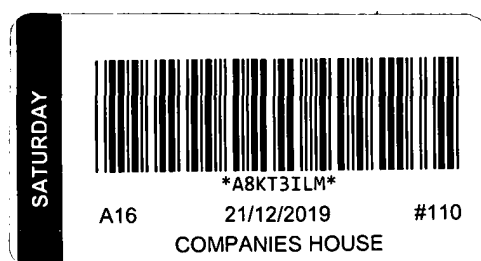


ARNOLFINI GALLERY LIMITED
ACCOUNTS
31 MARCH 2019

Charity Number 311504



BURTON SWEET

Chartered Accountants & Statutory Auditor
Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset
BA4 5QE

ARNOLFINI GALLERY LIMITED

ACCOUNTS

YEAR ENDED 31 MARCH 2019

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ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2019

The trustees, who are also directors for the purposes of company law, present their report and the accounts of the charity for the year ended 31 March 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Arnolfini Gallery Limited
Charity registration number	311504
Company registration number	877987
Principal and registered office	16 Narrow Quay Bristol BS1 4QA

The trustees

The trustees who served the charity during the period were as follows:

A Southall (Chair)	(retired 30 July 2018)
G Thomas (Interim Chair)	(appointed 4 June 2018, retired 1 February 2019)
L Daly (Chair)	(appointed 1 February 2019)
J Lewison	(retired 1 February 2019)
J McAuliffe (Treasurer)	(retired 30 July 2018)
I Canning	(retired 1 February 2019)
G Sangster	(retired 1 February 2019)
L Parkin	(retired 30 July 2018)
L Tutton	(retired 1 February 2019)
E Rodman	(retired 30 July 2018)
A Comley	(appointed 1 February 2019)
G Maxwell-Heron	(appointed 1 February 2019)
J Roscoe	(appointed 1 February 2019)
D Freed	(appointed 4 June 2018, retired 1 February 2019)
M Farmer	(appointed 1 February 2019)
R Fleetwood	(appointed 1 February 2019)

Auditor	Burton Sweet Chartered Accountants & Statutory Auditor Cooper House Lower Charlton Estate Shepton Mallet Somerset BA4 5QE
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Bankers	Bank of Scotland 21 Prince Street Bristol BS99 7JG
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ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Arnolfini Gallery Limited is a charitable company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association adopted on 12 October 1990.

Trustees

The board of trustees is responsible for the overall governance of the Charity. Trustees of the Charity are also the directors of the charitable company for the purpose of the Companies Act 2006. Trustees are recruited for their expertise and experience; a skills audit is conducted annually.

New trustees receive an induction pack, and are inducted to the workings of the Charity by the Executive. There is an annual update for trustees to keep them abreast of changes in relevant law and practice. Trustees are appointed for a term of three years and can be re-elected to serve for one further term.

The full board of trustees meets at least quarterly to review strategy, policy, operational performance against objectives, budgets and financial performance, as well as at key points in the organisation's development as and where necessary.

Executive

A number of changes to the senior team occurred during 2018-19. Claire Doherty left as Director in December 2018. Marie Voller joined as Head of Finance in December 2018 and Gary Topp joined in February 2019 as Interim CEO.

Group Structure and Relationships

The Charity has a wholly owned subsidiary, Arnolfini Trading Limited. In 2018-19, the trading company recorded the financial transactions arising from sales in the bookshop, private hires and tenancy rentals and income received from the cafe bar which continues to be operated by an external operator, the Bristol Brewing Company Limited (trading as the Bristol Beer Factory).

The Bristol Brewing Company pays Arnolfini a rental fee for leasing the café/bar premises and a percentage of net profit. Any surplus profits of the trading subsidiary are gift-aided to Arnolfini Gallery Limited.

On the sale of Bush House in July 2015, a second wholly owned subsidiary was established, Bush House Building Services Ltd (BHBS), to manage the operation of the building on behalf of the landlord, the University of the West of England (UWE), Bristol. As a building management company, BHBS receives a service fee from the landlord for its services, with Arnolfini Gallery also contributing towards these management costs.

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

The Ashley Clinton and Barker-Mill Trust (ACBMT) continued to provide on-going financial support to Arnolfini of £100,000 during 2018-19 in the form of a grant.

Risk Management

The trustees are responsible for overseeing the management of risks faced by the organisation. A formal review of the Charity's risk management processes is undertaken by the Board on a regular basis. The full risk register is examined by the board of trustees on a bi-monthly basis.

The key risks that the organisation faced during this period were:

- Failure to stabilise the financial situation of Arnolfini in light of the announcement in June 2017 that Arnolfini's application for regular Arts Council England (National Portfolio) (ACE) funding 2018-2022 had been unsuccessful;
- Failure to communicate the value of Arnolfini following ACE's announcement and in preparation for actively participating in ACE's city-wide Visual Arts Review;
- Failure to protect the organisation and suitably prepare for the new funding status of the organisation during the transition period post 31st March 2019;
- Flight risk of key senior members of staff due to the uncertainty about Arnolfini's future.

In January 2019 a new Trustee group was appointed to oversee the next phase of the transition plan including the move to a Charitable Incorporated Organisation as part of its new partnership with UWE, Bristol.

The trustees continued to mitigate any risks during this period, through diversification of income streams and ongoing cost reduction, whilst continuing to manage the other risks of this transition period through prudent performance and relationship management and brand guardianship.

AIMS AND OBJECTIVES

Our mission as Bristol's International Arts house is to catalyse positive change through encounters with and participation in internationally significant contemporary visual and performing arts.

Charitable Objectives

The principal objective of the Charity is the education of the public through the promotion and presentation of contemporary art. This is achieved through exhibitions, performance, dance, film, literature, poetry and music, supported through associate engagement and events programmes.

Public Benefit

In reviewing the aims and objectives, and in planning forthcoming activities, the trustees have considered the Charity Commission's general guidance including the guidance on public benefit and fee charging.

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Entrance to our galleries and exhibitions is free to all visitors. In determining the ticket pricing for events staged in the auditorium and related spaces, careful consideration is given to the affordability, audience access and the organisation's aims for the development of their engagement. Concessionary ticket prices are offered for the majority of events programmed by Arnolfini. In addition, Arnolfini works across Bristol through a series of dispersed off-site projects which offer opportunities for engagement and participation in other locations.

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS FOR THE YEAR

Overview

2018/19 was a year of considerable change for Arnolfini as it adapted further to the changes to its funding and external environment. It was not a 'business as usual' year. The restructuring process described in previous year's Annual Reports was accelerated, a number of fundamental business issues were addressed and there was wholesale organisational change. The skeleton staff team, limited resources and wider external issues constrained public programming to a limited series of events based activities.

