

Eric and Salome Estorick Foundation

Annual Report and Financial Statement



Charity Registration Number: 1046374

Company Limited by Guarantee Registration Number: 03044221

ERIC AND SALOME ESTORICK FOUNDATION

YEAR ENDED 30 JUNE 2023

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FOR THE YEAR ENDED 30 JUNE 2023**

Directors

Michael Estorick (chairman)
Dawn Ades
Jo Cottrell
Alexander Estorick
Isobel Estorick
Kathryn Hunter (appointed 8 November 2022)
Jane McNeill (appointed 8 November 2022)
Martin Owen
Alexander Phillips (appointed 8 November 2022)

Company Secretary Valentino Speziali

Address 39a Canonbury Square
London N1 2AN
www.estorickcollection.com

Company number 03044221

Charity number 1046374

Auditors WMT - Chartered Accountants
4 Beaconsfield Road, St Albans
AL1 3RD

**ERIC AND SALOME ESTORICK FOUNDATION
AUDITOR'S REPORT TO THE MEMBERS OF ERIC & SALOME ESTORICK FOUNDATION
FOR THE YEAR ENDED 30 JUNE 2023**

The Directors and Trustees present their annual report and accounts for the activities of the Eric and Salome Estorick Foundation ("the Foundation") for the year ending 30 June 2023. The accounts have been prepared in accordance with the accounting policies set out on pages 23 to 25 and comply with the Foundation's articles, the Companies Act 2006, applicable law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Second edition) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objective of the Charity and the Constitution

The Foundation is a charity and is constituted as a company limited by guarantee. It is therefore governed by a memorandum and articles of association.

The Foundation's objective and its principal activity is to create and maintain an environment conducive to the appreciation and understanding of modern art, particularly Italian art, through the promotion and display of its permanent collection of works of art and by running a temporary exhibition and education programme.

The Foundation has been funded in the past by the Eric and Salome Estorick Foundation (USA), a Delaware registered corporation which was closed in 2018 and the residual assets were transferred to the Foundation as a permanent endowment. There is also an expendable endowment for the care of the Collection and for the acquisition of works.

The Foundation owns 122 works of art which comprise the museum's permanent collection. 120 of these works had been collected by Eric and Salome Estorick during their lifetimes and were on loan when the museum opened in 1998. They have subsequently either been donated to or purchased by the Foundation. Of the two other works in the permanent collection, one was donated and the other purchased by the Foundation.

The Statement of Financial Activities shows total funds amounting to £14,493,778.

Public Benefit

The Trustees of the Foundation have paid regard to the Charity Commission's published guidance on public benefit. They believe that those who have access to the visual arts derive very real benefit from the experience. The museum seeks to be open and available to all and encourages participation by all. We offer a number of online activities free of charge and work with various charitable organisations in providing courses and activities free of charge or at low cost. Core costs have to be met and therefore with reluctance the museum levies an admission charge. All children up to age 18 and students with valid ID are permitted free entry and there are concessions for People over 60, Registered Disabled, Job Seekers, Museum Association, LondonCulture, Association for Art History, Engage and National Art Pass members.

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Risk Management Policy

The Trustees have identified the main risks to which the Foundation is exposed, the current level of risk and its likely impact, the procedures to be put in place to mitigate the effects of identified risks and the level of residual risk. Any unanticipated risk emerging in the course of the year would be brought to the Board of Trustees for further consideration. The main identified risk is the physical security of the Collection which has been mitigated through a conservation programme, alarms, CCTV cameras, other security measures and insurance.

Reserves Policy

It is the policy of the Foundation to maintain unrestricted funds, which are the free reserves of the Foundation, at a level which equates to approximately nine months of unrestricted expenditure. This provides funds to cover management and administration and support costs and to respond to emergency applications for grants which arise. The total reserves of the charity amounted to £14,493,778 of which unrestricted reserves were £612,905, including fixed assets of £507,283. Additionally there are endowment funds of £13,568,873 including an expendable endowment fund of £7.9m which can be used for the care of the Collection if required. Restricted funds amount to £312,000 relating to fixed assets.

Investments

During the year the investments provided a dividend income of £189,607 and capital gain of £97,486. The total return was £287,093. During the year the investment mix was changed and there was a net disposal of £131,126. The final investment mix was approximately 42% in the iShares Developed World Index Fund (Equities) and 58% in the iShares Overseas Corporate Bond Index Fund.

Governance

The Foundation is directed by a Board of Trustees which meets four or five times a year. The day-to-day decision making is dealt with by the Director who delegates operational matters to the staff team as appropriate. All Directors of the company are also Trustees of the Foundation. The Board of Trustees has power to appoint additional trustees as it considers fit. New trustees receive an induction pack which provides full briefing on the founding documents, current policies, previous annual reports and recent board meeting minutes.

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PRINCIPAL ACTIVITIES

Introduction

The Eric and Salome Estorick Foundation is known to the public as the Estorick Collection of Modern Italian Art (“the Estorick Collection”). It continues to attract attention for its high standard of visitor experience and has established a reputation for its diverse and challenging exhibition programme. The Trustees believe that the Estorick Collection’s unique and pioneering role in the presentation of Italian 20th century art continues to be justified. This is borne out by the consistently high level of recognition and interest which the programme receives from public and critics alike.

The Trustees also aim to ensure that the programme of temporary exhibitions is varied, with a diverse range of artists, including lesser-known artists, being represented and a balance being maintained between monographic and thematic shows. The programme for the past year included an interesting selection of exhibitions and collateral activities that was consistent with the remit of the Foundation by displaying a wide variety of work linked to its collection of Italian 20th century art (see below).

In October 2022, the Estorick Collection was awarded the Visit England Hidden Gem Accolade. It also continues to retain Accredited Museum status from Arts Council England.

The Trustees acknowledge the continuing support of private and public collections in Italy and other countries through their generous loan of works to the museum. The Trustees also acknowledge the contribution of Arts Council England in providing Government Indemnity for those works on loan to the museum.

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Total attendance in 2022/23 was 34,624, an unprecedented figure partly due to the success of the 25th anniversary exhibition dedicated to Giorgio Morandi.

