

The National Gallery Annual Report and Accounts for the year ended 31 March 2023

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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 is a public museum with a uniquely important collection of pictures for the benefit of all. It tells a coherent story of European painting spanning seven centuries and reflects how artists and the societies in which they lived have responded to myth and religion, history and contemporary events, landscape and the human form, and to the tradition of art itself. The National Gallery constitutes a living legacy of humanity's highest cultural achievements in painting and is an inestimable resource for understanding the world as we have inherited it.

We believe the National Gallery has an important role to play in enabling people to understand and negotiate the changes that society is undergoing by providing long-term historical perspective; through mediated access to works of art of great significance and beauty, and by the provision of a safe environment for reflection on questions of identity, beliefs, and on the relationship between the past and the present.

The Gallery's charitable objectives are written into statute by the Museums and Galleries Act 1992 and underpin all the activity we undertake. The objectives are that the Gallery will care for and add to the collection; that it will display the collection to the public; that it will advance scholarship and research; and that it will promote the enjoyment and understanding of art.

Our strategic vision

Over the last two financial years the Gallery began delivering its new Strategic Plan, which sets out our vision for the future. Covering the period 2021-2026, our strategy takes in the key year of 2024, in which we will be 200 years old. This gives us a unique chance to celebrate the collection and rededicate it to the people who own it – the citizens of the United Kingdom.

The Strategic Plan presents our approach to reimagining the National Gallery as the Gallery for the nation. We aim to welcome more people into the Gallery than ever before, engage more young people from a more diverse range of backgrounds than previously, and we will use our skills in the digital world to secure new audiences both in the UK and across the globe – acting as a national and international resource and platform.

Our vision for the coming years is based on four strategic pillars. These are:

- The Gallery at 200
- The Gallery across the Nation
- The Gallery across the World
- Research for Public Benefit

Below we describe the actions we have taken in the last year to advance our plan's delivery.

Review of achievements and performance in 2022-23

The Gallery at 200

The Gallery's plans for its Bicentenary focus on a programme of activity in our local communities in Westminster, across the UK, and for global digital audiences. In 2024, we will celebrate our past and look forward to our future with a festival of art and creativity – we want NG200 to act as the foundation for our third century and how we will engage with communities at the local, national and international level. NG200 is focused on the Gallery becoming an embedded platform within those communities, empowering individuals to create for themselves, acting as a more inclusive and open collection, as well as a rich and deep set of learning resources available to more people of all ages – becoming the nation's art studio and acting as a cultural catalyst.

This year we secured planning and listed building consent from Westminster City Council and began construction on our capital project at Trafalgar Square. This followed extensive community engagement with businesses, charities and members of the public. Our capital project will enable us to attract a more diverse range of audiences by creating an entrance fit for the needs of the public today and in the future, and will include a remodelled public realm on Jubilee Walk. It will also ensure greater resilience to future financial, social, technological or environmental changes. We have put sustainability at the heart of the project and ensured it is aligned to wider sustainability objectives across the institution. During construction we have salvaged items and worked with local charities on the reuse of materials, including doors and lights.

The Gallery Across the Nation

Our learning and national programmes support the National Gallery's strategic aim to demonstrate that we are a national institution at the heart of national life. We work with people of all ages, onsite, online and across the UK. This year 60,000 school pupils, 4,600 teachers, and over 15,200 children and adults in family groups took part in the programme. In addition, we had over 66,000 attendances at events, talks and courses by adult learners.

The Articulation Prize fulfils a key objective of the National Gallery's Learning Strategy: 'to work in partnership with children and young people and to inspire positive change through art and culture, for themselves and others'. Young people aged 16 to 19 deliver a ten-minute presentation on a work of art, architecture or an artefact of their choice, enabling them to develop research and oracy skills. Twenty-nine partner museums and galleries across the country help to deliver the programme, including MK Gallery, Milton Keynes; The Whitworth, Manchester; The Herbert Art Gallery and Museum, Coventry and Laing Art Gallery, Newcastle. The Discover Articulation Challenge (for KS4) is organised and delivered by the University of Leeds. Twenty prize events were delivered across seven regions of the UK in 2023. Nine finalists made it through to the Grand Final held in Room 32 at the National Gallery on 28 March 2023, adjudicated by Dr Gabriele Finaldi. The Articulation Prize winner 2023 was Georgie Ellis from Mary Hare School.

Each year the Gallery invites primary school pupils across the nation to respond creatively to one of the paintings in the collection, putting art at the centre of their learning. This year the focus painting was *The Finding of Moses* by Orazio Gentileschi, made in the early 1630s. The exhibition, 'Take One Picture: children inspired by Orazio Gentileschi's *The Finding of Moses*', was on display in the Sunley Room from 9th June – 11th September 2022. It featured works from 30 primary schools across the country and welcomed 173,550 visitors. An accompanying film was viewed over 110,000 times.

The next focus painting for Take One Picture in this period was Claude-Joseph Vernet's *A Shipwreck in Stormy Seas* ('Tempête') painted in 1773. This year shows strong recovery from Covid 19 with 185 schools and 240 teachers attending online training sessions from all nine English regions, Scotland and Wales. 83% involved are UK state schools and 5% SEN schools. Approximately 2,400 teachers and 40,500 children have taken part. A selection of the work that has been created opens in an exhibition at The National Gallery from 13th July to 8th October 2023.

Our national touring exhibition programme has significantly increased this year, demonstrating our commitment to working across the UK and ensuring national engagement with the collection. In 2022 the Gallery opened 23 exhibitions in total, 13 of which were national.

From 2021 to 2023 the National Gallery has been working with three partners, working collaboratively to develop the Masterpiece tour and display a different National Gallery painting each year. The second painting in the series was Rembrandt's *Saskia van Uylenburgh in Arcadian Costume* (1635), chosen jointly by the partner venues; Oriel Davies Gallery (Newtown, Powys, Wales); the Beacon Museum (Whitehaven, Cumbria); and Carmarthenshire Museum (Abergwili, Carmarthen). The exhibition has so far been seen by 17,990 visitors.

The Dutch Flowers exhibition toured to Compton Verney and welcomed 9,196 visitors. It will be shown later in 2023 at The Millennium Gallery, Sheffield and The Box, Plymouth.

Our Sin exhibition attracted 15,220 visitors at Perth Museum and Art Gallery and 7,391 visitors at York Art Gallery while Sensing the Unseen received 2,810 visitors at Winchester Cathedral and has recently toured to Torre Abbey in South Devon.

Pictures Around Cromer, The National Gallery Collection, was the first regional exhibition of replica paintings and is part of the Gallery's commitment to working in areas with little or no cultural infrastructure, so that everyone can engage with the collection regardless of their location. This outside exhibition spread across the town of Cromer features 30 full size replica artworks from the National Gallery collection, each accompanied by a label and QR code linking to further online resources. The Learning Team has been supporting schools' engagement in the town, running a free and exclusive teacher training session for local primary schools, similar to that of Take One Picture but starting with an overview of how to approach looking at the paintings.

The Gallery Across the World

Digital provision is central to the Gallery's Strategic Plan and our future. Our vision is for the Gallery to become an entirely new type of hybrid museum, serving diverse audiences internationally across nations and global communities. Our digital strategy is also focused on building a membership business and suite of digital experiences and engagements that can create long term relationships with new audiences in the UK.

The Gallery has continued to extend its digital reach, a growth strategy that has seen a 26% increase in 2022/23. We are in the second year of the Bloomberg Philanthropies' Digital Accelerator programme grant which has supported the increase in the people, tools and software needed to help us engage new audiences and improve our digital production techniques. Work has begun to upgrade the National Gallery X space with virtual production equipment which will give us greater opportunities to create richer digital event formats. The NGX Studio will be completed in 2023.

Our TikTok channel has continued to grow rapidly this year, reaching 240,000 followers. At the time of writing the Prado is still the only museum that has more followers than us among the world's major museums, and we currently have significantly more followers than other top London museums. Our success with content on YouTube also grew 19% this year and amassed 6.8 million views.

As we continue to grow and sustain our global digital audience, we have been able to increase support for our membership digital events programme, exploring the opportunities with on demand content formats and improving usability and access. Over the next 12 months we will also re-introduce our collection audio guide service. We continue to mature as a digital media organisation as we embed people and utilise new resources and understand our audiences, something that we will build upon with the digital plans in support of the bicentenary programme.

Research for Public Benefit

Research for public benefit lies at the heart of everything that the National Gallery does, helping to shed fresh light on our paintings and institutional history to existing and new audiences. Work continues on our research project 'Legacies of British Slave Ownership', part of a partnership with University College London. The first two phases of research have been published on the Gallery's website. We aim to publish our findings during the project's third phase by early 2024. The National Gallery's Women and the Arts Forum explores and celebrates the myriad ways in which women, past or present, have engaged with the arts through a varied annual programme of lectures, events and conferences, as well as associated published research, talks and digital content, during 2022.

The 'Art and Religion' programme has evolved significantly through a lively programme of early-career fellowships, who teach on our prestigious and well-established master's degree course in Art and Christianity run with King's College London. A public-facing output is produced during each fellowship. The latest is Fruits of the Spirit: Art from the Heart, a virtual exhibition, online catalogue, Gallery trail with Smartify audioguide, and events programme, involved pairings of paintings, one painting from the National Gallery, juxtaposed with one from a UK public collection, our nine partners ranging nationwide from Dundee to Plymouth.

