

**Pallant
House
Gallery**

**Pallant House Gallery
Annual Report & Financial Statements
For the Year Ended 31 March 2024**

Charity Registration No. 1102435

Company Registration No. 05045130 (England & Wales)



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28/10/2024

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COMPANIES HOUSE

Reference and Administrative Information

Company number	05045130																																										
Country of incorporation	England & Wales																																										
Charity number	1102435																																										
Country of registration	England & Wales																																										
Registered office & operation address	Pallant House Gallery 8-9 North Pallant Chichester West Sussex PO19 1TJ																																										
Trustees	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <table> <tr> <td>John Ayton MBE</td><td>Chair</td></tr> <tr> <td>Charles Martin</td><td>Deputy Chair (appointed to role 8 December 2023)</td></tr> <tr> <td>Elizabeth J Davis</td><td>Company Secretary</td></tr> <tr> <td>Aki Abiola</td><td></td></tr> <tr> <td>CLlr Clare Apel</td><td></td></tr> <tr> <td>Joanna Beer</td><td>(appointed 8 December 2023)</td></tr> <tr> <td>Andrew Cussins</td><td>(appointed 22 September 2023)</td></tr> <tr> <td>Laura Ford</td><td>(appointed 22 September 2023)</td></tr> <tr> <td>Elsebeth Gatacre</td><td>(appointed 22 September 2023)</td></tr> <tr> <td>Olaf Gueldner</td><td>(appointed 27 September 2024)</td></tr> <tr> <td>Patrick Holmes</td><td>(appointed 27 September 2024)</td></tr> <tr> <td>Mahtab Hussain</td><td>(resigned 18 May 2023)</td></tr> <tr> <td>Zachary Leonard</td><td></td></tr> <tr> <td>Roger Mavity</td><td></td></tr> <tr> <td>Andrea Rose QBE OMG</td><td>(retired 22 September 2023)</td></tr> <tr> <td>Jacqueline D Russell</td><td></td></tr> <tr> <td>Tamara Templer</td><td>(appointed 27 September 2024)</td></tr> <tr> <td>The Rt Hon. the Lord Tyrie</td><td></td></tr> <tr> <td>Robin Vousden</td><td>(appointed 22 September 2023)</td></tr> <tr> <td>Mark Washer</td><td></td></tr> <tr> <td>Jane Weeks</td><td>(Deputy Chair, retired 8 December 2023)</td></tr> </table>	John Ayton MBE	Chair	Charles Martin	Deputy Chair (appointed to role 8 December 2023)	Elizabeth J Davis	Company Secretary	Aki Abiola		CLlr Clare Apel		Joanna Beer	(appointed 8 December 2023)	Andrew Cussins	(appointed 22 September 2023)	Laura Ford	(appointed 22 September 2023)	Elsebeth Gatacre	(appointed 22 September 2023)	Olaf Gueldner	(appointed 27 September 2024)	Patrick Holmes	(appointed 27 September 2024)	Mahtab Hussain	(resigned 18 May 2023)	Zachary Leonard		Roger Mavity		Andrea Rose QBE OMG	(retired 22 September 2023)	Jacqueline D Russell		Tamara Templer	(appointed 27 September 2024)	The Rt Hon. the Lord Tyrie		Robin Vousden	(appointed 22 September 2023)	Mark Washer		Jane Weeks	(Deputy Chair, retired 8 December 2023)
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Gallery Director	Simon J Martin																																										
Auditor	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG																																										
Bankers	Barclays Bank PLC 74-75 East Street Chichester West Sussex PO19 1HR																																										
Investment Managers	Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU																																										

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Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chair's Statement

I am delighted to present this Annual Report for 2023-24, which represented the Gallery's most successful year in terms of visitor numbers and revenue. We have welcomed over 75,000 people to enjoy cultural experiences at the Gallery, bringing in close to £500,000 of admission income: an impressive increase of 45% on the previous year. This increased footfall also generated record sales for both our independent franchises.

The Gallery attracted these exceptionally large audiences thanks to a hugely popular and critically acclaimed summer season, which included the first major museum exhibition of Gwen John, alongside new work by contemporary artist Kaye Donachie. The autumn season of John Craxton and Jake Grewal exhibitions also received excellent press coverage, although ticket sales returned to more 'normal' levels. The Gallery is not immune to external pressures and the challenges facing the cultural sector and businesses generally. Indeed, the impact of rising inflation and the cost of living were more keenly felt over the winter months. Despite our cultural contribution and outstanding community programme, the loss of our National Portfolio Organisation status and the annual £91,000 of Arts Council funding was a blow.

Building financial resilience from other sources of income thus became an even greater priority and we are very grateful for all our loyal supporters including Chichester District Council. There was a 10% increase in Friends' income and 11% in Patrons' income over the period as well as some significant legacies. The appointment of a new Head of Development will further improve the Gallery's approach to philanthropy going forward.

The Board and I supported staff changes that have resulted in a more qualified and experienced team overall. The leadership team was significantly strengthened with the creation of two new roles: a Chief Operating Officer and Chief Curator, supported by a new, full time Head of Finance. The team is now delivering against a Business Plan for 2024-26, which builds on existing strategic priorities and identifies clear operational goals. Our cultural ambitions are undimmed.

New staff and a renewed focus have brought additional energy to help realise the Gallery's mission. In tackling some of the long-standing issues that have held back the Gallery previously, I am confident that the team is laying robust foundations for a more resilient organisation that will be better placed to deliver its ambitions.

John Ayton
Chair of the Board of Trustees

Trustees' Annual Report

The Trustees present their report and the audited financial statements for the year ended 31 March 2024.

Objectives & Activities

The Charity's objectives are for the public benefit to promote and advance the education of the public in, and to promote, the visual arts and history of art principally in the Chichester administrative district and in particular, to maintain, preserve, restore and furnish Pallant House in the City of Chichester as a period house within which to exhibit works of art of historic or public interest for viewing by the public.

Our Mission and Vision

Our mission is to share and stimulate new thinking on British art and to play a pivotal role in the creative lives of the widest possible audience.

Our vision is to be recognised as an international centre for British art from 1900 to now.

We achieve this by observing the following six principles:

- Making Modern British art relevant today by exploring contemporary, historic and international connections, redressing imbalances in its history and filling gaps in our collection.
- Putting our audiences at the heart of what we do, striving to understand their needs and motivations, enabling two-way conversations and involving them in our work.
- Thinking of the Gallery as more than a physical destination, expanding our audience reach through digital, outreach and regional, national and international partnerships.
- Being a recognised authority on Modern British art and an example of best practice in all aspects of our work.
- Creating and upholding a distinctive brand for the Gallery that informs all activity.
- Investing in our people, culture, assets and systems, and working to become financially and environmentally sustainable and appropriately resourced.

Public Benefit Derived from our Activities

The Trustees of the Gallery have paid regard to the Charity Commission's published guidance on public benefit. They believe that people who have access to the visual arts derive real benefit from the experience through the expansion of their creative ideas, practice and understanding; through appreciation, learning and participation. The Gallery provides the opportunity for people to gain a better understanding of the cultural and artistic make-up of our society and enhances their personal response to and enjoyment of creativity.

Performance and Achievements During the Year

Summary of Financial Results

The Gallery delivered a surplus of £1,250k in the year (2022-23: deficit of £313k). These figures comprise exceptional and restricted items in both years. At an underlying level, the Gallery continues to incur operational deficits, with the operating deficit for the year of £238k and £512k of net cash utilised for operating activities.

Capital Project

During the year the focus has been on building internal capacity and improving systems to deliver a future Capital Project. During the 2024-25 financial year the Gallery will start to work with project managers and internal and external stakeholders in order to revise the brief for a multi-disciplinary design team, in advance of launching the project.

Exhibitions

2023-24 was the Gallery's most successful year to date, with record admission numbers matched by outstanding press reviews and visitor feedback.