Press and Marketing

Alison Wright PR continued to be responsible for press relations; the media coverage is now extremely well established in Britain and Italy as well as appearing in other international publications. The Giorgio Morandi exhibition received a particularly large number of pieces of coverage which included print and online reviews such as *The Guardian*, *FT*, *The Sunday Times*, *The Daily Telegraph*, *The Spectator* and a number of Italian and international publications.

The museum's social media channels continued to grow throughout the year, promoting the temporary exhibitions as well as the artists, artworks and themes of the permanent collection. Social media were used to increase awareness of the museum and its activities, engaging and reaching both existing and new potential visitors. The number of followers on our Instagram account continued to grow throughout the year, reconfirming the positive trend of recent years. A small but steady growth was recorded on Facebook and X (formerly Twitter).

Followers:	July 2022	July 2023
Facebook	4861	5329
X/Twitter	5299	5469
Instagram	8901	11738

Visitor impressions, collected through surveys, highlighted general satisfaction with regard to temporary exhibitions and the museum. Cross marketing with other museums, festivals and organisations helped in promoting the exhibitions programme as well as the museum.

Printed and digital advertising, as well as leaflet distribution, was used to promote the exhibitions held at the museum during the year. Outdoor advertising campaigns were carried out for the exhibitions *Archipenko and the Italian Avant Garde*, *Luigi Pericle: A Rediscovery* and *Giorgio Morandi: Masterpieces from the Magnani-Rocca Foundation*.

Saturday Gallery Talks were held during *Archipenko and the Italian Avant Garde*, and during *Luigi Pericle: A Rediscovery*. Due to the popularity of the Giorgio Morandi exhibition a series of out-of-hours public tours were organised on Saturday mornings which proved to be very popular.

On 28 January 2023, on the occasion of the 25th anniversary of the opening of the Estorick Collection, a series of special events were held at the museum featuring family activities, guided tours and Q&A with the curators.

Two online talks were held during the year (*On the Avant Garde and National Art: Alexander Archipenko in Dialogue with his Brother* and *Giorgio Morandi in the Magnani-Rocca Collection*). A series of five late opening nights were organised during the summer and autumn. From January 2023 onwards the museum opened until 20.00 every Thursday. A special tour for London Art Fair VIPs took place in January.

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During the Morandi exhibition two special evening talks took place, *Giorgio Morandi: The Uncertain Object* and *You looking at Morandi, Morandi looking back at you – A Night with Giorgio Morandi and Humphrey Ocean RA*. As part of our programme of events, the museum also held two wine tasting nights which proved to be very successful. In June 2023, the museum hosted a UK exclusive screening of *Formidable Boccioni*, a 54-minute documentary on the life and art of Umberto Boccioni.

Membership Scheme

The total membership at the end of June 2023 was 995, an increase of 244 from June 2022. Total membership comprises the following: 29 Life members, 123 Contributing members, 138 Joint memberships, 184 Joint Concession memberships, 222 Individual members and 299 Individual Concession members. 344 New memberships were taken out during the year.

Retention rate for returning members was 79% with a number of previously lapsed members also renewing. In 2022/23, the membership scheme saw the largest growth for a number of years, particularly boosted by the popular Morandi exhibition. The total membership reaching just 5 short of 1000 can be considered a particular success given the post-pandemic low of 573 reported just two years ago.

Learning/Education

The education programme continued to offer workshops for schools, universities, and community groups to explore themes in the temporary exhibitions and permanent collection in both English and Italian. Free twenty-minute guided tours and paid forty-minute tours were provided to a range of charity and community groups, schools, colleges and universities. Family Art Days and Under 5 sessions were programmed in the school holidays for each exhibition and a series of Adult Art Classes in the evenings. Our long-term partnership continued with Stuart Low Trust giving the participant the opportunities to socialise and support their well-being.

During the Giorgio Morandi exhibition the number of event raised significantly, 10 special out of hours guided tours were offered with a total of 275 participants, 14 adult guided tours, 9 evening art classes and 14 school workshops and tours.

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Exhibitions

Archipenko and the Italian Avant Garde

4 May 2022 - 4 September 2022



This ambitious exhibition proposed an alternative history of modernism by retracing the relationship between Alexander Archipenko and the masters of the Italian avant garde.

Born in Kyiv, Archipenko (1887-1964) was one of the twentieth century's most influential sculptors. He spent time in Moscow before settling in Paris in 1909, where he developed an emphatically modern interpretation of sculpture under the influence of Cubist imagery. Between 1911 and 1912 he created a number of truly original works in which human figures were broken down into sections that seemed to move in circles and spirals upon themselves.

These works immediately caught the eye of Futurists such as Umberto Boccioni, who would refer to Archipenko repeatedly in his writings on sculpture. Equally influential was the artist's investigation of negative space in sculptural form and his construction of 'sculpto-paintings' incorporating brightly painted elements in high relief.

After the First World War, Archipenko's work became a formal reference point for the new generation of Futurists working in Italy. Among these were Mino Rosso and Thayah (Ernesto Michahelles) who adopted Archipenko's fluid, streamlined forms in their own 'aerosculptures' of the 1930s. Pioneering the 'biomorphic' approach adopted by many figures belonging to Marinetti's movement at this time, Archipenko's example suggested to young Italian artists how they might keep the avant-garde flame alight in the face of the prevailing 'Return to Order', which emphasised more traditional artistic values. Archipenko's work also informed the iconography of Metaphysical

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painting, his mannequin-like figures having caught the attention of artists such as Giorgio de Chirico and Carlo Carrà.

This exhibition, juxtaposing works by Archipenko with imagery by a range of painters and sculptors, was curated by Dr Maria Elena Versari, Visiting Professor of Art History and Theory at Carnegie Mellon University, and with the cooperation of The Alexander Archipenko Foundation.
Attendance: 6,155

**Luigi Pericle: A Rediscovery
14 September 2022 - 18 December 2022**



Luigi Pericle (1916-2001) was a fascinating and singular artist. A Swiss painter of Italian origin, he was also an illustrator, writer and a scholar of esoteric philosophies such as astrology, theosophy and alchemy. During the early 1960s his intense, enigmatic and multilayered imagery was the subject of numerous exhibitions in Britain, where it was greatly admired by important figures such as Herbert Read and Ben Nicholson.

