



Pallant House Gallery
Annual Report & Financial Statements
For the Year Ended 31 March 2020

Charity Registration No. 1102435

Company Registration No. 05045130 (England & Wales)

Reference and administrative information

Company number	05045130																								
Country of incorporation	United Kingdom																								
Charity number	1102435																								
Country of registration	England & Wales																								
Registered office & operation address	Pallant House Gallery 8-9 North Pallant Chichester West Sussex PO19 1TJ																								
Trustees	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <table><tr><td>John D S Booth DL</td><td>Chair</td></tr><tr><td>Jane Weeks</td><td>Deputy Chair</td></tr><tr><td>Elizabeth J Davis</td><td>Company Secretary</td></tr><tr><td>CLlr Clare Apel</td><td>Appointed 7th June 2019</td></tr><tr><td>Ruth S Butler</td><td></td></tr><tr><td>Adrian S Clark</td><td></td></tr><tr><td>Zachary R Leonard</td><td></td></tr><tr><td>Charles Martin</td><td></td></tr><tr><td>Roger Mavity</td><td></td></tr><tr><td>Andrea Rose OBE CMG</td><td></td></tr><tr><td>Jacqueline D Russell</td><td></td></tr><tr><td>The Rt Hon The Lord Tyrie of Chichester</td><td></td></tr></table>	John D S Booth DL	Chair	Jane Weeks	Deputy Chair	Elizabeth J Davis	Company Secretary	CLlr Clare Apel	Appointed 7 th June 2019	Ruth S Butler		Adrian S Clark		Zachary R Leonard		Charles Martin		Roger Mavity		Andrea Rose OBE CMG		Jacqueline D Russell		The Rt Hon The Lord Tyrie of Chichester	
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Gallery Director	Simon J Martin																								
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL																								
Bankers	Barclays Bank PLC 74-75 East Street Chichester West Sussex PO19 1HT																								

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Chairman's statement

I am pleased to introduce our Trustees' Report and Financial Statements for 2019/20.

Pallant House Gallery enjoyed a highly successful year of activities, clearly aligned to our charitable aims and fulfilling the Gallery's mission statement. Our exhibition programme was popular with visitors and acclaimed by critics and the press. It inspired new commissions and created a platform for academic research. Alongside this, we continued to sustain our programme of community engagement delivering well-attended public events, growing schools' audiences, and exploring a range of ambitious capital plans for the future.

Our remarkable collection continued to grow, augmented by significant acquisitions coming to us via HM Government's Cultural Gifts Scheme, and through the generous support of the Art Fund, Contemporary Arts Society and many other charitable and individual donations. We lent 57 works to 23 different institutions - including seven overseas - which enabled our collection to be seen, studied and enjoyed nationally and internationally.

Over the year, the Gallery made significant progress in its plans for a transformational capital project to help deliver our strategic priorities and ensure our future success as a resilient and sustainable organisation. A project manager and multi-disciplinary design team were appointed and completed an initial feasibility study. A number of exciting options was presented to the Board in early March 2020.

In the midst of all this activity the Covid-19 pandemic forced us to close to the public on 17 March 2020, only three days after opening the Spring season of exhibitions, ending the financial year as global uncertainty loomed. A pre-established plan enabled the Gallery to be safely closed down, with the collections and buildings made secure. Three quarters of our staff were placed on furlough with the remainder continuing to work mainly from home, with regular monitoring of the Gallery's security and environmental conditions. We significantly increased our external communications during the four months of closure as the primary means of engaging with our audiences, and we continued to achieve very strong press coverage.

Our acclaimed public programme has been severely curtailed by the lockdown and subsequent Covid-security measures, leaving the exhibition programme, physical and virtual, as our main form of engagement with audiences currently. However, continuing the Gallery's Community Programme (which helps adults with a range of support needs) was prioritised and adapted so its activities could be delivered remotely.

The Gallery was able to re-open to the public on 5 August 2020. Prior to this we undertook detailed risk assessments of all areas of our operations and we were delighted to be awarded the Visit Britain's "We're Good To Go" kitemark prior to re-opening. Health and safety and social distancing measures were implemented for both visitors and staff which included timed- ticketing and limits on numbers. The exhibitions that had opened before lockdown were extended, ending just before the start of the second national lockdown on 5 November. Visitor numbers exceeded expectations (with ticketed admissions to the exhibitions comfortably ahead of the same period in 2019/20, although overall visitors to the site and to events were considerably down on the prior year) and feedback was extremely positive.

Skilful navigation of this difficult period and the many successes of 2019/20 must be credited to the dedicated Gallery staff, led by Director Simon Martin, and to the magnificent team of committed volunteers who gave over 10,000 hours of their time to support the organisation in a variety of roles. These volunteers include my fellow Trustees and the members of our Committees and Advisory Groups who work hard to maintain the highest standards of governance and accountability. I am

hugely grateful to everyone who contributes their time and expertise - in whatever area that may be – for the benefit of the Gallery and its visitors.

I would also like to thank our regular funders - Arts Council England and Chichester District Council - for their support, as well as the many other trusts and foundations who have provided grants and donations during the year. At the time of writing we have 106 Patrons and 3,622 Friends who are enthusiastic champions of the Gallery and provide a much valued source of encouragement and financial underpinning. Their loyalty and continuing endorsement of our activities sustain Pallant House's achievement and reputation. We offer them heartfelt thanks for their continuing generosity.

There is no doubt that financial year 2020/21 and beyond will be extremely challenging for our finances. The capital project is currently on hold and the Gallery's exhibition programme for the next two years has been substantially rethought in response to the situation, with a greater focus on showing our own wonderful and growing collection. Despite the uncertainties ahead, I am confident that Pallant House Gallery will continue to deliver a high quality, stimulating and inclusive programme of exhibitions and activities to enrich the creative lives of the widest possible audience.

