

The Wallace Collection
Annual Report and Accounts 2024-25

HC 1312

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Annual Report and Trustees' Report

Objectives and Achievements

Background/introductory information

The Wallace Collection was formed by four generations of the Marquesses of Hertford and by Sir Richard Wallace (the supposed illegitimate son of the Fourth Marquess) between the 1780s and the 1880s. Since the 1870s the Collection has been housed in Hertford House, Manchester Square, London, W1U 3BN, one of the Hertford-Wallace residences and a Grade II listed building. The Collection was bequeathed to the nation by Lady Wallace, Sir Richard's widow, in 1897 and opened to the public on 22 June 1900. Admission to the permanent collection is free.

A Treasury Minute of 28 July 1897 appointed the first Board of Trustees, which acts on the authority of a Declaration of Trust dated 27 July 1899, and of the Museums and Galleries Act 1992, which specifies the Board's general function to maintain, exhibit and grant access to, and to promote public understanding and enjoyment of the Collection. Responsibility for Government financing of the Wallace Collection rests with the Secretary of State for Culture, Media and Sport, from whom the museum receives a Grant-in-Aid out of monies provided by Parliament. The museum is a Non-Departmental Public Body sponsored by the Department for Culture, Media and Sport (DCMS). It is a charity exempt from registration under the Charities Act 2011. It has a wholly-owned subsidiary, Hertford House Marketing Limited, whose results are consolidated with the Wallace Collection's results for the purpose of these accounts.

The museum contains Old Master paintings, miniatures, sculpture, furniture, porcelain and goldsmiths' work, European, African and Asian arms and armour, and medieval and Renaissance works of art. All are of the highest quality and of international importance. Its holdings of French eighteenth-century art, European princely arms and armour, and Old Master paintings are internationally acclaimed.

The works of art in the Collection, broken down by collection category, comprise:

Pictures (paintings, watercolours, drawings and etchings)	777
Miniatures	317
Furniture	525
Sculpture	481
European Arms and Armour	1,342
Oriental Arms and Armour	1,057
Asian and African Art	98
Porcelain	287
Earthenware	203
Glass	59

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Limoges enamels	29
Gold boxes	89
Works of Art	341
Manuscript cuttings	32

These objects (5,637 in total) encompass a superb range of fine and decorative arts from the fifteenth to the nineteenth centuries. They are housed in twenty-seven rooms and galleries on the ground and first floors, with an additional Temporary Exhibition Gallery, Visitors' Library, Theatre, Meeting Room and Learning Studio on the lower ground floor.

Notably, in 2019-20, the Collection obtained permission to loan works of art and thereby develop stronger partnerships and relationships with other arts institutions.

Aims, Objectives and Priorities

The 1992 Museums and Galleries Act sets the overall statutory objectives for the Wallace Collection. Its wording is as follows:

“(4) so far as practicable and subject to the provisions of this Act, the Wallace Collection Board shall maintain the collection of objects known as the Wallace Collection and shall:

- (a) care for and preserve the objects in their collection;
- (b) secure that the objects are exhibited to the public;
- (c) secure that the objects are available to persons seeking to inspect them in connection with study or research; and
- (d) generally promote the public's enjoyment and understanding of fine and applied art both by means of the Board's collection and by such other means as they consider appropriate.”

In 2019, following consultation with DCMS, the Charity Commission granted an Order under section 105 of the Charities Act 2011 to authorise the temporary lending and borrowing of objects for exhibitions or displays. The following powers were vested in the Board of Trustees:

“1.2.1. Being satisfied that it is expedient in the interests of the Charity that it should do so, the Commission authorises the Charity:

- (1) to lend any objects in the Charity's collection (whether the loan is for purposes of public exhibition or not and whether, under the terms of the loan, the object is to remain in the United Kingdom or not) provided that in deciding whether or not to lend an object, and in determining the time for which, and the conditions subject to which, an object is to be lent, the Charity:

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- (a) shall give special consideration to the request for the loan of an object for public exhibition; and
- (b) subject to that, shall have regard to the interests of students and other persons visiting the Charity's collection, the sustainability of the prospective borrower, the purpose of the loan and the physical condition and degree of rarity of the object and any risk to which it is likely to be exposed."

The Trustees of the Wallace Collection consider the museum's principal aim is 'to safeguard this unique and varied Collection, making it accessible for the present and preserving it for future generations.' In order to achieve this aim the Collection has, under the banner of "*Making Culture Matter*", set itself the following objectives and priorities for the period 2025-28:

1. To maintain, research and preserve the Collection;
2. To broaden and deepen visitor engagement, connecting with audiences onsite and digitally;
3. To develop ambitious exhibitions;
4. To build a strong financial foundation; and
5. To implement a transformative Masterplan

These objectives and priorities are described in further detail in this annual report.

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Achievements and Performance

As a result of the Collection's thriving exhibition programme, the Collection welcomed over 525,000 visitors in 2024-25, an increase of over 15% on the previous years and the highest number ever recorded. The exhibition *Ranjit Singh: Sikh, Warrior, King* ran from April through to October and it showcased an unparalleled collection of rare Sikh art and military objects, brought to light previously unseen treasures, and told a compelling story of a historically significant figure. Over half the visitors to the exhibition had never visited the museum before. The exhibition's success was also attributed to its ability to illustrate a "shared heritage," highlight the "opulence and exceptional craftsmanship" of the Sikh court, and provide a fascinating, multi-faceted look at the rise and fall of the Sikh Empire and its cultural influences. *Grayson Perry: Delusions of Grandeur* opened in the final days of the reporting year to critical acclaim and strong advance ticket sales, positioning the museum for a successful run in 2025-26.

To maintain, research and preserve the Collection for future generations

Researching and conserving the works of art in the Wallace Collection for future generations is one of the museum's core strategic aims, and the Collection made important progress on several areas of research over the last year.

The Collection also made the decision in 2023-24 to undertake a complete audit of the permanent collection to ensure that all works of art in its care are safe and secure. This audit process involved matching inventory numbers with every work of art in the galleries and in the reserve collection. The audit was carried out successfully, and no objects were found to be missing.

Major Research Projects

Arms and Armour from Asia, Africa and the Ottoman World, eds., Paula Turner and Thom Richardson

Research towards the publication of the catalogue of Arms and Armour from Asia, Africa and the Ottoman Empire continued with the addition of an appendix itemising works of art from beyond Western Europe. The ambitious project of researching, conserving and photographing objects in this catalogue has been incredibly complex, harnessing the efforts of many scholars over the last 20 years. It has now reached the final stage of production and is expected to be published in February 2026.

Canaletto and Guardi: Views of Venice at The Wallace Collection, by Lelia Packer and Charles Beddington

The Venetian Views Project was launched in 2017 to conserve, analyse and research paintings by Giovanni Antonio Canal (commonly known as Canaletto), Francesco Guardi and their followers with the conservation and technical analysis carried out by the world-renowned Hamilton Kerr Institute at the University of Cambridge. The first volume dedicated to these Venetian views was published by Scala in January 2025. The catalogue highlights new research findings, notably the reattribution of a Venetian School painting to the young Bernardo Bellotto.

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The Wallace Collection is also working as part of a consortium of representatives from the heritage sector on a major Reynolds Digital Research Resources (funded by RICHeS) led by the National Gallery. Participating institutions include the National Gallery, National Trust, National Portrait Gallery, the Courtauld Institute, Waddesdon Manor and the Wallace Collection. The project has grown out of the accumulated scientific and technical research undertaken by the Wallace Collection and the National Gallery during the Reynolds Research Project (2010-2014) and aims to make technical imaging and data and art historical research on Reynolds's paintings available for conservation scientists, curators and researchers.

Publications

Alexander Collins, review of the exhibition of André Charles Boulle at the Musée Condé, Chantilly, *Burlington Magazine* [166], October 2024, pp. 1056-1059.

Keith Downen, 'Of Armed Alabaster: The effigy and funerary hearse of Sir John Marmion and West Tanfield', *Church Monuments*, Vol. XXXVIII, 2024, pp. 34-67.

Alison Smith wrote and edited two catalogues to accompany two exhibitions she was working on before she joined The Wallace Collection in June 2015: *Edvard Munch Portraits* and *Stanislaw Wyspiański Portraits* at the NPG (March – June/July 2025).

Highlighted Conservation Projects

Peter Neeffs I, Interior of Antwerp Cathedral, P152 received structural conservation and conservation to remove old varnish from the painting. IRR analysis revealed an intricate system of underdrawing in graphite to delineate the architecture. This work also confirmed that the painting of the architecture was completed before the figures were painted on top.

Jean-François de Troy: P463, Déjeuner près d'une ferme (Breakfast by a Farm) ; P470, Les abois d'un cerf (The Death of a Stag). Treatment removed the yellow, dull varnish to reveal a scalloped border along the bottom edges of both works that originally delineated the intended framed-up compositions.

Significant Loans

P84 *The Laughing Cavalier*, Frans Hals

The Rijksmuseum, Amsterdam (16 February – 9 June 2024)

The Gemäldegalerie, Staatliche Museen zu Berlin (12 July – 3 November 2024)

One of the Collection's star pieces, *The Laughing Cavalier*, played a central role in this first major monographic exhibition on Frans Hals for thirty years. The exhibition brought together more than 50 iconic works by the painter and explored the width and breadth of Hals's oeuvre. Having opened in London at the National Gallery in September 2023 the exhibition then to two further venues over the next ten months reaching audiences across Europe and welcoming hundreds of thousands of visitors.

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This was an exceptional loan for the Wallace Collection and a significant moment in the history and study of *The Laughing Cavalier*. It was the first time that the Hals has left the Collection since it was acquired by the 4th Marquess of Hertford in 1865. It was the first time that the most famous of Hals's work had returned to the Netherlands since 1822.

Other loans

P364, *Sheep in the Highlands*, Rosa Bonheur, M93 and *Maria Gunning, later Countess of Coventry*, Penelope Carwardine. Exhibition: *Now You See Us: Women Artists in Britain 1520-1920*, Tate Britain, London, 16 May 2024 – 13 October 2024

F424, F425, *Side Tables*, André-Charles Boulle. Exhibition: *André-Charles Boulle*, Château de Chantilly, Chantilly, 8 June 2024 – 6 October 2024

P412, *A Boy as Pierrot*, Jean-Honoré Fragonard. Exhibition: *A new look at Watteau, An actor with no lines Pierrot, known as Gilles*, The Louvre, Paris, 14 October 2024 – 3 February 2025

OA1409, *Dagger*, Exhibition: *The Great Mughals, Art, Architecture and Opulence* The V&A, London, 9 November 2024 – 5 May 2025

To broaden and deepen visitor engagement, connecting with audiences onsite and digitally

The museum's Digital and Audiences team plays a critical role in opening up the Collection to people of every age and background, creating opportunities not only to learn but also to connect, reflect and take enjoyment from art. The programmes that are delivered blend knowledge-building, conversation, close looking and creative practice. Our diverse event formats, led by artists, art historians and expert practitioners, encourage curiosity and aim to develop confidence and improve wellbeing. Activity continues to span the museum, our online channels and a range of community settings across London, allowing us to engage with a broader and more diverse public than ever before. By expanding our digital output, we have strengthened both reach and visibility, cultivating lively social communities and increasing recognition of the Collection amongst a national and international audience.

In 2024–25, a total of 32,405 people took part in 1,113 live events – an incredible 18% increase in engagements on the previous year. These ranged from hands-on workshops for schools to high-profile public talks and debates, broadcast from the museum to audiences worldwide. For adults, a wide variety of learning opportunities provided deeper ways to explore both the permanent collection and special exhibitions, from courses and study days to weekend masterclasses, conferences and live performances. Together, these activities generated 29% more income – £107,000 – than in the previous year.

Community-focused activity has also seen growth. Our programming for older adults, including those living with dementia or at risk of isolation, engaged 2,327 participants across 115 live sessions, delivered in the museum, online, and in care homes, memory cafes and day centres across London.

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Schools engagement continues to be a core strand of our work, and has grown by an incredible 37%. Free, curriculum-linked workshops for primary, secondary and SEND schools reached 8,650 pupils across 383 live sessions, delivered both onsite and in schools. Themes connect schoolchildren with diverse topics, from classical myths to perspectives on empire and the interconnectivity of art and RE. Thanks to renewed support from John Lyon's Charity, our SEND programme continues to expand, giving young people with additional needs meaningful access to the collection, as well as enriching experiences at school. Work to widen access has also focused on socio-economic diversity, with the percentage of pupils eligible for Free School Meals continuing to exceed the national average within our school audiences.