New findings generated through research for every exhibition is shared through associated exhibition catalogues, colloquia and conferences. For instance, fresh ideas about Raphael's life and work generated by Raphael: Universal Artist was given voice in its catalogue, in a colloquium in April 2022 in which 40 international scholars and lenders participated, and a two-day hybrid international conference, which included a keynote address by the Director of the Vatican Museums (24-25 June 2022). Other colloquia were held on 31 October 2022 for the Turner on Tour exhibition and on 16 January 2023 for the Discover Manet & Eva Gonzalès exhibition. Within this year's

modern and contemporary programme, bold novel ways of viewing Freud's iconic work were proposed through the exhibition, Lucian Freud – New Perspectives. The exhibition curator shared these insights more widely during 2022 through publications and public lectures hosted in numerous institutions including Cambridge University and Madrid's Thyssen-Bornemisza Museum.

Our extensive series of 'Behind the Scenes' films focus especially on taking visitors into the private world of the National Gallery's conservation studios and scientific department. To date, we have made twenty-nine films, with those made in 2022 following conservation treatments on pictures as different as *The Ugly Duchess* by Quinten Massys, Paolo Uccello's *Battle of San Romano*, and *Portrait of a Man*, possibly Isaac Abrahamz Massa by Frans Hals (The Devonshire Collections, Chatsworth, Derbyshire).

The curatorial, scientific and conservation department have also worked collaboratively on the programmes for revision of the scholarly catalogues, which form reference works for the knowledge we hold on our collection. This year we have been taking forward multidisciplinary research on our paintings by Raphael, leading to the Gallery's first born-digital 'mini' catalogue that is freely accessible via the Gallery's website.

Work on the German paintings catalogue is well-advanced, with the first volume to be published in 2024. The National Gallery Technical Bulletin, first published in 1977, has achieved a leading position in the study of the materials and techniques of painting, and the scientific examination of paintings. Published annually, it is essential reading for conservators, conservation scientists, art historians, collectors and curators.

Commercial and Development

Both now and in the future, the financial sustainability of the National Gallery is dependent on income growth from our commercial and development activities. In 2022-23, the Development team continued to focus both on securing funding to support the Gallery's day-to-day activities and delivering a £50m fundraising campaign to support the Bicentenary project, NG200. During the year, the team cultivated and secured lead gifts in support of NG200 and generated income from individual donors, trusts, foundations and sponsors towards the Gallery's planned activities. In addition, Development has worked hard to encourage those close to the Gallery to remember it in their will, and gifts from legacies has become an increasingly important source of income to sustain the Gallery's ambitions.

National Gallery Global Limited (NGG), owned by the Gallery, is the Group's main trading entity and is responsible for a wide range of commercial activities, onsite, online, and globally. Commercial income targets for the medium to long-term are ambitious and closely aligned with the Gallery's strategic plans. The Bicentenary and the capital project present an opportunity to invest and enhance our onsite activities, and we have already started to make significant changes to our onsite stores, cafés and restaurants to improve the experience for our guests.

Along with the development of products and services, NGG and the Gallery are working to a long-term commercial strategy to ensure that, as we grow and develop our estate, our guests are at the heart of an engaging, seamless experience. Improvements in our business technology, operations and systems, communications, data and insight are all fundamental to achieving this goal.

Exhibitions

The Gallery was pleased to stage a wide-ranging programme of ticketed and free exhibitions at Trafalgar Square. We worked with a diverse range of major international institutions to enable us to show world-leading and innovative exhibitions to audiences in London. These included the Norton Simon Museum in California, the Museo Nacional Thyssen-Bornemisza, the Frick Collection, Museum of Modern Art, and Musée d'Orsay.

Exhibition	Dated	Location	Ticketed?	Final Attendance
The Credit Suisse Exhibition: Raphael	9 April – July 2022	Rooms 1 – 8	Yes	132,647
Picasso Ingres: Face to Face	3 June – 9 October 2022	Room 46	No	331,923
Take One Picture: The Finding of Moses by Orazio Gentileschi	9 June – 11 September 2022	Sunley Room	No	173,553
Winslow Homer: Force of Nature	10 September 2022 – 8 January 2023	Ground floor Galleries	Yes	57,460

Exhibition	Dated	Location	Ticketed?	Final Attendance
The Credit Suisse Exhibition: Lician Freud: New Perspectives	1 October 2022 – 22 January 2023	Sunley Room	Yes	120,648
Discover Manet and Eva Gonzalès	21 October 2022 – 15 January 2023	Rooms 1 – 8	No	151,278
Turner on Tour	3 November 2022 – 19 February 2023	Room 46	No	153,366
Nalini Milani: My Reality is Different. National Gallery Contemporary Fellowship	2 March – 11 June 2023	Sunley Room	No	TBC – ongoing
The Ugly Duchess: Beauty and Satire in the Renaissance	16 March – 11 June 2023	Room 46	No	TBC – ongoing
After Impressionism: Investigating Modern Art	25 March – 13 August 2023	Rooms 1 – 8	Yes	TBC – ongoing

The Year Ahead

In the year ahead the Gallery will continue to deliver our Strategic Plan, as well as an exciting schedule of exhibitions, learning programmes and digital provision.

Major exhibitions will include Paula Rego, Saint Francis of Assisi and Frans Hals, which will include public, private and international partnerships. We will also continue to develop our contemporary programme, including our 2023 Artist in Residence, Celine Condorelli. Our contemporary programme has become a central route to reaching new audiences and attracting diverse communities to the Gallery, as well as showing the collection from new perspectives.

Our programmes will include a range of ticketed and free exhibitions, ensuring that audiences are able to engage with the Gallery with no financial barrier. We will continue to review and explore new ways of developing our 'Pay What You Wish' ticketing scheme, which has been a significant innovation within our ticketing structures and community engagement strategies.

The public launch of NG200 took place in 2022 and during the coming year we are continuing to establish and strengthen the partnerships necessary across the UK to deliver our Bicentenary, which will constitute the most ambitious national programme we have ever delivered. Earlier in the year, we announced the partner venues for 'National Treasures', and throughout the coming months we will collaborate with partners to share best practice, resources and expertise across our networks.

We will seek to become a more embedded national platform and work closely with the creative industries and digital innovators on the development of '200 Creators', a central programme for NG200, where the Gallery will collaborate with 200 social media creators from the UK. Other programmes include a dramatic redisplay of the entire National Gallery collection. Our planning for NG200 will allow us to offer even more support to arts communities and colleagues throughout the UK during what is still a difficult period for the museum and arts sectors.

Our national learning programme aims to increase participation in areas of greatest need across the UK. Over the coming year we will continue our work with 25 arts partners across all four home nations to develop Art Road Trip, a key programme within NG200. We will tour the UK for a year from May 2024, bringing National Gallery learning activities and digital experiences to communities across the nation who otherwise would not have ready access to them. This will include opportunities for schools to engage with both Take One Picture and Articulation.

Our Art Road Trip partners work at the heart of their local communities and have significant experience in delivering high quality, transformative community-led creative arts projects. They include LeftCoast, Blackpool; The Leap, Bradford; Right Up Our Street, Doncaster; SEED Bridgwater/Cheddar and Greater Shantallow Community Arts, Derry/Londonderry.

A further key element of our learning and outreach for 2023 is Summer on the Square, a free arts festival for families and communities across London and around the UK. This year we are seeking to reach out to a wider range of communities during the design stage of the festival, as well as working with charities and representative bodies for young people and families seeking to better access the arts and free cultural activities. We work in partnership with Westminster City Council on the festival, and it is a key route through which the Gallery is seeking to widen our audiences and ensure more people than ever before can access learning and cultural provision.

In 2023, the learning team will also begin planning for the development and opening of the Gallery's new learning studios, which will allow us to develop our capabilities to support more families and learners of all ages. This will include a community engagement programme and ensuring the views of students and young people are considered from the start of the project, allowing us to explore how we can better co-imagine and co-produce our activities.

As we continue to grow and sustain our global digital audience, we have been able to increase support for our membership digital events programme, exploring the opportunities with on demand content formats and improving usability and access. Over the next 12 months we will also re-introduce our collection audio guide service. We continue to mature as a digital media organisation as we embed people and utilise new resources and understand our audiences, something that we will build upon with the digital plans in support of the Bicentenary programme.

In relation to our research output, in the coming year conservators, curators and scientists will continue to work on the 'Behind the Scenes' series of films and on-line content, taking audiences to parts of our research and knowledge that are otherwise inaccessible. They will also continue their collaborative work on the detailed catalogues, notably the entries on important works that will be published on-line in conjunction with the NG200 programme, celebrating the National Gallery's Bicentenary next year.

DCMS Key performance indicators

Below is specific information relevant to the Gallery's contribution to DCMS performance indicators for 2022-23 as set out in the Funding Agreement agreed with DCMS.

	Performance in 2022-23	Performance in 2021-22
1. Number of visits to the Gallery (excluding virtual visitors)	3.03m	1.13m
2. Number of unique users visiting the website	5.3m	4.9m
3. Number of visits by children under 16	198k	35.5k
4. Number of overseas visits	1.3m	122k
5. (a) Number of facilitated and self-directed visits to the Gallery by visitors under 18 in formal education ¹	1.3k	12.7k
5. (b) Instances of visitors under 18 participating in on-site organised activities	35k	1.5k
6. % of visitors who would recommend a visit	91%	95%
7. Number of UK loan venues	28	22
8. (a) Self-generated income – admissions ²	£5.5m	£1.7m
8. (b) Self-generated income – trading ³	£3.8m	£2.4m
8. (c) Self-generated income – fundraising	£33.1m	£22.4m

¹ 2022-23 figures from February 23 – March 23 only due to issues in data collection earlier in the year

² Increase attributable to reduced exhibition capacity in 2021-22 resulting from Covid 19 restrictions

³ Gallery only income, does not include consolidated income from NGG of £9.4 (2022: £4.7m)

Financial Review

Financial performance

The Group Statement of Financial Activities is set out on page 40 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 2022-23 amounted to £82.0 million (2022: £61.7 million); total expenditure amounted to £59.5 million (2022: £47.9 million), resulting in initial net income of £22.5 million (2022: £13.9 million). Adding in unrealised losses on investments of £1.5million (2022: £1.0 million gain) and the revaluation loss on property and plant & equipment of £7.0 million (2022: £5.0 million gain), we achieved final net income of £14.0 million (2022: £19.9 million). The cost of acquisition of pictures is included in fixed asset additions.

