

**Pallant
House
Gallery**

**Pallant House Gallery
Annual Report & Financial Statements
For the Year Ended 31 March 2025**

Charity Registration No. 1102435

Company Registration No. 05045130 (England & Wales)

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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 Trustees, who are also directors under company law, who served during the year and up to the date of this report:

John Ayton MBE	Chair
Charles Martin	Deputy Chair
Elizabeth J Davis	Company Secretary (retired 26 September 2025)
Aki Abiola	(resigned 26 September 2025)
Cllr Clare Apel	
Joanna Beer	
Andrew Cussins	
Laura Ford	
Elsebeth Gatacre	
Olaf Guelnder	(appointed 27 September 2024, resigned 26 June 2025)
Patrick Holmes	(appointed 27 September 2024)
Zachary Leonard	(retired 27 September 2024)
Roger Mavity	(retired 27 September 2024)
Jacqueline Russell	(retired 22 September 2024)
Tamara Templer	(appointed 27 September 2024)
The Rt Hon. the Lord Tyrie	
Robin Vousden	
Mark Washer	

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

Contents

Reference and Administrative Information	2
Chair's Statement.....	4
Trustees' Annual Report	6
Objectives & Activities	6
Our Mission and Vision	6
Public Benefit Derived from our Activities.....	7
Performance and Achievements During the Year	7
Summary of Financial Results	7
Capital Project.....	7
Exhibitions.....	8
Collection and Acquisitions.....	9
Learning and Public Programmes	11
Fundraising.....	12
Buildings & Facilities	13
IT / Digital.....	13
Commercial Activities	13
Human Resources	14
Financial Review	14
Reserves Policy and Going Concern.....	16
Investment Policy and Objectives.....	17
Principal Risks and Uncertainties.....	17
Structure, Governance and Management	18
Statement of Responsibilities of the Trustees.....	20
Auditor	21
Independent auditor's report to the members of Pallant House Gallery.....	22
Statement of financial activities.....	26
Balance sheet.....	27
Statement of cash flows.....	28
Notes to financial statements.....	29

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 2024–25, a year in which over 70,000 people visited Pallant House Gallery in person, with many thousands more engaging online. This growth in reach, both physical and digital, underscores our national standing as a centre of curatorial excellence and public value.

Our exhibitions programme this year was exceptional in both ambition and reception. The Shape of Things: Still Life in Britain and Dora Carrington: Beyond Bloomsbury attracted widespread critical acclaim, celebrated for their fresh scholarly insights and their capacity to shed new light on lesser-known corners of British art history. These exhibitions were accompanied by fully illustrated catalogues, original research and a rich public programme - hallmarks of the Gallery's commitment to interpretation, education and engagement. In parallel, we reaffirmed our support for contemporary practice with commissions from Phoebe Cummings and Rana Begum, and a new presentation of work by Maggi Hambling, ensuring that historical and contemporary voices continue to speak to one another across our programme.

The Gallery's nationally recognised Community Programme continued to flourish, reaching a wide range of participants from across the region. Demand has grown to the extent that we now hold waiting lists for several of our initiatives - clear testament to the social impact and reputational strength of this work. The programme plays a vital role in advancing the Gallery's mission: using art to foster belonging, wellbeing and creativity within our community. Schools remain a priority for us given the poor state of creative education in this country.

Commercially, the restaurant and bookshop continue to contribute meaningfully to the organisation's sustainability. However, the strength of demand - particularly at peak times - has highlighted a broader challenge across our estate: we are close to capacity. Our Queen Anne building, though elegant and historically important, constrains our ability to accommodate the scale of audiences and programming our vision demands. Most notably, it limits how we display our permanent collection alongside temporary exhibitions. If we are to tell a coherent and compelling story of British art, this spatial constraint must be addressed in the years ahead.

The Board and I have supported a significant strengthening of the Gallery's professional leadership through the appointment of senior colleagues in Development and Digital, and a restructuring of the Curatorial and Visitor Services functions. These changes have already enhanced our organisational capacity and effectiveness, and we are grateful to the team for embracing them so energetically. However, these investments come against the backdrop of a material operating deficit. While historically the Gallery has benefited from generous bequests and one-off gifts, this model is not sustainable. It leaves the organisation vulnerable to short-term shocks and hampers long-term planning.

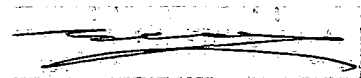
Our strategic focus now is to build a more resilient financial model, rooted in a multi-year approach to fundraising, more sophisticated systems and processes, and a sharpened commercial edge. This includes the revitalisation of our marketing, communications and audience engagement functions to grow and diversify income across all areas of activity.

Pallant House Gallery is proud to be rooted in Chichester, and we are grateful to Chichester District Council for its ongoing support - most recently through extensive repairs and redecoration to Pallant House, the freehold of which it owns. The Gallery has also invested in environmental improvements,

including UV film installation, roof repairs and upgrades to our kitchen facilities. In 2025, we will deliver further infrastructure enhancements with the installation of a new ground source heat pump and improved IT systems, supported by external grants.

Unlike many peer institutions, the Gallery receives no regular funding from Arts Council England or Central Government. This places us in a uniquely exposed position: maintaining a nationally significant collection, presenting major exhibitions and delivering wide-reaching community programmes without the safety net of public subsidy. In this context, the role of individual donors, corporate supporters and our wider community becomes ever more critical. Supporting Pallant House Gallery is not simply about preserving a beautiful building or a prestigious programme, it is a commitment to the cultural, civic and educational life of our region.

The Board and Executive are aligned in their priorities for the year ahead: to strengthen income generation, deepen audience engagement, and develop the estate and infrastructure that will secure the Gallery's long-term future. In all of this, we are guided by a belief that access to great art should not be the preserve of capital cities or institutions of scale, but something that can and must be made possible here - in the heart of Chichester - for all.



John Ayton MBE
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 2025.

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

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 equitable access to the visual arts derive real benefit from the experience through the expansion of their creative ideas, practice and understanding. The Gallery cultivates long-term engagement across all its programmes, contributing to lifelong learning, health and wellbeing and addressing the Arts deficit in schools.