Digital engagement remains an essential means of reaching new and established audiences. Accurately measuring website traffic is still challenging given new analytics systems and changes to user consent, but even with these limitations, 1.44 million page views were recorded. Our hybrid talks and online courses continue to expand our geographical footprint, with worldwide hotspots emerging in North America, Central Europe, Australia and New Zealand, and Hong Kong.

On social media, our shift to shorter, more dynamic content, optimised for platforms such as Instagram, is helping us grow our online communities significantly. Follower numbers have risen by 11% across our three main channels, while in-house content production has driven over 683,000 Reel views on Instagram – up by 53% on last year. The Collection also launched on the Google Arts & Culture platform, helping us to reach an ever-more global audience. Over the past year, a series of targeted communications campaigns have significantly expanded the Collection's reach, combining outdoor, print and digital marketing with a strong emphasis on cost-effectiveness and audience growth. Press coverage has been extensive across national outlets, driving record footfall to the museum and our exhibitions.

To build and support a strong exhibition programme

The Collection is committed to building a strong exhibition programme, which seeks to:

- Programme exhibitions that speak to one or many of the following aims:
 - Celebrate, promote and add to the body of research of the Collection's core strengths in Arms and Armour, French 18th-century art or Old Masters;
 - Explore unusual and interesting connections that help visitors see the Collection through new eyes; and
 - Expand audiences by exploring themes related to the Collection that might appeal to individuals outside of the museum's core visitor demographic or 'non-museum goers'.
- Increase visitor numbers and audiences through attracting new types of visitor to the Collection.
- Drive revenue through tickets sales and catalogue purchases, as well as secondary spend in restaurant and retail, and of course, membership.

The exhibition and displays on show at the Collection during the year 2024-25 were:

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Ranjit Singh: Sikh, Warrior, King -10 April–20 October 2024
Major Exhibition

The exhibition, *Ranjit Singh: Sikh, Warrior, King*, explored the life of the great Sikh leader Ranjit Singh (1780–1839). With an unwavering sense of destiny, Ranjit Singh conquered the Punjab, an area that today encompasses Pakistan, following a period of anarchy caused by decades of Afghan invasions. By the early 19th century, he emerged as the undisputed Maharaja, establishing the influential Sikh Empire. Ranjit Singh's leadership led to a golden age marked by thriving trade, flourishing arts, and a formidable army. His story was shared through nearly 100 stunning artworks, including jewellery and weaponry from the Sikh Empire drawn from major private and public collections. The exhibition featured historic objects from his court, courtiers, and family, including items owned by the Maharaja and the most famous of his 30 wives, Maharani Jind Kaur. *Ranjit Singh: Sikh, Warrior, King* showcased the Collection's remarkable holdings of Sikh arms and armour alongside other Sikh artworks for the first time.

Grayson Perry: Delusions of Grandeur - 28 March-26 October 2025
Major Exhibition

Grayson Perry: Delusions of Grandeur presented over 40 new works by Sir Grayson Perry. In the largest contemporary exhibition ever held at the museum, visitors encountered ceramics, tapestries, and works on paper, displayed alongside masterpieces from the collection that helped shape Perry's vision for the show. For this he interrogated the very nature of craft-making and our drive for perfectionism by placing intricate handcrafted objects alongside works made with digital technology – comparing an object that took thousands of hours to create with one made in a click. Through these contrasting approaches, Perry invited viewers to contemplate questions of authenticity and the artist's role in the future.

As part of this exploration, *Delusions of Grandeur* focused on 'outsider art,' featuring works by Aloïse Corbaz and Madge Gill. Sparked by the discovery that Madge Gill (1882-1961) exhibited at the Wallace Collection in 1942, the life and work of these outsider artists unlocked Perry's own response, drawing upon his childhood experiences.

Turner and Bonington: Watercolours from the Wallace Collection - 20 September 2023–12 May 2024
Free display – Housekeeper's Room

In this focused display, the Wallace Collection invited visitors to embark on a journey – from the rugged Yorkshire Dales to the grandeur of Venice, pausing en route to enjoy the bucolic delights of crab fishing on Scarborough's beach and to marvel at the gothic splendour of Rouen cathedral from the dockside. This odyssey was undertaken through a one-room display of watercolour landscapes by J.M.W. Turner (1775-1851) and Richard Parkes Bonington (1802-1828), the first time the works had been on public display in 17 years. The display brought together ten works by the two artists, with four views of Yorkshire by Turner and five scenes of Normandy and Venice by Bonington.

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Flora Yukhnovich and François Boucher: The Language of the Rococo -5 June–3 November 2024
Free display -Housekeeper's Room and Landing

Flora Yukhnovich (1990), celebrated for her large-scale, semi-abstract oil paintings, gave the language of the Rococo new life. Two new paintings by the artist, made in response to two exceptional paintings by the celebrated 18th-century French painter François Boucher (1703-1770), occupied gilt frames at the top of the grand staircase. Boucher's paintings were displayed in the Housekeeper's Room out of their frames, on white walls, like contemporary works of art. Theatrical and tongue-in-cheek, they were prime examples of the Rococo, a decorative and exuberant style favoured across the arts by royal and aristocratic patrons in France and elsewhere from the 1730s. *Flora Yukhnovich and François Boucher: The Language of the Rococo* prompted visitors to reconsider preconceptions, explore how we could connect with the Rococo today and examine the impact of display on art interpretation and historical re-evaluation.

Keeping Time: Clocks by Boulle -27 November 2024–2 March 2025
Free display -Housekeeper's Room

For the first time, the Wallace Collection brought together clocks by André-Charles Boulle (1642–1732), the most famous cabinetmaker to have worked for the court of the Sun King, Louis XIV. Five exceptional timepieces told the story of how Boulle took advantage of scientific discoveries to create unique clock designs in glittering baroque style, the influence of which spread across the world and centuries. The clocks were the work of many hands, involving leading artists and craftspeople from all over 18th-century Paris. Many of Boulle's contemporaries also drew on the concept of time in their work. This theme was explored in a complementary display in the museum's Billiard Room, which united two magnificent artworks: *The Dance to the Music of Time* by Nicolas Poussin (1594–1665) and *The Borghese Dancers* by Henri Perlan (1597–1656) and François Anguier (1604–1669).

To lay a strong financial foundation for the future

Ranjit Singh: Sikh, Warrior, King was programmed primarily to help the Collection engage new audiences, and the lower ticket income compared with the previous year's *Portrait of Dogs: From Gainsborough to Hockney* had been expected. Overall, self-generated income grew by 3% year on year, supported by record-breaking results from both the Venue Hire team and the restaurant concession. The dedicated exhibition shop opened at the end of March to sell Grayson Perry merchandise achieved exceptional sales, a trend that continued throughout the duration of the exhibition.

Recognising the importance of paid exhibitions in generating income and associated revenue, the number of exhibitions from 2026–27 onwards will be increased, and the necessary resources have been allocated to support this strategy.

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To embark upon a Masterplan programme to transform the museum

As a historic house that has been modified and adapted since it was originally built in 1776, Hertford House has size and layout constraints within which the Wallace Collection must work. As visitor numbers to the Collection have grown (projections for 2025-26 show visitor numbers reaching just over 600,000, which is more than double the number welcomed in 2000 when the last significant capital project was undertaken, and a 25% increase on 2019-2020), current visitor facilities have proved inadequate and do not provide the best visitor experience possible. Added to this, the display of the West Galleries, the four galleries of Arms and Armour, the Renaissance Gallery and the Smoking Room needs to be refurbished to match the high calibre of the other galleries in the museum.

To carry out these works, there will need to be a holistic look at the museum's technical and physical infrastructure, with a particular focus on sustainability and accessibility. It is extremely difficult to regulate the temperature and humidity in the building and maintaining these at consistent, constant levels is of paramount importance for protecting the works of art we steward for the nation.

Building on the foundation laid by the RIBA Stage 0 Feasibility Study, completed by Lawson Ward Studio in 2023-24, the Trustees granted approval in May 2024 to proceed to RIBA Stage 1. A rigorous procurement process led to the selection of core consultants, notably the appointment of Selldorf Architects in collaboration with Purcell and Lawson Ward. The objective of this current phase is to develop a detailed project brief, with a completion date of December 2025.

The Audience Development Strategy lays out the Collection's aspirations for widening and broadening the demographic of visitors to the museum over the next 10 years. Aspects of the Masterplan, such as improving accessibility throughout the galleries and redisplaying some areas of the museum, will play a key role in helping the Collection to achieve these ambitions.

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Financial Review

Financial results

Net loss for the year is £1.186m (2023-24: £1.149m income); of which unrestricted net loss is £0.050m (2023-24: £0.013m net income) and £1.153m is restricted (2023-24 £0.563m net income).

Income fell by 9% or £0.9m overall, driven largely by lower Grant-in-Aid (£4.353m in 2023-24 compared to £3.347m in the current year as a result of a lower Public Bodies Infrastructure Fund capital allocation) and lower revenue from exhibition ticket income which fell from £0.790m to £0.451m in the current year. This was partially offset by a strong year for the Events team resulting in Other Trading Activities increasing from £1.7m in 2023-24 to £2.0m in 2024-25.

Donations and legacies of £1.883m were consistent with the £1.864m achieved last year.

Expenditure increased by £0.908m to £9.517m (2023-24: £8.609m) as the Collection continues to feel the pressure of inflationary increases across all costs, including salaries. Staff vacancies that had been held open to save money in the period following the pandemic, most notably in the curatorial and gallery team departments, have now been filled. The timing of the exhibition schedule, with *Grayson Perry: Delusions of Grandeur* opening in the final days of the financial year has resulted in the Collections spend being higher by £0.486m in comparison to 2023-24.

Investment policy and objectives

Following the establishment of the endowment fund, the museum has financial investments. The investment objectives are to achieve a minimum income yield of 3% and capital growth in real terms over the time horizon of the investment portfolio. There are no specific restrictions on asset types and investment structures subject to their suitability to the portfolio objectives. However, investments in hedge funds, derivative strategies, structured products, real estate and other alternative asset classes are to be considered in the context of the portfolio's long-term objectives and agreed in advance with the museum and its investment advisors. No direct investments are permitted in tobacco or armament companies.

Two investment fund managers, Rathbone Investment Management Limited and Troy Asset Management Limited, were appointed in 2015-16, with the guidance of investment advisors. There has been no change in fund managers during the year.

Financial risks

A description of the principal risks and uncertainties facing the museum and its subsidiary undertakings, as identified by the Collection's Trustees, together with a summary of their plans and strategies for managing those risks is shown within the Governance Statement on pages 28-32.

Reserves policy

The Trustees annually review the level of readily available reserves (those that are not restricted or tied up as fixed assets) appropriate to the risk profile of the Collection. The

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Grant in Aid received from DCMS represented 40% of the museum's income in the year (2023-24: 47%). The rest of the operational costs are financed by self-generated funds such as fundraising, trading and exhibition ticket income. These funding streams are volatile, and their associated risks are managed through the museum's policy for maintaining general and designated funds, and providing contingencies for annual budget and exhibition ticket sales. Taking an overall view of the annual operational activities and the level of self-generated income, in light of the higher level of operational risk and uncertainty facing the Collection, the Trustees believe that the minimum level of general reserves should be between two and six months of operating expenditure with a target of no less than three months. The balance at 31 March 2025 of £2.310m (2023-24: £2.323m) represents cover of three months budgeted expenditure (2023-24: three months).

The Trustees are acutely aware that the current economic climate and future uncertainty in relation to all income streams require this assessment to remain under review; the Audit and Risk Assurance Committee reviews the reserves policy and makes recommendations to the Board of Trustees for its consideration when circumstances change significantly and at least annually.

Payment of creditors

During 2024-25, the Wallace Collection paid 95% of undisputed creditors within 30 days of receipt of an invoice (2023-24: 92%).

Sustainability

The Collection is housed within a Grade II listed former residence dating from the eighteenth and nineteenth centuries. Due to the nature of the Collection, carefully controlled environmental conditions are essential, and most museum spaces are fully air-conditioned to ensure the long-term preservation of the works of art. Consequently, a significant proportion of the Collection's carbon footprint arises from the energy required to maintain stable environmental conditions within the galleries. The Collection remains committed to integrating energy-saving and carbon-reduction measures into its activities and to adopting best-practice environmental standards wherever feasible and financially viable.

