

ARNOLFINI TRADING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2004

Company no. 2142916



ARNOLFINI TRADING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

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ARNOLFINI TRADING LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 March 2004.

Principal activities

The principal activity is the operation of a cafe and bar.

Business review

The café bar franchise with Wadworth Brewery was ceased in September 2003. The café bar was subsequently closed and will remain closed whilst the Arnolfini Gallery Limited's major refurbishment takes place between September 2003 and Summer 2005. Tenders for the new café bar franchise took place from December 2003 and the final lease is being agreed for Searcy's to operate the franchise when the Arnolfini Gallery re-opens in Summer 2005. The café bar will remain closed until that time.

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 profit for the year after taxation and gift aid amounting to £29 (2003: £7).

Directors

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

The interests of the directors and their families in the shares of the company as at 1 April 2003 and 31 March 2004 were as follows:

Ordinary shares of £1 each 2004 and 2003

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

Directors' responsibilities for the financial statements

Company law 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

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

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



P C Sapsed
Secretary

24 January 2005

**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 2004 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)**

Grant Thornton 

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2004 and of its profit 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**

24 January 2005

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 cafe and bar.

ARNOLFINI TRADING LIMITED**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004 £	2003 £
Turnover	1	36,909	54,178
Cost of sales		<u>(15,410)</u>	<u>(42,627)</u>
Gross profit		21,499	11,551
Administrative expenses		<u>(4,170)</u>	<u>(44)</u>
Profit on ordinary activities before taxation	1	17,329	11,507
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
Profit for the financial year		17,329	11,507
Gift aid		<u>(17,300)</u>	<u>(11,500)</u>
Transfer to reserves		<u>29</u>	<u>7</u>
Statement of retained profits			
At 1 April 2003		346	339
Retained profit for the year		<u>29</u>	<u>7</u>
At 31 March 2004		<u>375</u>	<u>346</u>

There were no recognised gains or losses other than the profit for the financial year.

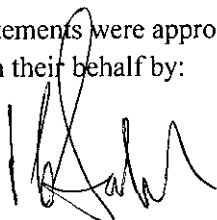
The accompanying accounting policies and notes form an integral part of these financial statements

ARNOLFINI TRADING LIMITED**BALANCE SHEET AT 31 MARCH 2004**

	Note	2004 £	2003 £
Current assets			
Debtors	4	117	15,414
Cash at bank		<u>260</u>	<u>9,615</u>
		377	25,029
Creditors: amounts falling due within one year	5	<u>-</u>	<u>(24,681)</u>
		<u>377</u>	<u>348</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		<u>375</u>	<u>346</u>
Shareholders' funds	8	<u>377</u>	<u>348</u>

The financial statements were approved by the Board of Directors on 24 January 2005 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 2004

1 Turnover and profit on ordinary activities before taxation

The turnover and profit before taxation is attributable to one activity, operating a cafe and bar.

2 Directors and employees

No salaries or wages have been paid to employees, including the directors, during the year, (2003: £Nil)

3 Tax on profit on ordinary activities

(a) Taxation

There is no tax charge for the year ended 31 March 2004 (2003 - £Nil)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2003 - 19%)

	2004 £	2003 £
Profit on ordinary activities before taxation	17,329	11,507
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2003: 19%)	3,293	2,186
Effect of:		
Gift aid allowable	(3,287)	(2,185)
Income taxed nil %	(2)	-
Utilisation of losses	(4)	(1)
Total current tax	-	-

4 Debtors

	2004 £	2003 £
Trade debtors	-	11,937
Amounts owed by group undertakings	117	-
Other debtors	-	3,477
	117	15,414

ARNOLFINI TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

FOR THE YEAR ENDED 31 MARCH 2004

5 Creditors: amounts falling due within one year

	2004	2003
	£	£
Amounts owed to group undertakings	-	24,681
	<u>-</u>	<u>24,681</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

	2004	2003
	£	£
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

	2004	2003
	£	£
Profit for the financial year	17,329	11,507
Gift aid	<u>(17,300)</u>	<u>(11,500)</u>
	29	7
Shareholders' funds at 1 April 2003	<u>348</u>	<u>341</u>
Shareholders' funds at 31 March 2004	<u>377</u>	<u>348</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 2004

10 Capital commitments

The company had no capital commitments at 31 March 2004 or 31 March 2003.

11 Contingent liabilities

There were no contingent liabilities at 31 March 2004 or 31 March 2003.