John Booth DL

A year in numbers

- 57,143 visitors across the site
- 3,622 Friends of Pallant House Gallery and 106 Patrons
- 19 temporary exhibitions during the year,
- 126 artworks were acquired for the permanent collection, including 38 new works by female artists, bringing the gender ratio to 20% women artists
- 4 new art books published to accompany our exhibitions
- 12 contemporary artists were commissioned to create new artworks
- 57 artworks were lent to 23 different venues, including 7 international venues
- 71 collection artworks were conserved and remounted
- 5022 instances of community programme engagement, supporting 194 participants
- 100 Access to Art Passes were given to local groups
- 1300 participants in our Free Open Weekends
- 2654 participants in free activities
- 3,550 participants in the programme of seasonal talks, art courses, practical workshops, tours and Summer Late events.
- 906 Key Stage 1-4 pupils visited; in 49 organised school visits.
- 939 Further and Higher Education students visited; in 66 organised visits
- 1814 visitors to the Library
- 5 student placements
- 12,000 magazines were distributed and sold by the Gallery
- 80+ pieces of press coverage relating to the Gallery and programmes
- 26% growth in Instagram audiences
- 48 tonnes CO2e reduction in the Gallery's environmental impact
- £527,884 in gifts and pledges from individuals, private trusts and foundations, corporate sponsorships.
- £357,429 in grants and tax reliefs from public bodies.
- Around 10,000 hours given by 250 volunteers

Trustees' annual report

The Trustees present their report and the audited financial statements for the year ended 31 March 2020.

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.

History

Pallant House Gallery first opened in 1982 after the significant modern art collection of Walter Hussey, Dean of Chichester Cathedral (1955 – 1977) and patron of the arts, was bequeathed to Chichester District Council on condition of it being housed in Pallant House, a Grade-1 listed Queen Art townhouse in the heart of Chichester.

The Hussey Bequest is owned by Chichester District Council and loaned to the Gallery, and the Gallery has subsequently formed a permanent collection over 4,000 items received as gifts and bequests from a range of collectors, or very occasionally purchased with support from public funding bodies. From 1985 until 2003 the collection was presented in the townhouse with a small exhibition gallery in the adjoining former council chamber. In 2006 the Gallery opened a major new wing costing £10 million with funding from the Heritage Lottery Fund, following a three-year building programme, enabling a much larger exhibitions and community programme. In 2007, it won the Gulbenkian Prize for Museum and Galleries.

In 2006 an Endowment Fund was established, which has grown in the subsequent years through gifts, bequests and HLF Catalyst Endowment match-funding. In 2010, Pallant House Gallery incorporated to become registered as a company (number 5045130 E&W). In 2016, following a Governance Review, the Gallery reviewed its Articles of Association, and formed a series of committees and advisory groups. In 2018, the Friends of Pallant House Gallery were merged into the main charity. The Queen Anne townhouse continues to be leased from Chichester District Council, with the Gallery owning the New Wing and the original Coach House, which was purchased in 2017. During 2019, the Gallery embarked on an ambitious Capital Project for the creation of improved visitor facilities, a collections centre, learning and engagement spaces. The Feasibility Stage was completed in March 2020 but any further work has been put on hold due to the Covid-19 pandemic.

Objectives & activities of the Charity

The Charity's objectives are, for the public benefit, to 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.

The Gallery Director, in consultation with the Board, Committee and Advisory Group members and staff, work to deliver the Forward Plan 2018-22, based upon the Mission and Values:-

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:

1. Making Modern British art relevant today by exploring contemporary, historic and international connections, redressing imbalances in its history and filling gaps in our collection.
2. 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.
3. Thinking of the Gallery as more than a physical destination, expanding our audience reach through digital, outreach and regional, national and international partnerships.
4. Being a recognised authority on Modern British art and an example of best practice in all aspects of our work.
5. Creating and upholding a distinctive brand for the Gallery that informs all activity.
6. Investing in our people, culture, assets and systems and working to become financially and environmentally sustainable and appropriately resourced.

Public benefit derived from our activities

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

Performance and achievements during the year

Pallant House Gallery had a successful year of activities in 2019-20, impacted only at the end by the imposed closure due to Covid-19 that is currently overshadowing activity during the new financial year.

Up until that time, we had fulfilled all our planned exhibitions and events, which were well-attended and critically well-received. We were able to sustain our community engagement programmes and grow our schools audiences.

Capital Project

During the year the Gallery embarked on its Capital Project for the creation of improved visitor facilities, a collections centre, learning and engagement spaces. This follows the purchase of 9 East Pallant ("The Coach House") in 2017, and a successful application to the Arts Council's Small Capital grants programme in 2018.

The overall aim of project is to improve delivery of the Gallery's strategic priorities and ensure its future success as a resilient and sustainable organisation. The proposals include the creation of a new Collections Centre, visitor facilities, expanded space for exhibitions, improved visitor flow, improved facilities for staff and volunteers, and greater opportunities for income generation. This will include

the upgrading of existing facilities, including the historic Town House and New Wing. The additions and improvements would increase access to the collections for public, staff and volunteers, improve facilities for collections care, enable wider interpretation of the collections and exhibitions, diversify engagement and establish a more resilient and sustainable organisation.

Focus Consulting were appointed as Project Managers in June 2019 and, following the OJEU compliant procurement process, a Multi-Disciplinary Design Team [MDDT] was appointed in December. This team was led by award-winning architects Wright & Wright, based on their previous experience of designing (amongst other cultural buildings) the RIBA Library and Archive at the V&A Museum. In addition, Cultural Consulting Network worked on an Audience Development Plan and Alan Baxter Ltd were appointed as Heritage Consultants, to produce a Statement of Significance (completed February 2020) and Conservation Management Plan (in progress) for the Grade I listed Queen Anne townhouse and other buildings on site.

Between December 2019 and March 2020, the MDDT team worked with the Gallery team on a Feasibility Study which was presented to the Board of Trustees in March 2020. However, the outbreak of the Covid-19 pandemic meant that the majority of the Gallery's Capital Project has been placed on hold until this is over and fundraising prospects improve. In the meantime, there is lighting and signage upgrade work in the existing buildings, originally planned to be part of the larger project, that can still proceed, funded through the ACE Small Capital grant that has to be prioritised before April 2021.

Digital Transformation Plan

Building on the success of the Digital Transformation Plan in 2018/19 (which saw the launch of a new website) and the introduction of new IT software such as Spektrix (CRM) and QI (Collections Management database) the Gallery had identified the need to implement an organisation-wide Digital Transformation Plan. The Plan – to be developed alongside the Capital Project - would identify the most effect and relevant digital opportunities to inform innovation across interpretation, learning, communications and visitor experience. Some preliminary work was undertaken with Cultural Consulting Network in 2019, in order to prepare an Audience Development Plan for the Capital Project.