The Gallery operates a dynamic two-seasons exhibitions programme (May – October and November – April). Each season comprises one main exhibition in the New Wing and one secondary exhibition in the Historic House. These showcase the Gallery's curatorial excellence, telling new stories about modern British art while supporting contemporary creativity through the work of emerging or more established artists.

These are supplemented by four Print Room exhibitions per year (two per season), which present new research or insight into the Gallery's outstanding collection of works on paper and rare books. Collections displays within the Historic House are also periodically refreshed, notably to facilitate loans out or reveal recently acquired works.

Summer / Autumn Season

Gwen John: Art and Life in London and Paris was a timely reappraisal of the work of a trailblazing artist long overshadowed by her brother, Augustus John. Curated by independent curator Alicia Foster with support from the Gallery's team, the exhibition enabled the Gallery to establish or deepen relationships with a number of partners, with loans from 22 public collections in the UK and abroad, and rarely available pieces from private collections. It was accompanied by a major publication, achieved great press coverage and critical acclaim, and attracted record visitor numbers. The exhibition subsequently toured to the Holburne Museum, Bath.

Pallant House Gallery's Community Programme artists responded to this exhibition by making new work, which featured in the exhibition, *A Place of My Own*.

Kaye Donachie: Song for the Last Act was the artist's first institutional solo show, and presented new work alongside a painting recently acquired from the artist with the support of the Contemporary Art Society. Donachie designed a site-specific wallpaper to form the backdrop for her selection of 26 works

from the Gallery's collection. The exhibition was accompanied by the artist's first monograph, authored by Gallery director, Simon Martin.

In the Print Room, *Role Models, Writers' Portraits* (6 May – 23 July) and *From Life, Drawing the Figure* (26 July – 1 October) were both drawn entirely from the collection with recent acquisitions demonstrating the Gallery's efforts to increase the diversity of artists and subjects represented.

The season's success was achieved by an unusually short-staffed curatorial team, following the departure of the Head of Exhibitions in November 2022 (replaced by a Chief Curator in August 2023), showing a canny deployment of reduced resources at a pressured time.

Autumn / Winter Season

The retrospective, *John Craxton: A Modern Odyssey* charted the development of this celebrated Modern British artist, from wartime Britain to the sunny shores of Chania, Crete. Featuring many rarely seen works from private collections and the Craxton Estate as well as loans from British public collections, the exhibition was the first opportunity to display two works by Craxton recently acquired from the estate of Sinclair Hood through the Acceptance in Lieu scheme. Curated with Craxton biographer Ian Collins, the exhibition was accompanied by a new publication with essays from staff and distinguished writers. Shown within the exhibition, leading contemporary artist Tacita Dean's 16mm film diptych, *Crackers*, premiered at the Gallery. Filmed in and around Craxton's Cretan house, it is an homage to the artist who encouraged Dean's own career.

In the Historic House, *Jake Grewal: Some days I feel more alive* was Grewal's first institutional solo show and revealed his affinities with British Neo-Romantic artists, whose work he selected to show alongside his own.

In the Print Room, *Sanctuary Selects: Voices from the Community* (6 October – 4 February) was curated by members of the Sanctuary in Chichester Womens' Literacy Group of locally-based refugees and asylum seekers. *Habib Hajallie: Penned into History* (10 February – 21 April) followed from Hajallie's residency at the Gallery as part of University of the Arts London's Decolonising Arts Institute 20/20 programme. Alongside new work on loan from the artist, it included *The Large Collectors*, a monumental drawing produced as a result of the residency and acquired into the collection.

Collection and Acquisitions

During 2023-24, 118 artworks were acquired for the permanent collection. This included 69 new works by female artists (of which 6 were newly represented in the collection), bringing the gender ratio to 24.6% of women artists, and 36 new acquisitions of works by Black, Asian and ethnic minority artists.

Acquisitions 2023-24	
Accepted in lieu of inheritance tax by HM Government from the estate of Isabella Anne Marshall Hewat and allocated to Pallant House Gallery	25
Accepted in lieu of inheritance tax by H M Government from the estate of Sinclair Hood and allocated to Pallant House Gallery	3
Gift of Nana Shiomi	29
Bequeathed by Alan Edward Fowler through Art Fund	5
Bequeathed by Nina Drucker with Art Fund Support	8

The Golder – Thompson Gift	14
Other works acquired through donation/gift/transfer	16
Artworks purchased or commissioned by Pallant House Gallery	18
Number of new works by women artists (number of individual artists)	69 (22) 58.5%
Number of new works acquired by men (number of individual artists)	49 (33) 41.5%
Number of new works by Black, Asian and ethnic minority artists (number of individual artists)	36 (6) 30.5%
Number of newly represented artists	22
Number of newly represented female artists	6
Number of newly represented male artists	16

Artists Represented in the Collection

	2020-21	2021-22	2022-23	2023-24
Number of artists	896	981	1,045	1,067
Number of male artists	693 (77.4%)	745 (75.9%)	788 (75.4%)	804 (75.4%)
Number of female artists	203 (22.6%)	236 (24.1%)	257 (24.6%)	263 (24.6%)
Number of Black, Asian & ethnic minority artists	38 (4.2%)	47 (4.8%)	55 (5.3%)	58 (5.4%)

Conservation

Treatment of 66 works was completed during the year, including the treatment and re-framing of significant new acquisitions by Marie Laurencin and John Craxton, and the conservation and mounting of 53 works on paper.

In addition, we are undertaking a staged programme of re-glazing key works and building our stock of standard frames for works on paper fitted with non-reflective, non-UV glass. This project will support preventative conservation measures particularly in the Historic House environs and improve the visitor experience by offering a greater clarity of view.

External Loans

During 2023-24, the Gallery lent 25 works to 11 different venues including Royal Academy, Holburne Museum and National Portrait Gallery, and international venues FLAG Art Foundation, New York, USA; Städel Museum, Frankfurt, Germany; and Hamburger Kunsthalle, Hamburg, Germany.

Community Programme

The Learning and Public Programmes team delivers a range of engagement opportunities for people of all ages to increase access to and enjoyment of art and creativity inspired by the collection and exhibitions. During 2023-24, 560 activities were delivered, which were enjoyed by almost 5,400

participants. In addition, we delivered the final stage of the National Lottery Community Fund (NLCF) Pallant Partners project.

Learning and Public Programmes Area	Total Participants	Total Participations	Total Activities
Formal education activity for children and young people (Encounter and Create workshops, School in Residence, and free self-led visits supported by Gallery resources)	1,700	2,040	103
Informal learning for children and families (free Open Days, holiday workshops and self-led visits)	1,851	1,851	31
Adult learning workshops, talks and special events	1,526	1,526	54
Community Programme (weekly workshops, projects and trips) *	219	2,570	328
Pallant Partners NLCF project	100	254	44
Total	5,396	8,241	560

* Partners in Art is the Gallery's longstanding scheme, which matches Community Programme volunteers with participants in one-to-one art partnerships. These may involve studio visits or off-site meetings and, as a result, are recorded differently. There were approximately 840 additional participations in 2023-24.

Key successes:

- Encounter and Create programme for schools and colleges officially launched following previous pilots, and bookings progressed well. Introduced a teachers Continuing Professional Development programme for School in Residence participants to build teacher confidence.
- 'A Place of My Own' exhibition was a significant milestone in Community Programme development, with members exhibiting their work, created in response to the Gallery's major Gwen John exhibition, within a main gallery for the first time.
- Delivering a 'Creating Community' symposium which explored values-led engagement. This was the first professional development event of this kind delivered by the Gallery and very well attended, with representatives of over 50 cultural organisations from across the UK and Europe.
- Partnership working flourished, including deepening relationships with Chichester Pride and the University of Chichester to deliver special Summer Lates. A music programme was introduced in collaboration with the Royal College of Music and the Royal Academy of Music, and a co-curation project with Sanctuary in Chichester led to a print room exhibition.
- £121k of income was generated from grants, donations, art and ticket sales.

