023: 18.2m) as at 31 March 2024 relating to the NG200 capital project. NGG held capital commitments of £200k (2023: £33k) as at 31 March 2024.

Commitments under operating leases

As at 31 March 2024 the National Gallery had commitments under operating leases for photocopiers payable as set out below:

	2024	2023
	£'000	£'000
Operating leases which expire:		
Within 1 year	18	26
Between 2 and 5 years	18	36
	<u>36</u>	<u>62</u>

21. Contingent liabilities

As at 31 March 2024 the Gallery recognised no contingent liabilities (2023: nil).

22. Group statement of funds

	At 1 April 2023 £'000	Income £'000	Expendi- ture £'000	Revaluation £'000	Transfers £'000	At 31 March 2024 £'000
Unrestricted funds						
Designated funds:						
Trust funds designated for the purchase of heritage assets	22	87	–	–	–	109
Total designated funds	22	87	–	–	–	109
General funds	2,688	48,190	(47,977)	–	–	2,901
Capital assets reserve	2,234	–	(1,228)	–	969	1,975
Total unrestricted funds	4,944	48,277	(49,205)	–	969	4,985
Restricted income funds						
Capital assets reserve	219,117	38,269	(4,867)	–	(858)	251,661
Building revaluation reserve	79,410	–	–	(3,430)	–	75,980
Plant and machinery revaluation reserve	31,134	–	–	5,240	–	36,374
Donated works of art reserve	313,246	129	–	–	20,639	334,014
Heritage assets acquired	72,571	35	–	–	–	72,606
History Collection reserve	321	–	–	–	–	321
Exhibitions programme fund	954	2,732	(1,447)	–	–	2,239
Running cost fund	5,818	6,257	(6,515)	32	(112)	5,480
Curatorial fund	1,115	32	–	179	–	1,326
Collection purchases fund	2	17,524	–	21	(17,019)	528
Collection purchases trust fund	6,714	225	–	249	(3,619)	3,569
Art historical research	5,173	71	–	56	–	5,300
Total restricted income funds	735,575	65,274	(12,829)	2,347	(969)	789,398
Endowment funds						
Collection purchase endowments	5,223	–	–	1,002	–	6,225
Art historical research endowment	1,768	–	–	339	–	2,107
General purpose endowments	2,536	–	–	488	–	3,024
Total endowment funds	9,527	–	–	1,829	–	11,356
Total funds	750,046	113,551	(62,034)	4,176	–	805,739

	At 1 April 2022 £'000	Income £'000	Expendi- ture £'000	Revaluation £'000	Transfers £'000	At 31 March 2023 £'000
Unrestricted funds						
Designated funds:						
Trust funds designated for the purchase of heritage assets	539	23	–	–	(540)	22
Total designated funds	539	23	–	–	(540)	22
General funds	2,092	48,684	(48,324)	–	236	2,688
Capital assets reserve	1,691	–	(1,103)	–	1,646	2,234
Total unrestricted funds	4,322	48,707	(49,427)	–	1,342	4,944
Restricted income funds						
Capital assets reserve	209,652	16,849	(4,738)	–	(2,646)	219,117
Building revaluation reserve	88,025	–	–	(8,615)	–	79,410
Plant and machinery revaluation reserve	29,484	–	–	1,650	–	31,134
Donated works of art reserve	303,840	69	(3)	–	9,340	313,246
Heritage assets acquired	72,318	–	–	–	253	72,571
History Collection reserve	321	–	–	–	–	321
Exhibitions programme fund	1,009	1,782	(1,808)	–	(29)	954
Running cost fund	5,745	2,688	(3,526)	(26)	937	5,818
Curatorial fund	1,248	10	–	(143)	–	1,115
Collection purchases fund	2,401	5,091	–	(17)	(7,473)	2
Collection purchases trust fund	1,712	6,801	–	(75)	(1,724)	6,714
Art historical research	5,199	19	–	(45)	–	5,173
Total restricted income funds	720,954	33,309	(10,075)	(7,271)	(1,342)	735,575
Endowment funds						
Collection purchase endowments	5,901	–	–	(678)	–	5,223
Art historical research endowment	1,998	–	–	(230)	–	1,768
General purpose endowments	2,865	–	–	(329)	–	2,536
Total endowment funds	10,764	–	–	(1,237)	–	9,527
Total funds	736,040	82,016	(59,502)	(8,508)	–	750,046

Unrestricted funds

- Designated funds are held for the purpose outlined in the title of the fund.
- General funds may be applied to general use and are expendable at the discretion of the Trustees.
- The unrestricted capital asset reserve comprises funds in respect of the Gallery's equipment.

Restricted income funds

- Capital assets reserve comprises funds in respect of the Gallery's land, buildings and plant and machinery.
- Revaluation reserves reflect the effect of revaluations of tangible fixed assets over time.
- The donated works of art reserve represents the value of works of art donated to the Collection subsequent to 1 April 2001 and capitalised as well as donations for future acquisitions.
- Heritage assets acquired represents the cost at the date of acquisition of works of art acquired since 1 April 2001. These are treated as restricted because the Collection is inalienable.
- Exhibitions programme funds are those raised specifically to support the Gallery's exhibition programme.
- Running cost funds are those raised to support other Gallery projects, including educational initiatives.
- Curatorial funds are those raised specifically for the financing of curatorial activities, including the funding of certain curatorial posts.