The Covid-19 pandemic has created an even greater demand for and reliance on digital communications and systems, both externally and internally. It seems unlikely this will be reversed in the future. As the Capital Project is on hold, the Gallery will prioritise the development and phased implementation of a Digital Transformation Plan during 2020-22. We envisage that the Plan will consolidate departmental achievements to date, address some of the strategic aims of the Capital Project and identify post-Covid opportunities and actions.

In October 2020, we received a £30,000 grant from the Paul Mellon Centre for Studies in British Art to support the creation of digital resources on British Pop Art and are actively seeking and responding to funding opportunities from a variety of sources. The Gallery is in the process of setting up a Digital Strategy Advisory Group (chaired by Trustee Zach Leonard, former Managing Director, Digital at The Independent and London Evening Standard) to oversee the process.

Equality & Diversity Action Plan 2018-22

The Gallery's Equality & Diversity Action Plan 2018-22 covers all aspects of the Gallery's governance, employment, operations and programmes. It accompanies the Forward Plan as one of our key strategy documents and is updated annually and reviewed by the Board. As an Arts Council National Portfolio Organisation [NPO], our programming contributes to the Creative Case for Diversity and we are

committed to initiatives that increase inclusion and diversity, both in our exhibitions and public events programme and in recruitment, including of trustees.

The Black Lives Matter movement provided a reminder of concerns about racial injustice and not just in the United States. Like the rest of the arts sector, these event encouraged the Gallery to reflect further on our role as a cultural organisation and how we can better represent modern Britain. An Anti-Racism statement was published on our website in June 2020 and our Anti-Racism Action Plan will be published shortly.

Specific actions undertaken in relation to the Gallery's Equality & Diversity Action Plan in 2019-20 included:

- The Senior Management Team has performed a review of the history of its collections and buildings and of the source of its endowments and, based on these reasonable enquiries, has satisfied itself of their suitability.
- The Gallery's Equal Opportunities Policy (in the Staff Handbook) was updated to make specific reference to the Protected Characteristics under the Equality Act 2010.
- Opportunities for flexible working are available to staff, to ensure particular groups are not excluded from employment at the Gallery. Compressed hours were introduced for two staff members in the last year and, in March 2020, the percentages of part-time to full time staff was 58.5% to 41.5% respectively.
- The Volunteer Expenses policy was updated to create parity across all voluntary roles, ensure volunteering opportunities are accessible to people from a range of economic backgrounds.
- The Gallery provided a free bursary for the Pallant Arts Award Club by which young people are provided with an opportunity to receive a recognised Arts Award qualification through participation at the Gallery; developing creative skills and future audiences.
- A Disability Access Audit of the Gallery's internal public spaces conducted by the Chichester Disability Access Group in late spring 2019. Overall feedback was positive, with the report concluding that "Pallant House Gallery goes to great lengths in order to provide good access to all its staff and visitors". However, a number of improvements were identified and have subsequently been implemented, including the installation of occupancy sensors to both accessible toilets and updated guidance for users of the hearing loop.
- In order to ensure continuing improvements, and to inform the development of the Capital project, the Gallery created an Access Forum, which met for the first time in September 2019. In attendance were representatives with a range of different lived-experiences and access needs, from the Community Programme, Gallery staff, Gallery volunteers and external partners such as charity 4Sight and Chichester Sanctuary for refugees.
- Good progress was made in increasing Gallery's representation of female artists within exhibitions programme and the collection, with the aim of redressing historic gender imbalances, increasing positive messaging and attracting younger and more diverse audiences. Exhibitions of work by female artists were included in the main exhibition programme; Radical Women: Jessica Dismorr and her Contemporaries', with new book by external curator Alicia Foster; Jann Haworth: Up Close (alongside artist's curated selection of work by women artists from the Gallery's collection) and a display of works by Grete Marks. The Gallery acquired 38 new works by female artists, 16 of which were by women not previously represented. This percentage of works in the collection is now 20.7%, which is an increase on 2018/19. The Gallery also hosted a Radical Women Symposium in February 2020,

supported by Paul Mellon Centre for Studies in British art, which presented new academic research on previously 'overlooked' female artists from the 1920s and 1930s.

- During 2019-20, the Gallery took part in the national Insiders Outsiders festival celebrating the cultural contribution of refugees from Nazism with exhibitions of the Jewish artist Grete Marks and the émigré Walter Nessler.
- The Summer Lates programme and new initiatives such as the partnership with Pin Drop, Art Yoga and Mindfulness Mini-Retreats proved extremely popular and were successful in attracting new audiences to the Gallery. In June 2019, Portsmouth-based street art collective Strong Island presented a vibrant live street-art event in the garden, with three established street artists painting throughout the evening in front of visitors, including highly regarded street artist, My Dog Sighs. Many new visitors (250 in total), came from Portsmouth, Southsea and Brighton.

Audiences

In order to meet its charitable aims, the Gallery seeks to be open and available to all and encourages participation by all. However, in order to cover core costs, there is an admission charge; in 2019/20 ticket sales equated to 16% of the Gallery's income.