Aims from previous year

The key organisation aim for the year was established in Q4 of 2017/18- a transition phase- that halted the exhibition programme, scaled back the events and activities and embedded a continual process of strategic review. At its heart was the need to establish a financial, business and cultural programming model that could work in the long run.

In light of this challenge the key relationships with the UWE, Bristol and Arts Council, England took centre stage alongside the refreshed focus on a strong engagement with the city, its communities and its creative ecology.

This work transitioned significantly in January 2019 with a new Board of Trustees and Director. As such the final month of the year involved a swift and critical reorientation of the organisation to build a new business model and new set of strategic relationships that could be the foundation for a long term sustainable future.

Activity highlights

In 2018-19, the priorities for Arnolfini's artistic programme were:

- Income generation through public events
- Building and evolving relationships with new partners
- Signalling new and ongoing directions.
- Planning for full programme relaunch

Building & evolving relationships

Across 18/19, we co-presented with over 30 partners, ranging from emerging arts/community-focused organisations in a mentoring/support relationship that has included co-presenting in our spaces – to larger peer organisations:

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Regular co-presentations: Raise the Bar (monthly spoken word events, box office split); Architecture Centre (continuing monthly talks/panels, subsidised hire); West of England Design Forum (ongoing events, subsidised hires)

Ongoing relationships: Mandem (emerging collective of young black artists/academics, supported with mentoring and box office split events); Qu Junktions (serving as the base for Qu Junktions presentations of sound art on a national touring network); IC Visual Labs (co-presenting artist workshops, talks, symposia);

Annual/one-off events: Afrika Eye Festival (annual event with talks and screenings); BBC (sold out lecture by journalist Gary Younge); MAYK (biennial festival of contemporary performance, Mayfest); Colston Hall (hosting their All Day Takeover for emerging musician/producers); Creative Youth Network (co-presenting The Edge, a large-scale performance created by young people);

Signalling new and ongoing directions

Beyond sustainable income generation, and an investment in building/extending relationships with like-minded co-presenters, we have programmed to signal Arnolfini's commitments to:

- Progressive social causes
 - o For International Women's Day, Arnolfini presented a day of discussion, and mentorship for emerging female leaders in Bristol
 - o Black Girl Convention, with Mena Fombo, a workshop on white allyship
 - o World AIDS Day; with fundraising events delivered in partnership with Terrence Higgins Trust, Brigstowe Project
 - o Immortalised, Historic England's Contested Heritage conference; with a programme of work curated by Arnolfini and Cleo Lake focusing on the impact of the slave trade
- Contemporary/experimental practice, social practice

With artist Kayle Brandon & Association of the Unknown Shore, supported with space in kind and producing support; Tom Marshman's A Haunted Existence began here and presented a second season at The Island before touring to London; Figs in Wigs presented their work Often Onstage (through a conversation sparked by Bristol's Impermanence Dance).

Working with UWE: Through 2018-19, Arnolfini have continued their work with UWE – co-presenting the Art in the City lecture series to students and public audiences; in addition to a range of book launches, performances, student fundraisers, screenings, and conferences for UWE staff and their national networks.

Local/International connections: During the presentation of dance-work Deepspace, Arnolfini hosted a workshop for local makers focusing on choreographer James Batchelor's process and experience of creating work whilst on residency on an Antarctic research vessel; we worked with Thorny to co-present US artist ALOK, alongside Bristol's Travis Alabanza; and we partnered with UK sound art presenter Dirty Electronics to co-present Japanese sound artist Tetsuya Umeda.

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Planning for programme relaunch

During FY1819, we began conversations with Nottingham Contemporary & De La Warr Pavilion for Still I Rise – Act 3 to relaunch our exhibitions programme. Arnolfini also reached out to begin early conversations with Anna Schwarz Gallery and the Australia Council (this would lead to conversations around ASSEMBLY, planned for the 2020 Jan-April season).

Logistics for the relaunch began taking shape – including planning with the install team, a consideration of staffing needs for electrical work, and discussions for some light-touch refurbishment. In the shorter term, we also planned a 'Summer Season' – small scale installations designed to begin teasing Arnolfini's full relaunch, in collaboration with St Pauls Carnival, Martin Parr Foundation, and Atopos CVC (Athens).

Q4 transition/ Resilience

This period saw the major change management process at Arnolfini come into practice. Interim Executive director Gary Topp, working with a new group of Trustees chaired by Lhosa Daly, undertook a fundamental business, staffing and financial review process to establish the current and ongoing situation at Arnolfini and rapidly put in place strategies to both stabilise and implement a long term resilient business model.

The initial work in January and February quickly established a cost base for the organisation, reviewed existing and ongoing project activity and placed a renewed emphasis on the opportunity presented by the partnership with UWE, Bristol. This period marked a process of significant change in organisational practice with an early commitment to reopen the galleries and establish a full operating model in September 2019.

The accounts reflect the dynamics of the 2018/19 year; a year of change, reduced cultural output and strategic reorganisation in preparation for a refreshed organisational approach in 2019/20.

ACBMT

Overview

Arnolfini Gallery is supported by a linked charity, the Ashley Clinton Barker Mills Trust. The Trust has an independent board of Trustees chaired by Thomas Sheppard. The Trust has been in receipt of funds in a variety of ways historically but the majority of the current funds (see balance sheet) are derived from the sale of Bush House to University of the West of England, Bristol in 2015. As the brief history below outlines this reflects the way that Bush House was originally purchased via the Trust in 1975.

The Trust's principle object is to 'support' Arnolfini and it does this primarily by making annual grants from the income earned on its investments to make quarterly payments. It has also been able to make small fund one- off capital grants to help the Arnolfini transition to its current financial model.

History and relationship

Arnolfini founders Jeremy and Annabel Rees were first introduced to the artists and benefactors Peter and Caroline Barker-Mill in 1963, by the London gallerist Lesley

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Waddington. It was a fortuitous meeting that was the catalyst in allowing Arnolfini to develop from a small volunteer-run private gallery into a major international arts centre.

Peter Barker-Mill was the first elected Chair of Arnolfini's Council of Management. Key to cementing this commitment was seeing Jeremy's New British Sculpture Bristol (1965), curated as an early instance of contemporary sculpture being exhibited outside in public spaces across the city centre, accessible to people whether they thought they were interested in art or not. It is not difficult to connect this with the values Peter Barker-Mill learned during his training at the Grosvenor School, a progressive art college in Pimlico which from 1925-1940 championed printmaking as a means to make art works of the highest standard affordable for a broad audience. In 1967, he would initiate the Peter Barker-Mill Trust, to provide funding for Jeremy to leave his post teaching typography at the Bath Academy of Art and run Arnolfini as Director full-time.