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 £377k in the year (2023-24: surplus of £1,250k). However, at an underlying level, the Gallery continues to incur operational deficits, with an operating deficit for the year of £421k (2023-24: £238k) and £454k of net cash utilised for operating activities (2023-24: £512k).

Whilst income increased by 3% to £2,364k during the year (excluding gifts of artwork and investment gains), costs increased by 10% to £2,785k.

The Gallery made a strategic decision to seek new multi-year corporate partnerships and is pleased to have secured three significant partnerships over the next three years as well as a £260k grant from Fidelity UK. Memberships of our Patrons and Friends' schemes also performed well. However, admission income was down on the previous year.

The increase in costs partly reflects a conscious decision made by the trustees to invest in staff and to commence long overdue projects but also factors beyond our control such as increased national insurance and utility costs, and the absence of a rates rebate received in 2023-24 that was exceptional in nature.

The Gallery's primary source of public funding, an annual grant of £130k from Chichester District Council, has been confirmed (with annual inflationary increases) until March 2030.

Capital Project

In September 2024, the Gallery reinvigorated its consideration of a major capital development project that will expand and enhance its offer for audiences. Various strands of work were undertaken to inform the feasibility of this project, including a Collections Measurement Programme and audience development research. A Masterplan will be developed following selection of the preferred option in the coming year.

Exhibitions

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 (11 May – 20 October 2024)

Comprising some 150 works by 100 artists, and curated by the Gallery's curatorial team, *The Shape of Things: Still Life in Britain* enabled the Gallery to establish or deepen relationships with a number of partners with loans from across the UK's public and private collections. The exhibition was accompanied by a major publication, achieved great press coverage and outstanding reviews, and attracted healthy visitor numbers. Contemporary ceramics artist Phoebe Cummings responded to the exhibition by making a site-specific installation in the Historic House. Also in the Historic House, the group exhibition *Significant Objects: The Things that Matter* gathered work made by Pallant House Gallery's Community Programme artists in response to the main exhibition.

In the Print Room, *British Studio Ceramics: From Bernard Leach to Magdalene Odundo* (27 April – 28 July 2024) surveyed the evolution of British studio pottery from 1900-present, with 81 pieces by 45 makers, drawn from the Gallery's outstanding collection of studio ceramics. *Nana Shiomi: Her Own Interpretation* (3 August – 13 October 2024) resulted from a major gift of 29 woodcuts by Japanese-born artist Nana Shiomi.

A new staircase commission, by Rana Begum RA, was unveiled in July 2024, and will remain until July 2026. No. 1367 Mesh is a large-scale site-specific installation featuring the iconic 'mesh clouds' by one of Britain's most established artists.

Autumn / Winter Season (9 November 2024 – 27 April 2025)

Dora Carrington: Beyond Bloomsbury was the first major survey of the work of Dora Carrington (1893–1932) since 1995. Exploring Carrington's unconventional life that defied gender and social expectations, and a remarkably varied oeuvre, it featured many rarely seen works from private collections as well as loans from British public collections. The exhibition was curated by Ariane Banks and Anne Chisholm and was accompanied by a new publication with essays from the curators and distinguished writers.

Curated internally, *Pattern: Rhythm and Repetition* featured 30 objects drawn from the collection, including recent acquisitions, to consider how artists have used pattern from 1900 to now, as a form of communication to express cultural identities, our relationship to technology and the harmony found in nature.

In the Historic House, *Maggi Hambling: Nightingale night* presented new work by Maggi Hambling, made in response to a night spent in the Sussex countryside with folk singer Sam Lee and friends, to listen to the haunting chant of the nightingale. It was accompanied by a new publication.

In the Print Room, *Julia Margaret Cameron to Eileen Agar: The Hewat Collection* (19 October 2024 – 12 January 2025) marked a major new acquisition, as an Acceptance in Lieu of Tax from the Estate of Angus and Ann Hewat. *Young Pallant Artists Select: Screenprints* (18 January – 20 April 2025) was curated by the Community Programme's group of artists aged 18-32, drawing from the Gallery's extensive collection of screenprints.

Collection and Acquisitions

During 2024-25, 135 artworks were acquired for the permanent collection, and were processed, catalogued, and conserved and photographed as required. This included 49 new works by female artists (of which 6 were newly represented in the collection), bringing the gender ratio to 24.9% of women artists, and 5 new acquisitions of works by ethnically diverse artists, who may identify as black, brown, or as people of colour.

Acquisitions April 2024 – March 2025	
Duncan Grant <i>Still Life with Black Coffee Pot</i> (1949) Acquired with support from the Arts Council England/V&A Purchase Grant Fund, Cate Olson and Nash Robbins, and legacies from Margaret Treacher Brown and Lady Heath, 2024	1
Clare Woods <i>Motionless</i> (2022) Acquired with support from Art Fund, the Arts Council England/V&A Purchase Grant Fund, Rupert and Sarah Burgess, the Robert Dale Harbison Bequest and the Esther Welch Legacy Gift (2024)	1
Bequeathed by Dr. Bridget Davies to the Patrick Heron Trust and allocated to Pallant House Gallery, (2024)	5
Bequest of Christopher Jermyn, presented by the Contemporary Art Society, 2024/25	3
The Balakjian Collection: Accepted under the Cultural Gifts Scheme by HM Government from the archive of Studio Prints gifted by the Balakjian family and allocated to Pallant House Gallery (2024)	54
Gift of Nicholas Sinclair	25
Accepted in Lieu of Inheritance Tax by HM Government from the estate of Angela Verren Taunt and allocated to Pallant House Gallery (2024)	1
Presented by the Contemporary Art Society, with the support of Liesl Fichardt, (2024/25)	1
Gift of the Cosman Keller Art and Music Trust (2025)	7
Gift of Rachel Howard (2025)	11
Other works acquired through donation/gift/transfer	25
Artworks purchased or commissioned by Pallant House Gallery	1
Number of new works by women artists (no. of individual artists)	49 (12) 36.3%

Number of new works acquired by men (no. of individual artists)	86 (24) 63.7%
Number of new works by ethnically diverse artists, who may identify as black, brown, or as people of colour (no. of individual artists)	5 (5) 3.7%
Number of newly represented artists	15
Number of newly represented female artists	6
Number of newly represented male artists	9

Artists represented in the collection				
	2021/2022	2022/2023	2023/2024	2024/2025
Total number of artists represented in the collection	981	1,045	1,067	1,082
Total number of male artists (%)	745 (75.9%)	788 (75.4%)	804 (75.4%)	813 (75.1%)
Total number of female artists (%)	236 (24.1%)	257 (24.6%)	263 (24.6%)	269 (24.9%)
Total number of ethnically diverse artists (%)	47 (4.89%)	55 (5.3%)	58 (5.4%)	62 (5.7%)

Conservation and Photography

Treatment of 76 works in the collection was completed in this period. This included 12 works included in the major exhibition *The Shape of Things: Still Life in British Art* and five works by Christopher Wood for an in-focus display.