Pericle's works – characterised by sweeping, calligraphic brushstrokes – established him as a key protagonist of post-war abstraction, yet in 1965, at the peak of his success, he suddenly withdrew from the art world. For the remainder of his career Pericle dedicated himself to his philosophical studies and to the creation of luminous, complex artworks in which cosmic forces and transcendental psychic states were explored through a highly personal repertoire of geometric forms and mystical, totemic symbols.

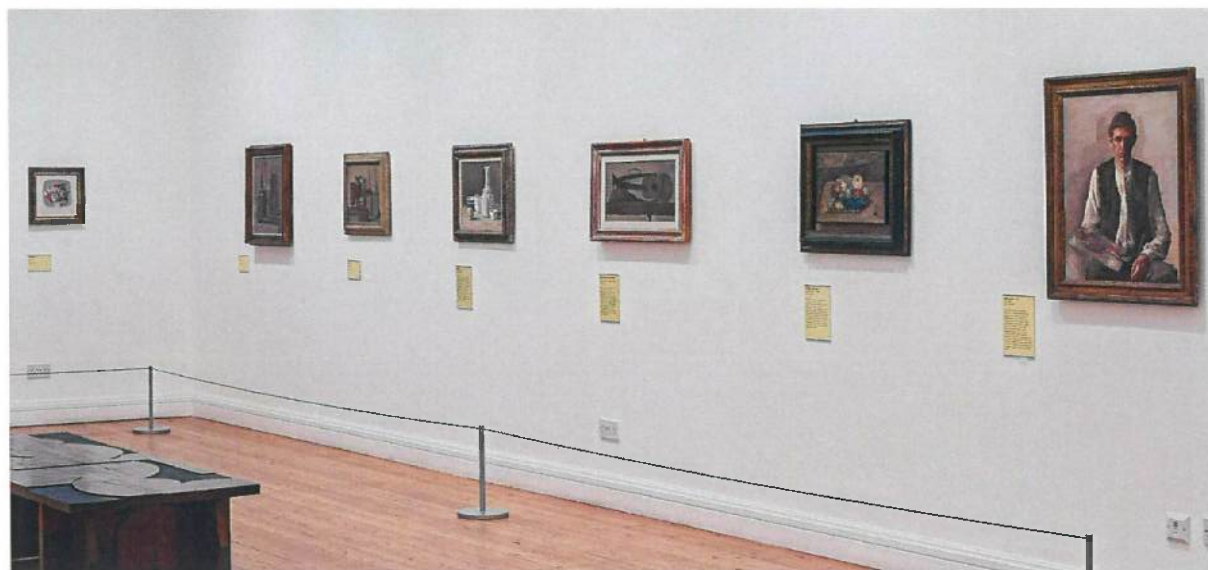
Having fallen into oblivion for several decades, his work was dramatically rediscovered in 2016 with the purchase of the artist's former residence, which proved to be an immense treasure trove of paintings and graphic works. The process of restoring, cataloguing and researching this vast oeuvre

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is ongoing, and is overseen by Ascona's Archivio Luigi Pericle, with which this career-spanning retrospective has been organised.

Attendance: 4,187

**Giorgio Morandi: Masterpieces from the Magnani-Rocca Foundation
6 January 2023 - 28 May 2023**



To mark its 25th anniversary, the Estorick Collection presented a major exhibition of works by Giorgio Morandi. For the first time, the entire collection of 50 paintings and works on paper by the artist belonging to Italy's Magnani-Rocca Foundation was on show in the UK.

Best known for his enigmatic still lifes, Morandi is today widely recognised as one of the most significant figures of modern Italian art – and certainly one of the most beloved. Often considered to have been something of a recluse, he was in fact at the centre of contemporary artistic debate and actively engaged with many of the most important national trends and movements of his day, from Futurism to Metaphysical Art. His distinctive mature style is renowned for its masterful treatment of light, exquisite tonal subtleties and exploration of the boundary between abstract and figurative imagery.

Luigi Magnani (1906-1984) was one of Morandi's most prominent patrons and a close personal friend. Having first seen his work in 1939, he was introduced to the artist the following year by the critic Cesare Brandi. The first pieces acquired by Magnani were three etchings given to him by the artist shortly after their first meeting. Over the following 20 years he went on to acquire works spanning Morandi's entire career.

This unique and highly personal collection featured a number of extremely rare works, including a self portrait, a Metaphysical composition and the only painting Morandi was ever commissioned to

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create. Several drawings and watercolours – masterpieces of concision – were also on display, in addition to a large number of the artist's etchings.

Attendance: 25,044

**Oswaldo Licini: Rebellious Angel
14 June 2023 - 10 September 2023**



Oswaldo Licini (1894-1958) produced some of the most distinctive and idiosyncratic imagery in the history of twentieth-century Italian art. His early years were spent in Bologna, where he met Giorgio Morandi and experienced a fleeting interest in Futurism. Between 1917 and 1926 he divided his time between Italy and Paris, moving in the avant-garde circles of artists such as Modigliani and Picasso. On returning to Italy in the mid-1920s he established himself as a figurative painter of portraits and landscapes. However, early the following decade he abruptly changed direction and adopted a geometric-abstract vocabulary, developing a style infused with a sense of playfulness and poetry recalling that of Paul Klee. Together with artists such as Lucio Fontana and Fausto Melotti, Licini showed work at Milan's important Il Milione gallery, and was associated with the international Abstraction Création group.

Having always been ill-disposed toward Mussolini's regime, during the Second World War Licini withdrew into the isolation of his hometown of Monte Vidon Corrado, in the rolling landscape of Italy's Marche region. There, his style once again underwent a dramatic shift, and he embarked on a series of highly imaginative works populated by fantastical characters such as 'rebellious angels', 'flying Dutchmen' and an enigmatic, moon-like presence he named 'Amalassunta'. Licini died in 1958, the year of a major exhibition of his work at the Venice Biennale, where he was recognised as a modern master.

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The first show to be dedicated to Licini by a British museum, curated by Mattia Patti, *Oswaldo Licini: Rebellious Angel* explored every phase of the artist's endlessly creative career, presenting around fifty of his most significant and characteristically exuberant paintings.