The Sustainability Action Group, established to lead this work, met regularly throughout the year, and its activities continue to embed sustainable practices across all aspects of the Collection's operations. A key objective of the Masterplan is to safeguard both the historic building and the Collection by upgrading plant and infrastructure to an environmentally sustainable model. In the interim, the Collection strives to adopt the most sustainable options in decision-making across all departments, wherever feasible and affordable.

During the year, the programme to replace existing halogen lighting in both gallery and back-of-house areas progressed. Materials used for *Ranjit Singh: Sikh, Warrior, King* and *Grayson Perry: Delusions of Grandeur* were recycled, and sustainability criteria continue to be embedded within all procurement processes.

Immunity from Seizure Report 2024-25

In May 2021 the Collection was granted Approved Status for Immunity from Seizure under Part 6, Section 136 of the Tribunals, Courts and Enforcement Act.

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This means that, subject to meeting the conditions set out in the Act, objects on loan from outside the United Kingdom for the purposes of a temporary exhibition may not be seized or forfeited by a United Kingdom court order (unless the court is required to make the order under European Community or international obligations). In accordance with regulations made under the Act, the Wallace Collection publishes on its website specified information about such protected objects. This includes details of the provenance of the objects including a statement indicating whether or not the Collection possesses a complete history of ownership between the years 1933 and 1945. The Collection's Due Diligence Policy is also published online. The Collection provides an in-house due diligence and awareness training programme for all relevant staff. This includes the requirement to read, understand, and adhere to the Collection's Due Diligence Policy, standards, and principles. Due diligence is monitored through regular meetings of the Provenance Panel.

Exhibitions including works for which protection under the legislation was sought during 2024-25 are as follows:

Ranjit Singh: Sikh, Warrior, King (10 April 2024-20 October 2024)

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

Performance

In addition to financial measures, the museum also continues to monitor performance against some key performance indicators, as agreed with its sponsor body DCMS and detailed below:

		2024-25	2023-24
Key performance indicators:			
	Number of visits to the museum	526,486	455,136
	Charitable giving (fundraising)	£1,883,000	£1,864,000
Other performance indicators:			
Access			
	Number of unique website visits	2,813,374	1,010,211
Audience profile			
	Number of visits by children under 16	26,324	27,308*
	Number of overseas visits	247,448	186,605
Learning			
	Number of facilitated and self-directed visits to the museum by visitors under 18 in formal education	7,228	6,748
	Number of instances of visitors under 18 participating in on site organised activities	862	602
Visitor satisfaction			
	% of visitors who would recommend a visit	99	100
	% of visitors who were very satisfied with their visit	100	100
Self-generated income			
	Trading income (net profit)	£1,044,000	£806,000

*The 2023-24 figure has been updated from 68k after discovering a reporting methodology error in the 2023-24 figure.

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Sources of data

The museum measures these and other performance indicators and returns this data to DCMS periodically.

Visitor numbers are collected through an electronic counting device at the visitor entrance. Child visits are collected by a manual counting system. Learning numbers are kept by the Learning department for the sessions that they run. The website registers the number of visitors to our site. Visitor recommendation and satisfaction percentages are taken from visitor surveys carried out by an independent company. Net income from trading is reported in the accounts of our trading company, Hertford House Marketing Limited. All these sources help the museum to monitor and report on its performance to DCMS on a regular basis.

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Reference and Administrative Details of the Charity, its Trustees and Advisors

Preparation of the Accounts

The 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 accounts are compliant with the Charities Statement of Recommended Practice (FRS102), Charities Act 2011 and with Charity Commission guidance.

The consolidated accounts are for the Wallace Collection and Hertford House Marketing Limited; they exclude the accounts for the Wallace Collection in America Inc, as this is an entirely separate organisation over which the Wallace Collection exercises no control.

Audit

Under statute, the Comptroller and Auditor General is the principal auditor of the Wallace Collection's consolidated accounts for the year 2024-25. The audit fee in respect of this work was £32,000 (2023-24: £29,900). External auditors are engaged for the trading subsidiary audit and internal audit services. There were no non-audit services provided by the Comptroller and Auditor General during 2024-25 (2023-24: nil). The auditors of Hertford House Marketing Limited provided services relating to the preparation of the statutory accounts and iXBRL tagging of £1,565 (2023-24: £1,525), group reporting to NAO including confirmations regarding regularity compliance of £2,760 (2023-24: £2,650) and corporation tax return support of £1,800 (2023-24: £1,750).

Fundraising Regulator

The Wallace Collection is registered with the Fundraising Regulator whose key function is to adjudicate on fundraising complaints. Fundraising for the Collection is performed entirely by the in-house development team and no external professional fundraisers are, or were in the past year, involved in any fundraising. There have been no complaints made to either the Collection directly or to the Fundraising Regulator about the Collection's fundraising practices. The Wallace Collection protects vulnerable people and other members of the public from unreasonable intrusion, in that it does not cold call, operate telephone fundraising, street fundraising, undertake direct marketing campaigns or exert pressure on them to give money.

Staff and organisation

The Wallace Collection is an Equal Opportunity Employer and has agreed statements of policy under Section 2(3) of the Health and Safety at Work Act 1974. Senior officers meet weekly and communicate with staff through weekly team briefings, full monthly staff meetings and regular staff notices and other informal meetings. The Wallace Collection follows the policy issued by the Cabinet Office on the employment of disabled people.

Sickness absence

Sickness absence accounted for 3.2% of all staff time during 2024-25 (2023-24: 3.9%), or 8.2 days per staff member (2023-24: 9.85 days).

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Trade Union Facility Time

In accordance with the Trade Union (Facility Time Requirements) regulations 2017, all entities are required to present information on trade union facility time in their organisations. Facility time is paid time off for union representatives to carry out trade union activities.

	2024-25	2023-24
Table 1: Relevant Union Officials		
Number of employees who were relevant union officials during the period	3	3
Full time equivalent employee number	3	3
Table 2: Percentage of time spent on facility time		
	No of Employees	No of Employees
0%	1	2
1-50%	2	1
51-99%	0	0
100%	0	0
Table3: Percentage of pay bill spent on facility time		
Pay spent on facility time	£1,231	£1,119
Total wage bill	£4,634,000	£4,099,000
Percentage of facility time against total pay bill	0%	0%
Table 4: Paid union activities		
Paid union activities	0%	0%

Dr Xavier Bray
Director and Accounting Officer
 5 March 2026

Jessica Pulay
Chair
 5 March 2026

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Remuneration Report

In accordance with the Financial Reporting Manual the Wallace Collection has prepared this Remuneration Report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the museum. These members of staff constitute the Senior Management Team (Annex A), however, executive authority over the decisions of the museum as a whole remains in the hands of the Director, guided by the Chair and Board of Trustees.

The Chair and Board of Trustees neither received nor waived any remuneration for their services during the year (2023-24: £Nil).

Remuneration Policy

The Chair assesses the performance of the Director each year. The Director's performance-related bonus of up to 15% of salary is decided by the Remuneration Committee, which consists of the Chair, plus the Trustee members of the Audit and Risk Assurance Committee (Annex A), and is based on the restrictions of the Director's contract and against achievement of annual objectives and targets. Any bonus payment is not pensionable and is non-consolidated. The performance of all other staff is formally appraised annually, with the Director conducting the appraisals of members of the Senior Management Team.

The Collection complies as appropriate with the Civil Service pay guidance, as modified by the Museum Freedoms.

Service Contracts

The officials covered by this report all have open-ended appointments. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. The current Director's contract commenced in October 2016 and is open-ended, with a notice period of thirteen weeks. All other senior managers are on permanent contracts with three-month notice periods. No senior managers were employed through an agency in 2024-25 or 2023-24.

The majority of staff members are employed on permanent contracts. Some individuals working on discrete short-term projects are employed on contracts which match the duration of the projects concerned. Staff are paid according to the nature of the role they perform and each job is graded and included in one of eleven salary bands. There were no off-payroll arrangements during the year.

Remuneration (salary, benefits in kind and pensions)

The emoluments and pension details of the Director are disclosed below, together with the rest of the Senior Management Team.

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	Salary		Bonus		Pension benefits		Total	
	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000
Dr Xavier Bray Director	140-145	130-135	15-20	15-20	55	52	215-220	200-205
Sarah Harmer (until 1 November 2024) Director of Development and Audiences	55-60 (full year equivalent 95-100)	85-90	-	-	-	-	55-60 (full year equivalent 95-100)	85-90
Melanie Newlands Director of Finance and Resources	95-100	85-90	-	-	37	35	130-135	120-125

The value of pension benefits is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Total remuneration includes salary, performance-related pay and benefits in kind. It does not include employer pension contributions or the cash equivalent transfer values of pensions.

No benefits in kind or non-cash benefits of value were received by senior managers (2023-24:nil) and no redundancy, severance or compensation payments were made to senior managers during the year (2023-24:nil).

The above information has been subject to audit

Fair Pay Disclosures

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

	2024-25	2023-24
	£000	
Highest paid executive salary plus bonuses	160-165	150-155
Lowest paid staff member remuneration	25-30	20-25
	£	
Lower quartile salary	£27,352	£24,856
Lower quartile total remuneration	£27,352	£26,356
Median quartile salary	£28,500	£26,174
Median quartile total remuneration	£28,500	£26,678
Upper quartile salary	£33,513	£30,975
Upper quartile total remuneration	£33,513	£32,475
	Ratio	
Lower quartile	5.94	5.79
Median quartile	5.70	5.72
Upper quartile	4.85	4.70

¹Ratio between the highest-paid director's banded mid-point remuneration and the lower quartile, median and upper quartile remuneration of the workforce.

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In 2024-25 and in 2023-24, no employees received remuneration in excess of the highest paid director. The FTE remuneration bands ranged from £25,000 to £165,000 (2024: £20,000-£155,000). Total remuneration includes salary, non-consolidated performance-related pay as well as benefits-in-kind received in the year. It does not include severance payments, employer pension contributions and the cash equivalent transfer values of pensions.

The director's salary and average salaries have increased due to the annual pay award, and respective remuneration has increased due to higher bonuses awarded in 2023-24.

The average salary (excluding the highest paid Director) increased by 10% (2023-24 1.9%). As well as the London Living Wage increasing £11.95 to £13.15 per hour this also reflects changes in the staff mix. Following exceptional non-consolidated bonus payments to all staff in 2022-23 and 2023-24 as a result of the increased cost of living, with the exception of the highest paid Director, no bonuses were paid in 2024-25.

Percentage change in the total salary and bonuses of the highest-paid director and the workforce average:

	Highest-paid director	Workforce average	Highest-paid director	Workforce average
	2024-25 % change		2023-24 % change	
	% change		% change	
Salary and allowances	6.5%	10.0%	4.5%	1.9%
Bonuses	4.5%	-100.0%	7%	159.6%

The above information has been subject to audit

Exit Packages

There were no redundancies during the year (2023-24: nil).

For employees of the museum, redundancy and other departure costs are payable in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Where the museum early retirements, the additional costs are met by the museum and not the Civil Service pension scheme has agreed.

The information above has been subject to audit

Pension Benefits

	Accrued pension at pension age as at 31 March 2025 ¹	Real increase in pension at pension age	Cash equivalent transfer value at 31 March 2025 ¹	Cash equivalent transfer value at 31 March 2024 ¹	Real increase in CETV	Employer's contribution to partnership pension account (nearest £100)
	£000	£000	£000	£000	£000	£000
Dr Xavier Bray Director	25-30	2.5-5	381	307	37	-
Sarah Harmer (to 1 November 2024) Director of Development and Audiences	-	-	-	-	-	6.4
Melanie Newlands Director of Finance and Resources	10-15	0-2.5	217	171	26	-

The table above has been subject to audit

The Wallace Collection Annual Report and Accounts 2024-25

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 figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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 taken.

The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, 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.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate

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defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCS or alpha – as appropriate. Where the official has benefits in both the PCS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Dr Xavier Bray
Director and Accounting Officer
5 March 2026

Jessica Pulay
Chair
5 March 2026

The Wallace Collection Annual Report and Accounts 2024-25

Statement of Trustees' and Accounting Officer's Responsibilities

Under Sections 9(4) and 9(5) of the Museums and Galleries Act 1992, the Board of Trustees is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury. The accounts are prepared on an accruals basis to show a true and fair view of the Wallace Collection's financial activities during the year, of its financial position at the end of the year, and changes in funds and cash flows in the financial year.

In preparing the Wallace Collection's accounts, the Trustees and Accounting Officer are required to:

- observe the Accounts Direction* issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply them on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards and statements of recommended practices have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Wallace Collection will continue in operation.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Director as the Accounting Officer for the Collection. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records and for safeguarding the Wallace Collection's assets, are set out in *Managing Public Money*, issued by HM Treasury.