The conservation of a key work Gino Severini *Danseuse No.5 (Dancer No. 5)* was supported by Fitzwilliam Museum, Cambridge as part of our agreement to lend to the exhibition: *Paris 1924: the Art of the Olympics* 5 July – 3 November 2024

In addition, the Gallery continues to build its stock of standard frames for works on paper with non-reflective, non-UV glass. This project supports preventative conservation measures particularly in the Historic House environs and improves visitor experience by offering a greater clarity of view.

353 priority works were photographed.

External Loans

During 2024-25, the Gallery lent 45 works to 21 different venues including international loans to Philadelphia Museum of Art, USA North Carolina Museum of Art, USA and Nivaagaards Malerisamling, Denmark.

Library and Archive

1,333 people visited the Library and Archive, of which 661 were external visitors and researchers

Learning and Public Programmes

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 2024-25, 608 activities were delivered (vs 560 in 2023-24), which were enjoyed by 6,682 participants (vs 5,396 in 2023-24).

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)	2,354	2,571	144
Informal learning for children and families (free Open Days, holiday workshops and self-led visits)	1,977	1,977	44
Adult learning workshops, talks and special events	2,011	2,011	48
Community Programme (weekly workshops, projects, trips, Partners in Art meet ups and partnership working)	210 (CP core membership) 130 (partnership working with Sanctuary and Pallant Partners)	4,483	372
Total	6,682	11,042	608

Key Successes:

- Significant increase in participations in the Community Programme with new Partners in Art and external partnerships, Pallant Pathways workshops and the relationship with Sanctuary in Chichester, leading to recruiting 16 refugees and asylum seekers living locally, to volunteer as Gallery Assistants.
- The Young Pallant Artists (YPAs), 18-30 year olds, opened their print room exhibition in January, having worked closely with the curatorial team to select works from the collection, interpret and curate the exhibition. It has been a transformative experience and they have gained new skills and confidence in putting together an exhibition.

- The Community Programme Annual Fundraising Exhibition displayed 78 artworks, plus 96 browser works, all created and donated by members of the Community Programme and raised a record-breaking amount of over £5k.
- Delivering new monthly themed Thursday Lates to aid promotion and impact of the adult events offer, opening late once a month with half price entry. Each event offers visitors a variety of activities including ticketed talks and drop-in creative workshops.
- The Creative Careers Day held in January 2025 was designed to support young people considering career options in the creative industries, was held in collaboration with Chichester Festival Theatre, Chichester College and Creative County West Sussex.

Fundraising

The Gallery drives fundraising income generation through a mixed funding model. Fundraising through philanthropy, partnerships and memberships all continue to be important income streams, which is predominantly managed through the Development Team. Additional support is also provided by the Development Advisory Group (made up of Trustees and external advisors), and other key members of the Gallery's staff.

Key points and highlights for 2024-25:

- Fundraising through Trusts and Foundations was particularly successful with total income of £308k. The highlight was a successful grant from Fidelity Foundation for £260k for the replacement and refurbishment of the Gallery's Ground Source Heat Pump.
- Individual giving through both the Patrons scheme and the Friends membership saw strong income with Patronage income at an all-time high of £224k for the year and hitting 100 Patronages for the first time since the scheme's launch in 2017.
- Total income of £618k though individual giving was also bolstered by £149k of other donations making this income stream the star performer of the year.
- A new strategy with corporate partnerships has been to secure multi-year agreements, ideally over three years where possible. This ensures some level of financial security, allows for better forecasting, as well as offering both parties a chance to evolve and enhance the partnership during that time frame. Two new 3-year partnerships were secured in 2024-25 and the £77k income from this year is forecast to grow by 20%.
- If we include the value of Gifts of Artwork (£658k), Chichester District Council's grant (£130k) and Gift Aid (£83k), with all other philanthropic gifts and fundraising income from Trusts and Foundations, Individual Giving and Corporates (£1,003k), Development activities generated total income of £1,874k in 2024-25. Given this total makes up c.62% of all Gallery income for 2024-25, we can confidently say that the Gallery is in an encouraging position from a philanthropic and goodwill perspective.

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, corporate partners and statutory bodies as key sources of funds, leaving members of the public a free choice whether to

become a Friend/Patron or donate additionally when buying a ticket or donating to a public appeal. 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.

Buildings & Facilities

Pallant House

Significant external repairs and decoration were undertaken by contractors appointed by Chichester District Council (which owns the freehold of Pallant House). This included work to arrest water ingress.

Subsequently, the Gallery (which, as lessee, is responsible for internal maintenance), arranged for several rooms to be decorated. Work has begun on replacing UV films on windows to reduce harmful UV and reject solar energy, helping to control the internal temperatures in the summer and conserve the collections.

Safety & Security

Further cameras have been added to the Gallery's CCTV system to provide additional coverage of temporary exhibition spaces.

Ground Source Heat Pump

During 2024-25, funding was successfully secured for the Gallery to replace the New Wing's 20-year-old ground source heat pump and to conduct major refurbishment of its ventilation systems. Work has begun with completion due in October 2025.

IT / Digital

Two new digital posts, Head of Digital & Data and Collections Systems Manager, were created and recruited in November 2024. These posts provide the Gallery with essential in-house skills and capacity to deliver a digital roadmap to transform its technical infrastructure, communications, and digital offer. After an initial period of consolidation and consultation, key priorities were identified for the coming year, including improving the Gallery's customer relationship management system and the collections management system, updating hardware and planning for the migration to cloud infrastructure.