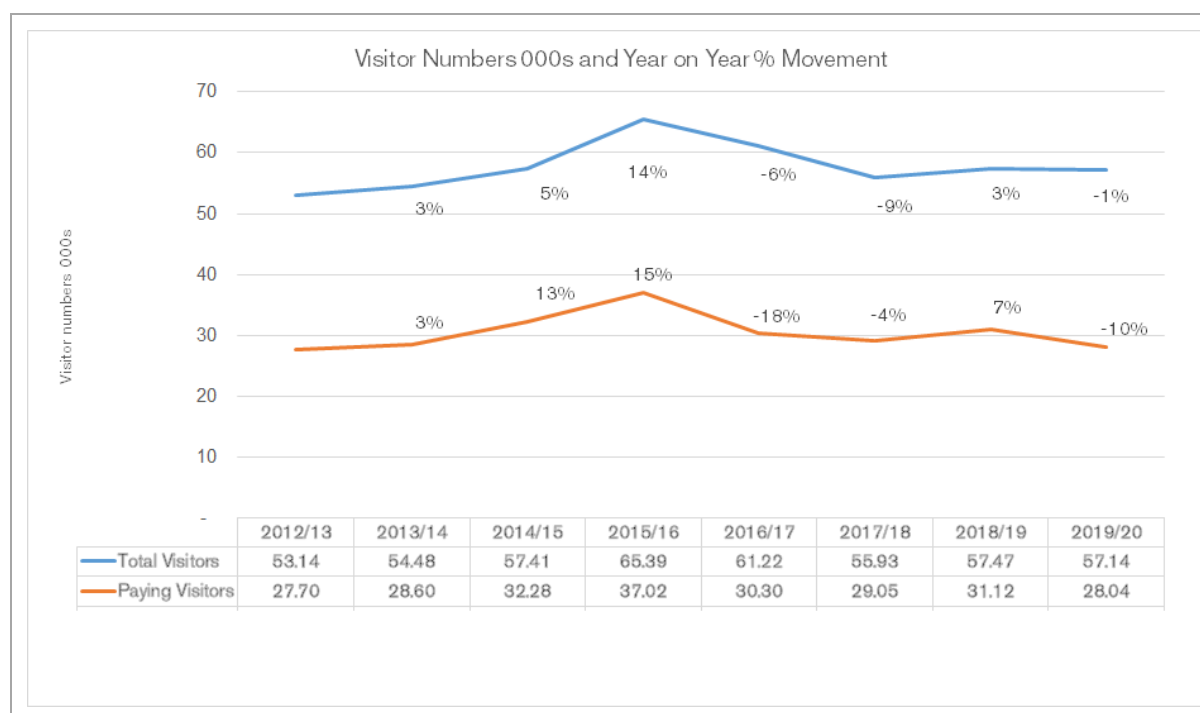
An entrance ticket gives access to both the permanent collections and temporary exhibitions in the historic House and the New Wing. The Ground floor (which include the Print Room and Garden Gallery displays) are free of charge at all times.

In order to reduce barriers to engagement, during 2019-20 the Gallery provided half-price entry on Tuesdays, and free entry to the collections on Thursday evenings from 5-8pm. There were occasional days with no admission charges apply such as the annual Open Weekend or (family-focussed) Free Range Saturdays. Children up to the age of 18 years, students, Jobseekers, DLA, ESA, PIP and Carers with a registered disabled person are permitted free entry with a valid ID. Concessions are also available to members of organisations such as Art Fund.

In addition, the Gallery launched our Access to Art Pass scheme in May 2019, in which up to 100 local organisations and charities were given an annual pass to bring groups to the Gallery for free.

In 2019/20, the Gallery attracted a total visitor numbers of **57,143** across the site and **47,505** visitors to the permanent collections, temporary exhibitions and events. Both figures were within 1% of those for 2018/19, despite the impact of Covid-19, which started to reduce numbers by the last month of the year and forced closure altogether on 17th March.

The Gallery received £209,688 in admission income against a budget of £216,020 and achieved ticketed visitors of 28,041 (not including schools, groups, events, etc) against a target of 31,750 for the entire year. The average ticket price was £7.42 against a budget of £6.80.



Digital audiences

	March 2020	April 2019	Gains	%
Instagram	17,653	13,994	+3,659	26.1%
Facebook	5,836	5,343	+493	9.2%
Twitter	18,348	17,923	+425	2.4%