Trustees have scrutinised budgets and forecasts for the group and are satisfied with its ability to continue operating as a going concern for a period of 12 months after the date of signing these accounts. The accounts have therefore been prepared on that basis.

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 £59.4 million (2022: £50.0 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 £28.7 million (2022: £19.2 million). In kind services valued at £0.2 million (2022: £01 million) were received.

Income relating to picture acquisitions was mainly attributable to a generous restricted legacy of £6.75 million as well as funding towards the acquisition of Bernardo Cavallino's *Saint Bartholomew*. The value of donated paintings art acquired during 2022-23 was £1.2 million (2022: £3.5 million).

Income from charitable activities for the year totalled £5.5 million (2022: £1.7 million), this includes admission to exhibitions, exhibition touring income and other educational events. The increase relates to the return of a larger number of visitors to our temporary exhibitions following the easing of lockdown restrictions that impacted capacity and programming in the prior year. Whilst admissions income has increased significantly from prior year, it did fall slightly short of original budgets primarily due to international visitors returning more slowly than originally anticipated.

Income from trading activities increased substantially to £16.3 million (2022: £9.6 million) primarily thanks to strong results from National Gallery Global, the Gallery's trading subsidiary, with both the retail and events businesses showing good signs of recovery from the Covid-impacted years. Gallery income relating primarily to corporate and individual membership schemes, and sponsorship was £6.9 million (2022: £5.0 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 £59.5 million (2022: £47.9 million). Spend in all areas increased from 2021-22 as the Gallery continued to return to normal levels of activity, particularly in relation to exhibitions and preparations for the Gallery's bicentenary in 2024.

Financial position

The Consolidated and Gallery Balance Sheets are shown on page 42 of this document, with further analysis shown in notes 12-23.

The net movement in funds for the year amounted to £14.0 million (2022: £19.9 million). Of this, £2.9 million relates to restricted funds and capital projects; with a further £11.7 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 loss on revaluation of £7.0 million (2022: £5.0 million gain) and unrealised investment losses of £1.5 million (2022: £1.0 million gain).

In accordance with the Government Financial Reporting Manual (FRM) – which reflects the requirements of FRS 102, Section 34 and Charities SORP 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 £30.7 million for the year ended 31 March 2023 (2022: £30.8 million). This includes the last tranche of £2.2 million (2022: £5.3 million) of emergency funding from the allocated to the Gallery in response to the Covid-19 pandemic. 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. 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 both *The Credit Suisse Exhibition: Raphael* and *The Credit Suisse Exhibition: Lucien Freud: New Perspectives* in 2022-23. The Gallery also benefited from the ongoing sponsorship from Hiscox in their role as the first 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 2023 there have been no failures to comply with the fundraising schemes and standards that the Gallery has committed to. During this period we received no formal complaints relating to our fundraising activities.

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

During the year, Trustees elected to split the portfolio into two separate funds in order to better align investment management approaches to the underlying nature of funds. Prior to this the entire portfolio had been invested in a multi asset managed index fund since March 2018.

The permanent endowment element of the portfolio was moved to 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 was moved to 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 Committee aims to meet the investment managers once a year and receives quarterly reports and valuations. 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

For the vast majority of the year, permanent endowments and restricted funds held for the longer term were invested in a multi asset managed index fund from March 2018. Portfolio performance continued the general trend from the end of 2021-22, experiencing losses for the majority of the year before recovering during February and March 2023.

The Gallery also holds short-term money market funds and fixed-rate interest accounts. Performance is measured against the official Bank Rate set by the Bank of England. In the year to 31 March 2023 the fixed rate weighted average interest rate was 0.8% (2022: 0.14%) compared with the weighted average base rate of 1.1% (2022: 0.26%).

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 2023 this amounted to around £2.6m, which compares to the actual general fund of £2.7m.

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 £750.0 million (2022: £736.0 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 (£331.9 million; 2022: £322.9 million) relate to the Gallery's land and buildings, being the Trafalgar Square site, plant and machinery, and equipment. £386.0 million (2022: £376.2 million) is represented by the value at the date of acquisition of donations to the Collection and pictures acquired since 1 April 2001, and £6.7 million (2022: £4.7 million) relates to funds either restricted or designated for future acquisitions.

£9.5 million (2022: £10.8 million) is in permanent endowments, where the capital must be retained, and £13.2 million (2022: £13.2 million) represents other restricted funds.

The remaining balance of £2.7 million (2022: £2.1 million) undesignated general funds arises from the Gallery's fundraising, trading, and charitable activities. At their meeting in March 2023, 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.

Impact of the Ukraine-Russia War

As a result of the conflict in Ukraine, the Gallery has complied with all sanctions levied against Russian individuals and institutions, and this has resulted in the suspension of all loans of works of art both to and from Russia. This has had a particular impact on the After Impressionism exhibition which was originally planned in partnership with the Pushkin State Museum of Fine Arts in Moscow.

As noted above, the impact the war has had on markets continued to affect performance of our investment portfolio. The Gallery's Finance Committee will continue to monitor the effect the conflict is having on the portfolio and respond as appropriate.

Financial Impact of the Covid 19 Pandemic

Even following the easing of lockdown restrictions in 2021-22, the Gallery still experienced financial pressures attributable to Covid 19 during 2022-23. Although our UK audience has returned to pre pandemic levels, international visitors have been slower to return, and as a result self-generated income has not yet fully recovered. We were therefore grateful to receive the final tranche of support from DCMS in response to Covid 19 of £2.2m which enabled us to continue to operate effectively during the year.

Looking forward, the Gallery continues to plan prudently within its means in the face of what is still forecast to be a challenging economic climate. Whilst our planning assumptions do not have visitors returning to pre

pandemic levels for a number of years, a combination of careful planning, use of existing reserves, and new income generating opportunities through the acquisition of the National Gallery Global in 2021-22, means that we are confident that the Gallery can deliver the 3-year plan, including NG200 activities, without significant additional exposure.

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 28 days (2022: 31 days).

Immunity from Seizure Report 2022-23

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 legislation was sought during 2022-23 are as follows:

Gainsborough's Blue Boy

25 January – 15 May 2022

The Credit Suisse Exhibition: Raphael

9 April – 31 July 2022

Picasso Ingres: Face to Face

3 June – 9 October 2022

Winslow Homer: Force of Nature

10 September 2022 – 8 January 2023

Turner on Tour

3 Nov – 19 February 2023

Discover Manet and Eva Gonzalès

21 October – 15 Jan 2023

The Credit Suisse Exhibition Lucian Freud: New Perspectives

1 October – 22 January 2023

After Impressionism: Inventing Modern Art

25 March – 13 August 2023

The Ugly Duchess: Beauty and Satire in the Renaissance

16 March – 11 June 23

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 2022-23 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		2022-23		2021-22		2020-21	
		Actual	Target	Actual	Target	Actual	Target
Greenhouse Gas Emissions (Scopes 1, 2 & 3) tCO ₂ e		5,273	5,363	5,959	5,181	4,716	5,301
Estate energy	Consumption (million kWh)	26.302	–	25.355	–	24.22	–
	Expenditure (£ million)	1.8	–	1.29	–	1.08	–
Estate waste	Amount (tonnes)	256.89	–	189.81	–	127.62	–
	Expenditure (£'000)	72.37	–	47.17	–	47.38	–
Estate water	Consumption ('000 m ³)	49.6	–	39.4	–	25.8	–
	Expenditure (£'000)	71.9	–	58	–	38	–
Paper Use	A4 (Reams)	629	–	218	–	220	–
	A3 (Reams)	66	–	24	–	11	–
	A3 and A4 Expenditure (£)	3,839	–	1,074	–	483	–

Overall, the National Gallery carbon emissions decreased from 5,959tCO₂e to 5,273tCO₂e (-11.5%) during the 2022-23 reporting period.

The main contributory factor associated with the decrease in absolute emissions can be attributed to refrigeration gas leaks during 2021-22 (now repaired) adding some 771.6tCO₂e.

Greenhouse gas (GHG) emissions

The National Gallery's collection is predominately housed in a grade 1 listed nineteenth century building which accommodates around 6 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 2022-23, 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.

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		2022-23	2021-22	2020-21
Non-financial indicators (tCO ₂ e)	Total gross emissions	5,273	5,959	4,716
	Gross emissions Scope 1 (direct)	4,387	5,143	3,822
	Gross emissions Scope 2 (indirect) *Location based (LB)	819	732	803
	Gross emissions Scope 2 (indirect) **Market based (MB)	–	145	–
	Gross emissions Scope 3 (indirect)*	67	84	91
Related energy consumption (million kWh)	Non-Renewable	4.2	3.4	3.4
	Renewable	6.8	7.5	6.5
	Natural Gas	22.1	21.9	20.8
Financial indicators (£ million)	Expenditure on energy	1.8	1.29	1.08
	CRC License Expenditure	–	–	–
	Expenditure on accredited offsets	–	–	–
	Expenditure on official business travel	0.096	0.019	0.002

Key performance indicators (KPI)

Please note, for the purposes of SECR, the KPI is equivalent to the intensity ratio. The number of visitors has increased significantly due to the lifting of Covid restrictions, making prior year metrics less reflective of actual performance.