Commercial Activities

Pallant Café

The Café serves lunch and afternoon tea from the ground floor of the Gallery and the courtyard garden.

The Café is independent of the Gallery. During 2024-25, the Café generated gross sales of almost £600k and contributes rental income and a share of its sales to the Gallery.

Pallant Bookshop

The Bookshop is a leading specialist bookshop for Modern British art and the primary point of sales for the Gallery's publications and other merchandise. The Bookshop is run independently of the Gallery. 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. A new contract with the Bookshop was entered into 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. During the previous financial year, the Gallery introduced three new HR systems (Virtual College, a training platform; BreatheHR, a people management system; and Better Impact, a volunteer engagement and management system). These have all been successfully embedded during their first complete year of operation and have led to improved staff and volunteer monitoring and management, and more consistent and accurate reporting.

As of 31 March 2025, the Gallery team consisted of 21 full-time and 17 part-time permanent members of staff and five casuals (equivalent to 33.0 full-time roles). There was significant recruitment during 2024-25 to replace departing staff, although this facilitated restructures of the Curatorial and Visitor Services functions which have increased our capacity and effectiveness. Three new full time new posts were also created, with a focus on income-generation and data-driven decision-making. The Head of Digital & Data and the Collections Systems Manager started in November 2024, and Development Manager, Grants & Legacy Giving, started in March 2025.

The Gallery is indebted to our dedicated team of nearly 300 volunteers, who donated almost 10,000 hours of their time in 2024-25 to 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 for our Learning and Community Programme. The majority of our volunteers are the Gallery Assistants, who welcome our visitors and invigilate the exhibition spaces. Since the introduction of our online volunteer management system, and a dedicated member of the Visitor Services team with responsibility for volunteer coordination, we have increased recruitment and are able to manage this group more effectively; removing non-active volunteers, increasing communication and training, and public recognition of their contribution to the Gallery.

Financial Review

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

The Gallery delivered a surplus of £377k in the year (2023-24: surplus of £1,250k). This headline number is stated after a disappointing unrealised investment gain of £141k (2023-24: £807k) and gifts of artwork of £658k (2023-24: £681k). At an underlying level, the Gallery continues to operate at a deficit, with a deficit of £421k incurred in 2024-25 (2023-24: £238k), and £454k of net cash utilised for operating activities (2023-24: £512k).

Income increased by 3% to £2,364k during the year (excluding gifts of artwork and investment gains). The Gallery increased the number, value and duration of its corporate partnerships, with agreements signed with three corporate partners (Dreweatts, Evelyn Partners and Sofas & Stuff), for three years. The Gallery is very pleased to have secured a £260k grant from Fidelity UK for the replacement of our heat pump and associated works. The increase in Patrons' and Friends' membership was very welcome however the fall in admission income has been disappointing.

Costs increased by 10% to £2,785k, partly reflecting a conscious decision made by the trustees to build capacity within the team, to commit to paying the Real Living Wage and to commence long overdue projects e.g. digital and hardware upgrades. However, costs also increased relative to the prior year due to external factors such as increased national insurance contributions, higher utility costs, and the absence of a rates rebate received in 2023-24 that was exceptional in nature.

The Gallery's primary source of public funding, an annual grant of £130k from Chichester District Council, has been confirmed (with annual inflationary increases) until March 2030.

The Gallery's principal sources of funding during the year were as follows:

Income Summary				
	2024-25	% of	2023-24	% of
	£000s	total	£000s	total
Earned Income				
Admission	£390		£492	
Commercial	£179		£170	
Total	£569	19%	£661	22%
Philanthropic Institutions				
Arts Council England	-		£53	
National Lottery Community Fund	£4		£48	
Trusts & foundations	£308		£23	
Total	£312	10%	£124	4%
Statutory / Government / Public				
Chichester District Council	£130		£130	
HMRC	£197		£222	
Total	£327	11%	£352	12%
Corporations				
Corporate	£77		£47	
Total	£77	3%	£47	2%
Individuals				
Donations	£182		£214	
Friends	£206		£161	
Legacies	£6		£60	
Patrons	£224		£155	
Total	£618	20%	£590	20%
Other				
Gifted artwork	£658		£681	
Investment income	£352		£378	
Miscellaneous	£14		£26	
Rental income	£95		£110	
Total	£1,118	37%	£1,195	40%
Total	£3,022	100%	£2,968	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 by purpose later in the 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): Designated funds comprise of artworks and buildings therefore by their nature, are illiquid. Donated artworks, recognised as heritage assets, constitute the majority of designated funds, with the remainder comprised of buildings which have been built or acquired through philanthropic giving.

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 2024-25 and up to the date of signing this report, at which point, £292k of unrestricted general funds were held. The policy continues to be reviewed annually, and the trustees have resolved that it should continue in force for a further year.

The trustees recognise that operating deficits are realistically unavoidable until higher levels of sustainable income can be secured, which in turn will mean it is likely that the Gallery will continue to draw on reserves. Current forecasts to September 2026 show that deficits should be contained comfortably within the level of reserves currently in place. Consequently, the trustees conclude that there are no material uncertainties about the Gallery's ability to remain a going concern in the foreseeable future.

To improve the financial sustainability and resilience of the Gallery, a Three-Year Plan is being developed which seeks to build upon income generating measures already started in 2025-26 and launch new initiatives which, it is hoped, will lead to a step change in income levels.

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 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 2025, the Gallery's portfolio, managed by Sarasin increased in value by just £141k, significantly lower than the £807k growth the previous year. Note that this capital growth is not realised, which means that no cash was received, and the growth could be reversed. Sarasin distributed dividends of £304k, slightly down on the previous year.

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 taken to mitigate risks to within the Gallery's risk tolerance. This is primarily achieved through risk management measures, recorded in the Gallery's risk register.

The trustees have delegated the review of the Gallery's risk register to the Finance, Audit and Risk Committee ('FARC'). The risk register is regularly reviewed by the executive and was last reviewed by FARC in June 2025, following a risk workshop involving trustees and the executive.

The risk register describes each risk and allocates likelihood and consequence scores. Measures are then identified which accept, transfer or limit the activity that has generated the identified risk. Examples of these measures are insurance (including the Government Indemnity Scheme) and an emergency artwork salvage priority list. This approach ensures that the Gallery manages risks to an acceptable level.

