



ARNOLFINI TRADING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2005

Company no. 2142916

ARNOLFINI TRADING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

INDEX	PAGE
Report of the directors	1 - 2
Report of the independent auditors	3 - 4
Principal accounting policies	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 10

ARNOLFINI TRADING LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 March 2005.

Principal activities

The principal activity is the operation of a café and bar. However, due to the refurbishment of the Arnolfini Gallery, the café and bar have been closed for the entire year.

Business review

The café was closed during the year. The Arnolfini Gallery re-opened on 10 September 2005 and the café / bar recommenced trading on the same day. Searcy's have been appointed to operate the franchise.

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. There was a loss for the year after taxation and gift aid amounting to £145 (2004: £29 profit).

Directors

The directors in office at the end of the year are listed below. All directors served throughout the year, unless otherwise shown.

The interests of the directors and their families in the shares of the company as at 1 April 2004 and 31 March 2005 were as follows:

Ordinary shares of £1 each 2005 and 2004

P C Sapsed (as nominee)	1
C I Collier	-

C I Collier resigned as a director on 17 October 2005 and T H L Trevor was appointed as a director on 17 October 2005.

Directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ARNOLFINI TRADING LIMITED

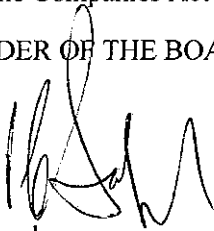
REPORT OF THE DIRECTORS (CONTINUED)

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'P C Sapsed', written over the text 'BY ORDER OF THE BOARD'.

P C Sapsed
Secretary

30 January 2006

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ARNOLFINI TRADING LIMITED**

We have audited the financial statements of Arnolfini Trading Limited for the year ended 31 March 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Director's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularities or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ARNOLFINI TRADING LIMITED (CONTINUED)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
BRISTOL**

30 January 2006

ARNOLFINI TRADING LIMITED

PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

Turnover

The turnover is attributable to one activity and represents commissions receivable from operating a café and bar.

ARNOLFINI TRADING LIMITED**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
Turnover	1	-	36,909
Cost of sales		<u>-</u>	<u>(15,410)</u>
Gross profit		-	21,499
Administrative expenses		<u>(145)</u>	<u>(4,170)</u>
(Loss) / profit on ordinary activities before taxation	1	(145)	17,329
Tax on (loss) / profit on ordinary activities	3	<u>-</u>	<u>-</u>
(Loss) / profit for the financial year		(145)	17,329
Gift aid		<u>-</u>	<u>(17,300)</u>
Transfer (from) / to reserves		<u>(145)</u>	<u>29</u>
Statement of retained profits			
At 1 April 2004		375	346
Retained (loss) / profit for the year		<u>(145)</u>	<u>29</u>
At 31 March 2005		<u>230</u>	<u>375</u>

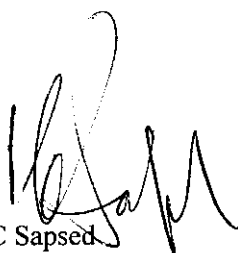
There were no recognised gains or losses other than the (loss) / profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements

ARNOLFINI TRADING LIMITED**BALANCE SHEET AT 31 MARCH 2005**

	Note	2005 £	2004 £
Current assets			
Debtors	4	100	117
Cash at bank		232	260
		332	377
Creditors: amounts falling due within one year	5	(100)	-
		232	377
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		230	375
Shareholders' funds	8	232	377

The financial statements were approved by the Board of Directors on 30 January 2006 and are signed on their behalf by:



P C Sapsed

Secretary

The accompanying accounting policies and notes form an integral part of these financial statements

ARNOLFINI TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

1 Turnover and (loss) / profit on ordinary activities before taxation

The turnover and (loss) / profit before taxation is attributable to one activity, operating a café and bar.

2 Directors and employees

No salaries or wages have been paid to employees, including the directors, during the year, (2004: £Nil)

3 Tax on profit on ordinary activities

(a) Taxation

There is no tax charge for the year ended 31 March 2005 (2004 - £Nil)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2004 - 19%). The differences are explained as follows:

	2005 £	2004 £
(Loss) / profit on ordinary activities before taxation	(145)	17,329
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2004: 19%)	(28)	3,293
Effect of:		
Gift aid allowable	-	(3,287)
Expenses not deductible for tax purposes	19	-
Losses carried forward	9	-
Income taxed nil %	-	(2)
Utilisation of losses	-	(4)
Total current tax	-	-

4 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	100	117
	100	117

ARNOLFINI TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

FOR THE YEAR ENDED 31 MARCH 2005

5 Creditors: amounts falling due within one year

	2005	2004
	£	£
Accruals	<u>100</u>	<u>-</u>
	<u>100</u>	<u>-</u>

6 Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

7 Called up share capital

	2005	2004
	£	£
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8 Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
(Loss) / Profit for the financial year	(145)	17,329
Gift aid	<u>-</u>	<u>(17,300)</u>
	(145)	29
Shareholders' funds at 1 April 2004	<u>377</u>	<u>348</u>
Shareholders' funds at 31 March 2005	<u>232</u>	<u>377</u>

9 Ultimate parent undertaking and controlling related party

The directors consider that the ultimate parent undertaking of this company is its parent company Arnolfini Gallery Limited.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Arnolfini Gallery Limited. Copies of the group accounts can be obtained from the company's registered office.

ARNOLFINI TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

FOR THE YEAR ENDED 31 MARCH 2005

10 Capital commitments

The company had no capital commitments at 31 March 2005 or 31 March 2004.

11 Contingent liabilities

There were no contingent liabilities at 31 March 2005 or 31 March 2004.