Key challenges:

- Lack of alternative physical spaces within the Gallery, including studio space and classrooms, limits what can be delivered and the number of participants. However, staff are currently working at capacity, so any increase in physical space would need to be matched with additional staff support.

Fundraising

The Gallery drives income generation through a mixed funding model. Fundraising through philanthropy and partnerships continues to be important and is predominantly managed through the Development Team with support from the Development Advisory Group and other key members of the Gallery's staff.

All development and fundraising activities were carried out in-house and no agencies or individual consultants were contractually engaged to raise funds on behalf of the Gallery. Such activities were compliant with appropriate codes and there have been no complaints about them.

The Gallery generally focuses on wealthy individuals, trusts and foundations and statutory bodies as a source of funds, leaving members of the public a free choice whether to become a Friend or donate additionally when buying a ticket. Consequently, it is not necessary to have measures that specifically protect vulnerable people from fundraising, while care is given to ensuring the safety of all potential donors.

Key fundraising income channels for 2023-24 were as follows:

- Individual giving
- Patrons
- Friends
- Major gifts
- Other donations
- Gifted artwork
- Legacy gifts
- Trusts & foundations
- Corporate sponsors and partnerships
- Statutory & public funding bodies

Individual giving through Friends' memberships and the Patrons programme continues to be successful and provided a significant income stream of £161k and £155k respectively. In addition, the Gallery received legacy gifts and other donations from individuals of £274k.

Gifted artworks from individuals, which are only accepted once they have been vetted and approved by the Acquisition Committee, are another significant source of support. During 2023-24 artwork valued at £681k was gifted to the Gallery.

Funds received through Chichester District Council ('CDC') of £130k were almost matched by funds from Arts Council England ('ACE'), National Lottery Community Fund and other Trusts of £124k. This included transition funding from ACE following the Gallery's loss of ACE National Portfolio Organisation status and associated grant.

Corporate support remains the most challenging area for the Gallery. Funds secured through this channel totalled £47k in 2023-24. There is significant potential to grow this income channel.

Buildings & Facilities

Pallant House

Repairs to the outside of the historic house, which is owned by CDC, have been identified as urgent for some time. These are necessary to prevent further deterioration and leaks within the building. The executive team negotiated with CDC throughout the latter half of 2023 to ensure this was addressed. CDC appointed contractors, and repairs and decorative work to wood and brickwork at the rear of Pallant House began in April 2024. CDC is working with architects and conservation specialists to devise a method to ensure further water ingress does not occur via the parapet. These works concluded in early July 2024. Similar works to the front of Pallant House will be conducted by CDC's contractors in autumn 2024.

Safety & Security

The Gallery has employed a key holding alarm response company since December 2023. Securitas are now the first responders to fire and intruder alarm call outs instead of Gallery staff.

Fire Risk Assessment

3SFire, a company owned and run by Hampshire and Isle of Wight Fire and Rescue Authority, carried out a fire risk assessment of the site in January 2024. The report recorded no high priority issues, and the overall risk level is tolerable.

Duty Managers

The number of Duty Managers and key holders has been increased by the training of new members of staff, which has improved operational resilience. This sharing of knowledge and responsibility has also helped ease pressure on frontline staff and should help reduce staff turnover in the Visitor Services team.

7 North Pallant

Significant repairs are required to the roof of 7 North Pallant, which will require scaffolding to the front of the property. Whilst this work is undertaken in autumn 2024, window frame repairs and redecoration will also be undertaken.

1 North Pallant

To relieve the cramped working conditions in Pallant House, the Communications and Development teams moved into a new office at 1 North Pallant in January 2024.

Commercial Activities

Pallant Café and Restaurant

The Restaurant is an independent franchise which operates on the ground floor of the Gallery. A new contract was signed with Pallant Catering Services in October 2023 and runs until March 2026.

The Restaurant had its most successful year to date in 2023-24, largely due to the high level of visitor numbers, with gross sales exceeding £600k. The Restaurant contributes rental income and pays a profit share to the Gallery on sales.

Pallant Bookshop

The Bookshop is an independent franchise which is a leading specialist bookshop for Modern British art and design, and the primary point of sales for the Gallery's publications and other merchandise. The Bookshop Director, Nicholas Higbee, is a regular attendee at the Gallery's Collections and Exhibitions Advisory Group.

The Bookshop contributes rental income and pays commission to the Gallery on sales of Gallery products. Its contract is due for renewal in March 2025.

Human Resources

The Gallery recognises that its staff and volunteers are its greatest resource and require investment to get the best outcomes. In order to provide the Executive, staff and volunteers with appropriate support, training and development opportunities, the Gallery appointed external HR consultants Emphasis HR to provide ongoing HR advice (in February 2024) and has invested in several new online systems: Virtual College, a training platform; BreatheHR, a people management system; and Better Impact, a volunteer engagement and management system.

As of 31 March 2024, the Gallery team consisted of 20 full-time and 17 part-time permanent members of staff and four casual Visitor Services Assistants (equivalent to 29.8 full-time roles). Three new posts were created during the year: a full-time Chief Curator, who started in August 2023; a full-time Chief Operating Officer, who started in September 2023; and a Manager of Philanthropy and Partnerships (0.8 FTE), who started in July 2023. The arrival of the Chief Operating Officer and departure of the former Head of Audiences & Development allowed the Gallery to redefine the remit of Head of Development to focus solely on income generation, supported by the new managerial role. In addition, a full-time Head of Finance was appointed in January 2024 (replacing the former part-time freelance post holder), and changes were made to the Visitor Services team to simplify the rota and give greater consistency of cover.

The Gallery is indebted to our dedicated team of almost 150 volunteers, who support all aspects of our programme and operations. They fulfil a variety of roles across different departments, including policy and programme advisors (via the Gallery's Sub-Committees and Advisory Groups), Gallery Assistants, Gallery Guides, library and archives assistants, and support of our Learning and Community Programme. Over 15,000 hours of volunteer time were donated to the Gallery in 2023-24 and we are hugely grateful for their support.

Financial Review

The results for the year are set out in the Statement of Financial Activities and accompanying notes later in this report.

The Statement of Financial Activities shows that a surplus of £1,250k was delivered in the year (2022-23: deficit of £313k). These figures comprise exceptional and restricted items in both years. At an underlying level, the Gallery continues to incur operational deficits. Excluding gifts of artwork (of £681k) and capital growth of the endowment fund (of £807k), the operating deficit for the year was £238k. In terms of cash, £512k of net cash was utilised for operating activities.

The Gallery is very pleased with the significant increase in admission income during the year, which owed much to the success of the Gwen John summer exhibition. Rental income and corporate sponsorship also performed well compared to the prior year. However, income from legacies and donations decreased, and the transitional grant from Arts Council England was lower than the full grant received in the prior year. The grant from Chichester District Council is the only confirmed public funding for 2024-25.

Costs increased by 10% year-on-year to £2,525k. Whilst some higher costs were incurred due to high levels of inflation, the Gallery also chose to incur higher staff and marketing costs, to build capacity within the team, strengthen management, and better promote the Gallery.

An exceptional rebate of business rates of £95k was received from CDC during the year, following a change in the Valuations Office Agency's policy in determining rateable values for museums. This related to rates paid between 2017-23 and was exceptional in nature.

Principal funding sources during the year were as follows:

Income Summary				
	2023-24	% of	2022-23	% of
	£000s	total	£000s	total
Earned Income				
Admission	£492		£338	
Commercial	£170		£162	
Total	£661	22%	£500	19%
Philanthropic Institutions				
Arts Council England	£53		£73	
National Lottery Community Fund	£48		£19	
Trusts	£23		£20	
Total	£124	4%	£112	4%
Statutory / Government / Public				
Chichester District Council	£130		£130	
HMRC	£222		£194	
Total	£352	12%	£324	12%
Corporations				
Corporate	£47		£15	
Total	£47	2%	£15	1%
Individuals				
Donations	£214		£243	
Friends	£161		£147	
Legacies	£60		£527	
Patrons	£155		£140	
Total	£590	20%	£1,057	40%
Other				
Gifted artwork	£681		£189	
Investment income	£378		£340	
Miscellaneous	£26		£3	
Rental income	£110		£75	
Total	£1,195	40%	£606	23%
Total	£2,968	100%	£2,614	100%

Reserves Policy and Going Concern

Our reserves are set out in the accounts within the balance sheet and in more detail in note 21.