So far as the Accounting Officer, and each person who was a Trustee at the date of approving this report, are aware, there is no relevant audit information, being information needed by the external auditor in connection with preparing his report, of which he is unaware. Having made enquiries of the Board of Trustees and museum's internal auditor, the Accounting Officer has taken all the steps that he is obliged to take as Accounting Officer in order to make himself aware of any relevant audit information and to establish that the external auditor is aware of that information. Having made enquiries of the Accounting Officer, fellow Trustees and the museum's internal auditor, each Trustee has taken all the steps that he/she is obliged to take as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the external auditor is 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.

Dr. Xavier Bray
Director and Accounting Officer
5 March 2026

Jessica Pulay
Chair
5 March 2026

*A copy of which is available from the Wallace Collection, Manchester Square, London, W1U 3BN

The Wallace Collection Annual Report and Accounts 2024-25

Governance Statement

The Wallace Collection is governed by a Declaration of Trust dated 27 July 1899, and the Museums and Galleries Act 1992. The Wallace Collection is a non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS), and is a charity exempt from registration under the Charities Act 2011. As an exempt charity, it is regulated by DCMS, rather than the Charity Commission.

The Wallace Collection is governed by a Board of Trustees answerable to the Secretary of State for Culture, Media and Sport. The Minister is, in turn, answerable to Parliament. The Director of the Wallace Collection is accountable both to the Board as Chief Executive and to the Permanent Secretary of DCMS as Accounting Officer. Further detail is given in the Statement of Trustees' and Accounting Officer's Responsibilities above.

The Board of Trustees

The Board of Trustees of the Wallace Collection is responsible for the overall management and direction of the Wallace Collection. The Director of the Wallace Collection is responsible to the Board of Trustees and is accountable to the Permanent Secretary of DCMS for compliance with the Management Statement and Financial Memorandum. Within the framework of their statutory duties as stated under the Museums and Galleries Act 1992, the role of the Trustees is generally concerned with policy and strategy, leaving operational issues to the Director. The Board is chiefly responsible for:

- The setting of key strategic objectives;
- Reviewing overall performance;
- Appointing the Director (in consultation with the Prime Minister);
- Endorsing appointments to key management positions; and
- Considering the remuneration of senior staff.

There are two sub committees of the Board: the Audit and Risk Assurance Committee and the Investment Committee.

The Board of Trustees meets not less than four times a year, as does the Audit and Risk Assurance Committee, and details of attendance are shown at Annex A. The Audit and Risk Assurance Committee, together with the Chair, fulfil the role of a Remuneration Committee. Other committees on which Trustees are invited to serve include the Development Board (concerned with fundraising for future capital projects) and the Building Committee. The Investment Committee was created following the setting up of the Endowment Fund and meets as necessary to appoint investment managers and review the performance of the investment funds and managers. It receives professional advice in support of its work.

Both the main Board and the Audit and Risk Assurance Committee receive detailed reports ahead of each meeting compiled by the Director and his staff. These reports cover every aspect of Wallace Collection work over the previous quarter, and form a useful basis for Trustee discussions. The Trustees are happy with the quality and layout of these reports and provide feedback to ensure that they remain an excellent source of information and data.

The Wallace Collection Annual Report and Accounts 2024-25

The Trustees believe that they have complied with their duty in section 11 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Board effectiveness

The Board keeps its effectiveness under review. This includes appraisals of each Trustee by the Chair and an appraisal of the Chair by another member of the Board. The most recent assessment of Board effectiveness through a questionnaire concluded that the Board overall felt its effectiveness was either fully satisfactory or exceeded expectations. An external Board Effectiveness Reviews is scheduled to be carried out in 2025-26.

Wallace Collection Staff

The Director is responsible for resource allocation, leading strategic management, developing the cultural agenda and sustaining the values of the Wallace Collection. He is assisted by the other members of the Senior Management Team who are the Director of Finance and Resources, Director of Development and Audiences (Director of Development from March 2025) and Director of Collections and Research. Each is supported by a number of department heads who are responsible for specific areas of activity within the museum. The Senior Management Team meets weekly and there is a monthly full staff meeting. The Director meets all members of the Senior Management Team on a regular basis. In this way the Director can satisfy himself that he is informed on all operational issues in order that he can report to the Board of Trustees.

Trustee appointments

As per the Museums and Galleries Act 1992, the Wallace board shall consist of at least six members who shall be appointed by the Prime Minister. At 31 March, there were thirteen trustees in post (Annex A). No trustee shall be appointed for a period of more than 5 years. The Prime Minister approves all board appointments, which run in line with the Governance Code following a fair and open recruitment campaign. At the end of their first term, trustees are eligible for reappointment; however, as per the Governance Code, there is no presumption of reappointment. The decision will depend on various factors including board diversity and required skills.

The Trustees appoint their own Chair, who normally serves until retirement from the Board. Jessica Pulay was appointed Chair in September 2022.

Trustees receive appropriate training on appointment, primarily through a programme of department visits and meetings with the Director and Senior Management Team. An introductory Trustees' Handbook of key documents and publications including the Strategic Plan, the Annual Report and Accounts, and the organisation chart is provided.

A register of Trustees' interests is maintained and is available for public inspection on request; this is reviewed by all Trustees at least once a year. Trustees are required to declare any conflicts or potential conflicts of interest at Board and committee meetings, and these are recorded in the minutes. Depending on the nature of the conflict or potential conflict, the Chair may require a Trustee to leave the meeting, or not take part in a discussion or decision on a particular issue. There were no declared potential conflicts of interest in relation to items discussed during the year.

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Compliance with Corporate Governance Code

The Wallace Collection is a non-departmental public body and a charity. It is mindful of the Corporate Governance Code for central government departments and the Trustees are content that the museum complies where appropriate.

Report from Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is responsible for reviewing the museum's key risks, and the controls in place to manage them, and monitoring its compliance with statutory requirements – including the Annual Report and Accounts. The Committee reports on its work at each Board meeting. During the year, it received and considered management accounts at each meeting. It received reports from external auditors on the accounts for 2023-24 and on planning for the 2024-25 audit. The internal auditor reported to the Committee on his findings and was able to provide the Committee and Trustees with significant assurance that the Collection generally has good controls; however, recommendations were made for a number of areas reviewed, with some controls requiring attention. The risk register was received and reviewed in its entirety during the course of the year.

Report from Investment Committee

The Investment Committee kept the performance of the fund managers that it had appointed in 2015-16 under review. In carrying out its work, it received professional advice from investment advisors.

Risk

Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within the museum is, therefore, to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks. The approach adopted complies with requirements of HM Treasury guidance on management of risk (“The Orange Book”) five principles, with reference as appropriate to best practice guidance from the National Audit Office and risk management standards. The museum assesses risk through consideration of the likelihood of something happening, and the impact that would arise if the risk were actually to occur. Risk management practices comply with the requirements of the Orange Book's.

The Senior Management Team (SMT), including the Director, is responsible for the strategic management of the Wallace Collection, and as part of this set the tone for the museum's approach to, and appetite for, risk. This varies depending upon the specific issue. This approach is considered to be appropriate to the Wallace Collection given its size and enables it to maintain a flexible approach to risk.

The museum works to meet the objectives set in the Aims, Objectives and Priorities section of this report and monitors progress against these objectives. The day-to-day risks associated with these activities are managed, challenged and updated through the meetings of staff set out under the Wallace Collection Staff section above.

These risks, financial, reputational or otherwise, are recorded on, and managed, through a Risk Register. This was created by the SMT who also ensure it is regularly updated. The register is reviewed by the Audit and Risk Assurance Committee and considered by the Board. It covers the key risks that the Wallace Collection faces and assigns a key individual to manage each risk.

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Risk management is therefore a part of the everyday decision-making process at the Wallace Collection. Given the tight financial constraints that the Wallace Collection has operated under for many years, it is only natural that risk is considered as part of management and Trustee decisions.

Risk is not only limited to financial risk, where every new project is carefully costed, budgeted for and monitored, but also includes the risk to the fragile Collection and the fabric of Hertford House that is entrusted to the Trustees' care. The risk assessment and monitoring process is engendered in all staff through the discipline of the budgeting round, plus consideration in meetings with relevant staff throughout the year. For major projects a Steering Group is established, headed by a senior staff member, and they are charged with ensuring that the project operates to set parameters and budgets. Thus the risks inherent in any new venture are weighed up carefully in advance and are monitored throughout the duration of the project.

Over the course of 2024-25 the major risks identified for the museum were:

- Increasing operational and financial risks relating to inflationary pressures – continue to present a risk to financial sustainability and operational effectiveness. Although the rate of inflation has fallen it remains challenging particularly in relation to staff salaries and utilities. Furthermore, pressures on public finances raise the possibility of reduction to Government funding in future years. Some mitigation is in place through the level of general reserves held to manage unexpected cost volatility as well robust budgeting and forecasting processes. Senior Management attention is also focussed on increasing self-generated income across exhibitions and other trading activities.
- Cyber security continues to be an area requiring vigilance and while investment has been made in cyber controls there is always more that can be done and insufficient resource to mitigate the risk absolutely. The Collection's security framework was reviewed by the Internal Auditor and the museum received Cybersecurity Essentials Plus accreditation in January 2025. In 2025-26 all staff are to receive comprehensive training. X
- Ensuring the security of visitors, staff, volunteers and collections at a time of global instability. The museum has a thorough and flexible security strategy that responds to changes in risk. A comprehensive and independent review of the Collection's security operations was completed in August 2024 and the recommendations identified actioned by March 2025.
- Balancing appropriately financial constraints and increasing pressure to expand services and maintain and improve the fabric of a Grade II listed building has potentially put both the public and the collection at risk. This has been mitigated, to some extent, by successful applications to private funders as well as to the Public Bodies Infrastructure Fund which has allowed the Collection to address some of the most accessible critical issues. However, there remains much infrastructure which continues to deteriorate, and will require significant intervention to replace. Funding has been secured for the Masterplan RIBA stage 1 which is due to take place during 2025-26.

Both the Board of Trustees and the Audit and Risk Assurance Committee play a key role in the monitoring of these risks and the internal controls in place to mitigate them.

The Board brings wide-ranging experience and a fresh perspective to key decision-making discussions, and all key issues are brought to the Trustee Board's notice for discussion and

The Wallace Collection Annual Report and Accounts 2024-25

ratification. The Audit and Risk Assurance Committee supports the main Trustee Board and the Accounting Officer by questioning senior management and the internal and external audit functions to satisfy themselves that the Wallace Collection has an adequate system of internal controls in order to adequately manage key risks. It has done this by inviting designated responsible risk holders within the museum to report on their work on a regular basis, and has also received assurance from the internal auditor that the internal controls in place are sound.

The Board consider this to be an effective risk management strategy, and is confident that the Wallace Collection is successfully managing the key risk priorities noted above.

Whistleblowing Arrangements

The Collection upholds the core values detailed in the code of Professional Ethics of the Museums Association and actively promotes their implementation. In line with these commitments, the Collection encourages employees and others with serious concerns on any aspect of the Collection to come forward and voice those concerns, and expects its managers to encourage employees to express their views openly.

Data quality

The Board of Trustees have gained assurance that the data quality of the information it receives is sound through a mix of both internal and external audit work and its own challenge of the data presented.

Data handling

The Wallace Collection maintains a record of incidents involving the loss, unauthorised disclosure or unsecure disposal of personal data, the release of which risks causing harm or distress to the individuals concerned. The incident record includes the nature of the incident, the nature of the data involved, the number of people potentially affected and the steps taken to notify the individual concerned. Based on severity, these incidents are reported to the Information Commissioner's Office. There were no incidents during the year reported to the ICO.

Dr Xavier Bray
Director and Accounting Officer
5 March 2026

Jessica Pulay
Chair
5 March 2026

The Wallace Collection Annual Report and Accounts 2024-25

Annex A - Trustees

The Trustees of the Wallace Collection are appointed by the Prime Minister. The members of the Board of Trustees during the year were:

Board Member	Appointed	Further notes	Attendance at quarterly meetings
Jessica Pulay	19 September 2022	Chair	4/4
Marcus Agius	22 January 2024	Chair of the Investment Committee	4/4
James Barnard	1 December 2021	Member of the Investment Committee	4/4
Marilyn Berk	9 January 2017 - reappointed 9 January 2021	Member of the Audit and Risk Assurance Committee Member of the Investment Committee	3/3
Sophie Birshan	1 December 2021	-	4/4
Spencer de Grey	22 January 2024	-	4/4
Eric Ellul	9 January 2017- reappointed 9 January 2021	Member of the Audit and Risk Assurance Committee	3/3
Josephine Fitzalan Howard	22 January 2024	-	4/4
Larry Keith	22 January 2024	Member of the Audit and Risk Assurance Committee	4/4
Jakyung (Jacky) Moon Lambert	22 January 2024	Member of the Investment Committee	4/4
Alexandra Shulman	22 January 2024	Member of the Audit and Risk Assurance Committee	4/4 ¹
Alison Taylor	1 December 2021	Chair of Audit and Risk Assurance Committee	4/4
Davinder Toor	22 January 2024	-	4/4

In addition, the Board of Trustees may appoint honorary trustees, who do not share the statutory duties of Board members.