Financial risks are managed and reviewed more regularly with quarterly FARC meetings to review the current and projected financials of the Gallery so that timely corrective action can be instigated to minimise or avert any adverse impacts.

The key risks to the Gallery are:

- Reduction in income – the Gallery no longer receives funding from Arts Council England and faces increasing competition for other sources of public funds. To deal with the challenging funding environment, the Gallery has diversified its income streams and focussed resources on applying to a wide range of trusts and foundations and seeking private philanthropic support and corporate partnerships.
- Insufficient storage space for the collection – the collection grows as artworks are generously bequeathed to the Gallery, assigned via the Acceptance in Lieu scheme and on occasion, acquired. To mitigate against the lack of storage, a rationalisation of the collection is ongoing to identify suitable off site storage options.
- Loss of key personnel – as a small organisation, each individual plays a significant role in the Gallery's success and therefore when staff leave, there is a risk of loss of knowledge, as well

as experience and expertise. The Gallery tries to mitigate against this through better use of digital file sharing technology, including an upgraded Collections Management System, and improved cross-organisational communications to ensure better knowledge sharing.

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. Three new Trustees were appointed by the Board during 2024-25, to replace retiring members whose terms had come to an end.

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, the Conflicts of Interest policy for trustees 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, supported by the Chief Operating Officer and the Chief Curator. 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 and Remuneration policy. The trustee board is responsible for the appointment and performance management of the Director.

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 has been introduced for staff and, from Summer 2025, for volunteers as well. 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. An external Accessibility Audit of the Gallery's public spaces was undertaken in 2024 and the implementation of its recommendations is ongoing.

Related Parties and Relationships with Other Organisations

Until 31 March 2020, a trading subsidiary, Pallant House Gallery Services Limited ('Services'), 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 and Services became dormant. There is a second dormant subsidiary, Pallant House Enterprises Limited, which ceased collection of subscriptions from Friends during the year. The collection of subscriptions has been migrated to Pallant House Gallery.

Funds Held as Custodian Trustee on Behalf of Others

The charity does not hold funds as custodian 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 26 September 2025 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 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on 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 financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other

information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' 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 charitable company and its 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 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 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

6 October 2025

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 2025

	Note	Unrestricted £	Restricted £	Endowment £	2025 Total £	Unrestricted £	Restricted £	Endowment £	2024 Total £
Income from:									
Donations and legacies	2	1,353,058	23,417	-	1,376,474	1,358,302	59,948	-	1,418,250
Charitable activities									
Collection management	3	17,598	260,000	-	277,598	9,800	-	-	9,800
Exhibitions & displays	3	557,852	126,976	-	684,828	699,527	94,569	-	794,096
Public programmes	3	48,723	42,100	-	90,823	41,314	79,828	-	121,142
Publishing	3	120,540	-	-	120,540	136,939	-	-	136,939
Other trading activities	4	119,479	-	-	119,479	109,606	-	-	109,606
Investments	5	351,850	-	-	351,850	378,186	-	-	378,186
Total income		2,569,100	452,492	-	3,021,592	2,733,674	234,345	-	2,968,019
Expenditure on:									
Raising funds	6	110,557	8,171	-	118,728	122,390	9,507	-	131,897
Charitable activities									
Collection management	6	439,963	2,089	3,278	445,331	269,743	1,114	2,505	273,362
Exhibitions & displays	6	1,070,789	239,145	10,047	1,319,981	1,009,526	252,628	10,275	1,272,429
Public programmes	6	696,557	65,140	6,308	768,005	600,189	79,503	5,557	685,249
Publishing	6	48,445	83,751	386	132,582	159,068	1,598	1,682	162,348
Total expenditure		2,366,312	398,296	20,019	2,784,627	2,160,917	344,350	20,019	2,525,285
Net income / (expenditure) before net gains / (losses) on investments		202,788	54,195	(20,019)	236,965	572,758	(110,005)	(20,019)	442,734
Net gains / (losses) on investments		-	-	140,569	140,569	-	-	806,981	806,981
Net income / (expenditure) for the year	7	202,788	54,195	120,550	377,534	572,758	(110,005)	786,962	1,249,714
Transfers between funds		(251,046)	224,915	26,131	-	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		(48,258)	279,110	146,681	377,534	572,758	(110,005)	786,962	1,249,714
Other gains / (losses)		-	-	-	-	-	-	-	-
Net movement in funds		(48,258)	279,110	146,681	377,534	572,758	(110,005)	786,962	1,249,714
Reconciliation of funds:									
Total funds brought forward		32,535,275	384,344	11,865,652	44,785,270	31,962,517	494,349	11,078,690	43,535,556
Total funds carried forward		32,487,017	663,454	12,012,333	45,162,804	32,535,275	384,344	11,865,652	44,785,270

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

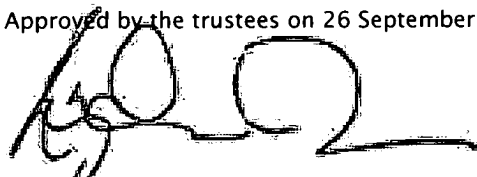
Balance sheet

Company no. 05045130

As at 31 March 2025

	Note	£	2025 £	£	2024 £
Fixed assets:					
Tangible assets	12		7,776,060		8,008,520
Heritage assets	13		25,246,943		24,589,433
Investments	14		11,191,542		11,050,973
			44,214,545		43,648,926
Current assets:					
Stock		42,866		15,867	
Debtors	16	513,108		594,140	
Cash at bank and in hand		618,451		793,203	
			1,174,425	1,403,210	
Liabilities:					
Creditors: amounts falling due within one year	17	(226,166)		(266,866)	
Net current assets			948,259		1,136,344
Total net assets			45,162,804		44,785,270
The funds of the charity:	21a				
Unrestricted income funds:					
Designated funds		32,190,156		31,698,169	
General funds		296,861		837,106	
Endowment		1,791,366		1,796,929	
Total unrestricted funds			34,278,383		34,332,203
Endowment (restricted)			10,220,967		10,068,723
Restricted income funds			663,454		384,344
Total charity funds			45,162,804		44,785,270