The trustees have a reserves policy designed to ensure that the Gallery has adequate reserves to carry out its charitable objectives including maintaining the assets entrusted to it.

Endowment funds: There are four endowment funds that have varying terms, all established with the overarching objective of being invested to provide income to support the Gallery's core operation. In the case of at least one fund, this was the stipulation of the donor and in the remainder, it is the policy of the trustees.

Restricted funds: There are numerous restricted funds which are listed later in these accounts. Each fund relates to a separately identifiable activity that has attracted its own funding from various donors with the proviso that their support is to be applied only to that project. Normally the Gallery has agreed to fund any balance from its wider resources to ensure a successful outcome. These projects

are usually short term, typically completed within a year, and taken together represent the essence of the Gallery's core operation.

Designated funds (unrestricted): The designated funds comprise of buildings and artworks. They were largely created historically by the provision to the charity of the Gallery building, along with funds held for related contingencies, and the collection of works of art donated or purchased from donations for display in the Gallery. These designated funds are illiquid.

Trustees have reviewed the reserves policy during the year, which was last amended during 2017-18, and believe that it remains appropriate. The reserves policy is as follows:

- The Gallery should hold cash balances in unrestricted funds, of at least £200,000 or, if greater, the cash projected to be required for its activities for the following two months. This is currently achieved through holding liquid accounts within cash and investments.
- The endowment fund of £300,000 provided by the Friends in 2018/19 should only be held in readily realisable investments so that it acts as a second layer of reserves if required to meet unexpected adverse circumstances.
- The other endowment funds should continue to include in excess of £500,000 of readily realisable investments that could be sold as a third layer of reserves, whilst otherwise continuing to provide income for the core operation.

This reserves policy was met during 2023-24 and up to the date of signing this report. It continues to be reviewed annually and the trustees have resolved that it should continue in force for a further year.

During the year, the Gallery restored operational capacity by investing in key management positions, including a Head of Development who is leading on fundraising. However, an uncertain fundraising climate remains and the loss of an annual Arts Council England ('ACE') National Portfolio Organisation ('NPO') grant of £91k has been keenly felt.

Consequently, the trustees accept that operating deficits are realistically unavoidable until higher levels of sustainable income can be secured, which in turn will mean it is likely the Gallery will continue to draw on reserves. Current forecasts for 2024-25 show that deficits should be contained comfortably within the level of reserves currently in place. Consequently, the trustees conclude that there are not any material uncertainties about the Gallery's ability to remain a going concern in the foreseeable future.

Investment Policy and Objectives

Under its Articles, the Gallery has the power to invest funds in the furtherance of its charitable objectives.

The Gallery's investment policy is to grow the endowment funds and generate a reliable income stream to help fund operations. This total returns basis is based on a medium level of risk. Funds are invested over a 3-5 year term on a discretionary basis in a fund that has a strong ethical and sustainable ethos.

The Gallery's endowment funds are invested in Sarasin & Partners Endowments Fund for charities, which is a global multi-asset CAIF unit trust that adopts responsible ESG standards.

In the financial year ending 31 March 2024, the Gallery's portfolio with Sarasin increased in value by £807k and generated dividends of £334k.

Principal Risks and Uncertainties

The trustees have a duty to identify and review the risks to which the Gallery is exposed and to ensure appropriate measures are being taken to mitigate these and controls are in place to provide reasonable assurance.

The Gallery's Risk Register contains the principal risks that the trustees and executive have identified, and the mitigating actions to minimise these risks. Each risk is allocated a likelihood and consequence score, and responsibility for monitoring is assigned to a named member of staff. The trustees have delegated the review of the Gallery's Risk Register to the Finance, Audit and Risk Committee ('FARC'), which last reviewed the Risk Register in June 2024. In addition, the Risk Register is regularly reviewed by the executive.

In respect of buildings and contents, the risk of damage due to fire is controlled by an extensive fire detection and alarm system, which is monitored 24/7 and serviced annually. A team of trained Fire Marshalls and a Duty Manager are named on a daily list, held at reception, and are responsible for the safe and efficient evacuation of the galleries, and communicating and liaising with the alarm monitoring company and emergency services. An Emergency Salvage Priority list is updated regularly to include works from the Gallery's collection and works on loan, and their location. The impact of any loss would also be mitigated through extensive insurance cover, both commercial and through the Government's Indemnity Scheme.

The FARC meets every quarter to review the current and projected financial position of the Gallery, so that timely corrective action can be instigated to minimise the impact.

Structure, Governance and Management

Legal Status of the Gallery

Pallant House Gallery is a charitable company limited by guarantee, incorporated in England and Wales on 16 February 2004 and registered as a charity in England and Wales on 2 March 2004. The charitable objects and powers of the company are set out in its articles of association.

The trustees, who are also the Directors for the purpose of company law, and who served during the year are listed in the 'Reference and Administrative Information' section at the beginning of this report.

None of the trustees has any beneficial interest in the charitable company. All the trustees are members of the charitable company and guarantee to contribute £10 in the event of a winding up.

Appointment of Trustees

Trustees are proactively selected and appointed to ensure that a broad range of relevant skills, experience and diversity are represented across the trustee board. The Nominations Committee (a formal sub-committee of the Board of Trustees) is responsible for Trustee recruitment and succession planning and Chichester District Council also has the right to appoint and remove one trustee. A skills audit is undertaken biennially to identify any gaps and priorities, and recruitment takes place by open advertisement and interview. The Nominations Committee recommends all Trustee appointments to the Board for formal approval. Five new Trustees were appointed by the Board during the period of this report.

Trustee Induction and Training

The company secretary provides or arranges external induction training to each newly appointed trustee. They are required to complete a declaration of Fit and Proper status, in line with HMRC's Fit and Proper Persons Test, and receive key governance documentation, including the articles of association, annual financial statements and the Charity Governance code. The Gallery also maintains a secure online Trustee Portal, where members can access key governance and operational documents.

The trustees are responsible for the overall governance of the Charity. They delegate all day-to-day responsibilities for running the organisation to the Director, Simon Martin. As mentioned in the HR section above, the Gallery also created two new senior executive roles to support the Director during 2023-24. The Finance Audit & Risk Committee and Nominations Committee, as well as a number of informal Advisory Groups, have been established to ensure that the trustees' governance responsibilities are fulfilled. Terms of Reference exist for each of these bodies, and they are reviewed and approved by the Board. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Remuneration Policy for Key Management Personnel

The outcome of the annual staff pay review and remuneration levels for key management personnel are approved by the Finance, Audit & Risk Committee, within the parameters of the Gallery's salary banding system (which was introduced in autumn 2022). A formal Remuneration Policy was approved by the Board early in the financial year 2024-25. The trustee board is responsible for the appointment and performance management of the Director.

The Senior Pay disclosures include the Director and senior members of the leadership team.

Equality and Diversity

The Gallery is committed to equality, diversity and inclusion within all elements of its operation and programme. The Gallery has a number of written policies in place to reflect our legal obligations and organisational requirements. Mandatory EDI training was introduced for staff in 2023 and this will be rolled out to volunteers in the second half of 2024. A new Equality Diversity and Inclusion Action Plan was created to reflect the Business Plan 2024-26 and approved by the Board in June 2024.

Related Parties and Relationships with Other Organisations

Prior to the merger on 1st April 2018, the Gallery enjoyed a close relationship with the Friends of Pallant House, whose objectives were financial and other support for the Gallery. The activity of the Friends of Pallant House is now undertaken directly by the Gallery.