The Barker-Mills remained dedicated, hands-on Council members throughout the dynamic early decades of Arnolfini, which would see it rapidly expand – Annabel remembers Peter and Caroline laying carpet tiles in the W-Shed, Arnolfini's home from 1973-75, where Arnolfini's cinema programme began and they were key to securing Arnolfini's move to Bush House, our home since 1975. And in 1979, they generously gifted farmland from Peter's family estates near Lymington, in Hampshire, the rental income from which would support the expenses of running an expanded organisation which by this time was attracting hundreds of thousands of visitors per year. Later, this land would be sold to support the purchase of Bush House in 2001, prior to the major redevelopment which created Arnolfini as we see it today.

The Barker-Mills supported other public arts organisations in the city, including the Bristol Old Vic, and Arts Space Studios, as well as supporting Nature Conservancies in Hampshire and Somerset. They also maintained their careers as artists, with Peter being commissioned to create a memorial for the Tank Corps at Bovington in Dorset.

ACBMT Activity 2018/19

This annual report details two forms of investment from the Trust: 4 quarterly payments derived from investment income of £64,319 and a one off grant of £100,000. The capital grant covered development costs to help drive new income streams and contributed towards core staffing costs and business planning support to enable the organisation to implement its transition plan.

ACBMT Trustees:

Trustees:

- Ms Anna Southall
- Mr Thomas Sheppard (Chair)
- Mr James McAuliffe
- Mr James William Myatt
- Mr Geoffrey James Clements

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW

The total income of the Group from all sources was £1,391k (2018: £2,172k) of which £1,288k (2018: £1,944k) was unrestricted. Total expenditure was £1,485k (2018: £2,079k) leaving net income on all funds as a deficit of £3k (2018: £118k).

The trading subsidiary's turnover in 2018/19, which includes private hire income and the operation of the café bar and the bookshop, was £528k (2018: £713k). However, the bookshop performed above expectations. After related expenditure, the subsidiary returned a profit of £285k (2018: profit £209k).

Bush House Building Services Limited is a wholly owned subsidiary of the Charity. The principal activities of the company are facilities management for Bush House on behalf of both Arnolfini Gallery Ltd and UWE, Bristol. Turnover from service charge recoveries in the period was £251k (2018: £230k), with related expenditure of £251k (2018: £230k), resulting in a break even position.

Financial Aims

The future financial aims of the Arnolfini are centred on stability, sustainability and continuing risk management and financial control. As the organisation adapts to a changed funding environment, a revised financial model is being developed by the new Interim Director supported by an experienced business and financial team and as part of an Arts Council England supported Options Appraisal process.

Reserves policy

It has been the trustees' intention to maintain the Charity's unrestricted funds, which at 31 March 2019 stood at £3,814k (2017: £3,751K), so that there are sufficient funds to cover three months essential running costs, including the organisation's staff costs and fixed overheads. The Trustees agree and recognise a need to build up the unrestricted funds to provide an increased level of financial stability in order to deliver the vision for the Arnolfini.

The trustees are satisfied that the Charity's assets are adequate to fulfil its obligations in relation to those funds.

Going Concern

In August 2019 Arnolfini received confirmation that Arts Council England had renewed the funding of £2,100,000 over the next 3 years. This coupled with the strong commercial performance and positive relationship with UWE, Bristol (including Facilities Management support) means the Trustees consider it appropriate to adopt the Going Concern basis.

Fundraising

As a charity, Arnolfini must ensure that its charitable objectives are observed in receiving voluntary income and in earning income. We are committed to transparency, and as such, we have outlined the following policy for income generation. Arnolfini's guiding income generation principle is a simple one – we will only use techniques that do not

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

pose a risk to the reputation or charitable objectives of the charity. In doing so, the organisation will adhere to the following standards:

- Income generation activities (earned or voluntary) carried out by Arnolfini will comply with all relevant laws.
- Any communications to the public made in the course of carrying out income generation activities shall be truthful and non-deceptive.
- All monies raised via fundraising activities or earned through our commercial activities will be for the stated purpose of the appeal (if applicable) and will comply with the organisation's stated mission and purpose.
- Earned income through commercial activities will be reinvested in the charitable work of the Arnolfini.
- All personal information collected by Arnolfini is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Arnolfini will gather and store data in line with the changes in law for GDPR effective May 25th 2018.
- Nobody directly or indirectly employed by or volunteering for Arnolfini shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of Arnolfini.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical.
- Arnolfini will not accept voluntary or earned income from any persons or organisations who are:
 - Engaged with criminal activity
 - Are affiliated with political or social activities which marginalise or otherwise harm projected groups
 - Would lead to a decline in support for the Arnolfini, and so risk a fall in the resources available to fund our work

When deciding whether to accept any particular donation, the Director and the Trustees have a duty to demonstrate to the Charity Commission that they have acted in the best interest of the charity, and that association with any particular donor does not compromise the Arnolfini's ethical position, harm our reputation or put future funding at risk. The Arnolfini complies with all relevant legislation including money laundering rules, the Bribery Act and Charity Commission guidance, including terrorism and political activity.

During the period 2018-19, Arnolfini Gallery Ltd did not receive any complaints about fundraising activities.

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also the directors of Arnolfini Gallery Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these accounts, the trustees are required to:

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

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

To the knowledge and belief of each of the persons who are trustees at the time the report is approved:

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ARNOLFINI GALLERY LIMITED

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

AUDITOR

Burton Sweet, Chartered Accountants and Statutory Auditors, were appointed in 2013 and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Registered office:
16 Narrow Quay
Bristol
BS1 4QA

Signed by order of the trustees



L DALY
(Chair of Trustees)

28.11.19
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ARNOLFINI GALLERY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARNOLFINI GALLERY LIMITED

YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Arnolfini Gallery Limited (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies.

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

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

ARNOLFINI GALLERY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARNOLFINI GALLERY LIMITED

YEAR ENDED 31 MARCH 2019

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ARNOLFINI GALLERY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARNOLFINI GALLERY LIMITED

YEAR ENDED 31 MARCH 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

ARNOLFINI GALLERY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARNOLFINI GALLERY LIMITED

YEAR ENDED 31 MARCH 2019

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

ARNOLFINI GALLERY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARNOLFINI GALLERY LIMITED

YEAR ENDED 31 MARCH 2019

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

NEIL KINGSTON FCA (Senior Statutory Auditor)
For and on behalf of
BURTON SWEET
Chartered Accountants & Statutory Auditor
Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset
BA4 5QE

28.11.19...