Approved by the trustees on 26 September 2025 and signed on their behalf by:



Elizabeth Davis
Trustee & Company Secretary

Pallant House Gallery

Statement of cash flows

For the year ended 31 March 2025

	£	2025 £	£	2024 £
Cash flows from operating activities				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	377,534		1,249,714	
Depreciation charges	304,638		304,585	
Donations of heritage assets included in income	(657,510)		(680,950)	
(Gains)/losses on investments	(140,569)		(833,113)	
Dividends, interest and rent from investments	(351,850)		(378,186)	
(Increase)/decrease in stocks	(26,999)		14,523	
(Increase)/decrease in debtors	81,032		(105,509)	
Increase/(decrease) in creditors	(40,700)		(83,509)	
Net cash provided by / (used in) operating activities		(454,424)		(512,445)
Cash flows from investing activities:				
Dividends and interest from investments	351,850		378,186	
Purchase of fixed assets	(72,178)		(28,174)	
Net cash provided by investing activities		279,672		350,012
Change in cash and cash equivalents in the year		(174,752)		(162,433)
Cash and cash equivalents at the beginning of the year		793,203		955,636
Cash and cash equivalents at the end of the year		618,451		793,203

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 a 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 £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Arts Council England grant	-	-	-	-	52,948	52,948
Assistance to acquire artwork	-	20,500	20,500	20,530	7,000	27,530
Chichester DC grant	130,000	-	130,000	130,000	-	130,000
Corporate membership	29,167	2,917	32,083	1,667	-	1,667
Donations and gifts	47,789	-	47,789	114,634	-	114,634
Friends & Patrons subscriptions	429,872	-	429,872	315,851	-	315,851
Gift Aid on income	52,662	-	52,662	34,671	-	34,671
Gifts of artwork	657,510	-	657,510	680,950	-	680,950
Legacies	6,058	-	6,058	60,000	-	60,000
	1,353,058	23,417	1,376,474	1,358,302	59,948	1,418,250

3 Income from charitable activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Collection management						
Charges to owners	7,586	-	7,586	8,429	-	8,429
Grants & donations	10,012	260,000	270,012	1,371	-	1,371
Sub-total for collection management	17,598	260,000	277,598	9,800	-	9,800
Exhibitions & displays						
Admission income	390,284	-	390,284	491,586	-	491,586
Charges to other galleries	-	-	-	-	13,130	13,130
Corporate sponsorship	-	44,426	44,426	-	44,847	44,847
Donations to exhibitions	22,788	-	22,788	20,913	15,433	36,346
Exhibition tax relief	114,647	-	114,647	154,723	-	154,723
Gift Aid on entrance fees	30,133	-	30,133	32,305	-	32,305
Supporters' Circle	-	82,550	82,550	-	21,159	21,159
Sub-total for exhibitions & displays	557,852	126,976	684,828	699,527	94,569	794,096
Public programmes						
Courses earned income	34,295	-	34,295	29,663	2,985	32,648
Donations	8,298	10,000	18,298	8,621	4,165	12,786
Grants income	-	28,417	28,417	-	22,944	22,944
National Lottery Community Fund	-	3,683	3,683	-	47,874	47,874
Sale of artwork	6,130	-	6,130	3,030	1,860	4,890
Sub-total for public programmes	48,723	42,100	90,823	41,314	79,828	121,142
Publishing						
Advertising income	19,894	-	19,894	15,819	-	15,819
Grants	-	-	-	8,000	-	8,000
Image rights revenue	2,523	-	2,523	1,464	-	1,464
Sales of publications	98,123	-	98,123	111,656	-	111,656
Sub-total for publishing	120,540	-	120,540	136,939	-	136,939
Total income from charitable activities	744,713	429,075	1,173,789	887,580	174,397	1,061,977

4 Income from other trading activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Franchisees' rental income	91,344	-	91,344	108,516	-	108,516
Gallery hire income	4,069	-	4,069	1,090	-	1,090
Other income	24,065	-	24,065	-	-	-
	<u>119,479</u>	<u>-</u>	<u>119,479</u>	<u>109,606</u>	<u>-</u>	<u>109,606</u>

5 Income from investments

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Dividends from endowment	303,986	-	303,986	334,059	-	334,059
Rental income	37,980	-	37,980	35,750	-	35,750
Other investment income	9,884	-	9,884	8,377	-	8,377
	<u>351,850</u>	<u>-</u>	<u>351,850</u>	<u>378,186</u>	<u>-</u>	<u>378,186</u>

Pallant House Gallery

Notes to the financial statements

For the year ended 31 March 2025

6a Analysis of expenditure (current year)

	Charitable activities						Support costs £	2025 Total £	2024 Total £
	Raising funds £	Collection management £	Exhibitions & displays £	Public programmes £	Publishing £	Governance costs £			
Staff costs (Note 8)	96,263	103,708	317,873	199,581	12,220	-	511,809	1,241,454	1,113,582
Artist & technician fees	-	380	49,568	-	-	-	-	49,948	41,748
Artwork conservation	-	37,599	14,843	-	-	-	-	52,442	37,936
Artwork transport	-	-	129,097	-	-	-	-	129,097	158,978
Audience development	-	-	-	-	-	-	1,184	1,184	2,194
Audit fees	-	-	-	-	-	22,414	-	22,414	23,085
Business rates	-	-	-	-	-	-	3,681	3,681	(90,901)
Course expenses	-	-	-	74,648	-	-	-	74,648	83,827
Depreciation	-	-	-	-	-	-	304,638	304,638	304,587
Exhibition development	-	-	13,992	-	-	-	-	13,992	52,883
Facilities management	-	-	-	-	-	-	89,833	89,833	80,268
Finance charges	-	-	-	-	-	-	12,903	12,903	15,301
Fundraising event expenses	696	-	-	-	-	-	-	696	271
Insurance	-	20,830	-	-	-	-	25,542	46,372	50,584
Irrecoverable VAT	-	-	-	-	-	-	107,689	107,689	91,755
Magazine & gallery publications	-	-	-	-	90,129	-	-	90,129	98,737
Office costs	-	-	-	-	-	-	42,582	42,582	42,800
PR consultancy	-	-	-	-	-	-	37,130	37,130	36,018
Professional fees	-	-	-	-	-	30,938	28,026	58,963	46,810
Promotional activity	-	-	-	-	-	-	78,094	78,094	73,930
Property rental	-	-	-	-	-	-	21,559	21,559	12,600
Research	-	685	-	-	-	-	-	685	930
Storage facilities	-	25,550	3,179	-	-	-	-	28,729	19,023
Supporter development	21,769	-	-	-	-	-	-	21,769	21,422
Systems enhancement	-	-	-	-	-	-	39,823	39,823	15,731
Systems maintenance	-	-	-	-	-	-	58,982	58,982	58,438
Touring & loan fees	-	-	4,992	-	-	-	-	4,992	7,541
Trustees' expenses	-	-	-	-	-	3,798	-	3,798	5,611
Utilities	-	-	-	-	-	-	131,196	131,196	103,268
Website maintenance	-	-	-	-	-	-	15,205	15,205	16,328
	118,728	188,752	533,544	274,229	102,349	57,150	1,509,875	2,784,627	2,525,286
Support costs	-	247,222	757,755	475,767	29,131	-	(1,509,875)	-	-
Governance costs	-	9,358	28,682	18,008	1,103	(57,150)	-	-	-
Total expenditure 2025	118,728	445,331	1,319,981	768,005	132,582	-	-	2,784,627	
Total expenditure 2024	131,897	273,103	1,272,809	686,140	161,337	-	-		2,525,286