Until 31 March 2020, a trading subsidiary, Pallant House Gallery Services Limited, carried out commercial activities related to the Gallery and received income from the restaurant and the bookshop. After that point, this was carried out by the parent Gallery company. There is also a dormant subsidiary, Pallant House Enterprises Limited, with an historical involvement in collection of subscriptions from Friends. Both subsidiaries will be closed after the year end.

Funds Held as Custodian Trustee on Behalf of Others

The charity does not hold funds as custodian trustee on behalf of others.

Statement of Responsibilities of the Trustees

The trustees (who are also directors of Pallant House Gallery for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, 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 estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up. The total number of such guarantees at 31 March 2024 was 15 (2023: 14). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Appointment

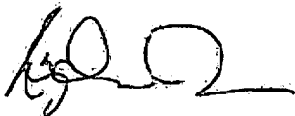
Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

Disclosure of Information to Auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but which has not been made available to the auditor. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report was approved by the trustees on 27 September 2024 and signed on their behalf by:



Elizabeth Davis

Trustee & Company Secretary

Independent auditor's report to the members of Pallant House Gallery**Opinion**

We have audited the financial statements of Pallant House Gallery (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the group charitable company balance sheet, the consolidated statement of cash flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's 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 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Pallant House Gallery's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The 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 trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior Statutory Auditor)

23 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Pallant House Gallery

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Note	Unrestricted £	Restricted £	Endowment £	2024 Total £	Unrestricted £	Restricted £	Endowment £	2023 Total £
Income from:									
Donations and legacies	2	1,358,302	59,948	-	1,418,250	1,237,649	76,330	-	1,313,979
Charitable activities									
Collection management	3	9,800	-	-	9,800	4,061	33,950	-	38,011
Exhibitions & displays	3	699,527	94,569	-	794,096	521,389	105,091	-	626,480
Public programmes	3	41,314	79,828	-	121,142	23,934	57,361	-	81,295
Publishing	3	136,939	-	-	136,939	139,351	-	-	139,351
Other trading activities	4	109,606	-	-	109,606	74,428	-	-	74,428
Investments	5	378,186	-	-	378,186	339,709	-	-	339,709
Total income		2,733,674	234,345	-	2,968,019	2,340,521	272,732	-	2,613,253
Expenditure on:									
Raising funds	6	122,390	9,507	-	131,897	88,622	8,310	-	96,932
Charitable activities									
Collection management	6	269,743	1,114	2,246	273,103	237,644	34,664	2,505	274,813
Exhibitions & displays	6	1,009,526	252,628	10,655	1,272,809	974,671	142,169	10,275	1,127,115
Public programmes	6	600,189	79,503	6,448	686,140	527,181	76,896	5,557	609,634
Publishing	6	159,068	1,598	670	161,337	159,554	23,273	1,682	184,509
Total expenditure		2,160,917	344,350	20,019	2,525,286	1,987,672	285,312	20,019	2,293,003
Net income / (expenditure) before net gains / (losses) on investments		572,758	(110,005)	(20,019)	442,734	352,849	(12,580)	(20,019)	320,250
Net gains / (losses) on investments		-	-	806,981	806,981	-	-	(633,427)	(633,427)
Net income / (expenditure) for the year	7	572,758	(110,005)	786,962	1,249,714	352,849	(12,580)	(653,446)	(313,177)
Transfers between funds		-	-	-	-	(32,716)	32,716	-	-
Net income / (expenditure) before other recognised gains and losses		572,758	(110,005)	786,962	1,249,714	320,133	20,136	(653,446)	(313,177)
Other gains / (losses)		-	-	-	-	-	-	-	-
Net movement in funds		572,758	(110,005)	786,962	1,249,714	320,133	20,136	(653,446)	(313,177)
Reconciliation of funds:									
Total funds brought forward		31,962,517	494,349	11,078,690	43,535,556	31,642,384	474,213	11,732,136	43,848,733
Total funds carried forward		32,535,275	384,344	11,865,652	44,785,270	31,962,517	494,349	11,078,690	43,535,556

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21a to the financial statements.

Pallant House Gallery

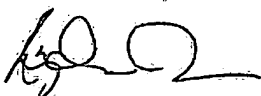
Balance sheet

Company no. 05045130

As at 31 March 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	12		8,008,520		8,284,931
Heritage assets	13		24,589,433		23,908,483
Investments	14		11,050,973		10,217,860
			43,648,926		42,411,274
Current assets:					
Stock		15,867		30,390	
Debtors	16	594,140		488,631	
Cash at bank and in hand		793,203		955,636	
		1,403,210		1,474,657	
Liabilities:					
Creditors: amounts falling due within one year	17	(266,866)		(350,375)	
Net current assets			1,136,344		1,124,282
Total net assets			44,785,270		43,535,556
The funds of the charity:	22a				
Unrestricted income funds:					
Designated funds		31,698,169		31,302,555	
General funds		837,106		659,962	
Endowment		1,796,929		1,746,963	
Total unrestricted funds			34,332,203		33,709,480
Endowment (restricted)			10,068,723		9,331,727
Restricted income funds			384,344		494,349
Total charity funds			44,785,270		43,535,556

Approved by the trustees on 27 September 2024 and signed on their behalf by:



Elizabeth Davis
Trustee & Company Secretary

Pallant House Gallery

Statement of cash flows

For the year ended 31 March 2024

	£	2024 £	£	2023 £
Cash flows from operating activities				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,249,714		(313,177)	
Depreciation charges	304,585		306,402	
Donations of heritage assets included in income	(680,950)		(188,875)	
(Gains)/losses on investments	(833,113)		633,427	
Dividends, interest and rent from investments	(378,186)		(339,709)	
(Increase)/decrease in stocks	14,523		5,438	
(Increase)/decrease in debtors	(105,509)		199,326	
Increase/(decrease) in creditors	(83,509)		11,180	
Net cash provided by / (used in) operating activities		(512,445)		314,012
Cash flows from investing activities:				
Dividends and interest from investments	378,186		339,709	
Purchase of fixed assets	(28,174)		(41,358)	
Net cash provided by investing activities		350,012		298,351
Change in cash and cash equivalents in the year		(162,433)		612,363
Cash and cash equivalents at the beginning of the year		955,636		343,273
Change in cash and cash equivalents due to exchange rate movements		-		-
Cash and cash equivalents at the end of the year		793,203		955,636

1 Accounting policies

a) Statutory information

Pallant House Gallery is a charitable company limited by guarantee and is incorporated in England & Wales.

Pallant House Gallery is an incorporated charity registered with the Charity Commission for England and Wales.

The registered office address is Pallant House Gallery, 8-9 North Pallant, Chichester, West Sussex, PO19 1TJ.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102) and the Companies Act 2006.

These financial statements reflect only the results of the charity, Pallant House Gallery. Its wholly-owned subsidiaries Pallant House Gallery Services Limited and Pallant House Enterprises Limited, are both dormant and do not hold any material asset or liability value. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Financial projections have been prepared that show that the existing cash resources supported by the ability to realise investments will be sufficient to allow the Gallery to continue operating for the foreseeable future and in particular, for the twelve months following the signing of these accounts. Further reference can be found in the section, 'Reserves Policy and Going Concern' in the Trustees' Report.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

e) Income

Friends and Patron subscriptions are recognised when received.

Entrance fees are recognised in income when they are receivable except for group deposits which are recognised when the group visit takes place.

Admission income for exhibitions is recognised when the tickets are sold.

Ticket income relating to courses, events and group bookings is recognised when they take place.