KPI – visitor numbers	2022-23	2021-22	2020-21
Total visitors	3,029,193	1,130,904	233,817
Total carbon (tCO ₂ e)	5,273	5,959	4,688
Emissions per visitor (tCO ₂ e)	0.001741	0.00527	0.02017
Emissions per visitor (kgCO ₂ e)	1.74	5.27	20.17

Waste management

Waste removal has increased from 2021-22 to 2022-23 by 35.2% from 190 tonnes to 257 tonnes. This increase can be in part explained by the increase in visitor numbers from the covid impacted years of 20-21 and 21-22.

We aim to reduce waste and to ensure as much waste as possible is reused or recycled. The recycled waste has increased from 2021-22 to 2022-23 by 41.4% from 100.8 tonnes to 142.51 tonnes.

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.

We now record ICT waste and have reuse or recycled 320kg for period 2022-23. We will monitor this through the greenhouse gas concentration moving forward.

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 where we have reinstated the collection of 35.11 tonnes of food waste that has been used for Anaerobic digestion.

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		2022-23	2021-22	2020-21	
Non-financial indicators (tonnes)	Total waste	256.89	189.8	127.6	
	Hazardous waste	–	–	–	
	Non-hazardous waste	Landfill	–	–	–
		Reused / recycled	142.51	100.8	50.5
		Composted	35.11	-	-
		Incinerated with energy recovery	78.95	89.0	77.2
Incinerated without energy recovery	–	–	–		
Financial indicators (£k)	Total disposal cost	72.37	47.17	47.38	

Use of resources

Our water performance is summarised in the table below:

Finite resource consumption		2022-23	2021-22	2020-21
Non-financial indicators ('000m ³)	Water consumption	49.6	39.4	25.8
Financial indicators (£k)	Water costs	71.9	57.6	38.4

Water consumption has increased from 2021-22 to 2022-23 by 26.0% from 39,370m³ to 49,603m³. This increase can be in part explained by the gallery getting back to full operation and a technical problem with the wet mat humidification systems in December 2022 using approximately 10 times more water than required. The problem was identified through our water metering system and the problem identified and rectified.

Work continues to reduce the water consumption of the Gallery and further submeters have been fitted to record water data at a more granular level. The plan is to now integrate these meters into the BMS.

There has been an increase in the paper use for both A3 and A4 by 175% & 189% respectively. A3 has increased from 24 to 66 reams and A4 from 218 to 629 reams. This is wholly down to increased activity in the office environment.

Sustainable procurement

The Gallery ensures that sustainability requirements are built into contract specifications, and includes sustainability evaluation criteria where appropriate. The Gallery is developing its sustainability policy, including procurement during 2024-25 to ensure continuous improvement in delivering sustainable services within the Gallery.

Nature recovery and biodiversity action planning

The gallery is currently reviewing the organisation and its departmental functions in alignment with the Environment Bill to help develop a proportionate Nature Recovery Plan. Within the limited nature-based areas the gallery owns, the pertinent aspects of biodiversity will be considered to help protect and enhance those areas. Key to this will be the engagement of staff to raise their awareness to help maximise the use of the natural areas and enhance our climate resilience. Areas we will consider but not be limited to shall include:

- Living roofs
- Landscaping
- Green walls
- Restoration / installation of habitat and ecosystem structure.

Climate change adaption (working towards Net Zero by 2050)

The gallery has completed its Decarbonisation Plan and is under review before being incorporated into overall adaptation to climate change. With 99% of the gallery's emission coming from Gas, Electrical and refrigerant gases, we felt this is where our priority lies. Within the next few months, we still have a desire to publish our decarbonisation Plan and rework our Carbon Management Plan and reflect how we can bring this into a Climate Change Adaptation Strategy taking into accounts the operation of the building and beyond.

We have also undertaken a wide-reaching sustainability assessment of the complete operations of the gallery and await the final outcomes of the report post a final meeting to present the results. Some of the recommendations are already in progress.

2023/24 will see the gallery develop a Climate Change Risk Assessment into a Climate Change Adaptation Plan to underpin our understanding of the wider climate risks associated with our estate and the wider area. The plan will be used to develop/review and further enhance internal procedures and policies so there are clear controls and an accountability structure.

Wider consideration include Climate Change Adaptation in London from extreme temperatures, flooding, water availability, The gallery will review the effects of the London Environment Strategy, GLA London Plan, Thames River Basin District Flood Risk Management Plan and the Thames Water 2020-2025 Business Plan.

Reducing environmental impacts from ICT and digital

A number of operational improvements- including increased on-prem server and cloud hosted collaborative platforms has led to reduced energy utilisation alongside choice for individuals to work appropriately from home, office and elsewhere whilst maintaining and improving productivity. The standard programme of systems upgrades have included migration to more energy efficient hardware reducing demands for power and cooling.

Equipment disposal continues to be through a route which priorities reuse over recycling.

Sustainable construction

The Gallery ensures that sustainability is at the core of designs, covering both supply chain issues in the construction and also on-going upkeep and maintenance. Sustainability and social value requirements form part of the specification and evaluation of construction projects of all values.

Remuneration report

The figures in this report have been subject to audit.

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 (2022: £nil).

Director’s remuneration and benefits

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

		Salary	Performance related pay	Benefits in kind (to nearest £100)	Pension benefits (to nearest £’000)	Total
		£’000	£’000	£’000	£’000	£’000
Dr Gabriele Finaldi	2023	160 – 165 ⁴	60 – 65	3.3	62	290 – 295
<i>Director</i>	2022	150 – 155 ⁵	35 – 40	2.8	48	235 – 240

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 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. Total bonus payments awarded in 2022-23 represent an increase of 66.2% from 2021-22. In 2021-22 Dr Finaldi was offered and accepted a deferred bonus of £37,584 relating to performance in the 2020-21 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 2023 was £162,474, reflecting an in-year consolidated increase of 8.3%.

⁵ The Director’s basic salary for the year to 31 March 2022 was £150,045, reflecting an in-year consolidated decrease of 0.2%.

Senior managers' remuneration and benefits

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

		Salary	Performance related pay	Benefits in kind (to nearest £100)	Pension benefits (to nearest £'000)	Total
		£'000	£'000	£'000	£'000	£'000
Dr Caroline Campbell	2023	55 – 60 ⁶	–	0.8	10	70 – 75
<i>Director of Collections and Research (until 4/11/22)</i>	2022	85 – 90 ⁷	0 – 5	1.6	20	110 – 115
Dr Susan Foister	2023	100 – 105	0 – 5	3.1	–	105 – 110
<i>Deputy Director</i>	2022	95 – 100	0 – 5	2.6	–	100 – 105
Paul Gray	2023	125 – 130	30 – 35	2.6	49	205 – 210
<i>Chief Operating Officer</i>	2022	120 – 125	10 – 15	2.2	48	180 – 185
Andy Hibbert	2023	95 – 100	0 – 5	–	39	140 – 145
<i>Director of Finance and Resources</i>	2022	95 – 100	0 – 5	–	38	135 – 140
Larry Keith	2023	25 – 30 ⁸	–	–	(5)	20 – 25
<i>Interim Director of Collections and Research (from 7/11/22 to 28/2/23)</i>	2022	–	–	–	–	–
Jane Knowles	2023	80 – 85 ⁹	0 – 5	–	30	10 – 115
<i>Acting Director of Public Partnerships (from 10/5/2022 to 6/11/2022)</i>						
<i>Interim Director of Public Engagement (from 7/11/22)</i>	2022	–	–	–	–	–
Chris Michaels	2023	60 – 65 ¹⁰	0 – 5	1.2	13	70 – 75
<i>Director of Digital, Communications and Technology (until 7/11/22)</i>	2022	95 – 100	0 – 5	1.6	13	110 – 115
Anh Nguyen	2023	95 – 100	15 – 20	0.6	39	150 – 155
<i>Director of Development</i>	2022	70 – 75 ¹¹	5 – 10	0.5	40	120 – 125
Dr Christine Riding	2023	5 – 10 ¹²	–	–	3	10 – 15
<i>Director of Collections and Research (from 1/3/23)</i>	2022	–	–	–	–	–

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, from 1 September 2018 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 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

⁶ 95 – 100 based on 1.0 FYE

⁷ 95 – 100 based on 1.0 FYE

⁸ 95 – 100 based on 1.0 FYE

⁹ 95 – 100 based on 1.0 FYE

¹⁰ 95 – 100 based on 1.0 FYE

¹¹ 95 – 100 based on 1.0 FYE

¹² 95 – 100 based on 1.0 FYE

to performance in the 2021-22 financial year. In the year to 31 March 2022 Mr Gray was offered and accepted a deferred bonus of £10,353 relating to performance in the 2020-21 financial year.

Ms Nguyen is eligible for a performance-related bonus in the range of 0% to 10%. 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. In the year to 31 March 2022 Ms Nguyen was offered and accepted a bonus of £5,598 relating to performance for that year and pro-rated for time in office.

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 2.5% relating to performance in 2022-23 (2021-22: £1,500).

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.