Mrs Jane Lewis
Mr Pierre Arizzoli-Clementel
The Marquess of Hertford DL

appointed January 1998; retired June 2024
appointed August 2007; retired June 2024
appointed July 2008; reappointed January 2015

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HRH Duchess of Edinburgh, GCVO, GCStJ, CD Royal Patron

The Audit and Risk Assurance Committee has three external independent members, Rob Camp, Jim Close and Martin James, in addition to the Trustees who are members.

A register of interests for all Trustees is held at Hertford House.

Principal Officers of the Wallace Collection (the Senior Management Team)

Dr Xavier Bray	Director
Sarah Harmer (left 1 November 2024)	Director of Development and Audiences
Jonathan Kuhles (started 10 March 2025)	Director of Development
Melanie Newlands	Director of Finance and Resources
Alison Smith (started 10 June 2024)	Director of Collection and Research

Directors of Hertford House Marketing Limited during the year

Dr Xavier Bray
Melanie Newlands

Bankers

Lloyds Banking Group
25 Gresham Street
London EC2V 7HN

Auditors

The Wallace Collection
(*Consolidated Accounts*)

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
London SW1W 9SP

Hertford House Marketing Limited
(*Trading Company*)

HaysMac LLP
10 Queen Street Place
London EC4R 1AG

Investment advisors

Alti Tiedemann Global
Level 5, The Nova Building (North)
11 Bressenden Place
London SW1E 5BY

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Annex B - Wallace Collection Donors and Benefactors 2024-25

The list below gratefully acknowledges all of the Donors to the Wallace Collection Endowment since its inception and all of those who have generously supported the Wallace Collection from 1 April 2023 to 31 March 2024.

We are incredibly grateful to all the donors who have generously supported the Wallace Collection during the period 1 April 2024 to 31 March 2025.

Benefactors of the Wallace Collection

Director's Circle

Kate de Rothschild Agius and Marcus Agius CBE

Nada Bayoud and Andrew Wynn

Marilyn Berk

Sophie and Michael Birshan

Sir Bruce Bossom, Bt

Allison Childers

Christopher Clarke

James and Victoria Corcoran

Michael and Angela Cronk

The Deborah Loeb Brice Foundation

Dame Vivien Duffield

Dr. Michael R. Engel

Thomas and Elsebeth Gatacre

Mrs Tove Goddard

Mrs Brent Hoberman

Mr and Mrs William Iselin

Russell and Irina Jacobs

Lucie Jay

Dr Avtar and Monika Kamboj

Béatrice and James Lupton

Quinn Martinelli

Clare McKeon

Philip Mould & Company, London

Jackie Mountain

Angus Neill

Christopher and Sophie North

Roslyn Packer AC

Denise Patterson

Jessica Pulay CBE

Philip and Sarah Richards

Pamela Roditi

Jeremy and Rosalind Sacher

Adrian Sassoon

Jake and Hélène Marie Shafran

Dasha Shenkman OBE

Michael and Joyce Smyth

Marjorie Stimmel

Alison Taylor

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Thomas and Catrin Treadwell
Rijnhard and Elsbeth van Tets
Jan and Peter Winslow

Conservator's Circle

Stephen Allcock and Hitesh Batavia
George & Kirsty Anson
Mr James and Lady Emma Barnard (The Barnes Trust)
Mr and Mrs Nick Barton
Josephine Fitzalan Howard
Jonathan Gaisman
John and Patricia Glasswell
Edward and Victoria Harley
Venetia and Hamish Leng
Lady Lowther
Mrs Annie Mackeson-Sandbach
Ivetta Rabinovich
Paul Rivlin
Timothy and Ellen Schroder
Rima Tatjana Shour

Curator's Circle

Julian Agnew
Catherine Armitage
Ambassador Victor Ashe
Nicholas Berwin
Tilly Bilan
Rosamond Brown
Peter H G Cadbury
Charles Cator and Stephen White
Giuseppe Ciucci
Cynthia Colman
Sir Alan and Lady Ros Cox
Mrs M. David-Weill
Ina De & James Spicer
Mr and Mrs Bruno and Marianne Deschamps
Bernard Dewe Mathews
Patrick K.F. Donlea
Dame Jennifer Eady
Giles Ellwood and Philippe Sacerdot
Sam Fogg Esq.
The Hon P N Gibson's Charity Trust
Mme Alice Goldet
Charlotte and Roger ter Haar
Katrín Henkel
Philip Hudson
Hugh Hudson-Davies
Andrew and Caroline Joy
Rebecca Kemsley
Dr Susan E. Kendall

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Ms Laura Lindsay
Fiona MacLeod
Richard Mansell-Jones
Charles and Anna Mathias
Don and Lisa McGown
Patrick Mears
Henry and Catherine Nicholson
Tessa Nicholson
Richard and Amicia Oldfield
Lord and Lady Phillimore
Richard Sachs
Jennifer Stern
Alistair Summers
Anthony and Jacqueline Todd
Davinder Toor
Kathryn Uhde
Sir David and Lady Verey
Alan and Sue Warner
Patricia Wengraf Ltd.
Lynne Woolfson

Young Benefactors

Toluwani Adejuyigbe
Carlos Baird
Yev Bazhenova
Iuliia Bolgova
Cherry Cheng
Quaid Childers
Chen Chowes
Ildiko Dienesch
Lina Hares
Michael and Georgette Ilett
Phoebus Istavrioglu
Victoria Kleiner
Darja Kocerova
YT Kong
Maria Korolevskaya
Priya Maya Kumari
Elle Libraty
Betty Liu
Eleni Anna Mantzourani
Jean-Michaël MaugüéShayna Mizrahi
Vitoria Monteiro de Carvalho Faria
Helena Santidrián Mas
Thomas R. Senecal
Raine Storey
The Hon Clarence Tan
Lucy-Colette Vojković
Baroness Ariana Von Der Heyde
Eliana and Harry Walker

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Mingrui Wang
Skylar Xie
Jingqi Zhang
Sonia Elizabeth Zvedeniuk

Companions

Viscountess Bridgeman, The Bridgeman Art Library
Lord Cholmondeley
Jennifer Montagu
In memory of the late A.V.B. (Nick) Norman
Christylle Phillips
Dee Singh Datta

Donors

Kate de Rothschild Agius and Marcus Agius CBE
Richard and Mara Aylmer
Chris and Cynthia Bake
Mr and Mrs Nick Barton
Michele Beiny Harkins
Belgian-Luxembourg Chamber of Commerce in Great Britain
Bloomberg L.P.
Bloomberg Philanthropy
Charles Booth-Clibborn and Paragon | Contemporary Editions Ltd
David and Molly Lowell Borthwick
Sir Bruce Bossom, Bt
Sir Francis & The Hon. Lady Brooke
Peter H G Cadbury
Creed (The Orange Square Company)
Patrick K.F. Donlea
Dame Vivien Duffield
The Estate of Lt. Cdr. Paul W W Fletcher
Josephine Fitzalan Howard
Virginia Fraser
Thomas and Elsebeth Gatacre
Eric Green
Cecily E. Horton
Jouissance London Ltd
Little Greene
Lucie Jay
James and Clare Kirkman
KPB Corporation
Jacky Lambert
Christian Levett
Béatrice and James Lupton
Harminder S Mangat
Richard Mansell-Jones
Fredericka and David Middleton
In memory of Cynthia Postan
The Portman Estate
Jessica Pulay CBE

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Jessica Pulay in memory of Juliet Garmoyle, Serena Prest and Kate Wiseman
The Ryan Taylor Collection
Lady Sarikhani Weston
Sotheby's
Sri Guru Singh Sabha Southall
Marjorie Stimmel
Thomas and Catrin Treadwell
TrinityBridge
Davinder Toor
Cecilia Versteegh
Victoria Miro
The Wallace Collection in America
John and Amelia Winter

Trusts and Foundations

The Ampersand Foundation
The Barbara Whatmore Charitable Trust
The Bake Foundation
The Belvedere Trust
The Carrington Charitable Trust
The Clare McKeon Charitable Trust
The Clore Duffield Foundation
The John S Cohen Foundation
The Deborah Loeb Brice Foundation
Excel Fund
The John Armitage Charitable Trust
John Lyon's Charity
The Leche Trust
The Lord Leonard and Lady Estelle Wolfson Foundation
The Magic Trust
The Manny Cohen Foundation
McCorquodale Charitable Trust
The National Lottery Heritage Fund
The Ofenheim Charitable Trust
The Rose Foundation
The Rothschild Foundation
The Tavolozza Foundation
The William Arthur Rudd Memorial Trust

And all those who wish to remain anonymous

We would also like to thank all of our wonderful donors who gave to specific projects, renewed their membership, or left legacy gifts to the Wallace Collection during this period

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

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

The financial statements comprise The Wallace Collection and its Group's:

- Consolidation and Collection Balance Sheet as at 31 March 2024;
- Consolidated Statement of Financial Activities and Consolidated Statement of Cash Flows 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 Wallace Collection and its Group's affairs as at 31 March 2024 and its net income for the year then ended;
- have been properly prepared in accordance with the Museums and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of The Wallace Collection 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 Wallace Collection 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 Wallace Collection and its

The Wallace Collection Annual Report and Accounts 2024-25

Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises information included in the Annual Report and Trustees' Report, but does not include the financial statements and 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 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 and Trustees' 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 and Trustees' 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 Wallace Collection and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report and Trustees' 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 Wallace Collection 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 and Trustees' Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by 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

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- 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 Accounting Officer's Responsibilities, the Trustees and the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within The Wallace Collection and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the applicable financial reporting framework;
- preparing the Annual Report and Trustees' Report in accordance with the applicable reporting framework; and
- assessing The Wallace Collection 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 and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

The Wallace Collection Annual Report and Accounts 2024-25

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 I:

- considered the nature of the sector, control environment and operational performance including the design of The Wallace Collection and its Group's accounting policies and key performance indicators.
- inquired of management, The Wallace Collection and its Group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to The Wallace Collection and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Wallace Collection and its Group's controls relating to compliance with the Museums and Galleries Act 1992, the Charities Act 2011, and Managing Public Money.
- inquired of management, The Wallace Collection and its Group's head of internal audit, and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - 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 IT auditors and land and building 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 The Wallace Collection and its Group's 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 required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of The Wallace Collection and its Group's framework of authority and other legal and regulatory frameworks in which The Wallace Collection and its Group operates. I focused 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 Wallace Collection and its Group. The key laws and regulations I considered in this context included the Museum and Galleries Act 1992, the Charities Act 2011, Managing Public Money, employment law and tax legislation.

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;
- enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

The Wallace Collection Annual Report and Accounts 2024-25

- addressed the risk of fraud through revenue recognition by assessing the recognition of grants, donations, sponsorship, admissions, legacies and contract income in line with the accounting framework, evaluating the recognition points around the year-end.