ARNOLFINI GALLERY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2019

		Unrestricted Funds £	Restricted Funds £	ACBMT Endowment Funds £	Total Funds 2019 £	Total Funds 2018 £
	Note					
INCOME AND ENDOWMENTS						
Sponsorships, donations and grants	4	365,226	101,409	–	466,635	1,077,379
Other trading activities	5	778,839	–	–	778,839	951,000
Investments	6	66,186	–	–	66,186	67,422
Charitable activities	7	5,940	1,805	–	7,745	65,306
Other income	8	72,007	–	–	72,007	10,748
TOTAL		1,288,198	103,214	–	1,391,412	2,171,855
EXPENDITURE						
Raising funds	11	(808,802)	–	–	(808,802)	(993,909)
Charitable activities	12/13	(510,144)	(165,824)	–	(675,968)	(1,084,753)
TOTAL		(1,318,946)	(165,824)	–	(1,484,770)	(2,078,662)
Net gains on investments		–	–	90,543	90,543	24,701
NET INCOME / (EXPENDITURE)	16	(30,748)	(62,610)	90,543	(2,815)	117,894
Fund Transfers		93,902	6,098	(100,000)	–	–
NET MOVEMENT IN FUNDS		63,154	(56,512)	(9,457)	(2,815)	117,894

ARNOLFINI GALLERY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) *(continued)*

YEAR ENDED 31 MARCH 2019

		Unrestricted	Restricted	ACBMT Endowment	Total Funds	Total Funds
	Note	Funds	Funds	Funds	2019	2018
		£	£	£	£	£
Brought forward		63,154	(56,512)	(9,457)	(2,815)	117,894
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>3,751,008</u>	<u>123,642</u>	<u>2,321,792</u>	<u>6,196,442</u>	<u>6,078,548</u>
TOTAL FUNDS CARRIED FORWARD		<u>3,814,162</u>	<u>67,130</u>	<u>2,312,335</u>	<u>6,193,627</u>	<u>6,196,442</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

ARNOLFINI GALLERY LIMITED**CONSOLIDATED BALANCE SHEET****31 MARCH 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	20	3,571,352	3,622,427
Investments	21	2,312,335	2,321,792
		<u>5,883,687</u>	<u>5,944,219</u>
CURRENT ASSETS			
Stock	22	29,941	30,630
Debtors	23	70,113	152,549
Cash at bank and in hand		470,518	361,393
		<u>570,572</u>	<u>544,572</u>
CREDITORS: Amounts falling due within one year	24	<u>(260,632)</u>	<u>(292,349)</u>
NET CURRENT ASSETS/(LIABILITIES)		309,940	252,223
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,193,627</u>	<u>6,196,442</u>
NET ASSETS		<u>6,193,627</u>	<u>6,196,442</u>
FUNDS			
ACBMT Endowment funds	27	2,312,335	2,321,792
Restricted income funds	28	67,130	123,642
UNRESTRICTED INCOME FUNDS:			
Share capital	29	2	2
Designated funds	29	3,479,762	3,512,186
General funds	29	<u>334,398</u>	<u>238,820</u>
TOTAL UNRESTRICTED INCOME FUNDS		3,814,162	3,751,008
TOTAL FUNDS		<u>6,193,627</u>	<u>6,196,442</u>

These accounts were approved by the members of the committee and authorised for issue on the 28 July and are signed on their behalf by:

L DALY
(Chair of Trustees)



Company Registration Number: 877987

ARNOLFINI GALLERY LIMITED

CHARITY ONLY BALANCE SHEET

31 MARCH 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	20	3,561,437	3,606,431
Investments	21	2,312,339	2,321,796
		<u>5,873,776</u>	<u>5,928,227</u>
CURRENT ASSETS			
Debtors	23	214,743	255,684
Cash at bank and in hand		373,704	263,239
		<u>588,447</u>	<u>518,923</u>
CREDITORS: Amounts falling due within one year	24	<u>(269,096)</u>	<u>(251,208)</u>
NET CURRENT ASSETS/(LIABILITIES)		319,351	267,715
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,193,127</u>	<u>6,195,942</u>
NET ASSETS		<u>6,193,127</u>	<u>6,195,942</u>
FUNDS			
ACBMT Endowment funds	27	2,312,335	2,321,792
Restricted income funds	28	67,130	123,642
UNRESTRICTED INCOME FUNDS:			
Share capital	29	2	2
Designated funds	29	3,479,762	3,512,186
General funds	29	333,898	238,320
TOTAL UNRESTRICTED INCOME FUNDS		<u>3,813,662</u>	<u>3,750,508</u>
TOTAL FUNDS		<u>6,193,127</u>	<u>6,195,942</u>

These accounts were approved by the members of the committee and authorised for issue on the 28/1/19..... and are signed on their behalf by:

L DALY
(Chair of Trustees)



Company Registration Number: 877987

ARNOLFINI GALLERY LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
CASH OUTFLOW FROM OPERATING ACTIVITIES	38	(45,460)	(46,867)
CASH FLOWS FROM INVESTING ACTIVITIES			
Income from UK Listed Investments		64,319	66,103
Interest received		1,867	1,319
Purchase of tangible fixed assets		(12,251)	(15,722)
Proceeds from sale of fixed assets		650	–
Acquisition of other investments		(71,253)	(318,889)
Disposal of other investments		171,253	508,329
		<u>154,585</u>	<u>241,140</u>
CASH FLOWS FROM FINANCING ACTIVITIES		–	–
(DECREASE)/INCREASE IN CASH		<u>109,125</u>	<u>194,273</u>

RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET FUNDS

	2019 £	2018 £
(Decrease)/Increase in cash in the period	<u>109,125</u>	<u>194,273</u>
Change in net funds	<u>109,125</u>	<u>194,273</u>
Net funds at 1 Apr 2018	<u>361,393</u>	<u>167,120</u>
Net funds at 31 Mar 2019	<u><u>470,518</u></u>	<u><u>361,393</u></u>

ANALYSIS OF CHANGES IN NET FUNDS

	1 Apr 18 £	Cash flows £	31 Mar 19 £
Cash in hand and at bank	<u>361,393</u>	<u>109,125</u>	<u>470,518</u>

The notes on pages 22 to 46 form part of these accounts.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 16 Narrow Quay, Bristol, BS1 4QA.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The financial statements are prepared in sterling, which is the functional currency of the entity.

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

There are no material uncertainties about the charity's ability to continue.

Basis of consolidation

The Group financial statements consolidate those of the Charity and of its subsidiary undertakings drawn up to 31 March 2019. Surpluses or deficits on intra-group transactions are eliminated in full.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

The following specific policies are applied to particular categories of income:

Donations and gifts

All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

Grants receivable

Revenue grants are credited as income when they are receivable provided conditions for receipt have been complied with, unless they relate to a specific future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation on the fixed assets purchased with such grants is initially charged to unrestricted funds and a transfer then made from restricted funds.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

Costs of raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds

Costs of charitable activities

These are costs relating to the staging of art exhibitions, live programmes, film screenings and learning and participation programmes and include both the direct costs and support costs relating to these activities.