The accrued pension and lump sum payments as at 31 March 2023 for senior managers and the Director are as follows:

Pension	Accrued pension at pension age as at 31 March 2023 and related lump sum	Real increase (decrease) in pension and related lump sum at pension age	CETV at 31 March 2023	CETV at 31 March 2022	Real increase (decrease) in CETV¹³
	£'000	£'000	£'000	£'000	£'000
Caroline Campbell	40 – 45	0 – 2.5	546	504	3
Gabriele Finaldi	25 – 30	2.5 – 5	383	312	40
Paul Gray	10 – 15	2.5 – 5	180	136	27
Andy Hibbert	5 – 10	0 – 2.5	139	100	26
Larry Keith	30 – 35 plus a lump sum of 90 – 95	0 plus a lump sum of 0	754	737	(7)
Jane Knowles	10 – 15	0 – 2.5	128	105	14
Anh Nguyen	5 – 10	0 – 2.5	72	49	13
Christine Riding	5 – 10	0 – 2.5	107	105	2

Susan Foister opted out of the Civil Service Pension Scheme in September 2018, so no disclosure is required for 2022-23. Chris Michaels was a member of the Civil Service Partnership pension scheme, and accrued pension benefits are therefore not disclosed. Employer contributions to Mr Michaels' Partnership pension in the year to 31 March 2023 were £8,058 (2022: £12,984).

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

¹³ Taking account of inflation, the CETV funded by the employer may have decreased in real terms.

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 2023. 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 2023 was in the range £225,000 to £230,000 (2022: £190,000 to £195,000). Remuneration ranged from £21,749 to £228,000 on a full year basis as at 31 March 2023 (2021: £20,111 to £190,000). Mean average total remuneration excluding the highest paid director was £35,876 a decrease of 3.6% from the prior year figure of £37,199 (restated due to incorrect figure used for average number of staff in 21-22).

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

2021-22				
Quartile	Salary	Ratio	Total Remuneration	Ratio
1	£30,385	5.0:1	£31,885	6.0:1
2	£36,565	4.2:1	£36,565	5.3:1
3	£43,871	3.5:1	£45,276	4.3:1

No employee was paid more than the highest-paid director in the 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: 12 July 2023

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 12 July 2023

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 2023 was:

	Female	Male
Directors	4	3
Other employees	250	121

Sickness absence management

The average number of days of employee absence due to sickness was 3.3 days (2022: 4.3 days). Excluding long term sickness, the average number of days of absence was 2.2 days (2022: 3.2 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 an established EDI post, who remit includes chairing a formal advisory group, established to represent the EDI interests of the Gallery, including its workforce, its programmes and relevant matters connected with virtual and actual visitors, researchers and students. The EDI Advisory Group is a body of Heads of Department who have key responsibilities for diverse audiences, both on site, digitally, students and employees, incorporating activity from exhibitions and the Collection. The Advisory Group reports to the Director and Chair on progress on a twice-annual basis.
- The Gallery has six organisational Values which are reflected in individual annual reviews and the establishment of individual targets, one of which is Diversity and Inclusion.
- The Gallery took a lead role to establish a sector-wide EDI network to support museums and galleries to share learning and experience. The Gallery works with leading EDI training company Diversiti UK, who deliver a mandatory EDI training course for all staff.
- The Gallery has an established EDI employee network to provide a support forum for employees; three staff representatives for the group also attend the EDI Advisory Group.
- The Gallery is currently developing a formal 5 year EDI strategy, working closely with EDI specialists, with an action plan road map, which is due to be published by Autumn 2023

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:

	2023 No.	2022 No.
£60,000 – £69,999	18	16
£70,000 – £79,999	10	3
£80,000 – £89,999	2	5
£90,000 – £99,000	2	3
£100,000 – £109,999	2	2
£120,000 – £129,999	1	–
£130,000 – £139,999	–	1
£180,000 – £189,999	1	–
£190,000 – £199,999	–	1
£220,000 – £229,999	1	–
	<u>37</u>	<u>31</u>

All but seven of the employees earning more than £60,000 participated in the Principal Civil Service Pension Scheme (PCSPS) pension schemes (2022: all but seven participated in the Civil Service Pension arrangements).

Compensation payments (audited)

There were three exit packages agreed for staff between April 2022 and March 2023 (2022: two). One related to the end of a fixed term contract. Two members of staff left on Compulsory Redundancy terms during this period (2021: one).

Exit package cost band	2022-23			2021-22		
	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	–	1	7,852	–	–	–
£10,001 – £25,000	–	–	–	1	1	10,681
£25,001 – £50,000	–	1	35,165	–	–	–
£50,001 – £100,000	1	–	90,238	–	–	–
Total number of exit packages	<u>1</u>	<u>2</u>	<u>133,255</u>	<u>1</u>	<u>1</u>	<u>10,681</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 2022-23 the National Gallery reported no whistleblowing cases (2022: nil). 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	£19,939,000
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 ¹⁴	0%
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Off payroll engagements and advisory consultancy

Table 1: Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater.

No. of existing engagements as of 31 March 2023	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
8		3	3	0	0	2

¹⁴ 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 2023, earning £245 per day or greater

No. of off-payroll workers engaged during the year ended 31 March 2023	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
8		8	0	0	0	0

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

There was no expenditure on 'advisory consultancy' during the year (2021: £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: 12 July 2023

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 12 July 2023

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 Direction¹⁵ 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: 12 July 2023

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 12 July 2023

¹⁵ 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 is governed by 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 2023, there were six Board meetings, five of which were onsite at Trafalgar Square, and one which took place at the Museo Nacional del Prado in Madrid. 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 2023, 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 89% (2022: 98%).

Attendance at Board meetings

John Booth (Chairman)	6/6
Ms Katrin Henkel	6/6
Ms Rosemary Leith	6/6
Mr David Marks	6/6
Sir John Kingman KCB, FRS	4/6
Ms Tonya Nelson	4/6
Professor Molly Stevens FRS	6/6
Mr Stuart Roden	4/6
Ms Catherine Goodman LVO	5/6
Ms Diana Berry	6/6
Ms Dounia Nadar	5/6
Mr James Lambert OBE	6/6
Ms Rosalind Nashashibi (appointed by the Board of Tate, February 2023)	1/1

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, (last approved by the Board in May 2016 and reviewed from time to time), 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 2023 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 2023 were:

Dr Caroline Campbell (until November 2022)
 Dr Susan Foister
 Paul Gray
 Andy Hibbert
 Chris Michaels (until November 2022)
 Anh Nguyen
 Jane Knowles (from May 2022)
 Larry Keith (from November 2022 until March 2023)
 Dr Christine Riding (from March 2023)

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.	Sir John Kingman (Chair) Gautam Dalal ¹⁶ Stuart Roden John Booth Molly Stevens (until December 2022) James Lambert Beatrice Hollond ¹⁷ (from March 2023)	4 3 4 4 2 4 1	4 4 4 4 2 4 1
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.	Sir John Kingman (Chair) Gautam Dalal ¹⁸ Stuart Roden John Booth Molly Stevens (until December 2022) James Lambert Beatrice Hollond ¹⁹ (from March 2023)	4 3 4 4 2 4 1	4 4 4 4 2 4 1
Governance	To support the Board in its responsibilities for governance procedures and standards.	Tonya Nelson (Chair) John Booth Dounia Nadar	1 1 1	1 1 1
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 Sir John Kingman Tonya Nelson	2 2 2 2	2 2 2 2
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) Sir John Kingman Rosemary Leith	1 1 1	1 1 1
Masterplan	To support the Board in developing and overseeing a Masterplan in relation to the Gallery's buildings and estate.	David Marks (Chair) Sir John Kingman Stuart Roden John Booth Tonya Nelson James Lambert	8 7 6 7 6 6	8 8 8 8 8 8
Ethics Committee (from June 2022)	To support the Board and Accounting Officer in their responsibilities in considering ethical and reputational issues.	Stuart Roden (Chair) Catherine Goodman Susan Liautaud ²⁰	4 3 4	4 4 4

¹⁶ Independent Committee member¹⁷ Independent Committee member¹⁸ Independent Committee member¹⁹ Independent Committee member²⁰ 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 Gallery's fire strategy was presented to the Chair of the Committee, and subsequently to the Board who were reassured by the plans in place. Work started in the previous year on the Gallery's corporate risk register is nearing completion and a corporate risk committee has been formed which will report to the Audit Committee on a quarterly basis. The Committee received a report on the Gallery's cyber security measures and the additional security measures in place as a result of protest action taken by Just Stop Oil activists on two occasions.

The Finance Committee met four times during the year and continued to monitor closely the finances of the Gallery, in particular against a background of rising inflation and higher energy costs. It continued to scrutinise the budgets for the NG200 Welcome projects and cashflows. In addition to the capital projects, Finance Committee approved the outline budget for the bicentenary programme. In March it approved the Gallery's three year plan.

The Governance Committee met once during the year. It implemented a Board Effectiveness Survey and assessed the results before compiling a full report to the Board of Trustees. It made a series of recommendations and continues to oversee that these are followed through. The Committee recommended that the Gallery carry out a staff survey. This is being implemented.

The Nominations Committee met twice during the year. It considered and approved a role specification for a new Trustee and discussed suitable candidates for the role. The Committee approved the recommended candidate for the Tate liaison trustee.

The Remuneration Committee met once during the year to review 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 2022 and to agree a recommended bonus for the Director, Chief Operating Officer and Development Director for the period to 31 March 2022 (which recommendation was accepted by the Board).

The Masterplan Committee met eight times during the year and oversaw the progress of the NG200 Welcome project. In November planning permission was applied for and granted and in February the Sainsbury Wing closed to the public in preparation for the refurbishment works. In March construction began. In addition, the Masterplan Committee discussed and approved plans for the Research Centre refurbishment and the creation of a Supporter's House in the Wilkins Building. They were presented with and approved plans to refurbish the Learning Centre.

The Ethics Committee met 4 times during the year. It reviewed and approved the Gallery's Ethical Sponsorship and Donations Acceptance Policy and discussed and considered all ethical and reputational matters.

Achievements and Effectiveness of the Board

Significant achievements of the Gallery during 2022-23 are recorded under the heading of 'Review of achievements and performance in 2022-2023', within the Annual Report.