- Collection purchases funds comprise bequests received specifically for the acquisition of works of art for the Collection. The deficit on this fund relates to a funded picture acquisition where pledges of funding will be received over the next four financial years.
- Art historical research represents funds raised specifically towards the financing of curatorial research into the Collection.

Endowment funds

- Collection purchase endowments comprise funds donated where the income may be applied only to collection purchases, while the capital must be retained in the endowment.
- Art historical research endowment represents funds donated where the income may be applied only towards the cost of research into the Collection, while the capital must be retained in the endowment.
- General purpose endowments comprise funds donated where the income may be applied to general expenditure, while the capital must be retained in the endowment.

Transfers primarily reflect the capitalisation of fixed and heritage assets.

23. Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Tangible assets	1,976	345,048	–	347,024	322,730
Heritage assets	–	406,559	–	406,559	385,789
Fixed asset investments	–	9,109	11,356	20,465	22,880
Other net assets	3,009	28,682	–	31,691	18,647
Total net assets	<u>4,985</u>	<u>789,398</u>	<u>11,356</u>	<u>805,739</u>	<u>750,046</u>

24. Note to the cash flow statement

a. Reconciliation of net income to net cash flow from operating activities:

	2024 £'000	2023 £'000
Net income for the reporting period (as per the SoFA)	53,883	20,971
Adjustments for:		
Donations to the collection	(4)	(1,255)
Depreciation charges	6,181	5,873
Amortisation charges	134	149
(Gains)/losses on investments	(2,367)	1,543
Management fees deducted from portfolio	86	–
Dividends, interest and rents from investments	(1,178)	(233)
Loss on the sale of fixed assets	4	105
(Increase)/decrease in stocks	164	(460)
(Increase)/decrease in debtors	(26,072)	3,348
Increase/(decrease) in creditors	13,468	(491)
Net cash from operating activities	<u>44,299</u>	<u>29,550</u>

b. Composition of the cash balance at the end of the year:

	Group		Gallery	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Balance with Government Banking Services	9,063	283	9,063	283
Balances held with commercial banks	6,630	14,791	5,540	13,030
Cash in hand	17	25	2	9
	15,710	15,099	14,605	13,322

c. Analysis of changes in net debt

	2023 £'000	Cashflow £'000	2024 £'000
Cash	15,099	611	15,710

25. Related party transactions

The National Gallery is a Non-Departmental Public Body whose sponsor department is the Department for Culture, Media and Sport (DCMS). DCMS is regarded as a related party. During the year, the National Gallery has had various material transactions with DCMS and with other entities for which DCMS is regarded as the parent department.

The Gallery considers the National Gallery Trust, the NGT Foundation and the American Friends of the National Gallery, London, Inc to be related parties because in each case one or more Trustees of the National Gallery also sit on the Board of the related party. All three entities are entirely separate charities with independent Boards, the majority of whose members are unconnected with the National Gallery. None of the related parties, or their subsidiary undertakings, are consolidated into the accounts of the National Gallery.

All balances with related parties are settled in cash.

The Charity SORP 2015 also requires disclosure of donations received from Trustees and other related parties. During the year £305,500 (2023: £258,115) was received from Trustees. There were no donations from Executive Directors in respect of general donations (2023: nil).

Related party	Nature of relationship	Income	Expenditure	Outstanding balances	Nature of transaction
		£	£	£	
American Friends of the National Gallery, London, Inc	Rosemary Leith and John Booth are Directors of the related party	24,281,374	–	–	Grant income and recharge for UK administrative work.
British Library	Entity sponsored by DCMS	–	533	–	Glazing for Degas
British Museum	Entity sponsored by DCMS	461	5,535	–	Loan fees for Discover Liotard and Ugly Duchess exhibitions and advertising in the British Museum magazine
John Booth Charitable Trust	John Booth is a Trustee of the related party	3,000	–	–	Purchase of tickets to the Gallery's Summer Party

Related party	Nature of relationship	Income	Expenditure	Outstanding balances	Nature of transaction
		£	£	£	
National Gallery Global Limited	Gabriele Finaldi and Paul Gray are Non-Executive Directors of the related party	2,508,820	794,461	1,528,644	Income for use of commercial & office space within the National Gallery, salary charges and recharges, venue hire costs, payment for publications and Gift Aid
National Portrait Gallery	Entity sponsored by DCMS	518,004	–	214,638	Charge for use of space, associated utilities and party wall compensation
Natural History Museum	Entity sponsored by DCMS	–	800	–	Subscription to the Independent Research Organisation Committee
Tate Gallery	Entity sponsored by DCMS, Katrin Henkel and Rosalind Nashashibi are trustees of the related party	–	10,488	–	National Museum Directors' Council membership fees
Victoria & Albert Museum	Entity sponsored by DCMS	–	1,171	–	Preparation of paintings for hanging/display and safe casing costs

26. Post Balance Sheet events

The financial statements were authorised for issue by the Accounting Officer and Trustees on the date shown on the audit certificate.

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