

Art Fund_

Art Fund Services Limited

Report of the Board and Financial Statements

Year ended 31 December 2017

Registered Company Number 01487654



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Company Information

Registered Office

2 Granary Square
King's Cross
London
N1C 4BH

Company Number

01487654

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

Coutts
440 Strand
London
WC2R 0QS

Directors' report

Year ended 31 December 2017

The directors present their report with the audited financial statements for the year ended 31 December 2017 which show the state of the company's affairs.

Results and dividends

There was a profit for the year of £170,555 (2016: £142,955) which was donated to the parent charity under the Gift Aid scheme. This is represented as a distribution which is recognised below the line of Profit After Tax.

Review of the business and future developments

The principal activity of the company is selling merchandise, affinity holidays and advertising space on behalf of the National Art Collections Fund (Art Fund). Income arising from affinity holiday commission increased after a difficult trading environment the year previous. With its relatively low cost of sales this resulted in an increase to profit for the year.

Directors

The following were directors of the company during the year:

Dr S Deuchar

J Palmer

Neither director has a beneficial interest in the shares of the company. Each of the directors has confirmed that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Charitable donations

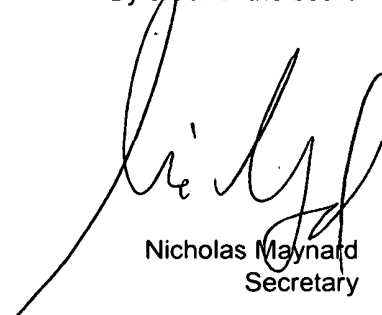
All profits in the year are donated to Art Fund by way of Gift Aid.

Auditors

An elective resolution proposing that the company dispense with the obligation to appoint auditors annually was approved by the shareholders at the annual general meeting on 26 April 2000. The effect of this resolution was to deem BDO LLP reappointed as auditors for each succeeding year until a specific resolution is passed to bring their appointment to an end.

The Director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the board



Nicholas Maynard
Secretary

30 April 2018

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ART FUND SERVICES LIMITED

Opinion

We have audited the financial statements of Art Fund Services Limited ("the Company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company'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 Directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Philip Clifflands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London,
United Kingdom

Date: 02 May 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

(including Statement of Income and Retained Earnings)
For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	1(c)	234,558	208,348
Cost of sales		<u>(44,124)</u>	<u>(45,134)</u>
Gross profit		190,434	163,214
Administrative expenses		<u>(19,138)</u>	<u>(19,780)</u>
Operating profit		171,296	143,434
Interest payable	4	<u>(741)</u>	<u>(479)</u>
Profit on ordinary activities before taxation		170,555	142,955
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		170,555	142,955
Payment under Gift Aid to Art Fund		<u>(170,555)</u>	<u>(142,955)</u>
Retained Profit for the financial year		-	-
Profit and loss account brought forward		<u>-</u>	<u>-</u>
Profit and loss account carried forward		<u><u>-</u></u>	<u><u>-</u></u>

All amounts relate to continuing operations.

The notes on pages 9 to 10 form part of these financial statements.

Balance sheet
As at 31 December 2017

Company no. 01487654

	Note	2017 £	2016 £
Current assets			
Stock	6	1,212	2,175
Debtors	7	26,572	15,482
Cash at bank and in hand		<u>364,280</u>	<u>236,571</u>
		392,064	254,228
 Liabilities			
Creditors falling due within one year	8	<u>(388,785)</u>	<u>(250,949)</u>
 Net current assets		3,279	3,279
 Total assets less current liabilities		3,279	3,279
 Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	<u>3,179</u>	<u>3,179</u>
 Equity shareholder's funds		3,279	3,279

These accounts are prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities.

The notes on pages 9 to 10 form part of these financial statements.

Approved and authorised for issue by the Board on 30 April 2018.


Jeremy Palmer
Director

Notes to the accounts

1. Accounting policies

a. Basis of preparations

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 (section 1A Small Entities) the Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland.

b. Disclosure exemptions adopted

The company has taken advantage of the following disclosure exemptions available in FRS 102 (section 1A Small Entities) to subsidiary undertakings:

- Requirement to publish a cash flow statement
- Financial instrument disclosures
- Key management personnel compensation (but company law disclosures for directors' remunerations still apply)
- Related party transactions entered into between two or more members of the group

c. Turnover

Turnover represents income from merchandising, advertising, and affinity holiday commission.

d. Stock

Stock has been valued at the lower of cost and net realisable value.

e. Judgements in applying accounting policies and key sources of estimation uncertainty

There were no significant judgements or estimates necessary in preparing the financial statements.

f. Distributions

Taxable profits transferred to the parent entity, a registered charity, are recognised as distributions from equity when the company has made an irrevocable commitment to the parent to pay the taxable profits.

2. Directors' emoluments

None of the directors received any remuneration during the year.

3. Profit on ordinary activities

	2017 £	2016 £
The profit on ordinary activities is stated after charging		
Auditor's remuneration	2,000	2,730

4. Interest payable

	2017 £	2016 £
On current accounts advances from parent	741	479

5. Taxation

The company makes a qualifying donation of all taxable profits to Art Fund. As a consequence, no corporation tax liability arises in the accounts of this company.

6. Stock

	2017 £	2016 £
Goods for resale	1,212	2,715

7. Debtors

	2017 £	2016 £
Trade debtors	24,953	12,121
Accrued income and other debtors	<u>1,619</u>	<u>3,361</u>
	<u>26,572</u>	<u>15,482</u>

8. Creditors

	2017 £	2016 £
Trade creditors	-	-
Amounts owed to parent	376,510	244,374
Other creditors and deferred income	<u>12,275</u>	<u>6,575</u>
	<u>388,785</u>	<u>250,949</u>

9. Share capital

	Authorised, issued & fully paid £
Ordinary shares of £1 each	<u>100</u>

10. Shareholder's funds

	Called up share capital	Profit & loss reserve	Total
At 1 January 2017	100	3,179	3,279
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>100</u>	<u>3,179</u>	<u>3,279</u>

11. Controlling party

The ultimate parent is the National Art Collections Fund (Art Fund), which is a charity registered in the United Kingdom under Charity Registration Number 209174. These accounts are consolidated in Art Fund's financial statements. Copies of the consolidated financial statements are available from 2 Granary Square, King's Cross, London N1C 4BH.

Advantage has been taken of the exemption permitted by FRS 102 (Paragraph 33.1A) which enables non-disclosure of transactions with group companies where the subsidiary is wholly owned by the parent.