

Art Fund_

Annual General Meeting

Held at: 2 Granary Square, King's Cross, London N1C 4BH
On: Monday 15 May 2017 at 6.00 pm
Chairman: Lord Smith of Finsbury

Item 1 Chairman's introduction Lord Smith of Finsbury

The Chairman welcomed all those present to the AGM held for the first time at Art Fund's offices in Granary Square and highlighted how the new location was enabling staff to work more efficiently and was enhancing links with museum partners across the UK given its proximity to national transport links. The Chairman went on to refer to the difficult times facing museums and arts organisations and said that investment undertaken in 2016 was now being applied to increase membership and thus raise additional funds to support the sector.

In 2016 over £4.5 million was awarded to help museums build their collections, 75 per cent of which was awarded to organisations outside London. Funding for curators continued, enabling arts professionals to carry out vital research for their exhibitions or collections, in 2016 over 400 curators received training with Art Fund support.

In addition to grants during the year Art Fund collaborated with the Royal Museums Greenwich to save the *Armada Portrait of Elizabeth I* for the nation, helped museums crowdfund through Art Happens and supported touring programmes nationwide. The Chairman concluded his introduction by thanking Art Fund's partners, members and donors for their support.

Item 2 Trustee matters Lord Smith of Finsbury

The Chairman thanked all the Trustees and the non-trustee special advisers for their contributions to the work of Art Fund and gave a special thanks to Professor Deborah Swallow, who retired during 2016 after serving the maximum two terms of five years. He welcomed Mr Isaac Julien who joined the board of Trustees in December.

The Chairman moved on to deal with the re-election of four Trustees retiring by rotation and offering themselves for re-election: Mr James Lingwood; Mr Richard Calvocoressi; Mr Jeremy Palmer (Treasurer) and Ms Philippa Glanville who, on a show of hands, were all re-elected unanimously. Mr Palmer was asked to chair the re-election of the Chairman who, on a show of hands, was also re-elected unanimously.

Item 3 Director's review Dr Stephen Deuchar

Dr Stephen Deuchar, Director of Art Fund, stated that Art Fund's core purpose remained as it was when Art Fund was founded in 1903; to help museums acquire works of art to build their collections and the steady increase in grants for this purpose had continued in 2016. He

explained that grants of £4.5 million had enabled museums to acquire 216 works of art by 129 different artists, with 75% of the grants going to organisations outside London. In addition, through the gifts and bequests scheme 113 further works were placed with 15 museums.

(Slide presentation) Grants ranged in size from £2,000 to the Herbert Art Gallery & Museum in Coventry for a group of works that cost £6,000 in total, to £260,000 towards a work costing over £2 million from the Workshop of Dieric Bouts for the Bowes Museum.

Art Fund supported works of art in all media for example *Tetrahedrom Toroid*, by Fred Baier, gifted by Sir Nicholas and Lady Goodison and subsequently placed at the Fitzwilliam Museum by Art Fund. This was one of the group of 113 works donated through the gifts and bequests scheme. £71,000 out of a total cost of £236,000 was contributed to the acquisition of the moving image work, *Ashes* by Steve McQueen, as part of the Moving Image Fund which helped the Whitworth in Manchester and the Towner in Eastbourne develop their collections of film. Other works supported were a cameo ring of Elizabeth I (Victoria and Albert Museum), silver andirons (National Museum of Wales in Cardiff), a commission for the South London Gallery by Gabriel Orozco, gardens created with Art Fund support, and Ronnie Horn's *Pink Tons* (Tate Modern) to which Art Fund contributed £75,000. Geographically speaking, Art Fund's grant giving reaches across the country with 75% of our grants being awarded to institutions outside London.

Art Fund's charitable programme also included support for the curatorial profession, via four main strands: the Ruffer curatorial grants; the New Collecting Awards; traineeships for new curators; and a series of network and training days. The New Collecting Awards enable young curators to bid for funds to collect in a specialist curatorial area. Art Fund provides a grant and mentoring to promising curators to facilitate acquisitions and in 2016 awarded a grant to the seventeenth awardee. In 2016 a further 50 grants were made under the Jonathan Ruffer curatorial grants scheme to help curators pursue research in their area of expertise. In 2016 the total value of the fund had increased to £75,000 thanks to the generosity of Mr Jonathan Ruffer.