I communicated relevant identified laws and regulations and potential risks of fraud 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 sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 6 March 2026

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

The Wallace Collection Annual Report and Accounts 2024-25

Consolidated Statement of Financial Activities for the year ended 31 March 2025

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Fund £000	2024-25 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Fund £000	2023-24 £000
Income and endowment funds from:									
Donations and legacies	2	1,205	678	-	1,883	1,014	850	-	1,864
Grant-in-Aid	2	3,037	310	-	3,347	3,046	1,307	-	4,353
Charitable activities	3	657	-	-	657	902	-	-	902
Other trading activities	14	2,019	-	-	2,019	1,713	-	-	1,713
Investments	4	257	151	-	409	192	161	-	353
Total		7,175	1,139	-	8,315	6,867	2,318	-	9,185
Expenditure on:									
Raising funds									
Fundraising	5	748	28	-	776	543	50	-	593
Marketing and design	5	285	20	-	305	293	-	-	293
Trading: cost of goods sold and other costs	5	1,053	-	-	1,053	945	-	-	945
Charitable activities									
Conservation	5	542	55	-	596	400	87	-	487
Collections	5	834	909	-	1,744	796	462	-	1,258
Security	5	2,263	-	-	2,263	2,074	-	-	2,074
Building and maintenance	5	1,500	1,280	-	2,780	1,803	1,156	-	2,959
Total		7,225	2,292	-	9,517	6,854	1,755	-	8,609
Net gains/(losses) on investments	8c	-	-	16	16	-	-	573	573
Net income/(expenditure)	7	(50)	(1,153)	16	(1,186)	13	563	573	1,149
Transfers between funds	12	-	-	-	-	-	-	-	-
		(50)	(1,153)	16	(1,186)	13	563	573	1,149
Other recognised gains/(losses):									
Gains/(losses) on revaluation of fixed assets	8a	167	1,274	-	1,441	(109)	(1,489)	-	(1,598)
Net movement in funds		117	122	16	255	(96)	(926)	573	(449)
Reconciliation of funds									
Total funds brought forward		6,869	46,599	10,911	64,379	6,965	47,525	10,338	64,827
Total funds carried forward	12	6,986	46,720	10,927	64,633	6,869	46,599	10,911	64,379

All operations of the Group continued throughout both periods and no operations were acquired or discontinued in either period.

The Group has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains or losses has been presented.

The notes on pages 47 to 60 form part of these financial statements.

The Wallace Collection Annual Report and Accounts 2024-25

Consolidated and Collection Balance Sheet at 31 March 2025

	Notes	Group 2025 £000	Group 2024 £000	Collection 2025 £000	Collection 2024 £000
Fixed assets					
Tangible assets	8a	49,945	49,460	49,943	49,455
Heritage assets	8b	86	86	86	86
Investments	8c	10,666	10,650	10,666	10,650
		<u>60,698</u>	<u>60,196</u>	<u>60,695</u>	<u>60,191</u>
Current assets					
Stock		311	95	-	-
Debtors	9	905	970	878	1,766
Cash at bank and in hand	13	3,786	4,020	3,632	3,063
		<u>5,002</u>	<u>5,085</u>	<u>4,510</u>	<u>4,829</u>
Liabilities					
Creditors					
Amounts falling due within one year	10	(1,067)	(902)	(650)	(720)
Net current assets		<u>3,935</u>	<u>4,183</u>	<u>3,860</u>	<u>4,109</u>
Net assets	11	<u>64,633</u>	<u>64,379</u>	<u>64,555</u>	<u>64,300</u>
Represented by:					
Unrestricted funds					
Designated funds	12	3,131	3,167	3,132	3,167
Unrestricted revaluation reserve	12	1,545	1,378	1,565	1,398
General funds	12	2,310	2,324	2,212	2,226
		<u>6,986</u>	<u>6,869</u>	<u>6,909</u>	<u>6,791</u>
Restricted funds					
Restricted income funds	12	36,300	37,452	36,256	37,408
Restricted revaluation reserve	12	10,420	9,147	10,463	9,190
		<u>46,720</u>	<u>46,599</u>	<u>46,719</u>	<u>46,598</u>
Total income funds		53,706	53,468	53,628	53,389
Endowment fund	12	10,927	10,911	10,927	10,911
Total funds	12	<u>64,633</u>	<u>64,379</u>	<u>64,555</u>	<u>64,300</u>

The notes on pages 47 to 60 form part of these financial statements.

Dr Xavier Bray
Director and Accounting Officer

5 March 2026

Jessica Pulay
Chair

5 March 2026

The Wallace Collection Annual Report and Accounts 2024-25

Consolidated Statement of Cash Flows for the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	13	(160)	1,651
Cash inflows from investing activities:			
Dividends and interest from investments	SOFA	409	353
Purchase of property, plant and equipment		(482)	(1,827)
Net cash provided by (used in) investing activities		(73)	(1,474)
Change in cash and cash equivalents in the year		(233)	177
Cash and cash equivalents at beginning of the year		4,020	3,843
Cash and cash equivalents at end of the year		3,787	4,020

The notes on pages 47 to 60 form part of these financial statements.

The Wallace Collection Annual Report and Accounts 2024-25

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies

a) Basis of accounting

The accounts are prepared with regard to the requirements of the Government Financial Reporting Manual, and are compliant with the Financial Reporting Standard Applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and applicable accounting standards as modified by the Accounts Direction given by the Secretary of State for Culture, Media and Sport (DCMS), with the approval of H.M.Treasury in accordance with the Museums and Galleries Act 1992.

The accounts are consolidated and include Hertford House Marketing Limited, a trading subsidiary, in which the Wallace Collection owns the whole of the issued share capital of two shares of £1 nominal each.

b) Going concern

The accounts have been prepared on the going concern basis. Under Section 2 of the Museums and Galleries Act 1992, the Museum has a statutory responsibility to care and preserve the objects in its collection and make them available to the public, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient Government funding support will continue to be made available to fulfil this responsibility. Together with Government support, the Museum and its trading subsidiary have adequate remaining reserves and sufficient cash, and a history of success in generating income which is expected to continue and recover. The Trustees are satisfied that the Museum and subsidiary will continue to operate for the foreseeable future, being a minimum of twelve months from when these accounts were approved, and accordingly have applied the going concern basis for preparing its accounts. The Trustees continue to monitor the situation closely, including the financial impact of cost pressures.

c) Income

Income is recognised when the museum becomes entitled to it, its receipt is probable and the amount can be measured reliably.

Grants for fixed assets are recognised in the Statement of Financial Activities when they are receivable.

Grant-in-aid from the Department for Culture, Media and Sport allocated to general purposes is taken to the Statement of Financial Activities in the year to which it relates.

Sponsorship for specific projects and donations are recognised when the museum becomes entitled to the income, there is probability of receipt and the amount is quantifiable. Amounts received in advance are recognised as deferred income, and transferred to the Statement of Financial Activities in the year in which the respective conditions are fulfilled.

Legacies are credited to income when the museum becomes entitled to the income, receipt is probable and the amount is quantifiable.

Investment income is recognised as an addition to unrestricted funds unless there is a restriction as to the use of the income. Restricted income is allocated to the restricted fund to which the income relates. Net gains or losses in the market value of investments are allocated to the endowment fund.

Included in other trading activities is income from sales which is included in the financial statements in the year in which the goods or services are supplied. Charitable activities income includes ticket sales for exhibitions and these are recognised in the statement of financial activities when the ticket holders attend the respective exhibitions. All other income is accounted for on a receivable basis.

Donated services and goods are recognised as income and expenditure when the museum becomes entitled to them, receipt is probable and the amount can be measured reliably. The services and goods are valued at the price that the museum would have paid in the open market for services or goods of equivalent value.

d) Expenditure

Expenditure is recognised on an accruals basis and classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Costs of generating funds includes fund raising and publicity costs incurred in seeking voluntary contributions for the museum, and in publicising the museum.

Support costs are apportioned between activities on the basis that are most appropriate to each category of support cost. These bases include the expenditure for each activity, the number of staff involved in each activity, and analyses of use by each activity.

e) Fund accounting

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated funds are set out in the notes to the financial statements.

The endowment fund comprises donations made on condition that the capital value of the donation is held in perpetuity. The income is allocated to the unrestricted or restricted funds in accordance with the wishes of the donor.

f) Tangible fixed assets

Tangible fixed assets with a cost of £3,500 and above are capitalised and stated at their current cost. Where appropriate, assets of a lower value, but over £1,000 and purchased in bulk are grouped and capitalised when the combined total exceeds £3,500. This avoids the unnecessary capitalisation of comparatively low value items.

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f) Tangible fixed assets (continued)

The property, Hertford House, was transferred to the Trustees of the museum by the Secretary of State for the Environment on 22 December 1993. The basis for the valuation for this property is stated in note 8(a).

Depreciation is provided on all tangible fixed assets, except land and heritage assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land	- not depreciated
Freehold buildings	- the structure is depreciated over 95 years; the fit out over 25 years and the associated plant over 20 years. The refurbishment of the Great Gallery is depreciated over 95 years
Office equipment	- over four years
Fixtures and fittings	- over four years (electrical equipment), ten years (other fixtures and fittings and security equipment) and 25 years (refurbishment projects).

Depreciation on additions is charged from the date of purchase. When the acquisition date is not identifiable a full year's depreciation is charged.

Assets under construction are capitalised and not depreciated until they come into use. At that point they are transferred into other categories of asset and depreciated accordingly.

All material classes of fixed assets are revalued to current costs. A quinquennial valuation of land and buildings is carried out by a professional valuer. In the years between quinquennial valuations, a desk top valuation is performed. Impairment reviews are carried out where fixed assets show indications of potential impairments.

g) Stock

Stock comprises goods for resale, and is stated at the lower of cost and net realisable value.

h) Heritage assets

Formed by four generations of Marquesses of Hertford and by Sir Richard Wallace, the Wallace Collection was bequeathed to the nation by Lady Wallace in 1897. Her bequest stipulated that it should be preserved as a national museum 'unmixed with other works of art'. Owing to this stipulation the Wallace Collection neither acquires nor disposes of works of art.

In the Trustees' opinion, appropriate and relevant information on cost or value is not available for the museum's collections for assets purchased before 2001. This is owing to the lack of information on purchase cost, the diverse nature of the objects, and the volume of items held.

In the Trustees' opinion, conventional valuation approaches lack sufficient reliability and any valuation is likely to incur significant cost that is likely to be onerous. Even if valuations could be obtained the costs would not be at commensurate with any benefits to the museum management, curatorial staff, the public, or users of the financial statements. For this reason the Collections are not recognised as assets in the museum's balance sheet. Expenditure which is required to preserve or prevent further deterioration of individual Collection items is recognised in the Statement of Financial Activities when it is incurred.

There is no separate accession register as such for the Wallace Bequest since this function is deemed to be fulfilled by the original bequest documentation and subsequent catalogues.

Since the Wallace Collection is prohibited by the terms of Lady Wallace's bequest and subsequent statute from adding to or disposing of its permanent collection, objects and archival material relevant to the Collection and the family history are occasionally acquired for the Hertford House Historic Collection subsequent to the 1897 bequest. An accession register has been implemented for the Hertford House Historic Collection. Additions with a cost price in excess of £2,000 are capitalised and recognised in the balance sheet at the cost or value of the acquisition. Such items are not depreciated as they are deemed to have indefinite lives. Items are not revalued as a matter of course unless significantly impaired. To date no impairments have occurred of capitalised items.

i) Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme which is an unfunded, multi-employer, defined-benefit scheme. The Wallace Collection is unable to identify its share of the underlying liabilities. Additional details of the scheme are in Note 6b.

j) Financial instruments

Financial assets

The museum's financial assets include trade and other debtors which have fixed or determinable payments that are not quoted in an active market. The museum has no intention of trading these. Subsequent to initial recognition at fair value, these assets are carried at amortised cost, less impairment, using the effective interest method.

The museum also holds investments purchased using donations to its permanent endowment fund. These are included at market valuation.

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j) Financial instruments (continued)

Financial liabilities

Trade, other creditors and accruals are recorded at their carrying value, in recognition that these liabilities fall due within one year.

Impairment of financial assets

An assessment of whether there is objective evidence of impairment is carried out for all financial assets or groups of financial assets at the balance sheet date. A financial asset, or group of financial assets, is considered to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

Where there is objective evidence that an impairment loss exists on financial assets carried at amortised cost, impairment provisions are made to reduce the carrying value to the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Any charge to the Statement of Financial Activities represents the movement in the level of provisions, together with any amounts written off, net of recoveries in the

k) Taxation

The Wallace Collection is exempt under section 505 of the Income and Corporation Taxes Act 1988 from taxes on income arising from the pursuit of its charitable objectives. The trading subsidiary, Hertford House Marketing Limited, distributes its profit to the Wallace Collection at the year end, so no tax is due on this.

l) Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of property, plant and equipment (PPE)

Property, plant and equipment represent a significant proportion of the asset base and therefore the estimates and assumptions such as the treatment of the Collection's property as specialised and the specification of modern replacements for historical buildings, have been made to determine their carrying value and related depreciation which are critical to the reported financial position and expenditure. Revaluation of PPE requires management to rely on the expertise of professional surveyors. The freehold property comprising the Wallace Collection is valued every five years by an external valuer, Newmark (formerly Gerald Eve LLP), a regulated firm of Chartered Surveyors. A full valuation was performed at 31 March 2025 and the valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2024 (the Red Book) applicable from January 2025. The property was categorised as specialised and consequently valued on a Depreciated Replacement Cost (DRC) basis due to the unique and historic nature of the Wallace Collection and its building. This is a hypothetical valuation approach, involving a series of assumptions, to define and value the cost of acquiring a modern facility that would enable the Wallace Collection to carry out its existing functions; significant assumptions include:

- The identification of a Modern Equivalent Asset (MEA). Management establish this through discussion with experts and have determined the existing size and location of the asset are equal to the MEA.
- The consideration of the current level of obsolescence, both physical and functional (inclusive of adjustments for sustainability considerations). This is based on the professional judgement of our valuer's on-site inspections and subsequent discussions with management.