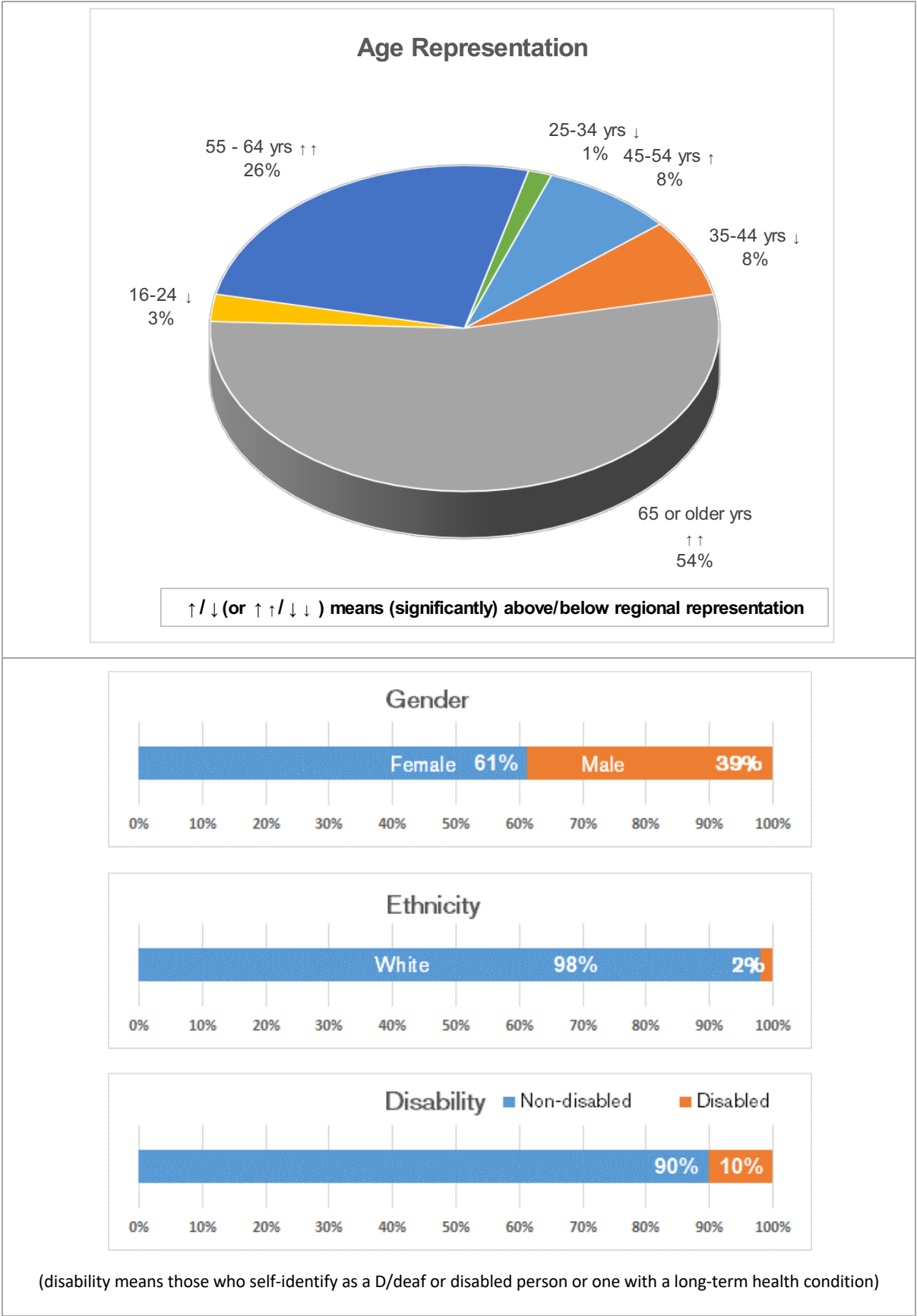
Audience profiling

The following audience analysis is drawn from the results of Audience Finder surveys conducted with exhibition visitors between 21 April – 13 December 2019. It should be noted that the Covid-19 pandemic prevented Audience Finder from sampling our audiences in the last quarter of 2019/20. This meant that we were unable to achieve the number of surveys required to create a truly representative data set and so there is an increased margin of error in the figures quoted.

However, the introduction of pre-booked online tickets in August 2020 (as part of the Gallery's Covid security measures) means that we are able to capture more information about our audiences. We will be able to undertake a more extensive and accurate analysis of our audience data from 2020/21 onwards.

Audience demographics (based on Audience Finder survey results)

The following charts show the profile of our visitors:



Audience behaviours and motivations

2018/19 figures in [brackets]

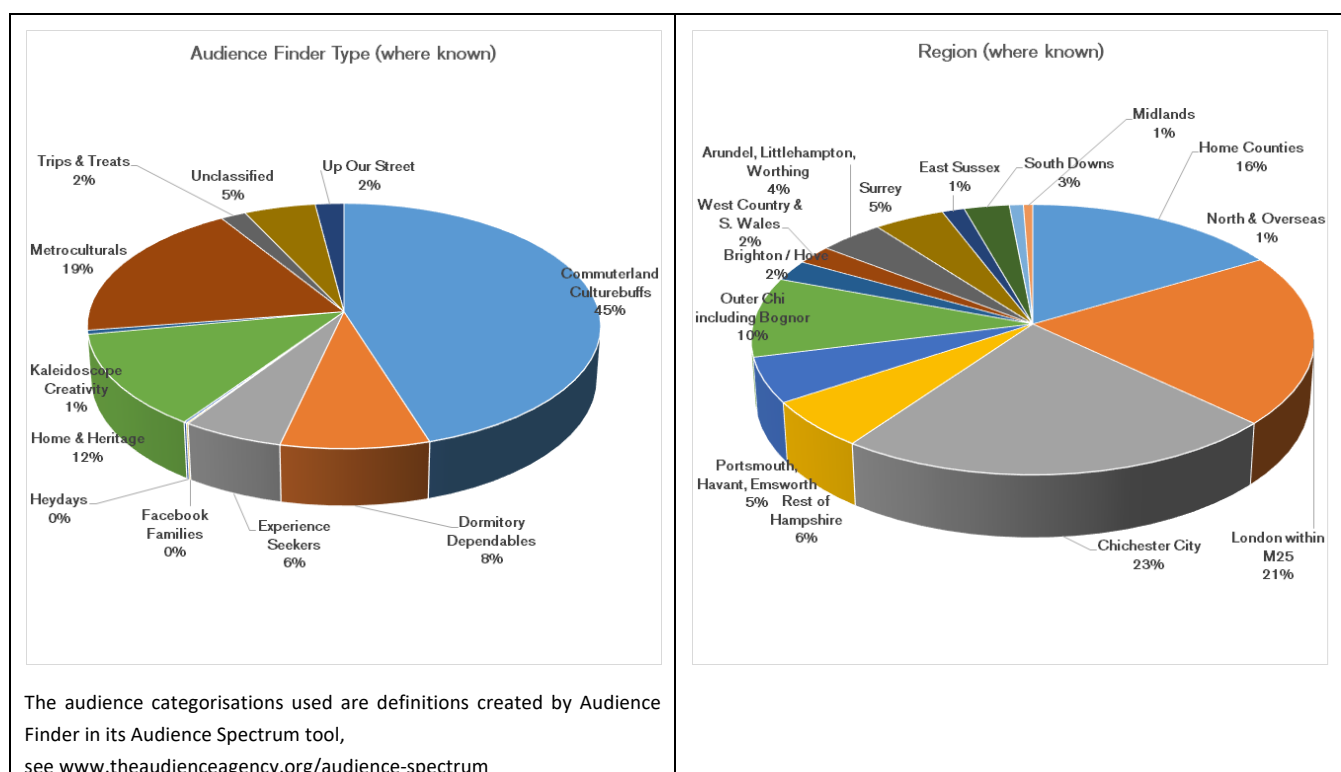
Audience behaviours	Audience motivations
<ul style="list-style-type: none"> • 38% repeat visits within 12 months [47%] • 36% first timers [26%] • Median number of times people visit a year is 2 [3] • 56% of visitors visit in pairs [58%], and 18% alone [26%]. 	<p>The top four cited motivations to visit were:</p> <ol style="list-style-type: none"> 1. Visual arts is a part of who I am [2nd] 2. To be inspired [4th] 3. To learn something [3rd] 4. Intellectual stimulation [1st]

Audience Segmentation

Pallant House Gallery uses Audience Spectrum, which segments the whole UK population by their attitudes towards culture and by what they like to see and do. However, lockdown and the subsequent closure of the Gallery meant that the management team was unable to achieve the number of surveys required to create a truly representative data set. There is therefore an increased margin of error in the figures quoted. The fluctuations across the audience segments are often influenced by the nature of programming for that year, for instance our exhibition of well-known artist Ivon Hitchens over the summer of 2019 attracted a larger audience from London.

As part of the Gallery's Capital Project, the Gallery worked with Cultural Consulting Network on the initial stages of an Audience Development Plan. This process – which included analysis of Audience Finder data from 2016 onwards – identified a number of audience segments in which it is currently under-represented and areas for potential growth. This is also borne out in the 2019/20 data below. Although the Capital Project is now on hold, this was a useful exercise and will help inform the development of our activity post-Covid-19.