Pallant House Gallery

Notes to the financial statements

For the year ended 31 March 2025

6b Analysis of expenditure (prior year)

	Charitable activities						Support costs £	2024 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
Artist & technician fees	-	950	40,798	-	-	-	-	41,748
Artwork conservation	-	21,866	16,070	-	-	-	-	37,936
Artwork transport	-	-	158,978	-	-	-	-	158,978
Audience development	-	-	-	-	-	-	2,194	2,194
Audit fees	-	-	-	-	-	23,085	-	23,085
Business rates	-	-	-	-	-	-	(90,901)	(90,901)
Course expenses	-	-	-	83,827	-	-	-	83,827
Course leader fees	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	304,587	304,587
Exhibition development	-	-	52,883	-	-	-	-	52,883
Facilities management	-	-	-	-	-	-	80,268	80,268
Finance charges	-	-	-	-	-	-	15,301	15,301
Fundraising event expenses	271	-	-	-	-	-	-	271
Insurance	-	21,761	-	-	-	-	28,822	50,584
Irrecoverable VAT	-	-	-	-	-	-	91,755	91,755
Magazine & gallery publications	-	-	-	-	98,737	-	-	98,737
Office costs	-	-	-	-	-	-	42,800	42,800
PR consultancy	-	-	-	-	-	-	36,018	36,018
Professional fees	-	-	-	-	-	29,255	17,555	46,810
Promotional activity	-	-	-	-	-	-	73,930	73,930
Property rental	-	-	-	-	-	-	12,600	12,600
Research	-	930	-	-	-	-	-	930
Storage facilities	-	17,759	1,264	-	-	-	-	19,023
Supporter development	21,422	-	-	-	-	-	-	21,422
Systems enhancement	-	-	-	-	-	-	15,731	15,731
Systems maintenance	-	-	-	-	-	-	58,438	58,438
Touring & loan fees	-	-	7,541	-	-	-	-	7,541
Trustees' expenses	-	-	-	-	-	5,611	-	5,611
Utilities	-	-	-	-	-	-	103,268	103,268
Website maintenance	-	-	-	-	-	-	16,328	16,328
	131,897	130,724	597,496	277,459	118,861	57,951	1,210,897	2,525,286
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

7 Net income for the year

This is stated after charging / (crediting):

	2025 £	2024 £
Depreciation	304,638	304,585
Business rates rebate	(2,555)	(95,612)
Operating lease rentals payable: Property rental	21,559	12,600
Operating lease rentals receivable: Property	(129,324)	(144,266)
Auditor's remuneration (excluding VAT): Audit fees	19,750	19,985
Tax fees	2,664	3,100
	<u>19,750</u>	<u>19,985</u>

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

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	1,083,504	970,739
Redundancy costs	-	2,171
Social security costs	97,603	80,604
Employer's contribution to defined contribution pension schemes	20,639	16,315
Other forms of employee benefits	7,975	6,925
Training costs	8,225	14,821
Travel and sustenance	16,704	16,677
Volunteer expenses	6,805	5,330
	<u>1,241,454</u>	<u>1,113,582</u>

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

	2025 No.	2024 No.
£60,000 - £69,999	2	-
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1
£90,000 - £99,999	-	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £216,259 (2024: £230,040).

The charity trustees received benefits of £16 during the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2024: £60) incurred by nil (2024: 1) 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 39 (2024: 40).

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

	Headcount	2025 Full Time Equivalent	Headcount	2024 Full Time Equivalent
	No.	No.	No.	No.
Administration	1.0	1.0	1.0	1.0
Commercial	0.6	0.3	1.0	0.5
Communications	3.7	3.4	3.8	3.6
Curatorial	7.8	6.2	7.7	6.1
Development	2.4	2.1	2.7	2.7
Directors	2.0	2.0	1.6	1.6
Finance	2.0	2.0	1.3	1.3
Front of House	11.1	6.9	12.0	6.1
Operations	1.4	1.4	1.0	1.0
Public Programmes	7.8	5.8	8.0	5.9
	39.8	31.1	40.1	29.8

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,
 - was the headline sponsor (for £20,000) of the Still Life exhibition, which ended in October 2024;
 - was a corporate member (for £5,000) from November 2023 - October 2024; and
 - is a corporate partner (totalling £75,000) for the three years beginning 2025.