Art Fund continued to encourage museums to be innovative in links with their visitors and fund-raising. In 2016 the winner of the £100,000 Art Fund prize for Museum of the Year was the V&A, whilst the Arnolfini in Bristol, the Bethlem Museum of the Mind, Jupiter Artland in Edinburgh and the York Art Gallery were among the finalists. From 2017, in addition to the £100,000 prize, £10,000 will be given to each of the four runners-up to maximise the benefit arising from nomination to the shortlist.

Art Fund continued to encourage museums to share collections through the Artists Rooms initiative and the Art from Elsewhere tour, and in 2017 Art Fund will embark on a new programme, in partnership with the Garfield Weston Foundation, to enable regional museums to borrow individual or groups of works from Britain's national museums and galleries.

In 2016 £126,000 was raised in small donations through the Art Happens platform. This initiative supported projects ranging from the restoration of the proscenium arch at the Old Royal Naval College in Greenwich, to the creation of the first publicly accessible collection of the work of John Piper at the River & Rowing Museum in Henley. The Elizabeth I appeal was the latest in a succession of public fundraising appeals, which began in 1906 with Velasquez's, *The Rokeby Venus*. £1.5 million from 8,000 donors was raised in just ten weeks to acquire the *Armada Portrait of Elizabeth I*. In a similar digital initiative, in 2016 Art Fund also received a generous grant from the Fidelity UK Foundation to be used to develop an online ticketing system to be used by museums across the UK.

During the year, Art Fund continued its efforts in regard to policy and advocacy, and continues to lobby government for reform to the export review process for works of art. The museums review will be postponed until the autumn as a result of the General Election. The impact of both the Election and Brexit on the museums sector could not be determined at the current time.

The final element of Art Fund's programme of work was to bring art and people together. Art Fund membership had increased to 123,000, of which 4,000 were students at 17 universities. Art Fund also has a network of 188 Art Partners and 12 new Artist Partners who work alongside us, advocating for our work and promoting the Art Partners scheme. National Art Pass Plus One was launched in the year, enabling a pass-holder to bring a guest on their visit to a museum. The National Art Pass network was extended to 17 new museums, bringing the number of venues overall offering free admission to 240 and a total network number of 700. The National Art Pass for Companies scheme continued to generate a positive response following its launch in the year.

Art Quarterly continued to go from strength to strength under a new editor, Ms Helen Sumpter, and social media has expanded with 170,000 subscribers to the fortnightly newsletter.

Dr Deuchar concluded by thanking the supporters, members, Art Partners and Artist Partners, major donors, trusts and foundations, and the volunteer fundraisers and handed over to Art Fund's Treasurer, Mr Jeremy Palmer to discuss the organisation's financial resources and statutory accounts.

Item 4 Report and accounts for the year 2016
 Mr Jeremy Palmer

Mr Palmer delivered a slide presentation in which he highlighted that 2016 had been a positive year in financial terms, with total income generated in excess of £15 million. Legacy income fell to £1 million (£3 million in 2015), while special appeal income increased, in part due to the *Armada* fundraising appeal. Trading, investment and other income continued in line with the five-year average. There was 7.9 per cent growth in underlying income in 2016 on 2015 with an increase in total membership to 123,000, generating income of £6.9 million, an increase of approximately £800,000. Donations and fundraising amounted to £3.5 million in 2016, effectively unchanged from 2015.

The cost of administering Art Fund remained under close control with a planned increase in support costs reflected in the year. Infrastructure investment was drawn from the Parker Fund and support costs decreased marginally as a proportion of the total underlying spend to 8.6 per cent from 8.8 per cent. A core principle is that support costs are paid for by Art Fund's portfolio of investments so that the maximum proportion of donated funds can be directed to the causes for which they are given.