Said inputs, alongside other key assumptions such as £/acre and £/m², have a roughly proportionate impact on the valuation and therefore small movements in assumptions can have a significant impact on the valuation. A desk top valuation is performed by Gerald Eve in the years in between a full valuation.

Valuation of Investments

While the majority of investments held are quoted and their valuations are derived using observable prevailing market prices, there is a portion of the portfolio that is unquoted and whose valuations are derived from significant unobservable inputs. These investments are held through third party managers who will make judgements as to what valuation methodology to use.

m) Public benefit entity

The Wallace Collection is a public benefit entity and meets the public benefit requirement in the Charities Act 2011.

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2. Donations and legacies, and Grant in Aid

	Unrestricted £000	Restricted £000	Endow- ment £000	2024-25 £000	Unrestricted £000	Restricted £000	Endow- ment £000	2023-24
Donations	1,204	678	-	1,882	961	836	-	1,797
Legacies	1	-	-	1	53	15	-	68
Grant in Aid	3,037	310	-	3,347	3,046	1,307	-	4,353
	<u>4,242</u>	<u>988</u>	<u>-</u>	<u>5,230</u>	<u>4,060</u>	<u>2,158</u>	<u>-</u>	<u>6,218</u>

Unrestricted donations include £21,000 of pro bono investment support (2023-24 £21,000). The matching expenditure has been included in fundraising costs.

Grant-in-Aid of £3,347,000 (2023-24 £4,353,000) was received from the Department for Culture, Media and Sport of which £310,000 (2023-24 £1,307,000) was for capital projects.

3. Income from charitable activities

	2024-25 Unrestricted £000	2023-24 Unrestricted £000
Ticket Income	451	790
Study days and art activities	80	69
Tours and filming	34	20
Miscellaneous other income	92	23
	<u>657</u>	<u>902</u>

4. Income from investments

	Unrestricted £000	Restricted £000	2024-25 £000	Unrestricted £000	Restricted £000	2023-24 £000
UK investment funds	37	31	67	36	30	66
Fixed interest bonds	22	18	40	25	21	46
UK equities	61	52	113	68	57	125
Overseas equities	54	45	100	24	20	44
Infrastructure and property	3	3	6	34	29	63
Interest receivable	81	2	83	5	4	9
	<u>258</u>	<u>152</u>	<u>409</u>	<u>192</u>	<u>161</u>	<u>353</u>

5. Expenditure

	Direct costs	Support costs	Deprec- iation	2024-25	Direct costs	Support costs	Deprec- iation	2023-24
Raising funds								
Fundraising	614	162	-	776	469	124	-	593
Marketing and design	240	65	-	305	207	86	-	293
Trading	945	106	2	1,053	843	100	2	945
Charitable Activities								
Conservation	536	60	-	596	434	53	-	487
Collections	1,584	160	-	1,743	1,127	131	-	1,258
Security	2,050	213	-	2,263	1,870	204	-	2,074
Building and maintenance	1,136	206	1,438	2,781	1,525	226	1,208	2,959
	<u>7,106</u>	<u>972</u>	<u>1,440</u>	<u>9,517</u>	<u>6,475</u>	<u>924</u>	<u>1,210</u>	<u>8,609</u>

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5b) Support costs breakdown by activity

	Governance £000	Human Resources £000	Finance & IT £000	Office Supplies £000	Director's Office £000	2024-25 £000	2023-24 £000
Raising funds							
Fundraising	4	5	37	7	109	162	124
Marketing and design	2	1	15	5	42	65	86
Trading	7	8	59	5	26	106	100
Charitable activities							
Conservation	4	6	33	3	15	60	53
Collections	11	15	96	4	34	160	131
Security	14	45	125	1	28	213	204
Building and maintenance	18	2	156	1	28	206	226
	<u>60</u>	<u>81</u>	<u>521</u>	<u>27</u>	<u>283</u>	<u>972</u>	<u>924</u>

Basis of allocation of support costs Expenditure Staff numbers Expenditure Estimated use Estimated use

6. Staff costs

6a)	2024-25 £000	2023-24 £000
Wages and salaries	3,502	3,150
Social security costs	332	292
Pension costs	800	656
	<u>4,634</u>	<u>4,098</u>
Temporary staff	104	79
	<u>4,738</u>	<u>4,177</u>

No staff costs were capitalised (2023-24: £nil).

The number of employees, including the Director, whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2024-25	2023-24
£60,001 - £70,000	-	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
	<u>3</u>	<u>3</u>

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6b) Pension costs

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS). The PCSPS and CSOPS - known as 'alpha' - are non-contributory and unfunded multi-employer defined benefit schemes but the Wallace Collection is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (<https://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>).

For 2024-25, employers' contributions of £755,249 were payable to the PCSPS (2023-24: £606,329) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 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.

Employers' contributions of £44,288 (2023-24: £50,073) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions equivalent to 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.

There were no contributions due to the partnership pension providers at the balance sheet date (2023-24: £3,740).

6c) Average number of employees

The average number of employees, across the reporting period and analysed by function, was:

	2024-25	2024-25	2023-24	2023-24
	Headcount	Full-time equivalent	Headcount	Full-time equivalent
Director's Office	2.0	2.0	2.0	2.0
Conservation	7.0	6.4	6.8	6.5
Collections	17.8	16.1	14.8	13.0
Security and Gallery	56.8	48.5	58.1	46.9
Building and Maintenance	2.0	2.0	1.7	1.7
Fundraising	5.8	5.2	6.0	5.4
Marketing and Design	0.8	0.8	1.0	1.0
Trading	9.8	9.2	8.3	8.0
Finance, HR and IT	3.0	3.0	4.6	4.5
	<u>105.0</u>	<u>93.2</u>	<u>103.4</u>	<u>89.0</u>

6d) Trustees

The Trustees neither received nor waived any emoluments during the year (2023-24: £nil). No expenses were reimbursed to any Trustee (2023-24: £nil).

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2024-25	2023-24
	£000	£000
External audit fees: NAO	32	30
External audit fees: trading subsidiary auditors	13	12
Other fees: trading subsidiary auditors	4	6
Internal audit fees	6	6

No fees were paid to the NAO for non-audit work.

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8a) Tangible fixed assets Group

	Freehold land and buildings £000	Fixtures and fittings £000	Office equip- ment £000	Assets under construction £000	Total £000
Cost or valuation					
Balance at 1 April 2024	44,638	7,896	1,026	1,331	54,891
Additions	340	136	35	-	512
Transfers	1,235	96	-	(1,331)	-
Disposals	-	(611)	(86)	-	(697)
Revaluation	445	54	-	-	499
Balance at 31 March 2025	46,658	7,572	975	-	55,205
Depreciation					
Balance at 1 April 2024	-	4,679	752	-	5,431
Charge for the year	943	397	98	-	1,437
Disposals	-	(611)	(86)	-	(697)
Revaluation	(943)	30	-	-	(912)
Balance at 31 March 2025	-	4,496	764	-	5,259
Net book value					
Balance at 31 March 2025	46,658	3,076	212	-	49,945
Balance at 31 March 2024	44,638	3,217	274	1,331	49,460

The net book value at 31 March 2025 represents tangible fixed assets used for:

	Freehold land and buildings £000	Fixtures and fittings £000	Office equip- ment £000	Assets under construction £000	Total £000
Charitable purposes	46,658	3,073	211	-	49,943
Trading activities	-	4	-	-	4
	46,658	3,077	211	-	49,946

The Wallace Collection

	Freehold land and buildings £000	Fixtures and fittings £000	Office equip- ment £000	Assets under construction £000	Total £000
Cost or valuation					
Balance at 1 April 2024	44,638	7,859	1,024	1,331	54,852
Additions	340	136	35	-	512
Transfers	1,235	96	-	(1,331)	-
Disposals	-	(611)	(86)	-	(697)
Revaluation	445	54	-	-	499
Balance at 31 March 2025	46,658	7,535	973	-	55,166
Depreciation					
Balance at 1 April 2024	-	4,647	750	-	5,397
Charge for the year	943	395	98	-	1,435
Disposals	-	(611)	(86)	-	(697)
Revaluation	(943)	30	-	-	(912)
Balance at 31 March 2025	-	4,462	762	-	5,223
Net book value					
Balance at 31 March 2025	46,658	3,073	211	-	49,943
Balance at 31 March 2024	44,638	3,212	274	1,331	49,455

The Wallace Collection is housed in Hertford House, Manchester Square, London, W1U 3BN. The freehold title to this property was transferred to the Trustees of the Wallace Collection from the Secretary of State for the Environment on 22 December 1993 at its then net book value.

The Collection does not hold sufficient data to show the historical cost of the museum's land and buildings

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8 b) Heritage assets

	2024-25 £000	2023-24 £000	2022-23 £000	2021-22 £000	2020-21 £000
Balance at 1 April	86	86	86	86	82
Additions	-	-	-	-	4
Balance at 31 March	<u>86</u>	<u>86</u>	<u>86</u>	<u>86</u>	<u>86</u>

Objects and archival material relevant to the Collection and the family history are occasionally acquired for the Hertford House Historic Collection subsequent to the 1897 bequest.

In addition, but not capitalised on the balance sheet (see note 1h), the museum contains a range of Old Master paintings, miniatures, sculpture, furniture, porcelain and goldsmiths' work, European, African and Asian arms and armour, and medieval and Renaissance works of art from the fifteenth to the nineteenth centuries. Items in the Collection are of significant artistic and historical importance. Its holdings of French eighteenth-century art, European princely arms and armour, and Old Master paintings are internationally acclaimed.

8 c) Investments

	Group 2025 £000	Group 2024 £000	Collection 2025 £000	Collection 2024 £000
Market value at 1 April	10,650	10,077	10,650	10,077
Net gain/(loss) on revaluation	<u>16</u>	<u>573</u>	<u>16</u>	<u>573</u>
Market value at 31 March	<u>10,666</u>	<u>10,650</u>	<u>10,666</u>	<u>10,650</u>
	Group 2025 £000	Group 2024 £000	Collection 2025 £000	Collection 2024 £000
At market value:				
UK investment funds	2,254	2,129	2,254	2,129
Fixed interest bonds	927	1,004	927	1,004
UK equities	2,952	3,236	2,952	3,236
Overseas equities	3,650	2,861	3,650	2,861
Infrastructure and property	718	701	718	701
Cash	<u>166</u>	<u>719</u>	<u>166</u>	<u>719</u>
	<u>10,666</u>	<u>10,650</u>	<u>10,666</u>	<u>10,650</u>
At cost	<u>8,608</u>	<u>8,608</u>	<u>8,608</u>	<u>8,608</u>

All investments are stated at fair value at 31 March 2025. Valuations for investments with an active market are based on published quoted prices at or close to the balance sheet date. Valuations for other investments are based on recent valuation reports. Fixed asset investments are held for the purposes of producing a long-term return and are not intended to be spent within the next 12 months.

Cash held in investments is not available for use to further charitable activities as it forms part of the permanent endowment fund from which only the income is available for charitable activities.

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9) Debtors

	Group 2025 £000	Group 2024 £000	Collection 2025 £000	Collection 2024 £000
Trade debtors	243	82	41	50
Other debtors	52	53	52	53
VAT debtors	88	289	166	289
Amount due from subsidiary	-	-	217	839
Prepayments and accrued income	522	547	403	535
	<u>905</u>	<u>970</u>	<u>878</u>	<u>1,766</u>

None of the above is expected to be received after more than one year.

10 Creditors

	Group 2025 £000	Group 2024 £000	Collection 2025 £000	Collection 2024 £000
Trade creditors	379	311	361	297
Taxation and Social Security	-	180	-	129
Accruals	256	278	230	288
Deferred income	432	133	59	6
	<u>1,067</u>	<u>902</u>	<u>650</u>	<u>720</u>

All creditors fall due within one year. The movement on the deferred income account is as follows:

	Group 2025 £000	Group 2024 £000	Collection 2025 £000	Collection 2024 £000
Deferred income at 1 April	133	127	6	19
Released from previous year	(133)	(127)	(6)	(19)
Deferred in current year	432	133	59	6
Deferred income at 31 March	<u>432</u>	<u>133</u>	<u>59</u>	<u>6</u>

Collection deferred income relates to ticket income relating to events in the subsequent year. Group deferred income also includes income relating to events taking place in subsequent periods.