Book and other sales income are recognised when receivable.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. Refer to the trustees' annual report for more information about volunteers' contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Endowment funds are split between those designated thus by donor stipulation and those by reversible trustee decisions. The capital of the donor stipulated endowments must be maintained, although the income can be utilised in accordance with the terms of the endowment.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged as a central support cost or included in the cost of a fixed asset.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Buildings	50 years
● Plant & machinery	15 years
● Fixtures, fittings and equipment	10 years
● Artwork (all purchased)	not depreciated

l) Heritage assets

A heritage asset is defined as "a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture." The Gallery has estimated a value in these financial statements in respect of its various collections of artwork, which were all gifted to it (purchased artwork is categorised within tangible fixed assets). Any acquisitions are shown either at cost or in the case of donations, at an estimated valuation on the date of receipt. Any gains or losses on revaluation, if they take place, would be recognised in the Statement of Financial Activities.

m) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Stocks

Stocks are made up of catalogues and are stated at the lower of cost and estimated selling price less costs to complete and sell. Provision is made where necessary for obsolete, slow moving and defective stocks.

p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

t) Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Arts Council England grant	-	52,948	52,948	90,759	-	90,759
Assistance to acquire artwork	20,530	7,000	27,530	12,698	1,330	14,028
Chichester DC grant	130,000	-	130,000	130,000	-	130,000
Corporate membership	1,667	-	1,667	5,000	-	5,000
Dannatt Trust gift	-	-	-	150,000	-	150,000
Donations and gifts	114,634	-	114,634	57,305	-	57,305
Friends & Patrons subscriptions	315,851	-	315,851	286,596	-	286,596
Gift Aid on income	34,671	-	34,671	31,987	-	31,987
Gifts of artwork	680,950	-	680,950	188,875	-	188,875
Grants for specific activities	-	-	-	(17,578)	-	(17,578)
Legacies	60,000	-	60,000	302,007	75,000	377,007
	1,358,302	59,948	1,418,250	1,237,649	76,330	1,313,979

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Collection management						
Charges to owners	8,429	-	8,429	2,978	-	2,978
Grants & donations	1,371	-	1,371	1,083	33,950	35,033
Sub-total for collection management	9,800	-	9,800	4,061	33,950	38,011
Exhibitions & displays						
Admission income	491,586	-	491,586	338,010	-	338,010
Charges to other galleries	-	13,130	13,130	-	-	-
Corporate sponsorship	-	44,847	44,847	-	10,000	10,000
Donations to exhibitions	20,913	15,433	36,346	21,420	-	21,420
Exhibition tax relief	154,723	-	154,723	135,000	-	135,000
Gift Aid on entrance fees	32,305	-	32,305	26,959	-	26,959
Supporters' Circle	-	21,159	21,159	-	95,091	95,091
Sub-total for exhibitions & displays	699,527	94,569	794,096	521,389	105,091	626,480
Public programmes						
Courses earned income	29,663	2,985	32,648	18,486	230	18,716
Donations	8,621	4,165	12,786	-	-	-
Grants income	-	22,944	22,944	700	38,491	39,191
National Lottery Community Fund	-	47,874	47,874	-	18,640	18,640
Sale of artwork	3,030	1,860	4,890	4,748	-	4,748
Sub-total for public programmes	41,314	79,828	121,142	23,934	57,361	81,295
Publishing						
Advertising income	15,819	-	15,819	13,452	-	13,452
Grants	8,000	-	8,000	-	-	-
Image rights revenue	1,464	-	1,464	1,449	-	1,449
Sales of publications	111,656	-	111,656	124,450	-	124,450
Sub-total for publishing	136,939	-	136,939	139,351	-	139,351
Total income from charitable activities	887,580	174,397	1,061,977	688,735	196,402	885,137

4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Franchisees' rental income	108,516	-	108,516	70,684	-	70,684
Gallery hire income	1,090	-	1,090	4,364	-	4,364
Other income	-	-	-	(620)	-	(620)
	<u>109,606</u>	<u>-</u>	<u>109,606</u>	<u>74,428</u>	<u>-</u>	<u>74,428</u>

5 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Dividends from endowment	334,059	-	334,059	299,857	-	299,857
Rental income	35,750	-	35,750	36,850	-	36,850
Other investment income	8,377	-	8,377	3,002	-	3,002
	<u>378,186</u>	<u>-</u>	<u>378,186</u>	<u>339,709</u>	<u>-</u>	<u>339,709</u>

Pallant House Gallery

Notes to the financial statements

For the year ended 31 March 2024

6a Analysis of expenditure (current year)

	Charitable activities						Support costs £	2024 Total £	2023 Total £
	Raising funds £	Collection management £	Exhibitions & displays £	Public programmes £	Publishing £	Governance costs £			
Staff costs (Note 8)	110,204	67,459	319,962	193,632	20,125	-	402,200	1,113,582	877,839
Artist & technician fees	-	950	40,798	-	-	-	-	41,748	36,919
Artwork conservation	-	21,866	16,070	-	-	-	-	37,936	27,221
Artwork transport	-	-	158,978	-	-	-	-	158,978	98,852
Audience development	-	-	-	-	-	-	2,194	2,194	4,302
Audit fees	-	-	-	-	-	23,085	-	23,085	22,860
Business rates	-	-	-	-	-	-	(90,901)	(90,901)	22,890
Course expenses	-	-	-	83,827	-	-	-	83,827	58,978
Course leader fees	-	-	-	-	-	-	-	-	6,750
Depreciation	-	-	-	-	-	-	304,587	304,587	306,402
Exhibition development	-	-	52,883	-	-	-	-	52,883	27,300
Facilities management	-	-	-	-	-	-	80,268	80,268	93,760
Finance charges	-	-	-	-	-	-	15,301	15,301	6,098
Fundraising event expenses	271	-	-	-	-	-	-	271	1,222
Insurance	-	21,761	-	-	-	-	28,822	50,584	63,477
Irrecoverable VAT	-	-	-	-	-	-	91,755	91,755	85,721
Magazine & gallery publications	-	-	-	-	98,737	-	-	98,737	115,399
Office costs	-	-	-	-	-	-	42,800	42,800	38,139
PR consultancy	-	-	-	-	-	-	36,018	36,018	33,462
Professional fees	-	-	-	-	-	29,255	17,555	46,810	41,297
Promotional activity	-	-	-	-	-	-	73,930	73,930	59,552
Property rental	-	-	-	-	-	-	12,600	12,600	11,700
Research	-	930	-	-	-	-	-	930	1,045
Storage facilities	-	17,759	1,264	-	-	-	-	19,023	18,424
Supporter development	21,422	-	-	-	-	-	-	21,422	23,463
Systems enhancement	-	-	-	-	-	-	15,731	15,731	36,583
Systems maintenance	-	-	-	-	-	-	58,438	58,438	51,616
Touring & loan fees	-	-	7,541	-	-	-	-	7,541	6,658
Trustees' expenses	-	-	-	-	-	5,611	-	5,611	8,396
Utilities	-	-	-	-	-	-	103,268	103,268	91,216
Website maintenance	-	-	-	-	-	-	16,328	16,328	15,462
	131,897	130,724	597,496	277,459	118,861	57,951	1,210,897	2,525,286	2,293,003
Support costs	-	135,876	644,470	390,015	40,535	-	(1,210,897)	-	-
Governance costs	-	6,503	30,843	18,665	1,940	(57,951)	-	-	-
Total expenditure 2024	131,897	273,103	1,272,809	686,140	161,337	-	-	2,525,286	
Total expenditure 2023	96,932	274,813	1,127,115	609,634	184,509	-	-		2,293,003

Pallant House Gallery

Notes to the financial statements

For the year ended 31 March 2024

6b Analysis of expenditure (prior year)