Attendance: 5,011

Special Display – Gallery 6

**Andrew Green: Rural Italian Towns and Villages + the Spaces in Between
13 July 2022 - 4 September 2022**

On the top floor of the museum, photographer Andrew Green presented his evocative images focusing on small towns in Umbria and Lazio. These quiet, anonymous, often deserted places might appear unexceptional, yet they have a poetry of their own to which some of the artists in the Estorick Collection – Giorgio Morandi, Ottone Rosai and Giorgio de Chirico – have also responded.



Caffè Estorick

In July 2022 the Caffè was relaunched as part of the collection. The space was redesigned making it feel more welcoming and more in keeping with the aesthetic of the museum. The food on offer has been updated and includes a choice of Italian dishes, focaccia, cakes and a selection of quality wines and cocktails as well as Italian coffee and teas.



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Gallery Hire

Twelve private events were held at the museum during the year, raising £9,122.50 in hire fees and £8,484.00 in catering income. Five of the events were private parties, three were networking events, two meetings, and two were social events including a tour. Venue hire interest has returned to a more normal level after two very quiet years. The ability to offer in-house catering that the Collection has control over and raises income from has made the programme both more on-brand and more lucrative than in the past.



Staffing

Roberta Cremoncini, continued in her role as Director and to be responsible for the running of the Collection. Chris Adams continued as Assistant Curator, on a part-time basis (three days per week). Luke Alder continued as full-time Museum Administrator and Claudia Zanardi as full-time Marketing Coordinator. Marco Timillero is the Shop and Volunteers Manager and Amanda Williams continued as Office Assistant. The museum also uses the services of a freelance book-keeper. Jenny Pengilly left her position in October 2022 and Carlo Corsato replaced her as part-time Education Coordinator (4 days per week).

A rotating pool of volunteers are present in the galleries and in the shop during opening hours. A series of volunteers and interns have joined for short periods of time to help in the office and remotely on various specific tasks. Volunteer briefings led by gallery staff are held at the start of each exhibition. The Trustees are most grateful for the dedication and contribution made by staff and volunteers.

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Staff salaries are reviewed by the Board on an annual basis, a performance related bonus scheme is not in operation.

Shop

The shop continues to offer a selection of catalogues and art books, together with a range of gifts, postcards and posters.

Library

The Library remains a valuable research tool for students and people interested in modern Italian art. Acquisitions were limited but a number of relevant books were received as gifts or in reciprocal exchange with other institutions. This is helping to keep the library up to date with new publications in relevant areas and the current holdings are 3,458 books and catalogues.

Future Programme

Following the Osvaldo Licini exhibition, at the end of summer 2023, the Estorick Collection presents an exhibition of photographs by Lisetta Carmi until the end of the year.

Directors and Trustees

All Directors of the company are also Trustees of the Foundation. The Board of Directors has power to appoint additional Trustees as it considers fit to do so.

All Trustees named below served during the year:

Dawn Ades
Jo Cottrell
Alexander Estorick
Isobel Estorick
Michael Estorick (chairman)
Kathryn Hunter
Jane McNeill
Martin Owen
Alexander Phillips

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Statement of Trustees' responsibilities

The Trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

Statement as to disclosure of information to auditors

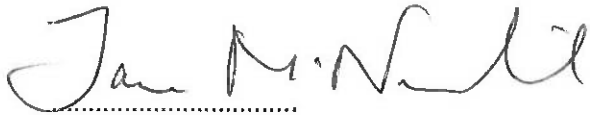
The Trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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Auditors

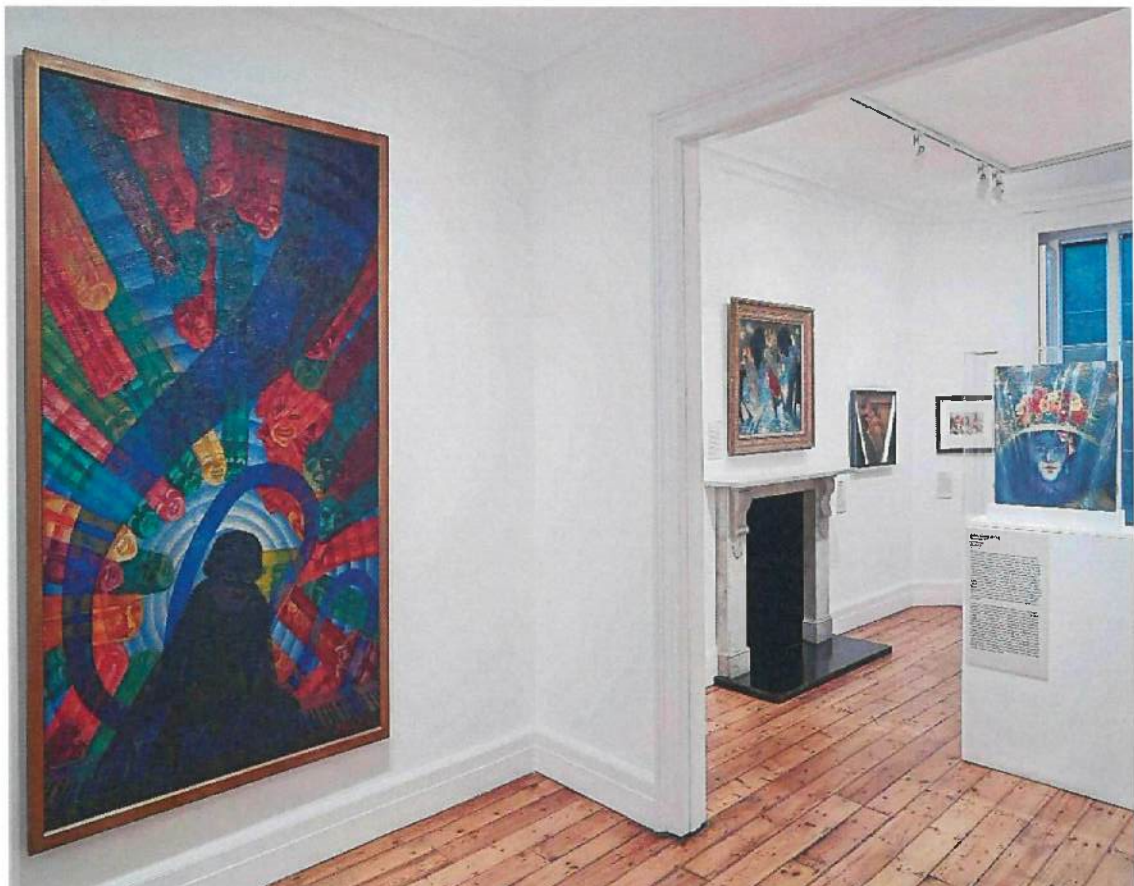
WMT - Chartered Accountants were appointed auditors to the Foundation and a resolution proposing their reappointment will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