Governance costs are those which are primarily associated with constitutional and statutory requirements. These are shown within support costs.

Fund accounting

Unrestricted funds, including designated funds, are donations and the other income received or generated for expenditure on the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

The Endowment fund is an asset of ACBMT and is held according to the Trust's objects.

Pension costs

The Charity makes available a stakeholder pension scheme. Company contributions to the scheme are charged as an expense and included within the Statement of Financial Activities.

Fixed assets

Assets costing £500 or more are capitalised. Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value of all tangible fixed assets by way of equal instalments. The rates / periods generally applicable are:

Freehold property (excl. land)	Over 50 years
Property improvements	Over 20 years
Fixtures & fittings	Over 5-10 years
Equipment	Over 5 years
Leasehold property	Over 99 years
Leasehold property improvements	Over 20 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Investments

Assets held for investment purposes are valued at market value at the balance sheet date and unrealised gains and losses are credited or charged to the Statement of Financial Activities.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to unrestricted funds within the Statement of Financial Activities on a straight line basis over the period of the lease.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

4. SPONSORSHIP, DONATIONS AND GRANTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Donations				
Donations	1,376	–	1,376	46,893
Trusts and Foundations	–	61,250	61,250	130,084
Grants receivable				
Arts Council England	360,000	–	360,000	750,400
Bristol City Council, Primary Capital Programme	–	–	–	24,475
Imperial War Museum	–	38,659	38,659	33,000
Arts Council England, Touring Grant	–	–	–	64,938
Sponsorship				
Corporate sponsorships	3,850	1,500	5,350	27,589
	<u>365,226</u>	<u>101,409</u>	<u>466,635</u>	<u>1,077,379</u>

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Rental and sundry tenancy income	–	–	7,968
Income from Arnolfini Trading Limited (note 9)	528,267	528,267	712,931
Income from Bush House Building Services Limited (note 10)	250,572	250,572	230,101
	<u>778,839</u>	<u>778,839</u>	<u>951,000</u>

6. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income from UK listed investments	64,319	64,319	66,103
Bank interest receivable	1,867	1,867	1,319
	<u>66,186</u>	<u>66,186</u>	<u>67,422</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

7. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Exhibitions	1,624	-	1,624	58,289
Learning and participation	1,837	1,805	3,642	762
Membership	2,479	-	2,479	6,255
	<u>5,940</u>	<u>1,805</u>	<u>7,745</u>	<u>65,306</u>

8. OTHER INCOME

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Sundry income	72,007	72,007	10,701
Interest on cash and cash equivalents	-	-	47
	<u>72,007</u>	<u>72,007</u>	<u>10,748</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

9. INCOME AND EXPENDITURE FROM ARNOLFINI TRADING LIMITED

The charity has a wholly owned trading subsidiary which is incorporated in the UK. Arnolfini Trading Limited (Registered Company Number: 02142916) operates trading activities designed to raise funds to support the charity.

The subsidiary company's available profits have been donated in full to the Charity. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	2019 £	2018 £
Turnover	528,267	712,931
Cost of sales (excluding stock purchased from the parent undertaking)	(201,631)	(309,177)
Gross profit	326,636	403,754
Administrative expenses (excluding management charges payable to the parent undertaking)	(113,436)	(205,687)
Other operating income	72,007	10,701
Other interest receivable and other similar income	—	47
Interest payable and similar charges	—	—
Profit on ordinary activities before transactions with group entities	285,207	208,815
Service charges and purchase of stock payable to other group entities (eliminated on consolidation)	(60,000)	(60,000)
Donation to Arnolfini Gallery Limited (eliminated on consolidation)	(224,595)	(147,583)
Result on ordinary activities before taxation	612	1,232
Tax on profit on ordinary activities	(612)	(1,232)
Result for the financial year and total comprehensive income	—	—
Net assets of Arnolfini Trading Limited as at the financial year end	502	502

The trading company accounts for the transactions arising from Arnolfini's bookshop, café bar, private hires and conferencing.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

10. INCOME AND EXPENDITURE FROM BUSH HOUSE BUILDING SERVICES LIMITED

The charity has a wholly owned trading subsidiary which is incorporated in the UK. Bush House Building Services Limited (Registered Company Number: 09779405) provides facilities management for Bush House, the building that the charity operates from.

No profits have been donated to the Charity during this reporting period. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	2019 £	2018 £
Turnover	250,572	230,101
Cost of sales (excluding stock purchased from the parent undertaking)	—	—
Gross profit	250,572	230,101
Administrative expenses (excluding management charges payable to the parent undertaking)	(493,123)	(477,813)
Other operating income	—	—
Other interest receivable and other similar income	—	—
Interest payable and similar charges	—	—
Loss on ordinary activities before transactions with group entities	(242,551)	(247,712)
Service charge income payable by the parent undertaking (eliminated on consolidation)	182,551	187,712
Service charge income payable by other group entities (eliminated on consolidation)	60,000	60,000
Result on ordinary activities before taxation	—	—
Tax on profit on ordinary activities	—	—
Result for the financial year and total comprehensive income	—	—
Net assets of Bush House Building Services Limited as at the financial year end	2	2

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

11. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Expenditure by Arnolfini Trading Limited (note 9)	315,679	315,679	516,096
Expenditure by Bush House Building Services Limited (note 10)	493,123	493,123	477,813
	<u>808,802</u>	<u>808,802</u>	<u>993,909</u>

12. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Provision of services	384,543	165,824	550,367	939,956
Management and administration	44,995	-	44,995	44,528
Support costs	25,045	-	25,045	35,938
Governance	55,561	-	55,561	64,331
	<u>510,144</u>	<u>165,824</u>	<u>675,968</u>	<u>1,084,753</u>

13. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Governance costs £	Total Funds 2019 £	Total Funds 2018 £
Provision of services	550,367	25,045	55,561	630,973	1,040,225
Management and administration	44,995	-	-	44,995	44,528
	<u>595,362</u>	<u>25,045</u>	<u>55,561</u>	<u>675,968</u>	<u>1,084,753</u>

14. ANALYSIS OF EXPENDITURE BY ACTIVITY TYPE

	Staff costs £	Other costs £	Deprecia- -tion £	Total Funds 2019 £	Total Funds 2018 £
Raising funds	264,146	538,575	6,081	808,802	993,909
Charitable activities:					
Provision of services	313,033	262,379	-	575,412	975,894
Depreciation	-	-	44,995	44,995	44,528
Governance	-	55,561	-	55,561	64,331
	<u>577,179</u>	<u>856,515</u>	<u>51,076</u>	<u>1,484,770</u>	<u>2,078,662</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

15. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
HR administration	3,076	–	3,076	8,934
Licenses, memberships and subscriptions	13,572	–	13,572	13,504
Telephone	–	–	–	643
Office costs	7,216	–	7,216	10,781
Bank charges	1,181	–	1,181	2,076
Audit and accountancy fees	11,998	–	11,998	16,518
Legal and professional fees	37,521	–	37,521	47,813
Interest payable	6,042	–	6,042	–
	<u>80,606</u>	<u>–</u>	<u>80,606</u>	<u>100,269</u>

16. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2019 £	2018 £
Staff pension contributions	11,147	18,284
Depreciation	51,076	52,393
Loss on disposal of fixed assets	11,600	–
Auditors' remuneration:		
- audit of the financial statements	8,600	10,250
- accountancy fee	6,900	7,175
	<u>88,323</u>	<u>88,002</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

17. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	531,769	791,789
Social security costs	34,263	60,044
Other pension costs	11,147	18,284
Other staff benefit costs	–	676
	<u>577,179</u>	<u>870,793</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity.

The total compensation paid to key management personnel for services provided to the charity was £135,239 (2018: £181,098).

Particulars of employees:

The average number of employees during the year, was as follows:

	2019	2018
	No.	No.
Number of café bar and private hires staff	5	4
Number of bookshop staff	4	3
Number of events staff	1	1
Number of activities staff	12	11
Number of office and management staff	12	8
	<u>34</u>	<u>27</u>

One employee received remuneration of more than £60,000 during the year (2018: no employees).

Ex Gratia Payment

Arnolfini made an ex-gratia payment equivalent to 3 months' salary to the outgoing CEO on contract completion.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

18. TRANSACTIONS WITH TRUSTEES

Travel reimbursements paid to two trustees for attending meetings during the year amounted to £123 (2018: five Trustees, £244)

No trustee received remuneration for work undertaken on behalf of the organisation (2018: none)

19. FUND ANALYSIS COMPARATIVE FIGURES

	Unrestricted Funds £	Restricted Funds £	ACBMT Endowment Fund £	Total Funds 2018 £
INCOME AND ENDOWMENTS				
Sponsorships, donations and grants	873,802	203,577	–	1,077,379
Other trading activities	951,000	–	–	951,000
Investments	67,422	–	–	67,422
Charitable activities	40,806	24,500	–	65,306
Other income	10,748	–	–	10,748
TOTAL	<u>1,943,778</u>	<u>228,077</u>	<u>–</u>	<u>2,171,855</u>
EXPENDITURE				
Raising funds	(993,909)	–	–	(993,909)
Charitable activities	(980,318)	(104,435)	–	(1,084,753)
TOTAL	<u>(1,974,227)</u>	<u>(104,435)</u>	<u>–</u>	<u>(2,078,662)</u>
Net gains on investments	–	–	24,701	24,701
NET INCOME / (EXPENDITURE)	<u>(30,449)</u>	<u>123,642</u>	<u>24,701</u>	<u>117,894</u>
Fund Transfers	189,440	–	(189,440)	–
NET MOVEMENT IN FUNDS	<u>158,991</u>	<u>123,642</u>	<u>(164,739)</u>	<u>117,894</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	3,592,017	–	2,486,531	6,078,548
TOTAL FUNDS CARRIED FORWARD	<u>3,751,008</u>	<u>123,642</u>	<u>2,321,792</u>	<u>6,196,442</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

20. TANGIBLE FIXED ASSETS

Group	Leasehold Property Improvements £	Fixtures & Fittings £	Leasehold Property £	Total £
COST				
At 1 April 2018	76,093	497,849	3,600,000	4,173,942
Additions	12,251	–	–	12,251
Disposals	–	(14,223)	–	(14,223)
At 31 March 2019	88,344	483,626	3,600,000	4,171,970
DEPRECIATION				
At 1 April 2018	11,364	452,337	87,814	551,515
Charge for the year	4,450	14,202	32,424	51,076
On disposals	–	(1,973)	–	(1,973)
At 31 March 2019	15,814	464,566	120,238	600,618
NET BOOK VALUE				
At 31 March 2019	72,530	19,060	3,479,762	3,571,352
At 31 March 2018	64,729	45,512	3,512,186	3,622,427

Charity	Leasehold Property Improvements £	Fixtures & Fittings £	Leasehold Property £	Total £
COST				
At 1 April 2018	76,093	385,948	3,600,000	4,062,041
Additions	12,251	–	–	12,251
Disposals	–	(14,223)	–	(14,223)
At 31 March 2019	88,344	371,725	3,600,000	4,060,069
DEPRECIATION				
At 1 April 2018	11,364	356,432	87,814	455,610
Charge for the year	4,450	8,121	32,424	44,995
On disposals	–	(1,973)	–	(1,973)
At 31 March 2019	15,814	362,580	120,238	498,632
NET BOOK VALUE				
At 31 March 2019	72,530	9,145	3,479,762	3,561,437
At 31 March 2018	64,729	29,516	3,512,186	3,606,431

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

21. INVESTMENTS

Group

Movement in market value

	2019 £	2018 £
Market value at 1 April 2018	2,321,792	2,486,531
Acquisitions at cost	71,253	318,889
Disposals at opening book value	(171,253)	(508,329)
Net gains on revaluations in the year ended 31 March 2019	90,543	24,701
Market value at 31 March 2019	<u>2,312,335</u>	<u>2,321,792</u>
Historical cost at 31 March 2019	<u>2,035,714</u>	<u>2,058,762</u>

Analysis of investments at 31 March 2019 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £	Total Funds 2018 £
Listed investments					
UK Quoted Shares	-	-	2,312,335	2,312,335	2,321,792
	<u>-</u>	<u>-</u>	<u>2,312,335</u>	<u>2,312,335</u>	<u>2,321,792</u>

Charity

Movement in market value

	2019 £	2018 £
Market value at 1 April 2018	2,321,796	2,486,535
Acquisitions at cost	71,253	318,889
Disposals at opening book value	(171,253)	(508,329)
Net gains on revaluations in the year ended 31 March 2019	90,543	24,701
Market value at 31 March 2019	<u>2,312,339</u>	<u>2,321,796</u>
Historical cost at 31 March 2019	<u>2,035,718</u>	<u>2,058,766</u>

Analysis of investments at 31 March 2019 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £	Total Funds 2018 £
Listed investments					
UK Quoted Shares	-	-	2,312,335	2,312,335	2,321,792
Other investments					
UK Group undertakings	4	-	-	4	4
	<u>4</u>	<u>-</u>	<u>2,312,335</u>	<u>2,312,339</u>	<u>2,321,796</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

21. INVESTMENTS *(continued)*

The investments are held by a separate, linked, charity Ashley Clinton and Barker-Mill Trust (ACBMT). At the balance sheet date, this entity has five independent Trustees to enable decisions to be made independently of the Trustees of Arnolfini Gallery Limited.