With respect to Art Fund's charitable programme, collection building remained the strongest and core part of the Art Fund's activities but there had been increased diversification through the varied activities referred to by Dr Deuchar.

Reserves increased from £49.4 million to £52 million, due in large part to unrealised gains in the investment portfolio offsetting additional draws in reserves in relation to exceptional grant-giving, such as the *Armada Portrait of Elizabeth I*. Overall investment gains in the year were £5.1 million, the portfolio value increasing by over 10 per cent. The accounts had been audited by BDO LLP and signed off as approved by the trustees. Mr Palmer asked the attendees of the AGM to adopt the accounts, which was agreed unanimously.

Item 5 Questions
 Lord Smith of Finsbury

The Chairman thanked Mr Palmer for his presentation and opened the floor for questions.

Ms Balion asked what was meant by restricted appeals and Dr Deuchar explained it was income raised for a specific purpose such as the *Armada* appeal whereas unrestricted income such as membership income could be used for any charitable purpose.

Ms Balion then asked if more money was received than required in such an appeal would it be returned to donors. Dr Deuchar stated that in the appeal for the Wedgwood Collection a reserve fund had been set up as people continued to donate after the appeal had been closed. The fund had been made available to the V&A who were the owners of the Wedgwood Collection. When running a special appeal, donors are always asked to indicate whether in the event that we do not reach our target, or we exceed it, they would prefer their donation was returned to them, but typically donors prefer to nominate that funds will be applied to Art Fund's broader charitable programme.

Mr Chapman asked whether it was expected that membership numbers and therefore income would stop increasing. The Chairman replied that it was planned that Art Fund membership and associated income would continue to increase steadily and that our current target was to reach around 200,000.

Mr Chapman asked when it was thought the 200,000 target would be reached; the chairman indicated an objective to grow to this level over the coming four to five years.

A Speaker asked whether the average age of members was decreasing; Dr Deuchar responded by pointing out that it had decreased by about 17 years since the launch of the Art Pass. Whilst there is an Under 26 Art Pass it was among students that there was a significant opportunity to reach younger audiences.

Mrs Brett commented that there was less information in the Art Fund magazine about regional and provincial galleries. Dr Deuchar responded that he was not aware of a decrease in regional information and explained that *Art Quarterly* is just one of a number of ways in which regional information is publicised including the *Art Guide* and information online.

Ms Snell asked if current life members would benefit from Art Pass Plus One. Ms Carolyn Young, Director of Marketing, indicated that it could be added to life membership and renewed annually. Ordinary members are asked prior to renewal if they would like to include a Plus One in their subscription.

Ms Dalrymple asked, on behalf of members who donate an additional value each month on top of their annual subscription [formerly patrons], about a change in Art Fund cards which used to say "Patron" but now just says "Art Pass". It was clarified that a change was made to membership cards some years ago in 2014 however it was not cost effective to sustain this at the time.

Ms Villiers stated that she was a life member and on checking her details recently it said "Membership: Expired". The Chairman said the entry would be checked.

Ms Balion asked for an explanation of "expenditure is recognised on an accruals basis" and Mr Palmer explained that this describes an accounting concept whereby instead of a cost being recognised when the cash payment is made, the expense recognised in the Statement of Financial Activity over the period to which the expenditure applies.

Ms Balion then asked for an explanation of “net book value” and Mr Nicholas Maynard, Director of Finance & Resources, explained that it is an accounting concept that expresses the deemed value of fixed assets after deduction of accumulated depreciation.

A Speaker asked why there were only 50 members present out of 123,000; the Chairman explained that Art Fund were eager to encourage attendance by holding the event at our offices in Kings Cross at the end of the working day. The event was also publicised online and in Art Quarterly.

A Speaker asked whether it was known how often people used their Art Pass. Dr Deuchar explained that it was tracked through feedback from museums and surveys conducted with members. Membership had grown by 60% since introduction of the Art Pass in 2011.

Item 6 AOB
 Lord Smith of Finsbury

As there were no further questions and no other business the Chairman closed the meeting.