During the course of the year, the Board:

- Held a Board meeting in Madrid, where, in preparation for the bicentenary in 2024, they received a presentation from the Director of the Prado on their bicentenary in 2019.
- Approved changes to the design of the NG200 Welcome projects, as recommended by the Masterplan Committee
- Approved a digital strategy 2022-2025 presented to the Board in July by the Director of Digital, Communications and Technology.
- Endorsed the Masterplan Committee's recommendation that the Planning Application and Listed Building Consent for the NG200 Welcome be submitted to Westminster Council.
- Approved an updated conflicts of interest policy.
- Carried out a Board Effectiveness survey which was presented to them in November.
- Received a mid term review of the Learning Strategy at the Board meeting in February, presented to the Board by The Head of Learning.
- Endorsed a "pay what you wish" scheme, introduced for the Lucian Freud exhibition in response to the cost of living increases.

- Endorsed the Masterplan Committee's recommendation that construction for the NG200 Welcome commence in March.
- Approved the Sustainability policy and proposals presented to the Board in March by the Customer Experience and Operations Manager.
- Received a presentation on Fire Strategy by the Head of Art Handling.
- Approved the acquisition of 3 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 reviewed its own effectiveness in September 2022. The Governance Committee met in the autumn of 2022 and reviewed the survey and made three recommendations which were presented to and approved by the Board in November.

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 three to four times a year (three in 2022-23) 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 2022-23 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 also persist 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 approach to recruitment, managing risks associated with cyber security, and processes around donor due diligence. 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

In addition to the reviews, advisory reports were also produced on physical security and data protection governance. Recommendations from these reports 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 four personal potential data breaches or losses during 2022-23 (2022: nil), one of which was reported to the Information Commissioner's Office (2022: nil).

Signed:
Dr Gabriele Finaldi
Director and Accounting Officer

Dated: 12 July 2023

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 12 July 2023

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 2023 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 2023;
- 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 2023 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 of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I 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 Board 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 part of the Remuneration and 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 Directors' Responsibilities, the Trustees and the Director as Accounting Officer, are responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Trustees and the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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'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 that 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: 17 July 2023

Consolidated Statement of Financial Activities

for the year ended 31 March 2023 (continued)

Note	OPERATING INCOME AND EXPENDITURE			Capital projects and revaluations (a)			Acquisitions for the collection (b)			TOTAL 2023			2022		
	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	Unrestricted funds	Total
Realised and unrealised investment (losses)/ gains	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
16	-	(214)	(214)	-	-	-	-	(92)	(92)	-	(306)	(1,237)	(1,543)	-	1,011
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	(1,237)	14,864
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	(1,237)	14,864
(Loss)/gain on revaluation of fixed assets for charity's own use	-	-	-	-	(6,965)	(6,965)	-	-	-	-	(6,965)	-	(6,965)	-	4,996
Net movement in funds	597	(140)	457	543	2,501	3,044	(518)	12,260	11,742	622	14,621	(1,237)	14,006	14,621	19,860
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	4,322	716,180
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	4,944	736,040

(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 44 to 68 form part of these accounts.

Consolidated and Gallery Balance Sheets as at 31 March 2023

	Note	Group		Gallery	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed Assets					
Tangible Assets	12	322,730	322,845	322,078	322,591
Intangible Assets	13	411	132	272	–
Heritage Assets	14	385,789	376,156	385,789	376,156
Investments	16a	22,880	19,833	22,880	19,833
Investment in Subsidiary	15	–	–	372	372
		731,810	718,966	731,391	718,952
Current Assets					
Stock		1,311	851	–	22
Debtors	17	11,041	14,389	12,722	14,768
Investments	16b	3,120	3,094	3,120	3,094
Cash at bank and in hand	24b	15,099	9,998	13,322	9,313
		30,571	28,332	29,164	27,197
Creditors					
Amounts falling due within one year	18a	(11,040)	(9,845)	(9,642)	(8,576)
Net current assets		19,531	18,488	19,522	18,621
Total assets less current liabilities		751,341	737,453	750,913	737,573
Creditors:					
Amounts falling due in more than one year	18b	(1,295)	(1,413)	(1,295)	(1,413)
Net assets		750,046	736,040	749,618	736,160
Represented by:					
Restricted funds					
Restricted funds (excluding revaluation reserves)		625,031	603,445	624,967	603,439
Revaluation reserves		110,544	117,509	110,544	117,509
	22	735,575	720,954	735,511	720,948
Unrestricted funds					
Designated		22	539	22	539
Capital asset reserve		2,234	1,691	2,234	1,691
General funds		2,688	2,092	2,324	2,218
	22	4,944	4,322	4,580	4,448
Total income funds		740,519	725,276	740,091	725,396
Endowment funds	22	9,527	10,764	9,527	10,764
Total funds		750,046	736,040	749,618	736,160

The notes on pages 44 to 68 form part of these accounts.

Signed:
Dr Gabriele Finaldi
Director and Accounting Officer

Dated: 12 July 2023

Signed:
John Booth
On behalf of the Board of Trustees

Dated: 12 July 2023

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

		2023	2022
		£'000	£'000
Cash flows from operating activities:			
Net cash from operating activities	23a	<u>29,550</u>	<u>14,358</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		233	9
Purchase of property, plant and equipment		(11,255)	(6,987)
Purchase of intangible assets		(433)	(155)
Purchase of heritage assets	13	(8,378)	(5,826)
Proceeds from sale of investments		18,299	–
Acquisition of subsidiary net of cash acquired		–	565
Purchase of investments		<u>(22,915)</u>	<u>(6)</u>
Net cash used in investing activities		<u>(24,449)</u>	<u>(12,400)</u>
Change in cash and cash equivalents in the reporting period		5,101	1,958
Cash and cash equivalents at the beginning of the reporting period		<u>9,998</u>	<u>8,040</u>
Cash and cash equivalents at the end of the reporting period		<u>15,099</u>	<u>9,998</u>

The notes on pages 44 to 68 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), acquired on 1 April 2021.

– Going Concern

Trustees have scrutinised budgets and forecasts for the group and are satisfied with its ability to continue operating as a going concern for a minimum of 12 months from the date of signing these accounts. The accounts have therefore been prepared on that basis.

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 (2022: £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 2019. 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 (FRoM) – 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.

	OPERATING INCOME AND EXPENDITURE		Funded capital projects and revaluations (a)			Acquisitions for the collection (b)			TOTAL 2022			2021	
	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
Realised and unrealised investment gains/(losses)	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	-	348	348	-	-	-	27	87	114	27	435	549	3,037
Net income/(expenditure) before transfers and other recognised gains and losses	(265)	2,065	1,800	(748)	1,211	463	27	12,025	12,052	(986)	15,301	549	14,864
Transfers	356	(151)	205	1,694	(1,906)	(212)	-	7	7	2,050	(2,050)	-	-
Net income/(expenditure) resources before other recognised gains and losses	91	1,914	2,005	946	(695)	251	27	12,032	12,059	1,064	13,251	549	14,864
(Loss)/gain on revaluation of fixed assets for charity's own use	-	-	-	-	4,996	4,996	-	-	-	-	4,996	-	4,996
Net movement in funds	91	1,914	2,005	946	4,301	5,247	27	12,032	12,059	1,064	18,247	549	19,860
Opening funds	2,001	11,284	13,285	745	322,858	323,603	512	368,565	369,077	3,258	702,707	10,215	698,695
Closing funds	2,092	13,198	15,290	1,691	327,159	328,850	539	380,597	381,136	4,322	720,954	10,764	716,180

3. Grant-in-Aid

	2023	2022
	£'000	£'000
Department for Digital, Culture, Media and Sport	<u>30,714</u>	<u>30,755</u>

This money is available for running costs, capital improvements and collection purchases. Of the total figure, £6.4 million (2022: £4.1 million) was restricted for capital purposes.

4. Other Government Grant

	2023	2022
	£'000	£'000
European Union	47	77
Department for Work and Pensions	26	–
Arts & Humanities Research Council	66	56
Engineering & Physical Sciences Research Council	–	114
	<u>139</u>	<u>247</u>

5. Donations and Legacies

	2023	2022
	£'000	£'000
Donations and legacies relating to Gallery activities excluding acquisitions and other capital expenditure can be split as follows:		
Individuals	1,223	1,190
Trusts and foundations	4,708	3,959
Gifts in kind	197	144
Legacies	11	26
	<u>6,139</u>	<u>5,319</u>

Restricted donations and legacies included above total £4,063k (2021: £4,001k).

	2023	2022
	£'000	£'000
Donations and legacies relating to collection acquisitions can be split as follows:		
Individuals	–	100
Trusts and foundations	3,943	8,312
Legacies	6,750	–
Gifts in kind	1,215	41
Acceptance-in-lieu	–	3,484
	<u>11,908</u>	<u>11,937</u>

	2023	2022
	£'000	£'000
Donations relating to other capital expenditure can be split as follows:		
Trusts and foundations	10,239	1,698
Individuals	250	11
	<u>10,489</u>	<u>1,709</u>

Total donations and legacies	<u>28,536</u>	<u>18,965</u>
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6. Income from other trading activities

	2023	2022
	£'000	£'000
Activities for generating funds		
Commercial trading	9,402	4,642
Other trading activities	6,864	4,791
Miscellaneous	–	176
	16,266	9,609

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

	2023	2022
	£'000	£'000
Income from UK bank deposits	233	8
Income from overseas funds	–	1
	233	9

8. Trustees' remuneration

The Chairman and Board of Trustees neither received nor waived any remuneration for their services during the year (2022: £nil). The total value of expenses reimbursed to Trustees amounted to £nil for the year (2021: £nil).