We have already seen a shift in audience behaviour since the pandemic and will continue to closely monitor audience demographics and behaviour through 2020 and beyond. This will enable us to recalibrate our activities as the situation develops and the ongoing impact of the Covid-19 crisis on audiences becomes clearer.






A “Collection of Collections” – Collection Management

2019/20 overview

Total new works acquired	126
Including new works by women artists	38 (of which 16 were by women not previously represented)
New long term loans to the collection	3
Works loaned from collections (UK & worldwide)	57 works to 23 different venues
Works conserved	61
Visitors to Art Reference Library & Archive	1814
Hours of help from Library volunteers	520
New books added to Library catalogue	728
Total Number of Artists represented in PHG Collection	826
Total Number of Women Artists represented in PHG Collection	171
This equates to 20.70% of PHG collection artists being women (a slight increase on previous year)	

Major acquisitions

Some of the major acquisitions during the year are mentioned below.

	<p>Édouard Vuillard (1868-1940)</p> <p><i>Modèle assise dans un fauteuil, se coiffant / Model seated in a chair, combing her hair</i> c.1903 Oil on board, laid down on panel</p> <p>A significant oil painting by Édouard was allocated to Pallant House Gallery via HM Government's Acceptance in Lieu (AIL) scheme, from the estate of Lord Hutchinson of Lullington (1915-2017).</p>
	<p>The Golder – Thompson Gift (2019)</p> <p><i>Keith Vaughan (1912-1977)</i> Self Portrait Pencil on paper</p> <p>As part of the ongoing Golder – Thompson Gift, Dr Mark Golder and Mr Brian Thompson have donated a group of works including a self-portrait by Keith Vaughan. The Gift now includes works by over 150 artists and is motivated by a desire to share and engage with a public audience</p>
	<p>Jacqueline Morreau 1929-2016</p> <p><i>Woman and Mirror</i> c.1983 Charcoal and pastel on paper</p> <p>Five drawings in charcoal gifted by the Estate of Jacqueline Morreau through the Contemporary Art Society. Morreau sought to redefine accepted notions of gendered identity and was best known for her distinctive drawing style and her contributions to the feminist art movement in Britain.</p>



The Muriel Wilson Bequest

Boy with Paintings 1957-9
Oil and enamels on wood

Sixty Modern British and contemporary works including sculpture were bequeathed to the Gallery by Muriel Wilson (1933-2018), the first wife of Prof Sir Colin St John Wilson (Architect of the Gallery's New Wing) and a significant figure in the British art world in her own right.

In addition, a significant early work by Peter Blake was Accepted in Lieu of Inheritance Tax by HM Government and allocated to Pallant House Gallery. *Boy with Paintings* (left) is a significant addition to Pallant House Gallery's permanent collection of Modern British art.



Pauline Boty (1938-1966)

Untitled (Seascape with Boats and Island) c.1960
collage on paper

With support from the Art Fund Pallant House Gallery has successfully acquired a work by Pauline Boty (left). It was a rare opportunity to purchase a work by Boty whose reappraisal has placed her in an almost unique position in the traditional Pop Art Narrative. The acquisition of this work begins to address a large omission in the Pallant House Gallery collection, expanding themes of Surrealism, collage, gender and identity as well as challenging the perceived male centric dominance of Pop.



Cathie Pilkington (b.1968)

Good Bed Bad Bed 2018
Mixed media installation

Following a successful application for support made to the George Frampton Fund for The Encouragement of The Highest Form of The Art of Sculpture we have successfully acquired a bronze casting of Cathie Pilkington's *Good, Bed, Bad, Bed*, 2018. The installation including the two sculptural figures, and head objects formed one of the key elements of Cathie's exhibition *Working from Home* 2018-2019 installed throughout the historic domestic spaces of Pallant House Gallery and inspired by the permanent collections.



Kaye Donachie (b.1970)

Monotonous Remorse 2019

Oil on linen

Purchased with support of the Contemporary Art Society, *Monotonous Remorse* was made in response to the writings and poems of Iris Tree (1897-1968), an English avant-garde poet, actress and muse to the Bloomsbury group.



Leonard Rosoman (1913-2012)

The Drag Ball, No.1, Act 2, Scene 1 1967-1968

Acrylic on Canvas

A significant group of paintings by Leonard Rosoman relating to the John Osborne play *A Patriot for Me* from the estate of the artist's widow, Roxanne Wruble Rosoman, have been acquired under the acceptance in lieu scheme, settling £96,600 of tax.

The series can be seen as complementary to the Pop Art collection; they both reflect changes in society towards sexuality, but also the wider adoption of new artistic materials, use of source material drawn from press cuttings and photographs, as well as direct observation.



Cass Sculpture Archive

Rachel Whiteread (b.1963)

Monument 1999

Resin and plaster

Acquisition of sculpture maquettes and preparatory works from the Cass Sculpture Archive, purchased with support from Art Fund and John Ayton MBE and John Booth, (2019). This is a significant collection of some forty maquettes, preparatory drawings and works on paper relating to contemporary British sculpture.

Highlights include two maquettes for large scale works commissioned for the empty fourth plinth in Trafalgar Square: Rachel Whiteread's *Untitled Monument* (1999) and Bill Woodrow's *Regardless of History* (1999)



Grayson Perry (b.1960)

Animal Spirit 2016

Colour etching (blue) on paper

Presented by the artist Grayson Perry after the Gallery was shortlisted for the Hallett Independent Acquisitions Award at the London Original Print Fair at the Royal Academy of Art.



Nicholas Sinclair (b.1954)

Photographer Nicholas Sinclair has gifted two portfolios of his celebrated photographic portraits of artists to the Gallery. Working as a portrait photographer since 1982, Sinclair's work has been widely exhibited and published in Britain and Europe. These new collections comprise 34 portraits of artists including Celia Paul, Sonia Boyce, Frank Bowling (left) and Rachel Whiteread.



Sara Lee (b.1956)

Diminish 2016

Gouache and woodcut on paper

The acquisition of a woodcut, *Within Reach* by Sara Lee through the Golder – Thompson Gift inspired the artist to donate a further work *Diminish*, a gouache and woodcut on paper, depicting Venice silhouetted against an evening sky.