Co-Chair

Date: 27/3/24



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Opinion

We have audited the financial statements of The Eric and Salome Estorick Foundation (the 'charitable company') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's responsibilities for the audit of the financial statements

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

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

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Charity Law and Tax and Pensions legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, data protection, health and safety legislation and employment law.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

**ERIC AND SALOME ESTORICK FOUNDATION
AUDITOR'S REPORT TO THE MEMBERS OF ERIC & SALOME ESTORICK FOUNDATION
FOR THE YEAR ENDED 30 JUNE 2023**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

Use of our report

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

WMT.

Elizabeth Wicks (Senior Statutory Auditor)
for and on behalf of
WMT Chartered Accountants and Statutory Auditors
4 Beaconsfield Road, St Albans
AL1 3RD

Date: 27 March 2024

**ERIC AND SALOME ESTORICK FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	As restated Total Funds 2022
		£	£	£	£	£
INCOME & ENDOWMENTS FROM:						
Donations & legacies	2	6,211	13,200	-	19,411	22,024
Charitable activities	3	441,033	-	-	441,033	152,944
Investments	4	-	-	189,607	189,607	161,573
Other	5	38,377	-	-	38,377	10,030
Total		485,621	13,200	189,607	688,428	346,571
EXPENDITURE ON:						
Raising funds	6	76,637	-	-	76,637	35,180
Charitable activities	7	614,290	26,200	-	640,490	467,930
Total		690,927	26,200	-	717,127	503,110
Net gains on investments	13	-	-	97,486	97,486	(573,047)
Net income / (expenditure)		(205,306)	(13,000)	287,093	68,787	(729,586)
Transfers between funds	17	319,607	-	(319,607)	-	-
Net movement in funds		114,301	(13,000)	(32,514)	68,787	(729,586)
Reconciliation of funds						
Total funds brought forward as restated		498,604	325,000	13,601,387	14,424,991	15,154,577
Total funds carried forward		612,905	312,000	13,568,873	14,493,778	14,424,991

**ERIC AND SALOME ESTORICK FOUNDATION
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	Revised
	£	2022
		£
INCOME		
Donations & legacies	19,411	22,024
Charitable activities	441,033	152,944
	<hr/>	<hr/>
Gross income	460,444	174,968
	<hr/>	<hr/>
EXPENDITURE		
Raising funds	76,637	35,180
Charitable activities	640,490	467,930
	<hr/>	<hr/>
Total expenditure	717,127	503,110
	<hr/>	<hr/>
Net income/(expenditure) before taxation for the financial year	(256,683)	(328,142)
Tax recoverable	38,377	10,030
	<hr/>	<hr/>
Net income / (expenditure) for the financial year	(218,306)	(318,112)
	<hr/>	<hr/>

The prior year figures have been restated due to a transposition and therefore a casting error has occurred. This is for disclosure purposes only. It has no effect on the net funds.

Notes to the summary income and expenditure account

- i. The summary income and expenditure account is required to meet the accounting requirements of the Companies Act 2006 and presents in a different format amounts included in the Statement of Financial Activities, but excluding the endowment fund.


**ERIC AND SALOME ESTORICK FOUNDATION
BALANCE SHEET
AS AT 30 JUNE 2023**

	Notes	2023	As restated 2022
		£	£
FIXED ASSETS			
Tangible assets	11	819,283	856,656
Heritage assets	12	5,696,200	5,696,200
Investments	13	7,821,171	7,853,685
		<u>14,336,654</u>	<u>14,406,541</u>
CURRENT ASSETS			
Stocks	14	17,989	15,462
Debtors	15	82,103	52,460
Cash at bank and in hand		<u>153,835</u>	<u>14,711</u>
		<u>253,927</u>	<u>82,633</u>
Creditors: amounts falling due within one year	16	<u>(96,803)</u>	<u>(64,183)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>157,124</u>	<u>18,450</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,493,778</u>	<u>14,424,991</u>
FUNDS OF THE CHARITY			
Unrestricted funds	17	612,905	498,604
Restricted funds	17	312,000	325,000
Endowment funds	17	<u>13,568,873</u>	<u>13,601,387</u>
TOTAL CHARITY FUNDS		<u>14,493,778</u>	<u>14,424,991</u>

In accordance with s454 of the Companies Act 2006 the Directors may amend these financial statements if they subsequently prove to be defective.

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime and in accordance with FRS102 SORP.

These financial statements were approved by the Board of Directors and Jane McNeill was authorised by the Board to sign on their behalf:



Co-Chair

Date: 27/3/24

Company registration no. 03044221

Charity registration no. 1046374

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	£	£
Cash flows from operating activities		
Net income for the year	68,787	(729,586)
Adjustments for:		
Depreciation on tangible fixed assets	39,148	37,543
(Gain) on investments	(98,613)	573,047
Income from investments	(189,607)	(161,573)
Disposal proceeds from the sale of investments	1,681,126	30,000
(Increase)/decrease in stock	(2,527)	410
(Increase)/decrease in debtors	(29,643)	(16,840)
Increase/(decrease) in creditors	32,621	7,623
	<hr/>	<hr/>
Net cash (used in) operating activities	(1,501,292)	(259,376)
	<hr/>	<hr/>
Cash flows from investing activities		
Income from investments	189,607	161,573
Purchase of tangible fixed assets	(1,775)	(29,992)
Purchase of investments	(1,550,000)	-
	<hr/>	<hr/>
Net cash provided by investing activities	(1,362,168)	131,581
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	139,124	(127,795)
Cash and cash equivalents at the beginning of the year	14,711	142,506
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	153,835	14,711
	<hr/>	<hr/>
Cash and cash equivalents is made up of the following:		
Cash at bank and in hand	153,835	14,711
Total	153,835	14,711
	<hr/>	<hr/>

Analysis of changes in net debt

	At 1 July 2022	Cash flow	At 30 June 2023
	£	£	£
Cash at bank	<u>14,711</u>	<u>139,124</u>	<u>153,835</u>

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The Foundation meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, modified by the revaluation of investments, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Second edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with SORP 2015 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies (see note 1.15)

These financial statements are presented in Sterling as that is the currency of the primary economic environment in which the Charity operates.