9. Total expenditure

	Direct costs	Support costs	Depreciation	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Raising funds	2,813	568	409	3,790	2,423
Commercial trading	7,695	–	–	7,695	4,775
Total expenditure on raising funds	10,508	568	409	11,485	7,198
Exhibitions	6,580	513	957	8,050	5,283
Broaden our appeal and provide an exceptional visitor experience	13,689	1,601	1,991	17,281	14,516
Preserve, enhance and develop the potential of our collections	7,280	1,352	1,058	9,690	9,179
Inspire learning and engagement	3,570	1,331	519	5,420	4,463
Invest in our staff, increase income and care for our physical facilities	6,240	429	907	7,576	7,241
Total expenditure on charitable activities	37,359	5,226	5,432	48,017	40,682
Total expenditure	47,867	5,794	5,841	59,502	47,880

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	54	218	533	127	15	301	1,248	Direct expenditure of activity
Human Resources	233	115	442	556	610	29	1,985	Headcount
Information Services	269	132	509	641	703	33	2,287	Headcount
Governance	12	48	117	28	3	66	274	Direct expenditure of activity
	<u>568</u>	<u>513</u>	<u>1,601</u>	<u>1,352</u>	<u>1,331</u>	<u>429</u>	<u>5,794</u>	

Analysis of governance costs:

	2023	2022
	£'000	£'000
Staff costs	104	108
Auditor's remuneration	66	55
Internal audit fees	48	49
Legal fees	56	26
	<u>274</u>	<u>238</u>

Total expenditure includes the following:

	2023	2022
	£'000	£'000
Auditor's remuneration:		
National Audit Office – Statutory audit of consolidated accounts	66	55
Price Bailey – Statutory audit of trading subsidiary	18	15
Leased rental payments on equipment and office space	18	20
	<u>102</u>	<u>90</u>

Our auditor is The National Audit Office who subcontract audit work to Deloitte. During the year no other services were provided by Deloitte. No payments were made to our auditors (2021–22: £nil) for the provision of non audit services.

10. Staff costs

	2023	2022
	£'000	£'000
Wages and salaries	14,704	13,173
Social security costs	1,630	1,381
Pension costs	3,149	2,892
Apprenticeship levy	55	40
Agency staff	435	162
	<u>19,973</u>	<u>17,648</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:

	2023	2023	2023	2022
	Permanent	Other	Total	Total
	contracts	contracts	No.	No.
	No.	No.		
Fundraising	30	3	33	31
Commercial trading	72	–	72	59
Exhibitions	12	4	16	14
Broaden our appeal and provide an exceptional visitor experience	52	9	61	56
Preserve, enhance and develop the potential of our collections	64	14	78	76
Inspire learning and engagement	47	38	85	59
Invest in our staff, increase income and care for our physical facilities	4	–	4	4
Support	45	9	54	49
Governance	2	–	2	2
	<u>328</u>	<u>77</u>	<u>405</u>	<u>350</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 2023, employer's contributions of £2,942,044 were payable to the PCSPS (2022: £2,634,627) 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 2022-23 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 £67,836 (2022: £73,127) 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 £2,445 (2022: £2,264), 0.5% (2022: 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 £5,183 (2022: £5,833).

No individuals retired early on ill-health grounds during the year ended 31 March 2023 (2022: 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 2022	263,513	89,120	–	8,616	361,249
Additions	2,658	745	7,515	1,906	12,823
Disposals	–	–	–	(948)	(948)
Revaluation	(8,616)	1,650	–	–	(6,965)
Transfers	–	–	–	(262)	(262)
As at 31 March 2023	257,555	91,515	7,515	9,312	365,897
Depreciation					
As at 1 April 2022	10,914	20,819	–	6,671	38,404
Disposals	–	–	–	(850)	(850)
Charge for year	1,742	2,995	–	1,137	5,873
Transfers	–	–	–	(260)	(260)
As at 31 March 2023	12,656	23,814	–	6,698	43,167
Net book value					
31 March 2023	244,899	67,701	7,515	2,614	322,730
31 March 2022	252,599	68,301	–	1,945	322,845

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 2022	263,513	89,120	–	7,614	360,247
Additions	2,658	745	7,515	1,284	12,201
Disposals	–	–	–	(278)	(278)
Revaluation	(8,616)	1,650	–	–	(6,965)
Transfers	–	–	–	(262)	(262)
As at 31 March 2023	257,555	91,515	7,515	8,358	364,943
Depreciation					
As at 1 April 2022	10,914	20,819	–	5,923	37,656
Disposals	–	–	–	(278)	(278)
Charge for year	1,742	2,995	–	1,010	5,747
Transfers	–	–	–	(260)	(260)
As at 31 March 2023	12,656	23,814	–	6,395	42,865
Net book value					
31 March 2023	244,899	67,701	7,515	1,963	322,078
31 March 2022	252,599	68,301	–	1,691	322,591

During the year the Gallery transferred costs and associated accumulated depreciation relating to websites out of Equipment and into Intangible fixed assets to better reflect the underlying nature of the assets.

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 2023 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 £312,600,000.

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	165,489	36,568

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cost or valuation				
As at April 2022	375	–	–	–
NGG fixed assets acquired	–	381	–	–
Additions	433	97	363	–
Disposals	(179)	(103)	–	–
Revaluation	–	–	–	–
Transfers	262	–	262	–
As at 31 March 2023	891	375	625	–
Depreciation				
As at 1 April 2022	243	–	–	–
Accumulated depreciation on NGG fixed assets acquired	–	323	–	–
Disposals	(172)	(101)	–	–
Charge for year	149	21	93	–
Transfers	260	–	260	–
As at 31 March 2023	480	243	353	–
Net book value				
31 March 2023	411	132	272	–
31 March 2022	132	132	–	–

During the year the Gallery transferred costs and associated accumulated depreciation relating to websites out of Equipment and into Intangible fixed assets to better reflect the underlying nature of the assets.

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 2022	81,625	294,531	376,156
Additions	<u>8,378</u>	<u>1,255</u>	9,633
As at 31 March 2023	<u>90,003</u>	<u>295,786</u>	385,789

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 2023 comprise:

- Ferdinand Hodler's *The Kien Valley with the Bluemlisalp Massif*
- Jacques Joseph (James) Tissot's *Portrait of Algernon Moses Marsden*
- Max Pechstein's *Portrait of Charlotte Cuhrt*
- Bernardo Cavallino's *Saint Bartholomew*
- 25 frames for various pictures

Five year financial summary of acquisitions

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Donated assets and acquisitions funded by donations	9,380	9,246	9,560	32,303	9,650
Other acquisitions	253	105	–	22	79
Total cost/value of acquisitions	<u>9,633</u>	<u>9,351</u>	<u>9,560</u>	<u>32,325</u>	<u>9,729</u>

Significant additions over the last five years include:

- Paolo Veronese's *Portrait of a Gentleman of the Soranzo Family*. The works of Paolo Veronese are at the core of the Gallery's outstanding collection of Venetian Renaissance paintings. With the acquisition of this painting from the Harewood collection, we add to the assemblage at Trafalgar Square of religious, mythological and allegorical masterpieces one of his rare portraits. Painted in the last decade of Veronese's life – a period not previously represented in the Gallery – it depicts, at full length, a member of the Soranzo family, long-standing patrons of the artist.
- 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. Artemisia Gentileschi is the most celebrated female painter of the 17th century, working in Rome, Florence, Venice, Naples and London for the highest echelons of European society, including the Grand Duke of Tuscany and Philip IV of Spain. In this portrait, she paints herself in the guise of Saint Catherine of Alexandria, a Christian saint martyred in the early 4th century.
- Jean-Etienne Liotard's *The Lavergne Family Breakfast*, accepted in lieu of Inheritance Tax by HM Government from the estate of George Pinto and allocated to the National Gallery. Liotard was arguably the leading artist in pastel of the eighteenth century and a master of psychologically penetrating portraits and intimate scenes of family conviviality. This depiction of his niece and her niece at an elegant breakfast, painted in Lyon in 1754, is both among his largest pastels and regarded by connoisseurs as a highlight of his career.

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>2,398</u>	<u>109</u>	<u>5%</u>	<u>2,289</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 Digital, 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 2,398 paintings and approximately 2,589 frames. As at 31 March 2023 604 (25%) paintings were on public display at the Gallery, 161 (7%) 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.

	2023	2022
	£'000	£'000
Fixed assets		
Intangible assets	140	132
Tangible assets	652	254
	792	386
Current assets		
Stock	1,311	828
Debtors	1,113	704
Cash	1,777	685
	4,201	2,217
Creditors	(4,193)	(2,350)
Net assets	800	253
Capital and reserves		
Called up share capital	800	800
Retained earnings	–	(547)
	800	253

During the period NGG generated turnover of £10.8m (2022: £5.6m) and incurred expenditure of £8.8m (2022: £5.7m), creating a net profit of £2.0m (2022: £0.1m net loss). NGG made a gift aid payment of £1.5m to NG in 2022-23 (2022: nil).