	Charitable activities						2023 Total
	Raising funds £	Collection management £	Exhibitions & displays £	Public programmes £	Publishing £	Governance costs £	
Staff costs (Note 8)	72,247	59,487	260,283	150,791	19,160	-	877,839
Artist & technician fees	-	574	36,345	-	-	-	36,919
Artwork conservation	-	10,234	16,987	-	-	-	27,221
Artwork transport	-	-	98,852	-	-	-	98,852
Audience development	-	-	-	-	-	4,302	4,302
Audit fees	-	-	-	-	-	22,860	22,860
Business rates	-	-	-	-	-	-	22,890
Course expenses	-	-	-	58,978	-	-	58,978
Course leader fees	-	-	-	6,750	-	-	6,750
Depreciation	-	-	-	-	-	-	306,402
Exhibition development	-	-	27,300	-	-	-	27,300
Facilities management	-	-	-	-	-	-	93,760
Finance charges	-	-	-	-	-	-	6,098
Fundraising event expenses	1,222	-	-	-	-	-	1,222
Insurance	-	32,093	-	-	-	-	31,384
Irrecoverable VAT	-	-	-	-	-	-	85,721
Magazine & gallery publications	-	-	-	-	115,399	-	115,399
Office costs	-	-	-	-	-	-	38,139
PR consultancy	-	-	-	-	-	-	33,462
Professional fees	-	-	-	-	-	23,837	17,460
Promotional activity	-	-	-	-	-	-	59,552
Property rental	-	-	-	-	-	-	11,700
Research	-	1,045	-	-	-	-	1,045
Storage facilities	-	16,297	2,127	-	-	-	18,424
Supporter development	23,463	-	-	-	-	-	23,463
Systems enhancement	-	-	-	-	-	-	36,583
Systems maintenance	-	-	-	-	-	-	51,616
Touring & loan fees	-	-	6,658	-	-	-	6,658
Trustees' expenses	-	-	-	-	-	8,396	8,396
Utilities	-	-	-	-	-	-	91,216
Website maintenance	-	-	-	-	-	-	15,462
	96,932	119,730	448,552	216,519	134,559	55,093	1,221,618
Support costs	-	148,391	649,281	376,151	47,795	-	(1,221,618)
Governance costs	-	6,692	29,282	16,964	2,155	(55,093)	-
Total expenditure 2023	96,932	274,813	1,127,115	609,634	184,509	-	2,293,003

Notes to the financial statements

For the year ended 31 March 2024

7 Net income for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation	304,585	306,402
Business rates rebate	(95,612)	-
Operating lease rentals payable: Property rental	12,600	11,700
Operating lease rentals receivable: Property	(144,266)	(107,534)
Auditor's remuneration (excluding VAT): Audit fees	23,085	22,860

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	970,739	775,915
Redundancy costs	2,171	-
Social security costs	80,604	58,086
Employer's contribution to defined contribution pension schemes	16,315	13,373
Other forms of employee benefits	6,925	5,470
Training costs	14,821	4,999
Travel and sustenance	16,677	15,557
Volunteer expenses	5,330	4,439
	1,113,582	877,839

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
£60,000 - £69,999	-	1
£70,000 - £79,999	-	-
£80,000 - £89,999	1	-
£90,000 - £99,999	-	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £230,040 (2023: £144,671).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £60 (2023: £nil) incurred by 1 (2023: nil) member relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 40 (2023: 38).

Staff are split across the activities of the charity as follows:

	Headcount	2024 Full Time Equivalent No.	Headcount	2023 Full Time Equivalent No.
	No.	No.	No.	No.
Administration	1.0	1.0	1.0	1.0
Commercial	1.0	0.5	1.0	0.6
Communications	3.8	3.6	4.0	3.6
Curatorial	7.7	6.1	7.0	6.0
Development	2.7	2.7	1.3	1.2
Directors	1.6	1.6	1.0	1.0
Finance	1.3	1.3	1.0	1.0
Front of House	12.0	6.1	13.7	7.3
Operations	1.0	1.0	1.0	1.0
Public Programmes	8.0	5.9	6.7	5.4
	40.1	29.8	37.7	28.1

10 Related party transactions

During the year, the Gallery entered into the following transactions with related parties:

– Sofas & Stuff, whose Founder and CEO, Andrew Cussins is a trustee of the Gallery, became a corporate member of the Gallery (for £5,000) in December 2023. Sofas & Stuff is also the headline sponsor (for £20,000) of the Still Life exhibition, which runs from 11 May – 20 October 2024.

– Amounts contributed to the Gallery by the Trustees and their related parties totalled £33,309. These were within the normal course of business and were not restricted in nature.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Freehold property £	Plant & machinery £	Fixtures, fittings & equipment £	Artwork £	Total £
Cost					
At the start of the year	8,880,847	984,010	1,343,414	594,777	11,803,048
Additions in year	–	–	8,024	20,150	28,174
Disposals in year	–	–	–	–	–
At the end of the year	8,880,847	984,010	1,351,438	614,927	11,831,222
Depreciation					
At the start of the year	1,711,909	853,101	953,107	–	3,518,117
Charge for the year	177,617	65,600	61,368	–	304,585
Eliminated on disposal	–	–	–	–	–
At the end of the year	1,889,526	918,701	1,014,475	–	3,822,702
Net book value					
At the end of the year	6,991,321	65,309	336,963	614,927	8,008,520
At the start of the year	7,168,938	130,909	390,307	594,777	8,284,931

All of the above assets are used for charitable purposes.

The full value of the freehold property has been depreciated as a building in accordance with the depreciation policy, without allowing for any element of value attributable to land.

13 Heritage assets

	2024 £	2023 £
At 1 April 2023	23,908,483	23,719,608
Assets donated during the year	680,950	188,875
Fair value at the end of the year	24,589,433	23,908,483

All of the above assets are used for charitable purposes.

The Gallery owns a substantial art collection and an archive of works that are of national and worldwide importance. It boasts one of the best collections of Modern British art in the UK and significant holdings of contemporary British art. Largely grown through gifts and bequests donated over the past forty years, it is a 'collection of collections', not just telling the story of Modern British art but also the story of a number of individuals, all passionate collectors of art who generously donated works to the Gallery for the benefit of the public. The collection includes paintings, drawings, prints, sculptures, ceramic, lithographs and artists' sketchbooks and tools.

The Gallery has limited resources to enable it to purchase artwork but when offered works as a gift the Director, Chief Curator and others with the requisite skills and knowledge, determine whether they should be added to the collection. In making their decision they take into account both the quality of the work and whether it is an appropriate complement to the existing collection. In doing so, they are guided by a full formal Collections Development (Acquisitions and Disposal) Policy, which was last revised in 2020 and formally approved by the trustees on 4 December 2020.

There has been no impairment and only three disposals of Heritage Assets involving artwork during the last five years. It is not the Gallery's policy to dispose of Heritage Assets but, should the Director or Chief Curator believe it would be appropriate to dispose of a work, the Gallery's Disposal Policy specifies that the decision must be ratified by the Trustees on the advice of the curatorial staff and that the Director or Chief Curator do not have the power to dispose of any work.

The Gallery maintains a full and detailed inventory of all the items in its collection.

The collection is available for public viewing through rotating displays and access to any work not on display can be arranged by appointment.

The Heritage Assets are regularly valued by professional valuers for insurance purposes. Artworks have been valued when they have been lent to external venues and a revaluation of all works last valued at over £100,000 in 2009 took place during 2020/21 by Gurr Johns.

The Heritage Assets are reported in the Financial Statements at the insurance valuation at the date of acquisition and then not generally revalued.

14 Investments

	2024 £	2023 £
Fair value at the start of the year	10,217,860	10,851,287
Additions at cost	26,132	-
Net gain / (loss) on change in fair value	806,981	(633,427)
	11,050,973	10,217,860
Cash held by investment broker pending reinvestment	-	-
Fair value at the end of the year	11,050,973	10,217,860

Pallant House Gallery

Notes to the financial statements

For the year ended 31 March 2024

15 Subsidiary undertaking

These financial statements are consolidated financial statements for Pallant House Gallery group.

Details of the Gallery's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% held direct
Pallant House Gallery Services Limited (Companies House no.: 05526158)	UK	Dormant	Ordinary	100%
Pallant House Enterprises Limited (Companies House no.: 03787604)	UK	Dormant	Ordinary	100%

At 31 March 2024, Pallant House Gallery Services Limited's assets totalled £200 (2023: £200), its liabilities £nil (2023: £nil) and total funds £200 (2023: £200).