Simon Roberts (b.1974)

Inscape #10 Bell Lane, Cocking (2019)

Giclée Print mounted on foam board

The Gallery acquired a photograph taken as part of his 'Inscapes' series that was commissioned by Pallant House Summer 2019. The photographer donated a further two photographs.



Liberty Blake and Jann Haworth, *Work in Progress* 2016 (on-going) vinyl

The Gallery was given seven digital prints, each depicting one panel from Liberty Blake and Jann Haworth's *Work in Progress* mural (above), showing women who are or have been catalysts for change in the Arts, Science and Social Activism. Presented by the artists on the occasion of the exhibition *Jann Haworth: Close Up*, Pallant Nov 2019 – Feb 2020.



Colin Pearson (1923-2007)
Winged, stem pot with turquoise glaze
Gift from a Private Collection (2019)





Richard Hamilton *Kent State* (1970)
Screenprint on paper
Gift of Mr Edward J Ryan (2019)

New long-term loans

The following are some of the artwork gratefully accepted on long term loan during the year.



Lucian Freud
Dead Bird, 1943
Ink, gouache and watercolour on paper
On Loan from a Private Collection (2019)

	<p>Lucian Freud</p> <p><i>Girl's Head</i>, 1954</p> <p>Conté crayon on paper</p> <p>On Loan from a Private Collection (2019)</p>
	<p>Tristram Hillier</p> <p><i>Fécamp</i>, 1939</p> <p>Tempera on wood</p> <p>On Loan from a Private Collection (2019)</p>

Disposals

In 2019 the Arthur Miller Collection of Irish Glass was permanently transferred by gift to the Waterford Treasures Museums at Waterford in the Republic of Ireland for display in a dedicated permanent exhibition on the history of glass and glassmaking in Waterford. The transfer was completed with the support of the original donor Mrs Fiona Lunch, after approval by the Board of Trustees. The collection was valued at £59,470.

The Geoffrey Freeman Bow Porcelain collection was transferred by gift to the Holburne Museum in Bath, with the support of the executors of the estate of the donor Mrs Norah Freeman, according to the terms of her will. The collection was valued at £648,430 and was the only remaining asset in the Pallant House Gallery Trust, the unincorporated body that originally owned and managed the gallery until incorporation in 2010.

The transfer of both collections had been previously identified as key strategic goal for the period of 2018-20. Both moves were carefully considered in line with our Collections Development Policy so as to ensure a more appropriate venue and greater opportunity for display to a wider audience and were approved by the Board of Trustees. The Gallery did not financially benefit from the transfer of these collections and the Bow Porcelain collection was not even an asset of the current Gallery company but only managed by it.

In addition, a small number of non-accessioned items have been identified to be sold with consent from the donors to benefit the acquisitions fund.

Conservation and care

Pallant House Gallery provides the best and most appropriate care for its pre-eminent collection of Modern British and international art, this plays a central role in helping the institution achieve its core aims and objectives, ensuring that the collections are cared for and maintained in conditions intended

to preserve and extend their physical integrity for the enjoyment and benefit of diverse audiences and users.

The ongoing programme of conservation is led by requirements of new acquisitions, collection displays and external loans.

Major conservation projects in 2019/20 included the following:

Nigel Henderson, *Screen* (Wilson Gift through the Art Fund 2006)



Photo (left) shows installation at Tate Britain

A major conservation project was undertaken to stabilize and preserve the Nigel Henderson *Screen* (Wilson Gift 2006) ahead of its loan to Tate Britain for the exhibition 'Vital Fragments: Nigel Henderson and the Art of Collage', 2 December 2019 – 17 May 2020. In association with Tate conservators and researchers from the Paul Mellon Centre, this iconic work was cleaned, repaired and consolidated with a bespoke case enabling it to be shown as a free standing screen of four panels, protected, but with both sides visible to view for the first time since its creation. This exciting project was funded by the Paul Mellon Centre and included a film of the conservation process and significant research into the making of the work by the Paul Mellon Centre adding to our understanding of this important work and ensuring we are able to store, display and preserve the work for the future.

Jann Haworth, *Sorceress* (1970-1) mixed media sculpture, (Wilson Gift through The Art Fund 2006)

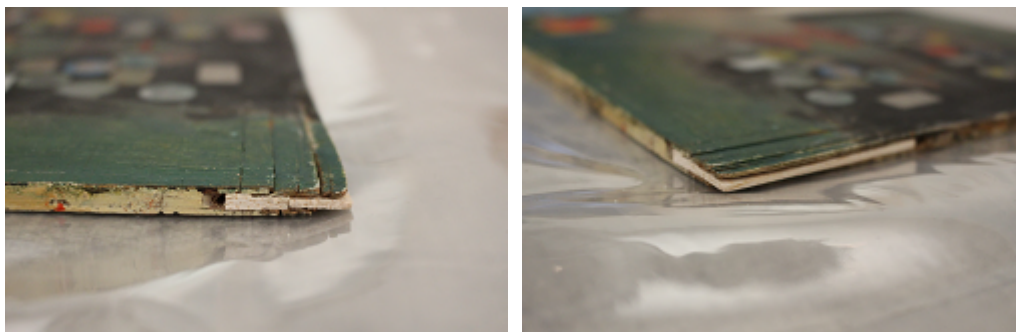


Pallant House Gallery has completed a successful project working with artist Jann Haworth to complete the remedial conservation of the textile sculpture *Sorceress*. This work had already undergone fumigation and extensive cleaning and was restored using contemporary fabrics and

replacement pieces sourced by the artist. It was able to be displayed for the first time since coming to Pallant House 'Jann Haworth: Close Up' 2 November 2019 – 23 February 2020

Images show Jann and her daughter Liberty working on the cloak of *The Sorceress* and the work on display.

Peter Blake, *Boy with Paintings* (1957-9), Oil and enamel paint on plywood panel, Muriel Wilson Bequest



In advance of its inclusion in the exhibition: 'A Life in Art: The Muriel Wilson Bequest' 15 February – 7 June 2020 paintings conservator Janet Brough undertook remedial treatment to address the collapsed area of the plywood panel in the lower left corner (see above). In the long-term, the work will be glazed and a backboard provided for protection.