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that it will be received and the amount can be quantified with reasonable accuracy. All income is gross without deduction for related expenditure. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receipt is probable.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.

Income is stated net of VAT where applicable.

1.3 Grants receivable

Grants, including government grants, are recognised on a receivable basis and are deferred only when the donor has imposed pre-conditions on the use of the grant.

1.4 Funds

The Foundation's funds consist of unrestricted, restricted and endowment funds. The Foundation may use unrestricted amounts at its discretion in furtherance of the charity's objectives. Restricted and endowment funds represent funds which are to be used in accordance with the donor's wishes.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1.5 Tangible fixed assets and depreciation

Tangible fixed assets, other than heritage assets, are stated at historical cost less depreciation. Depreciation is charged to the SOFA to write off the cost less estimated residual value of each asset over its expected useful life at the following rates:

Freehold Property	Over 50 years
Property Improvements	Over 50 years
Other assets	Over 4 years

1.6 Donated heritage assets

Works of art that are donated specifically for the furtherance of the objectives of the Foundation are recognised in the financial statements at their deemed cost being their fair value at the point of acquisition. Where information on the original 'cost' of assets transferred to the Foundation is unavailable those assets are not recognised in the financial statements however information on such assets is included in the notes to the financial statements. No depreciation is charged on heritage assets as they are considered to have an indefinite life however they are reviewed annually for impairment.

1.7 Stock

Stock is stated at the lower of cost and selling price less costs to sell. All items which are greater than 3 years old are written off at the end of each financial year.

1.8 Resources expended

Expenditure is recognised on an accruals basis as liabilities are incurred. Expenditure is recognised net of VAT where applicable.

- Charitable expenditure comprised those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transaction. All differences are taken to the statement of financial activities.

1.10 Financial Instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as debtors and creditors.

Financial instruments are initially measured at transaction value. They are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the SoFA.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1.11 Debtors

Short term debtors are measured at transaction price less any impairment losses.

1.12 Creditors

Creditors and provisions are recognised where the Foundation 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.

1.13 Investments

Investments are carried at market values ruling at the balance sheet date with unrealised gains and losses being included in the statement of financial activities. Realised gains and losses are calculated on proceeds less opening market value.

1.14 Going concern

The trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.15 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates. There were no material estimations necessary other than the decision on depreciation rates.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
Voluntary Income				
Donations	6,211	13,200	-	19,411
	<u>6,211</u>	<u>13,200</u>	<u>-</u>	<u>19,411</u>
Total				
				2022 Total £
Donations	12,095	9,929	-	22,024
	<u>12,095</u>	<u>9,929</u>	<u>-</u>	<u>22,024</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £	2022 Total Unrestricted £
Shop Sales	110,272	-	-	110,272	47,112
Café contributions	119,331	-	-	119,331	2,411
Education	15,275	-	-	15,275	7,120
Other income	2,767	-	-	2,767	6,764
Fees receivable- admissions and membership	184,839	-	-	184,839	83,907
Rent receivable- gallery hire	8,549	-	-	8,549	5,630
	<u>441,033</u>	<u>-</u>	<u>-</u>	<u>441,033</u>	<u>152,944</u>
Total					

4. INCOME FROM INVESTMENTS

All investment income arises from the investments in the BlackRock Dynamic Diversified Growth Fund, iShares Overseas Corporate Bond Index Fund and iShares Developed World Index Fund and relates to endowment funds.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

5. OTHER INCOME

Other income relates to Museums and Galleries Exhibition Tax Relief which is an amount receivable under an HMRC scheme whereby qualifying entities may claim a 20-25% subsidy on the costs of producing permanent, temporary and touring exhibitions up to a specified limit per exhibition. It also includes

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total	2022 Total Unrestricted
	£	£	£	£	£
Advertising and trade subscriptions	4,095	-	-	4,095	4,685
Opening stock	15,462	-	-	15,462	15,872
Shop purchases	39,386	-	-	39,386	23,537
Closing stock	(17,989)	-	-	(17,989)	(15,462)
Cultivation events and café expenses	35,683	-	-	35,683	4,748
Catalogue expenses	-	-	-	-	1,800
Total	76,637	-	-	76,637	35,180

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total	2022 Total
	£	£	£	£	£
Gross salaries and employer NIC	268,157	-	-	268,157	207,113
Temporary exhibitions	185,572	13,200	-	198,772	111,166
Printing, postage and stationery	3,626	-	-	3,626	2,309
Utilities	13,345	-	-	13,345	8,080
Collection insurance	33,031	-	-	33,031	28,789
Rates	5,773	-	-	5,773	5,175
Education materials	2,517	-	-	2,517	1,259
Telephone and fax	2,396	-	-	2,396	1,818
Travel and subsistence	1,322	-	-	1,322	678
Cleaning	4,775	-	-	4,775	4,116
Library collections	66	-	-	66	39
Building maintenance	12,456	-	-	12,456	10,752
Security	2,011	-	-	2,011	1,309
Depreciation	26,148	13,000	-	39,148	37,543
Internet and website	1,291	-	-	1,291	2,773
Irrecoverable VAT	7,564	-	-	7,564	15,051
Foreign exchange	3,110	-	-	3,110	1,290
Governance (note 8)	41,130	-	-	41,130	28,670
Total	614,290	26,200	-	640,490	467,930

In 2023, temporary exhibition costs of £13,200 (2022: £9,929) and depreciation costs of £13,000 (2022: £13,000) were restricted costs. All other costs were unrestricted.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. GOVERNANCE COSTS

	Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total	2022 Total Unrestricted
	£	£	£	£	£
Accountancy	10,947	-	-	10,947	8,848
Legal and professional fees	7,744	-	-	7,744	8,824
Audit fee	13,050	-	-	13,050	8,186
Bank Charges	9,389	-	-	9,389	2,812
Total	41,130	-	-	41,130	28,670

9. NET INCOMING RESOURCES BEFORE TRANSFERS

	2023 Total £	2022 Total £
Net incoming resources before transfers are stated after charging:		
Depreciation	39,148	37,543
Auditors' remuneration	13,050	8,186
Fees for other services	10,947	8,824

10. EMPLOYEES

	2023 Total £	2022 Total £
Salary and wages	248,921	190,910
National insurance contributions	14,752	12,944
Pension	4,484	3,959
Total	268,157	207,813

Average number of employees 11 8

There was one employee during the year with emoluments between £60,000 and £70,000 (2022: one).