At 31 March 2024, Pallant House Enterprises Limited's assets totalled £100 (2023: £100), its liabilities £nil (2023: £nil) and total funds £100 (2023: £100).

There was no income or expenditure in the year for either company.

16 Debtors

	2024 £	2023 £
Trade debtors	120,980	120,396
Accrued income	55,367	68,040
Deferred expenditure	2,109	17,047
Tax reliefs	373,938	229,231
VAT	(7,756)	4,871
Prepayments	42,994	46,431
Other debtors	6,508	2,615
	<u>594,140</u>	<u>488,631</u>

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	90,958	116,551
Accruals	41,714	57,762
Taxation and social security	22,071	15,918
Deferred income	85,746	145,928
Other creditors	21,377	14,216
Provisions- see note 18	5,000	-
	<u>266,866</u>	<u>350,375</u>

18 Provisions for liabilities

Provisions for liabilities comprises a full provision for a trade receivable.

	2024 £	2023 £
Balance at the beginning of the year	17,730	15,850
Amount released in the year	(12,730)	1,880
Increase/(decrease) in provision in the year	-	-
Balance at the end of the year	<u>5,000</u>	<u>17,730</u>

19 Pension scheme

The Gallery complies with employer's automatic enrolment obligations under the Pensions Act 2008. Employer contributions are made to employee pension schemes operated by a third party.

20a Analysis of net assets between funds (current year)

	Designated	Endowment (Restricted)	Endowment (Unrestricted)	Restricted	Unrestricted
	£	£	£	£	£
Tangible assets	7,048,735	-	814,679	-	145,106
Heritage assets	24,589,433	-	-	-	-
Investments	-	10,068,723	982,250	-	-
Net current assets	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>384,344</u>	<u>692,000</u>
Net assets at 31 March 2024	<u>31,698,168</u>	<u>10,068,723</u>	<u>1,796,929</u>	<u>384,344</u>	<u>837,106</u>

20b Analysis of net assets between funds (prior year)

	Designated	Endowment (Restricted)	Endowment (Unrestricted)	Restricted	Unrestricted
	£	£	£	£	£
Tangible assets	7,334,072	-	860,830	-	90,029
Heritage assets	23,908,483	-	-	-	-
Investments	-	9,331,727	886,133	-	-
Net current assets	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>494,349</u>	<u>569,933</u>
Net assets at 31 March 2023	<u>31,302,555</u>	<u>9,331,727</u>	<u>1,746,963</u>	<u>494,349</u>	<u>659,962</u>

21a Movements in funds (current year)

	At 1 April 2023	Income & gains	Expenditure & losses	Transfers	At 31 March 2024
	£	£	£	£	£
A – Endowment funds:					
Appeal Fund	1,645,630	129,968	–	–	1,775,598
HLF Catalyst	2,028,066	160,171	–	–	2,188,237
The Monument Trust	5,658,031	446,857	–	–	6,104,888
JM Fund (unrestricted)	1,746,963	69,985	(20,019)	–	1,796,929
Total endowment funds	11,078,690	806,981	(20,019)	–	11,865,652
B – Restricted funds:					
Donations & legacies	–	59,948	–	–	59,948
Raising funds	–	–	(9,507)	–	(9,507)
Collection Management	37,279	–	(1,114)	–	36,165
Public Programmes	76,241	94,569	(252,628)	–	(81,818)
Exhibitions	9,467	79,828	(79,503)	–	9,792
Organisation Development	371,362	–	(1,598)	–	369,764
Total restricted funds	494,349	234,345	(344,350)	–	384,344
C – Unrestricted funds:					
Designated funds:					
ACE small capital works	285,102	–	(39,498)	–	245,604
New Wing	4,807,018	–	(208,803)	–	4,598,215
No 7 North Pallant	1,632,000	–	(34,000)	–	1,598,000
Print room island	15,175	–	(3,035)	–	12,140
Acquisitions fund	654,777	–	–	–	654,777
Heritage assets funds	23,908,483	680,950	–	–	24,589,433
Total designated funds	31,302,555	680,950	(285,336)	–	31,698,169
General funds	659,962	2,052,724	(1,875,581)	–	837,106
Total unrestricted funds	31,962,517	2,733,674	(2,160,917)	–	32,535,275
Total funds	43,535,556	3,775,000	(2,525,286)	–	44,785,270

Total unrestricted funds exclude the JM Fund which is an unrestricted component of the endowment fund. The narrative to explain the purpose of each fund is given at the foot of the note below.

21b Movements in funds (prior year)

	At 1 April 2022	Income & gains	Expenditure & losses	Transfers	At 1 April 2023
	£	£	£	£	£
A – Endowment funds:					
Appeal Fund	1,747,646	-	(102,016)	-	1,645,630
HLF Catalyst	2,153,790	-	(125,724)	-	2,028,066
The Monument Trust	6,008,785	-	(350,754)	-	5,658,031
JM Fund (unrestricted)	1,821,915	-	(74,952)	-	1,746,963
Total endowment funds	11,732,136	-	(653,446)	-	11,078,690
B – Restricted funds:					
Collection Management	62,955	35,280	(289)	(60,667)	37,279
Public Programmes	10,072	129,361	(72,305)	9,113	76,241
Exhibitions	51,676	108,091	(201,718)	51,418	9,467
Organisation Development	349,510	-	(11,000)	32,852	371,362
Total restricted funds	474,213	272,732	(285,312)	32,716	494,349
C – Unrestricted funds:					
Designated funds:					
ACE small capital works	324,600	-	(39,498)	-	285,102
New Wing	4,996,217	-	(189,199)	-	4,807,018
No 7 North Pallant	1,666,000	-	(34,000)	-	1,632,000
Print room island	18,210	-	(3,035)	-	15,175
Acquisitions fund	635,697	-	-	19,080	654,777
Heritage assets funds	23,719,608	188,875	-	-	23,908,483
Total designated funds	31,360,332	188,875	(265,732)	19,080	31,302,555
General funds	282,052	2,151,646	(1,721,940)	(51,796)	659,962
Total unrestricted funds	31,642,384	2,340,521	(1,987,672)	(32,716)	31,962,517
Total funds	43,848,733	2,613,253	(2,926,430)	-	43,535,556

Purposes of endowment funds

Endowment funds represent assets that either the donors required or the trustees have decided should be set aside from donations received by the Gallery in order to generate income. Income arising on the endowment funds can usually be used in accordance with the objects of the Gallery and is included as unrestricted income. Any capital gains or losses arising on the assets are reinvested.

Purposes of restricted funds

Restricted funds represent the net assets attributed to specific activities or projects that the Gallery undertakes. In some instances, the Gallery has received a donation from one or more sources that has stipulated that the funds should only be applied for a specific activity. In other cases, in particular with the individual exhibition restricted fund accounts, there are no such donations, or formal restrictions on the donations fall short of what is required and has been made good by a transfer from general reserves. The approach taken is still to show these as individual restricted funds so as to report separately on their outcomes.

Purposes of designated funds

Designated funds represent items of artwork or building assets, which have either been gifted to the Gallery or to the extent they have been acquired through grants and donations for that purpose.

The funds serve to set aside the value of those assets from general unrestricted funds to reflect that they are not available for ongoing activities.

22 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2024 £	2023 £	2024 £	2023 £
Less than one year	39,000	39,000	974	-
One to five years	-	39,000	3,896	-
Over five years	-	-	-	-
	39,000	78,000	4,870	-

The numbers shown for property commitments represent the rent due per a lease for the land and buildings at Pallant House, Chichester PO19 1TJ. The rental amount is due for review by 1 April 2025. The Gallery receives the benefit of a concession rent which means that the amounts paid are lower than the commitment.

23 Contingent assets or liabilities

There are no contingent assets or liabilities.

24 Post balance sheet events

There were no post balance sheet events.

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.