22. STOCK

Group	2019 £	2018 £
Bookshop stock	29,941	30,630
	<u>29,941</u>	<u>30,630</u>

23. DEBTORS

Group	2019 £	2018 £
Trade debtors	27,269	125,338
Other debtors	10,572	1,600
Prepayments and accrued income	32,272	25,611
	<u>70,113</u>	<u>152,549</u>

Charity	2019 £	2018 £
Trade debtors	150	46,992
Amounts owed by group undertakings	187,433	181,481
Other debtors	-	1,600
Prepayments	27,160	25,611
	<u>214,743</u>	<u>255,684</u>

24. CREDITORS: Amounts falling due within one year

Group	2019 £	2018 £
Trade creditors	86,216	48,502
Amounts owed to group undertakings		
Taxation and social security	91,506	89,103
Other creditors	31,304	4,979
Accruals and deferred income	51,606	149,765
	<u>260,632</u>	<u>292,349</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

24. CREDITORS: Amounts falling due within one year (continued)

Charity	2019 £	2018 £
Trade creditors	41,465	20,625
Amounts owed to group undertakings	106,959	30,769
Taxation and social security	68,111	73,631
Other creditors	26,369	831
Accruals and deferred income	26,192	125,352
	<u>269,096</u>	<u>251,208</u>

25. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

Group & charity	2019 £	2018 £
Not later than 1 year	4,234	17,528
Later than 1 year and not later than 5 years	1,308	4,922
	<u>5,542</u>	<u>22,450</u>

26. TAXATION

The charity is exempt from corporation tax on its charitable activities.

27. ACBMT ENDOWMENT FUNDS

Year ended 31 March 2019	Balance at 1 April 2018 £	Transfers £	Gains and losses £	Balance at 31 March 2019 £
Group & charity Permanent endowments				
Ashley Clinton and Barker-Mill Trust	2,321,792	(100,000)	90,543	2,312,335
	<u>2,321,792</u>	<u>(100,000)</u>	<u>90,543</u>	<u>2,312,335</u>

The endowment resulted as gifts of assets from Mr Peter Barker-Mill (deceased) with the purpose of generating income for the general purpose of the gallery.

In October 2016 the Charity Commission approved a scheme to merge the two previous funds (Ashley Clinton and Barker-Mill Trust). The Endowment is held by a separate Trust. The board of five Trustees of the Trust includes two independent Trustees.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

27. ACBMT ENDOWMENT FUNDS (continued)

In 2018/19 The Charity Commission authorised a grant of £100,000 made by ACBMT to Arnolfini Gallery Ltd towards staffing costs and business planning support to enable the organisation to implement its transition plan. This is reflected in the financial statements transfer from the endowment fund to general funds.

The trustees of the ACBMT are:

Geoffrey Clements
James Myatt
Thomas Sheppard
Anna Southall (resigned from AGL board on 30 July 2018)
Jim McAuliffe (resigned from AGL board on 30 July 2018)

Year ended 31 March 2018

Group & charity	Balance at 1 April 2017 £	Transfers £	Gains and losses £	Balance at 31 March 2018 £
Permanent endowment				
Ashley Clinton and Barker-Mill Trust	2,486,531	(189,440)	24,701	2,321,792
	<u>2,486,531</u>	<u>(189,440)</u>	<u>24,701</u>	<u>2,321,792</u>

28. RESTRICTED FUNDS

Year ended 31 March 2019

Group & charity	Balance at 1 Apr 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 Mar 2019 £
Imperial War Museum	26,210	38,659	(64,869)	–	–
Jerwood – Artist Innovation	7,963	–	(8,463)	500	–
Heritage Lottery Funding	17,218	55	(9,187)	–	8,086
Paul Hamlyn Foundation	56,975	–	(1,628)	–	55,347
Future Quest	15,276	21,083	(37,954)	5,000	3,405
Bristol Culture Standard	–	1,750	(1,458)	–	292
Historic England	–	41,667	(42,029)	362	–
DASH	–	–	(236)	236	–
	<u>123,642</u>	<u>103,214</u>	<u>(165,824)</u>	<u>6,098</u>	<u>67,130</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

28. RESTRICTED FUNDS *(continued)*

The purpose of these grants is as follows:

<u>Grant Name</u>	<u>Amount</u>	<u>Description</u>
Imperial War Museum	£33,000	Awarded for the Selina Thompson project as part of 14-18NOW.
Jerwood – Artist Innovation	£9,000	Artist Innovation project.
Heritage Lottery Funding	£28,650	Awarded for the Enjoy Yourself project for Arnolfini's archive
Paul Hamlyn Foundation	£60,000	Awarded for the City Fellows programme
Future Quest	£24,500	Awarded for the Now or Never – Youth-led Creative Studio project.
Bristol Culture Standard	£1,750	A joint led programme commissioned by DIY network to create a set of employment standards within the City
Historic England	£41,667	Awarded for the In Place of Monuments project
DASH	£236	Dash Curatorial Commissions Programme as a joint partnership for residency of a disabled curatorial programme

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

28. RESTRICTED FUNDS *(continued)*

Year ended 31 March 2018

Group & charity	Balance at 1 Apr 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 Mar 2018 £
Arts Council England -					
Touring grant	-	64,938	(64,938)	-	-
Imperial War Museum	-	33,000	(6,790)	-	26,210
Jerwood – Artist					
Innovation	-	9,000	(1,037)	-	7,963
Heritage Lottery					
Funding	-	28,650	(11,432)	-	17,218
Paul Hamlyn					
Foundation	-	60,000	(3,025)	-	56,975
Earnest Cook Trust	-	3,000	(3,000)	-	-
Gregg Latcham					
Solicitors	-	3,500	(3,500)	-	-
D Wright	-	1,489	(1,489)	-	-
Future Quest	-	24,500	(9,224)	-	15,276
	-	228,077	(104,435)	-	123,642

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

29. UNRESTRICTED FUNDS

Year ended 31 March 2019

Charity	Balance at 1 Apr 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 Mar 2019 £
Building Lease Designated Fund	3,512,186	–	–	(32,424)	3,479,762
	<u>3,512,186</u>	<u>–</u>	<u>–</u>	<u>(32,424)</u>	<u>3,479,762</u>
General funds:					
General Funds	238,320	1,288,198	(1,318,946)	126,326	333,898
	<u>238,320</u>	<u>1,288,198</u>	<u>(1,318,946)</u>	<u>126,326</u>	<u>333,898</u>
Share Capital	2	–	–	–	2
Charity	3,750,508	1,288,198	(1,318,946)	93,902	3,813,662
Arnolfini Trading Limited	500	–	–	–	500
Group	3,751,008	1,288,198	(1,318,946)	93,902	3,814,162

The designated Building Lease fund is equal to the capital written down value of the lease on Bush House.