There is one member of key management (2022: one). Her gross salary, employer pension contributions and employer's national insurance amounted to £75,288 (2022: £70,336).

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

11. TANGIBLE FIXED ASSETS

	Freehold Property	Property Improvements	Website Redesign	Other	Total
<i>Cost</i>	£	£	£	£	£
At 1 July 2022	538,578	971,209	59,845	50,970	1,620,602
Additions	-	-	-	1,775	1,775
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2023	538,578	971,209	59,845	52,745	1,622,377
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 July 2022	282,756	396,180	40,050	44,960	763,946
Charge for the year	10,772	19,424	6,794	2,158	39,148
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2023	293,527	415,605	46,844	47,118	803,094
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2023	245,051	555,604	13,001	5,627	819,283
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	255,822	575,029	19,795	6,010	856,656
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

12. HERITAGE ASSETS

	2023	2022
	£	£
Cost at 1 July 2022	5,696,200	5,696,200
	<hr/>	<hr/>
Cost at 30 June 2023	5,696,200	5,696,200
	<hr/>	<hr/>

During the year to 30 June 2017, a collection of 68 works of Italian art with a deemed cost of £4,366,200 were donated to the Foundation by the Eric and Salome Estorick Foundation (USA). During the year to 30 June 2018, a further work of Italian art with a deemed cost of £400,000 was donated to the Foundation by the Eric and Salome Estorick Foundation (USA). These have been recognised in the Balance Sheet. There has been no change to the cost of heritage assets held since 30 June 2018.

In addition, a further 53 works of art are owned by the Foundation. Of these 53 works the 10 that were donated in 1999 are not included in the Balance Sheet because it was not a requirement at that time. The remaining 38 works have been included at the valuations applicable at the time of transfer, being £930,000. The whole collection has an insurance value of approximately £45m.

The collection brings together some of the finest and most important works created by Italian artists during the first half of the twentieth century and includes paintings, drawings and sculptures. The Foundation does not presently actively seek to acquire works for the collection, and seeks to avoid disposal of works in the collection in all but exceptional circumstances, as detailed in the Collection Development Policy. The Foundation aspires to the highest standard of care in preserving the collection, in line with the Care and Conservation Policy, relying on a combination of preventative and remedial conservation work.

As well as the collection owned by the Foundation there are also a number of works on long term loan to the collection.

The collection is open to the public and educational tours are encouraged.

13. INVESTMENTS

	2023	2022
	£	£
Brought forward at 1 July 2022	7,853,685	8,456,731
Investment additions	1,550,000	-
Investment disposals	(1,681,126)	(30,000)
Investment realised gains/(losses)	250,110	6,072
Investment change in valuation	(151,497)	(579,118)
	<hr/>	<hr/>
Market value carried forward at 30 June 2023	7,821,171	7,853,685
	<hr/>	<hr/>

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

13. INVESTMENTS (continued)

Details of material investments held at the year-end are as follows:

Market Value	2023	2022
	£	£
Dynamic Diversified Growth Fund	-	1,636,090
iShares Overseas Corporate Bond Index Fund	4,507,965	3,960,888
iShares Developed World Index Fund	3,313,206	2,256,707
	<hr/>	<hr/>
	7,821,171	7,853,685
	<hr/>	<hr/>
Cost	2023	2022
	£	£
Dynamic Diversified Growth Fund	-	1,430,827
iShares Overseas Corporate Bond Index Fund	4,875,000	4,100,000
iShares Developed World Index Fund	3,245,432	1,695,432
	<hr/>	<hr/>
	8,120,432	7,226,259
	<hr/>	<hr/>
14. STOCK	2023	2022
	£	£
Book stock	17,989	15,462
	<hr/>	<hr/>
15. DEBTORS	2023	2022
	£	£
Prepayments and accrued income	37,379	38,404
Trade debtors	6,108	2,767
Tax relief	38,376	10,030
VAT debtor	-	1,019
Other debtors	240	240
	<hr/>	<hr/>
	82,103	52,460
	<hr/>	<hr/>

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	As restated
	£	2022
		£
Trade creditors	40,651	17,386
Taxation and social security	3,427	6,094
Loan	30,000	30,000
Other creditors and accruals	22,725	10,703
	<hr/>	<hr/>
	96,803	64,183
	<hr/>	<hr/>

The accounts have been restated to incorporate the reclassification of funds received from a foreign trust as a loan. The change has resulted in an increase of creditors (amounts falling due within one year) by £30,000 for the year ended 30 June 2022 and a commensurate reduction in total charity funds for the same period.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

17. MOVEMENT OF FUNDS

	As restated Balance 1.7.2022	Income	Expenditure	Gains/ (losses)	Transfers	Balance 30.6.2023
	£	£	£	£		£
UNRESTRICTED	498,604	485,621	(690,927)	-	319,607	612,905
RESTRICTED						
Heritage Lottery	325,000	-	(13,000)	-	-	312,000
Archivio Luigi Pericle	-	13,200	(13,200)	-	-	-
	<u>325,000</u>	<u>13,200</u>	<u>(26,200)</u>	<u>-</u>	<u>-</u>	<u>312,000</u>
ENDOWMENT						
Heritage asset	13,549,885	189,607	-	97,486	(319,607)	13,517,371
Eric and Salome Estorick Foundation (USA) - B	51,502	-	-	-	-	51,502
	<u>13,601,387</u>	<u>189,607</u>	<u>-</u>	<u>97,486</u>	<u>(319,607)</u>	<u>13,568,873</u>
TOTAL	<u>14,424,991</u>	<u>688,428</u>	<u>(717,127)</u>	<u>97,486</u>	<u>-</u>	<u>14,493,778</u>