11. Analysis of consolidated net assets between funds

	Unrestricted funds £000	Restricted funds £000	Endowment fund £000	Total 2025 £000	Total 2024 £000
Fixed assets	4,956	45,076	10,666	60,698	60,196
Current assets	3,097	1,644	261	5,002	5,085
Current liabilities	(1,067)	-	-	(1,067)	(902)
Total net assets	<u>6,986</u>	<u>46,720</u>	<u>10,927</u>	<u>64,633</u>	<u>64,379</u>

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12. Consolidated statement of funds

Statement of Funds 2025

	Balance at 1 April 2024	Income	Expenditure	Revaluation	Transfers	Balance at 31 March 2025
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Designated funds:						
Capital projects (a)	3,156	-	(212)	-	175	3,119
Heritage assets (b)	12	-	-	-	-	12
Revaluation reserve	1,380	-	-	167	-	1,545
General funds	2,323	7,175	(7,013)	-	(175)	2,310
Total unrestricted funds	6,869	7,175	(7,225)	167	-	6,986
Restricted funds						
Capital reserve (c)	35,335	-	(1,228)	-	476	34,584
Heritage assets (d)	72	-	-	-	-	72
Revaluation reserve	9,146	-	-	1,274.29	-	10,420
Conservation projects (e)	233	63	(102)	-	-	194
Education fund (f)	169	165	(173)	-	-	161
Infrastructure fund (g)	703	342	(77)	-	(476)	492
Archive and library fund (h)	240	-	(16)	-	-	224
Curatorial projects (i)	512	36	(108)	-	-	440
Collection Services fund (j)	113	533	(585)	-	-	61
Gallery refurbishment (k)	13	-	-	-	-	13
Temporary Exhibition infrastructure (l)	65	-	(6)	-	-	59
Total restricted funds	46,599	1,139	(2,295)	1,274	-	46,720
Endowment fund	10,911	-	-	16	-	10,927
Total funds	64,379	8,313	(9,520)	1,458	-	64,633

a) The capital projects fund comprises the net book value of the museum's tangible fixed assets purchased using unrestricted funds.

b) The heritage assets fund represents the value of heritage assets held by the Hertford House Historic Collection which have been purchased using unrestricted funds.

c) The capital reserve fund represents the net book value of the museum's tangible fixed assets purchased using restricted funds.

d) The heritage assets restricted fund represents the value of heritage assets held by the Hertford House Historic Collection which have been purchased using restricted funds given for this purpose.

e) The conservation projects fund includes funds specifically for conservation projects from various donors.

f) The education fund assists with the cost of the museum's education department.

g) The infrastructure fund represents those restricted funds specifically raised for infrastructure projects.

h) The archive and library fund holds income from the endowment fund restricted to that work and other donations for archival work.

i) The curatorial fund is for donations towards curatorial purchases and activities.

j) The Collection Services fund is for donations for exhibitions and other work by the department.

k) The gallery refurbishment fund represents those restricted funds specifically raised for that purpose. The transfer relates to the restricted element of the works under construction during the year.

l) The temporary exhibition infrastructure fund is for the ticketing and other infrastructure costs associated with starting a paid exhibition programme.

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12. Consolidated statement of funds

Statement of Funds 2024

	Balance at 1 April 2023	Income	Expenditure	Revaluation	Transfers	Balance at 31 March 2024
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Designated funds:						
Capital projects (a)	3,309	-	(207)	-	54	3,156
Heritage assets (b)	12	-	-	-	-	12
Revaluation reserve	1,489	-	-	(109)	-	1,380
General funds	2,155	6,867	(6,645)	-	(54)	2,323
Total unrestricted funds	6,965	6,867	(6,852)	(109)	-	6,869
Restricted funds						
Capital reserve (c)	34,650	-	(1,003)	-	1,687	35,334
Heritage assets (d)	72	-	-	-	-	72
Revaluation reserve	10,635	-	-	(1,489)	-	9,146
Conservation projects (e)	221	78	(66)	-	-	233
Education fund (f)	129	155	(115)	-	0	169
Infrastructure fund (g)	859	1,383	(203)	-	(1,335)	704
Archive and library fund (h)	131	122	(15)	-	-	238
Curatorial projects (i)	364	259	(111)	-	-	512
Collection Services fund (j)	89	271	(247)	-	-	113
Gallery refurbishment (k)	310	50	5	-	(352)	13
Temporary Exhibition infrastructure (l)	65	-	0	-	-	65
Total restricted funds	47,525	2,318	(1,754)	(1,489)	-	46,599
Endowment fund	10,338	-	-	573	-	10,911
Total funds	64,828	9,185	-8,606	-1,025	-	64,379

a) The capital projects fund comprises the net book value of the museum's tangible fixed assets purchased using unrestricted funds.

b) The heritage assets fund represents the value of heritage assets held by the Hertford House Historic Collection which have been purchased using unrestricted funds.

c) The capital reserve fund represents the net book value of the museum's tangible fixed assets purchased using restricted funds.

d) The heritage assets restricted fund represents the value of heritage assets held by the Hertford House Historic Collection which have been purchased using restricted funds given for this purpose.

e) The conservation projects fund includes funds specifically for conservation projects from various donors.

f) The education fund assists with the cost of the museum's education department.

g) The infrastructure fund represents those restricted funds specifically raised for infrastructure projects.

h) The archive and library fund holds income from the endowment fund restricted to that work and other donations for archival work.

i) The curatorial fund is for donations towards curatorial purchases and activities.

j) The Collection Services fund is for donations for exhibitions and other work by the department.

k) The gallery refurbishment fund represents those restricted funds specifically raised for that purpose. The transfer relates to the restricted element of the works under construction during the year.

l) The temporary exhibition infrastructure fund is for the ticketing and other infrastructure costs associated with starting a paid exhibition programme.

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13. Reconciliation of consolidated net (expenditure)/income to net cash inflow from operating activities

	Notes	2024-25 £000	2023-24 £000
Net income/(expenditure) for the year (as per the statement of financial activities)		(1,186)	1,149
Adjustments for:			
Depreciation charges	8a)	1,437	1,210
Dividends and interest from investments		(409)	(353)
(Increase)/decrease in stock		(216)	66
Decrease/(increase) in debtors	9	65	(25)
(Decrease)/increase in creditors due within one year	10 a)	165	178
(Gain)/Loss on investments		(16)	(573)
Net cash provided by (used in) operating activities		<u>(160)</u>	<u>1,651</u>
		Group	Group
		2025	2024
		£000	£000
Analysis of cash and cash equivalents			
Cash held in commercial banks		3,760	4,018
Cash in hand		26	2
		<u>3,786</u>	<u>4,020</u>

14. Hertford House Marketing Limited

The Wallace Collection owns the whole of the issued share capital of two shares of £1 nominal value of Hertford House Marketing Limited, a company registered in England and Wales (company number 3183595). The company's principal activities are corporate event hire, retail, image licensing and the running of the Wallace Restaurant franchise. The museum's Director was a director throughout the year.

Statement of comprehensive income

	2024-25 £000	2023-24 £000
Turnover	2,019	1,713
Cost of sales	<u>(243)</u>	<u>(275)</u>
Gross profit	1,776	1,438
Administrative expenses	<u>(732)</u>	<u>(632)</u>
Profit on ordinary activities before gift aid payment	<u>1,044</u>	<u>806</u>

Profit of £1,045,000 (2023-24 £806,000) was distributed under gift aid to the Wallace Collection.

Consolidated Statement of Financial Activities

	2024-25 £000	2023-24 £000
Cost of sales	243	275
Administrative expenses	<u>732</u>	<u>632</u>
Gross Profit	975	907
Balance sheet		
	2025 £000	2024 £000
Tangible fixed assets	4	6
Current assets	726	1,099
Current liabilities	<u>(712)</u>	<u>(1,085)</u>
Net assets	<u>18</u>	<u>20</u>
Share capital	-	-
Reserves	18	20
Net assets	<u>18</u>	<u>20</u>

The Current Assets include stock of £310,680 (2023-24 £97,424).

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15. Financial instruments

FRS 102 requires entities to provide disclosures which allow users of the accounts to evaluate the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments during the period.

Many of the Group's financial instruments relate to contracts to buy non-financial items in line with the museum's expected purchase and usage requirements and the Group is therefore exposed to little credit, liquidity or market risk. However, the museum holds fixed asset investments following the establishment of its permanent endowment fund in 2015-16 and is exposed to market risk on these. It seeks to manage this risk through the use of professional investment advisors and fund managers.

Liquidity Risk

Approximately 40% (2023-24: 45%) of the museum's non-endowment income was provided as Grant-in-Aid from the Department for Culture, Media and Sport. The remaining proportion is self-generated income. The risk is managed by the reserves policy for general funds which seeks to hold between three and six months expenditure. As the cash requirements of the museum are met largely through Grant-in-Aid received from the Department of Culture, Media and Sport, financial instruments play a more limited role in managing risk than would apply to a non-public sector body of a similar size.

Foreign Currency Risk

As the museum's policy is to convert foreign currency into sterling on receipt, the museum's exposure to foreign currency risk is not significant.

Interest Rate Risk

The museum draws down its annual Grant-in-Aid allocation according to its monthly cash flow requirements. The museum's current financial assets represents cash held for these short term requirements and therefore earns interest at a floating rate. None of the museum's financial assets carry fixed rates of interest. As only a relatively small proportion of income (£78,000 (2023-24: £8,000)) is generated from interest earned, the museum is not exposed to significant interest rate risk.

16. Related party transactions

The Wallace Collection is a Non-Departmental Public Body whose sponsoring body is the Department for Culture, Media and Sport (DCMS). Other bodies sponsored by DCMS are regarded as related parties, as are organisations in which Trustees or key members of management (or their connected persons) have an interest. During the year, the Wallace Collection only entered into transactions with related parties under normal business terms.

Grant-in-Aid of £3,347,000 (2023-24 £4,353,000) was received from the Department for Culture, Media and Sport.

Related party	Nature of relationship	Grants, donations	Purchases	Outstanding
		or income received		balance at 31
		£000	£000	March 2025
				£000
British Museum	DCMS funded body	-	3	-
Tate	DCMS funded body	2	3	-
V&A Museum	DCMS funded body	-	4	-

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16. Related party transactions (continued)

Wallace Collection in America, Inc

The Wallace Collection in America, Inc (WCiA) is a US tax-exempt organisation under section 501(c) (3) of the US Internal Revenue Code. It is incorporated in the State of Delaware. The objectives of the WCiA are to educate the public about art in general and to raise awareness among Americans and others about the activities and collections of the Wallace Collection. It is able to make grants to the Wallace Collection and other organisations in pursuit of these objectives.

The WCiA has a board of three directors. No Trustees of the Wallace Collection currently sit on the Board.

During the year grants of £97,000 (2023-24 £108,000) were made to the Wallace Collection. At 31 March 2025, the WCiA had net assets of £26,000 in the form of cash at bank (2023-24 £396,000)

The WCiA has not been consolidated in the group accounts of the Wallace Collection as the Wallace Collection did not exercise control during the period.

No Trustees or staff member obtained any personal benefit from the transactions disclosed above and no Trustee and or staff member had any other material transactions with the museum in the year. No Trustees held any significant interests which would conflict with their management responsibilities of the museum. Several Trustees are also supporters of the museum, and they are shown in Annex B to the Annual Report. Donations received from Trustees and their close family members in the year were £71,183 including gift aid (2023-24: £147,533). Donations received without conditions from Trustees and other related parties totalled £71,183 (2023-24: £147,533).

Compensation for key management personnel has been disclosed in the remuneration report.

17. Capital Commitments

	2025	2024
	£000	£000
Authorised by the Trustees and contracted for	-	224

There were no capital commitments at 31 March 2025. The Capital Commitment in 2024 relates to the repair and refurbishment of the North, West and East facades of Hertford House.

18. Contingent liabilities

There were no contingent liabilities as at 31 March 2025 (2024: Nil).

19. Post balance sheet events

The accounts were authorised for issue on the date of the Comptroller and Auditor General's certification. There were no reportable events between the balance sheet date and the date the accounts were authorised for issue.

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