16. Investments

a. Fixed asset investments

	Group		Gallery	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Market value as at 1 April	19,833	18,821	19,833	18,821
Investment portfolio additions	6,190	1	6,190	1
Additions	16,699	–	16,699	–
Disposals	(18,299)	–	(18,299)	–
Realised and unrealised (losses)/gains	(1,543)	1,011	(1,543)	1,011
Market value as at 31 March	<u>22,880</u>	<u>19,833</u>	<u>22,880</u>	<u>19,833</u>

Fixed asset investments comprise the following:

	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Authorised funds	22,874	18,760	22,874	18,760
Cash held as part of the investment portfolio	5	1,073	5	1,073
	<u>22,879</u>	<u>19,833</u>	<u>22,879</u>	<u>19,833</u>

Fair value reserve:

	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investment in funds at historic cost	22,884	14,879	22,884	14,879
Fair value reserve	(10)	3,881	(10)	3,881
Cash held as part of the investment portfolio	5	1,073	5	1,073
Market value of investments	<u>22,879</u>	<u>19,833</u>	<u>22,879</u>	<u>19,833</u>

b. Current asset investments

	Group		Gallery	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Current asset investments	3,120	3,094	3,120	3,094
Movement in the year				
Total as at 1 April	3,094	3,090	3,094	3,090
Net transfers in year	26	4	26	4
Total as at 31 March	<u>3,120</u>	<u>3,094</u>	<u>3,120</u>	<u>3,094</u>

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

17. Debtors

	Group		Gallery	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	1,523	1,189	1,016	768
Other debtors	257	89	58	89
Tax and social security	2,058	1,459	2,094	1,459
Prepayments and accrued income	7,146	10,634	6,967	10,468
Amount due from subsidiaries	-	-	2,530	966
	10,984	13,371	12,665	13,750
Amounts falling due in more than one year				
Prepayments and accrued income	57	1,018	57	1,018
	11,041	14,389	12,722	14,768

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

	Group		Gallery	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	4,630	4,017	3,885	3,514
Other creditors	443	750	352	588
Accruals and deferred income	5,967	5,078	5,405	4,474
	11,040	9,845	9,642	8,576

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

	Group		Gallery	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due in more than one year				
Accruals and deferred income	1,295	1,413	1,295	1,413
	1,295	1,413	1,295	1,413
In more than one year but not more than two years	200	283	200	283
In more than two years but not more than five years	1,095	1,130	1,095	1,130
	1,295	1,413	1,295	1,413

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

	Group		Gallery	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
As at 1 April	4,831	3,441	4,371	3,441
Acquired on acquisition of NGG	-	369	-	-
Amounts released from previous years	(652)	(198)	(672)	(12)
Income deferred in the current year	1,173	1,219	1,173	942
As at 31 March	5,352	4,831	4,872	4,371

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 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)
	14,722	22,879	37,601
At 31 March 2022			
Cash	9,998	–	9,998
Current asset investments	3,094	–	3,094
Trade and other debtors	1,796	–	1,796
Fixed asset investments	–	19,833	19,833
Trade and other creditors	(5,482)	–	(5,482)
	9,406	19,833	29,239

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 £1.2 million (2022: £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 (2022: £nil) was made against doubtful debts. Write-offs in the year for bad debts amounted to £4k. (2022: £50k).

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 Digital, Culture, Media and Sport represents 37% (2022: 50%) of the Gallery's income before transfers and revaluations. Current asset investments of £3.1m (2022: £3.1m) and a further £23m (2021: £20m) of readily realisable fixed asset investments help mitigate exposure to liquidity risk.

Market risk

a. Interest rate risk

The Gallery has no borrowings. Interest receivable is 0.3% 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 £12.9 million (2022: £18.5 million) was invested in Euro denominated funds. 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 totaling £18.2m (2022: nil) as at 31 March 2023 relating to the NG200 capital project. NGG held capital commitments of £33k (2022: £32k) as at 31 March 2023.

Commitments under operating leases

As at 31 March 2023 the National Gallery had commitments under operating leases for photocopiers payable as set out below:

	2023	2022
	£'000	£'000
Operating leases which expire:		
Within 1 year	26	26
Between 2 and 5 years	36	43
	<u>62</u>	<u>69</u>

21. Contingent liabilities

As at 31 March 2023 the Gallery recognised no contingent liabilities (2022: nil).

22. Group statement of funds

	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

	At 1 April 2021 £'000	Income £'000	Expendi- ture £'000	Revaluation £'000	Transfers £'000	At 31 March 2022 £'000
Unrestricted funds						
Designated funds:						
Trust funds designated for the purchase of heritage assets	512	–	–	27	–	539
Total designated funds	512	–	–	27	–	539
General funds	2,001	39,714	(39,979)	–	356	2,092
Capital assets reserve	745	–	(748)	–	1,694	1,691
Total unrestricted funds	3,258	39,714	(40,727)	27	2,050	4,322
Restricted income funds						
Capital assets reserve	210,347	5,806	(4,595)	–	(1,906)	209,652
Building revaluation reserve	83,833	–	–	4,192	–	88,025
Plant and machinery revaluation reserve	28,680	–	–	804	–	29,484
Donated works of art reserve	294,475	3,644	–	–	5,721	303,840
Heritage assets acquired	72,213	–	–	–	105	72,318
History Collection reserve	321	–	–	–	–	321
Exhibitions programme fund	1,068	1,035	(1,063)	–	(31)	1,009
Running cost fund	4,101	3,240	(1,495)	19	(120)	5,745
Curatorial fund	1,184	–	–	64	–	1,248
Collection purchases fund	(74)	8,294	–	–	(5,819)	2,401
Collection purchases trust fund	1,625	–	–	87	–	1,712
Art historical research	4,934	–	–	265	–	5,199
Total restricted income funds	702,707	22,019	(7,153)	5,431	(2,050)	720,954
Endowment funds						
Collection purchase endowments	5,600	–	–	301	–	5,901
Art historical research endowment	1,896	–	–	102	–	1,998
General purpose endowments	2,719	–	–	146	–	2,865
Total endowment funds	10,215	–	–	549	–	10,764
Total funds	716,180	61,733	(47,880)	6,007	–	736,040

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. Following an evaluation of the use of the Gallery's fixed assets, a transfer was made at the end of 2020-21 to move the value of our equipment to an unrestricted fund to reflect our view that there is no restriction over the use of this asset category.

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 2023 £'000	Total Funds 2022 £'000
Tangible assets	2,234	320,496	–	322,730	322,845
Heritage assets	–	385,789	–	385,789	376,156
Fixed asset investments	–	13,353	9,527	22,880	20,845
Other net assets	2,710	15,937	–	18,647	16,194
Total net assets	<u>4,944</u>	<u>735,576</u>	<u>9,527</u>	<u>750,046</u>	<u>736,040</u>

24. Note to the cash flow statement

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

	2023 £'000	2022 £'000
Net income for the reporting period (as per the SoFA)	20,971	14,864
Adjustments for:		
Donations to the collection	(1,255)	(3,525)
Depreciation charges	5,873	5,551
Amortisation charges	149	21
(Gains)/losses on investments	1,543	(1,011)
Non cash gain on acquisition of subsidiary	–	372
Dividends, interest and rents from investments	(233)	(9)
Loss on the sale of fixed assets	105	219
(Increase)/decrease in stocks	(460)	(163)
(Increase)/decrease in debtors	3,348	82
Decrease in creditors	(491)	(2,043)
Net cash from operating activities	<u>29,550</u>	<u>14,358</u>

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

	Group		Gallery	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Balance with Government Banking Services	283	359	283	359
Balances held with commercial banks	14,792	9,604	13,030	8,934
Cash in hand	25	35	9	20
Cash balance at end of year	15,099	9,998	13,322	9,313

c. Analysis of changes in net debt

	2022	Cashflow	2023
	£'000	£'000	£'000
Cash	9,998	5,101	15,099

25. Related party transactions

The National Gallery is a Non-Departmental Public Body whose sponsor department is the Department for Digital, 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 £258,115 (2022: £39,000) was received from Trustees. There were no donations from Executive Directors in respect of general donations (2022: nil).

Related party	Nature of relationship	Income	Expenditure	Outstanding	Nature of transaction
				balances	
		£	£	£	
American Friends of the National Gallery, London, Inc	Rosemary Leith and John Booth are Directors of the related party	4,345,281	–	–	Grant income and recharge for UK administrative work.
Arts Council England	Entity sponsored by DCMS	1,479	–	–	Registrar service for Arts Council England Reviewing Committee
Barkshire Charitable Trust	John Booth, Trustee is a trustee of the related party	2,000	–	–	Donation towards the Gallery's 200th Anniversary campaign
British Library	Entity sponsored by DCMS	11,874	18,770	(726)	Persistent Identifiers as IRO Infrastructure' research project and IIF Building block-Digital National Collection' research project
British Museum	Entity sponsored by DCMS	–	4,350	(756)	Loan fees for Raphael and Ugly Duchess exhibitions and advertising in the British Museum magazine

Related party	Nature of relationship	Income	Expenditure	Outstanding	Nature of transaction
				balances	
		£	£	£	
ICOM UK	Jane Knowles, Interim Director of Public Engagement is Trustee and Secretary of related party	–	1,177	–	Membership and subscription fees
National Gallery Trust	John Booth is a Trustee of the related party	3,026,294	–	3,095,036	Grant income and recharge of costs for administrative services provided
National Maritime Museum	Entity sponsored by DCMS	300	–	720	Safe casing costs
National Portrait Gallery	Entity sponsored by DCMS	296,993	12,135	218,326	Charge for use of space, associated utilities and party wall compensation
The NGT Foundation	David Marks is Chair of the related party	78,900	50,310	34,680	Recharge of costs for administrative services provided, costs of renting office space.
The Warburg Charitable Trust	Stuart Roden, Trustee, is a Director of the related party	–	–	55,299	Tuition fee for MA in Art History, Curatorship & Renaissance Culture course
The Wolfson Foundation	Family members of David Marks, Trustee are Chair and Trustees of the related party	–	–	1,000,000	Grant for refurbishment of Room 29
Victoria & Albert Museum	Entity sponsored by DCMS	3,816	1,097	2,724	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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