Amounts contributed to the Gallery by the Trustees and their related parties totalled £38,624 from 11 trustees (2024: £33,309 from ten trustees). 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	1,351,438	614,927	11,831,222
Additions in year	-	-	35,178	37,000	72,178
Disposals in year	-	-	-	-	-
At the end of the year	8,880,847	984,010	1,386,616	651,927	11,903,400
Depreciation					
At the start of the year	1,889,526	918,701	1,014,475	-	3,822,702
Charge for the year	177,617	65,309	61,712	-	304,638
Eliminated on disposal	-	-	-	-	-
At the end of the year	2,067,143	984,010	1,076,187	-	4,127,340
Net book value					
At the end of the year	6,813,704	-	310,429	651,927	7,776,060
At the start of the year	6,991,321	65,309	336,963	614,927	8,008,520

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

	2025 £	2024 £
At 1 April 2024	24,589,433	23,908,483
Assets donated during the year	657,510	680,950
Fair value at the end of the year	25,246,943	24,589,433

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 the works 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 in 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.

As part of Collections audit, rationalisation and review work, Heritage Assets may be subject to re-valuation 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 £20,000 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. We are in the process of developing a policy for valuations which should inform how we value, review said valuation as appropriate the collection in the future. Valuation is based on a market approach with reference to estimates or prices generated by recent market transactions for identical or similar assets.

14 Investments

	2025 £	2024 £
Fair value at the start of the year	11,050,973	10,217,860
Additions at cost	-	26,132
Net gain / (loss) on change in fair value	140,569	806,981
	11,191,542	11,050,973
Cash held by investment broker pending reinvestment	-	-
Fair value at the end of the year	11,191,542	11,050,973

15 Subsidiary undertakings

These financial statements are consolidated financial statements for Pallant House Gallery group, incorporating Pallant House Gallery Services Limited (capital of £200) but not Pallant House Enterprises Limited (capital of £100).

Details of the Gallery's subsidiaries at 31 March 2025 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 2025, Pallant House Gallery Services Limited's assets totalled £200 (2024: £200), its liabilities £nil (2024: £nil) and total funds £200 (2024: £200).

At 31 March 2025, Pallant House Enterprises Limited's assets totalled £100 (2024: £100), its liabilities £nil (2024: £nil) and total funds £100 (2024: £100).

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

16 Debtors

	2025 £	2024 £
Trade debtors	75,904	120,980
Accrued income	61,899	55,367
Deferred expenditure	–	2,109
Tax reliefs	355,215	373,938
VAT	(2,978)	(7,756)
Prepayments	15,198	42,994
Other debtors	7,870	6,508
	513,108	594,140

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	54,194	90,958
Accruals	43,389	41,714
Taxation and social security	25,316	22,071
Deferred income	68,573	85,746
Other creditors	33,994	21,377
Provisions– see note 18	700	5,000
	226,166	266,866

18 Provisions for liabilities

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

	2025 £	2024 £
Balance at the beginning of the year	5,000	17,730
Amount released in the year	(5,000)	(12,730)
Increase/(decrease) in provision in the year	700	-
Balance at the end of the year	700	5,000

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	Total funds
	£	£	£	£	£	£
Tangible assets	6,883,213	-	820,791	-	72,056	7,776,060
Heritage assets	25,246,943	-	-	-	-	25,246,943
Investments	-	10,220,967	970,575	-	-	11,191,542
Net current assets	60,000	-	-	663,454	224,804	948,259
Net assets at 31 March 2025	32,190,156	10,220,967	1,791,366	663,454	296,860	45,162,804

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

	Designated	Endowment (Restricted)	Endowment (Unrestricted)	Restricted	Unrestricted	Total funds
	£	£	£	£	£	£
Tangible assets	7,048,735	-	814,679	-	145,106	8,008,520
Heritage assets	24,589,433	-	-	-	-	24,589,433
Investments	-	10,068,723	982,250	-	-	11,050,973
Net current assets	60,000	-	-	384,344	692,000	1,136,344
Net assets at 31 March 2024	31,698,168	10,068,723	1,796,929	384,344	837,106	44,785,270

21a Movements in funds (current year)

	At 1 April 2024	Income & gains	Expenditure & losses	Transfers	At 31 March 2025
	£	£	£	£	£
A – Endowment funds:					
Appeal Fund	1,775,598	22,639	-	4,210	1,802,447
HLF Catalyst	2,188,237	27,900	-	5,187	2,221,324
The Monument Trust	6,104,888	77,839	-	14,469	6,197,196
JM Fund (unrestricted)	1,796,929	12,191	(20,019)	2,265	1,791,366
Total endowment funds	11,865,652	140,569	(20,019)	26,131	12,012,333
B – Restricted funds:					
Donations & legacies	59,948	23,417	-	-	83,365
Raising funds	(9,507)	-	(8,171)	17,678	0
Collection Management	36,165	260,000	(2,089)	-	294,076
Public Programmes	(81,818)	126,976	(239,145)	193,988	0
Exhibitions	9,792	42,100	(65,140)	13,249	0
Organisation Development	369,764	-	(83,751)	-	286,013
Total restricted funds	384,344	452,492	(398,296)	224,915	663,454
C – Unrestricted funds:					
Designated funds:					
ACE small capital works	245,604	-	(39,498)	-	206,106
New Wing	4,598,215	-	(208,085)	38,064	4,428,194
No 7 North Pallant	1,598,000	-	(34,000)	-	1,564,000
Print room island	12,140	-	(3,035)	-	9,105
Acquisitions fund	654,777	-	-	81,031	735,808
Heritage assets funds	24,589,433	657,510	-	-	25,246,943
Total designated funds	31,698,169	657,510	(284,618)	119,095	32,190,156
General funds	837,106	1,911,590	(2,081,694)	(370,141)	296,861
Total unrestricted funds	32,535,275	2,569,100	(2,366,311)	(251,046)	32,487,017
Total funds	44,785,270	3,162,161	(2,784,626)	0	45,162,804

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 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

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	
	2025	2024	2025	2024
	£	£	£	£
Less than one year	11,700	39,000	10,080	974
One to five years	-	-	26,782	3,896
Over five years	-	-	-	-
	11,700	39,000	36,863	4,870

The numbers shown for property commitments represent the rent due per a lease with Chichester District Council for the land and buildings at Pallant House, Chichester PO19 1TJ. The rent is a peppercorn rent unless it is changed based on rent review. Since the last rent review expired in March 2025, the Council has been charging a concessionary rent of £11,700 per annum.

23 Contingent assets or liabilities

There were no contingent assets or liabilities at the year end.

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.