Each year the Trustees transfer an amount equal to the depreciation on the freehold improvements and equipment funded by the building development fund from the designated fund to general funds.

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

29. UNRESTRICTED FUNDS *(continued)*

Year ended 31 March 2018

Charity	Balance at 1 Apr 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 Mar 2018 £
Building Lease Designated Fund	3,544,610	–	–	(32,424)	3,512,186
	<u>3,544,610</u>	<u>–</u>	<u>–</u>	<u>(32,424)</u>	<u>3,512,186</u>
General funds:					
General Funds	46,905	1,137,581	(1,168,030)	221,864	238,320
	<u>46,905</u>	<u>1,137,581</u>	<u>(1,168,030)</u>	<u>221,864</u>	<u>238,320</u>
Share Capital	2	–	–	–	2
Charity	<u>3,591,517</u>	<u>1,137,581</u>	<u>(1,168,030)</u>	<u>189,440</u>	<u>3,750,508</u>
Arnolfini Trading Limited	500	–	–	–	500
Group	<u>3,592,017</u>	<u>1,137,581</u>	<u>(1,168,030)</u>	<u>189,440</u>	<u>3,751,008</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

30. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Year ended 31 March 2019

Group	Tangible fixed assets £	Investments £	Net current assets £	Total £
Endowment Fund:				
Ashley Clinton and Barker-Mill Trust	-	2,312,335	-	2,312,335
Restricted Funds:				
Charity restricted funds	-	-	67,130	67,130
Unrestricted Funds:				
Building Lease Designated fund	3,479,762	-	-	3,479,762
Share Capital	-	-	2	2
General Funds	91,590	-	242,808	334,398
	<u>3,571,352</u>	<u>-</u>	<u>242,810</u>	<u>3,814,162</u>
Total Funds	<u>3,571,352</u>	<u>2,312,335</u>	<u>309,940</u>	<u>6,193,627</u>

Charity	Tangible fixed assets £	Investments £	Net current assets £	Total £
Endowment Fund:				
Ashley Clinton and Barker-Mill Trust	-	2,312,335	-	2,312,335
Restricted Funds:				
Charity restricted funds	-	-	67,130	67,130
Unrestricted Funds:				
Building Lease Designated fund	3,479,762	-	-	3,479,762
Share Capital	-	-	2	2
General Funds	81,675	4	252,219	333,898
	<u>3,561,437</u>	<u>4</u>	<u>252,221</u>	<u>3,813,662</u>
Total Funds	<u>3,561,437</u>	<u>2,312,339</u>	<u>319,351</u>	<u>6,193,127</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

30. ANALYSIS OF NET ASSETS BETWEEN FUNDS *(continued)*

Year ended 31 March 2018

Group	Tangible fixed assets £	Investments £	Net current assets £	Total £
Endowment Fund:				
Ashley Clinton and Barker-Mill Trust	–	2,321,792	–	2,321,792
Restricted Funds:				
Charity restricted funds	–	–	123,642	123,642
Unrestricted Funds:				
Building Lease Designated fund	3,512,186	–	–	3,512,186
Share Capital	–	–	2	2
General Funds	110,241	–	128,579	238,820
	<u>3,622,427</u>	<u>–</u>	<u>128,581</u>	<u>3,751,008</u>
Total Funds	<u>3,622,427</u>	<u>2,321,792</u>	<u>252,223</u>	<u>6,196,442</u>

Charity	Tangible fixed assets £	Investments £	Net current assets £	Total £
Endowment Fund:				
Ashley Clinton and Barker-Mill Trust	–	2,321,792	–	2,321,792
Restricted Funds:				
Charity restricted funds	–	–	123,642	123,642
Unrestricted Funds:				
Building Lease Designated fund	3,512,186	–	–	3,512,186
Share Capital	–	–	2	2
General Funds	94,245	4	144,071	238,320
	<u>3,606,431</u>	<u>4</u>	<u>144,073</u>	<u>3,750,508</u>
Total Funds	<u>3,606,431</u>	<u>2,321,796</u>	<u>267,715</u>	<u>6,195,942</u>

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

31. SHARE CAPITAL

Authorised share capital:	2019 £	2018 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Alotted, called up and fully paid:	2019 £	2018 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

32. LIMITED BY GUARANTEE

In the event of the charitable company being wound up the liability of the members is limited to £1 each.

33. CONTROLLING INTEREST AND RELATED PARTY TRANSACTIONS

The Charity's controlling related parties are the trustees by virtue of their office. The two ordinary shares are held by the Chair and one other member of the board of trustees as nominees on behalf of the Charity.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS 102 section 33.1A.

34. CONTINGENT LIABILITIES

In accordance with good practice, the Charity performed a systematic review of financial systems and procedures which included the undertaking of a VAT review by Grant Thornton to review current processes and associated VAT recovery. The conclusion was that no contingent liability needed to be accounted for.

35. CAPITAL COMMITMENTS

The Group had no capital commitments at 31 March 2019 (2018: £nil).

36. INDEMNITY INSURANCE

Indemnity insurance for a premium of £4,116 (2018: £3,850) has been purchased to protect the Charity and indemnify the trustees and other officers against the consequences of any neglect or default on their part.

37. PENSION COMMITMENTS

The pension charge represents company contributions payable to a stakeholder pension scheme and amounted to £5,934 (2018: £11,502). Included in the total are contributions of £1,001 which are due to the scheme at 31 March 2019. (2018: £1,195).

ARNOLFINI GALLERY LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2019

38. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net movement in funds	(2,815)	117,894
Income from investments	(64,319)	(66,103)
Interest receivable	(1,867)	(1,319)
Net gains on investments	(90,543)	(24,701)
Depreciation	51,076	52,393
Loss / (profit) on the sale of fixed assets	11,600	–
Tax on profit	612	1,232
(Increase)/Decrease in stock	689	12,498
(Increase)/Decrease in debtors	82,436	30,982
(Decrease)/Increase in creditors	(32,329)	(169,743)
Net cash outflow from operating activities	<u>(45,460)</u>	<u>(46,867)</u>