	Balance 1.7.2021	Income	Expenditure	Gains/ (losses)	Transfers	Prior year adjustment	As restated Balance 30.6.2022
	£	£	£	£			£
UNRESTRICTED	642,143	175,069	(480,181)	-	191,573	(30,000)	498,604
RESTRICTED							
Heritage Lottery	338,000	-	(13,000)	-	-	-	325,000
Italian Cultural Institute	-	1,800	(1,800)	-	-	-	-
Lakonishok Foundation	-	8,129	(8,129)	-	-	-	-
	<u>351,000</u>	<u>9,929</u>	<u>(22,929)</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>325,000</u>
ENDOWMENT							
Heritage asset	14,152,932	161,573	-	(573,047)	(191,573)	-	13,549,885
Eric and Salome Estorick Foundation (USA) - D	51,502	-	-	-	-	-	51,502
	<u>14,204,434</u>	<u>161,573</u>	<u>-</u>	<u>(573,047)</u>	<u>(191,573)</u>	<u>-</u>	<u>13,601,387</u>
TOTAL	<u>15,184,577</u>	<u>346,571</u>	<u>(503,110)</u>	<u>(573,047)</u>	<u>-</u>	<u>(30,000)</u>	<u>14,424,991</u>

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

17. MOVEMENT OF FUNDS (continued)

UNRESTRICTED FUNDS:

Unrestricted funds are the free reserves of the Foundation.

RESTRICTED FUNDS:

Heritage Lottery Fund: represents £650,000 awarded to the Foundation in 1997 for the purpose of restoring Northampton Lodge. The funds were spent in 1997 and 1998. £13,000 yearly depreciation is charged to the fund over 50 years as per accounting policy. The fund will be exhausted in year 2047.

Arts Council: represents funds received to contribute towards the Make Futurism Great Again exhibition.

ENDOWMENT FUNDS:

Heritage asset endowment fund. The heritage asset endowment funds initially arose as the result of the disposal of one of the Foundation's heritage assets. Although the policy of the Foundation is to retain heritage assets for the benefit of the Collection, it was decided that, given the exceptional circumstances, one of the paintings held as a donated heritage asset (though not previously capitalised) should be sold in order to generate cash funds for the Collection and for funding future acquisitions. These funds were invested and the market valuation of the investment funds as at 30 June 2023 is £7,821,171 (2022: £7,853,685). Upward movement of the market value of the endowment funds is £98,613 (2022: downward movement of £573,047). In 2007, 2017 and 2018 a number of artworks were transferred/ donated to the Foundation (see note 12) and were added to this endowment fund.

Eric and Salome Estorick Foundation (USA) – D: represents funds received from Eric and Salome Estorick Foundation (USA) for investment.

The endowment funds are all expendable endowments other than Fund D above which is a permanent endowment fund. Under the terms of the consent for Fund D granted by Eric and Salome Estorick Foundation (USA) the principal amount invested must remain intact, and only investment income, not exceeding 5% of the principal may be transferred to unrestricted income each year.

During the year £319,607 (2022: £191,573) was transferred from the endowment fund to unrestricted funds. Of this £189,607 (2022: £161,573) was investment income and £130,000 (2022: £30,000) was drawn down from the investment fund.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS AND RESERVES

Fund balances are represented by:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023
	£	£	£	£
Fixed Assets	507,283	312,000	13,51,371	14,336,654
Current Assets	202,425	-	51,502	253,927
Current Liabilities	(96,803)	-	-	(96,803)
	<u>612,905</u>	<u>312,000</u>	<u>13,568,873</u>	<u>14,493,778</u>
At 30 June 2023				

	As restated Unrestricted Funds	Restricted Funds	Endowment Funds	As restated Total Funds 2022
	£	£	£	£
Fixed Assets	531,656	325,000	13,549,885	14,406,541
Current Assets	31,113	-	51,502	82,663
Current Liabilities	(3,183)	-	-	(64,183)
	<u>528,604</u>	<u>325,000</u>	<u>13,601,387</u>	<u>14,424,991</u>
At 30 June 2022				

20. FINANCIAL INSTRUMENTS

As noted in the accounting policies on page 23, the Foundation only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as debtors and creditors.

The investments of the Foundation are financial assets measured at fair value through the Statement of Financial Activities (see note 13)

21. DIRECTORS/TRUSTEES' REMUNERATION AND EXPENSES

The aggregate amount of reimbursed expenses paid to the Directors/Trustees was £nil (2022: £nil).

No Director/Trustee received any remuneration in the year.

22. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

23. CAPITAL STRUCTURE

The Foundation ("The Company") is limited by guarantee and does not have share capital. Each member's liability shall not exceed £10 in the event of a winding up.

24. CONTROLLING PARTY

No single party has ultimate control over the Foundation.

25. PRIOR YEAR ADJUSTMENT

In 2003 a loan of £30,000 was made to the Foundation. This was incorrectly treated as a donation and has been corrected in the 2023 financial statements. The impact on the prior year balance sheet was an increase in liabilities of £30,000 and a decrease in unrestricted reserves of £30,000. There was no impact on the income or expenditure in the year to 30 June 2022.

**ERIC AND SALOME ESTORICK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2022

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022
		£	£	£	£
INCOME & ENDOWMENTS FROM:					
Donations & legacies	2	12,095	9,929	-	22,024
Charitable activities	3	152,944	-	-	152,944
Investments	4	-	-	161,573	161,573
Other	5	10,030	-	-	10,030
		<hr/>	<hr/>	<hr/>	<hr/>
Total		175,069	9,929	161,573	346,571
		<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURE ON:					
Raising funds	6	35,180	-	-	35,180
Charitable activities	7	445,001	22,929	-	467,930
		<hr/>	<hr/>	<hr/>	<hr/>
Total		480,181	22,929	-	503,110
		<hr/>	<hr/>	<hr/>	<hr/>
Net gains on investments	13	-	-	(573,047)	(573,047)
		<hr/>	<hr/>	<hr/>	<hr/>
Net income / (expenditure)		(305,112)	(13,000)	(411,474)	(729,586)
		<hr/>	<hr/>	<hr/>	<hr/>
Transfers between funds	17	191,573	-	(191,573)	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(113,539)	(13,000)	(603,047)	(729,586)
		<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of funds					
Total funds brought forward		642,143	338,000	14,204,434	15,184,577
		<hr/>	<hr/>	<hr/>	<hr/>