In addition, 44 other works on paper from the Bequest have been conserved and re-mounted by paper conservator Sarah Deere. Works on paper are physically fragile and vulnerable to light levels, humidity, fluctuating temperature and acidity in historic mounts or backing materials. The Gallery follows an on-going programme of work to ensure newly acquired and collection works are displayed and maintained in optimum condition. Works may undergo a number of treatments such as lifting from acidic backboards; surface washing; repair of tears and re-mounting in conservation grade museum board.

Édouard Vuillard, *Modèle assise dans un fauteuil, se coiffant* (c.1903)

In December 2019, as part of celebrations to mark the 40th anniversary of the Friends of Pallant House Gallery, a fundraising campaign was launched to conserve one of the Gallery's major new acquisitions: Édouard Vuillard, *Modèle assise dans un fauteuil, se coiffant* (c.1903). The target of £7,000 was raised through the Friends, with conservation work to take place in the next financial year.

A further 11 works on paper were conserved and mounted in 2019/20. This included five key works by Henry Moore and six works not previously shown by artists Michael Andrews, Prunella Clough, Norman Bluhm and Ambrose McEvoy. Oil paintings by Michael Andrews and John Armstrong were glazed, backed and refitted in their frames, and a work by Mary Potter was cleaned and repaired.

External loans

The quality and importance of the collection is demonstrated by the volume of requests and the calibre of the exhibitions and borrowing institutions we support through loans. External loans are an important strategy in raising the profile of the Gallery and its Collection, bringing our works to a wider audience, building relationships and reciprocal lending opportunities; supporting conservation

through the preparation of works for loan and keeping our Library Collection relevant through the monographs and other publications provided as part of our Loan Agreement

From 31 March 2019 – 1 April 2020 we loaned a total of 57 individual works to 23 different venues including:

- *Bauhaus Masters Modernism*, Kunstmuseum Moritzburg, 29 September 2019 – 12 January 2020
- *Euan Uglow*, Museum MORE, Gorssel, Netherlands, 25 May – 1 September 2019
- *Fernand Léger*, Institut Valencià d'Art Modern, Spain, 02 May – 15 September 2019
- *Vital Fragments: Nigel Henderson and the Art of Collage*, Tate Britain 02 December 2019 – 05 April 2020
- *Lucian Freud: The Self-Portraits*, Royal Academy of Art 23 October 2019 – 26 January 2020 touring to Museum of Fine Arts, Boston 22 February – 25 May 2020 (Closed early due to coronavirus)

The recruitment of a dedicated Registrar was identified as the role best placed to provide the greatest potential for support, covering responsibilities integral to both the exhibitions programme and collections management. The post was filled in September 2019 and provides further opportunities and increased capacity for developing a strategic exhibition touring programme.

Interpretation and wayfinding

Following the receipt of the Arts Council Small Capital Grant (2018), the Gallery has embarked on a thorough wayfinding and interpretation exercise. New digital screens were installed at the Reception in 2019, which provide an engaging interface with visitors as they enter the building. The Gallery has implemented audience-response walls for its major exhibitions, which have been enthusiastically received, including postcards for visitors' artworks inspired by the Ivon Hitchens and Radical Women exhibitions.

Library and archive

Pallant House Art Reference Library and Archives support the work of all Gallery departments as well as external curators, students and researchers. The total number of Library visits in 2019/20 was 1,814.

The Art Library holds over 20,000 books; a comprehensive collection of artist's monographs, books and exhibition catalogues including a Special Collection containing items that are rare, unique or hold value in being preserved in their original format. These are supplemented by ephemera and archive materials to support research into and engagement with modern British art and the Gallery's collections. An archive of material relating to Pallant House Gallery, its history and architecture, can also be accessed by visitors and researchers.

The Art Library and Archive is managed by the Librarian (2 days per week) with the support of regular Library volunteers. The Art Library is included in the published guide to Chichester area libraries and archives in association with Chichester Research Libraries and Archives Collections Group and further promoted on the accompanying website. Use of the Library is by appointment but visitors may access the Reading Room, which holds a small reference collection including copies of the Gallery's exhibition catalogues.

The Art Library also hosted two work placements during 2019/20, continuing our relationship with the University of Sussex Art History department. Overseen by the Head of Collections and the Librarian, tasks included the movement and handling of artworks, documentation of archival material, recording the Gallery's Exhibition programme and changeover process, and independent research

Due to Covid-19, the Art Reference Library and Archives were closed to visitors and researchers on 17 March, and the Librarian was furloughed. The size and layout of the Library and Reading Room and the nature of their operations require additional Covid-19 safety measures to the rest of the public spaces.

Environmental & security

The Gallery's Annual State of the Environment Report 2018/19 was approved by Arts Council England at the beginning of May 2019, entitling the Gallery to continued membership of the Government Indemnity Scheme [GIS]. The scheme provides cost-free indemnity cover to borrowing institutions to enable the public display of art and cultural objects that might not otherwise have been shown due to the high cost of commercial insurance.

In addition, ACE-appointed Security Advisor Donna Bullock undertook a security review of the Gallery on 3 September 2019 and her report concluded that "The risk... is moderate. General security at the site is of a very good standard, providing modern security risk mitigation incorporating security and fire detection systems supported by gallery invigilation."

The report made a small number of non-essential recommendations and the implementation of these is monitored by the Gallery's Audit & Risk Committee.

Part of the Gallery's Covid security measures since reopening to the public have required us to make changes to our usual environmental controls. Internal doors within the galleries are left open to reduce touch points and improve air flow and the ventilation system in the New Wing is now bringing in 100% fresh air (instead of a mix of fresh and recirculated air) to reduce the risk of airborne transmission. Environmental levels are being closely monitored; some significant fluctuations have been recorded but not at levels to cause concern. The Arts Council has been informed in relation to our GIS compliance. The Head of Collections will be conducting some further analysis of the data to better understand the variables which caused these changes.

Exhibitions

We present exhibitions that say something new about British art from 1900 to now. We explore relevant subjects from fresh angles and celebrate well-known, overlooked and emerging artists.

The major exhibitions in the New Wing were supported by three Print Room exhibitions and collection displays and contemporary installations throughout the nine rooms in the historic house. The programme shows the relevance of Modern British art today, exploring international, contemporary, historic and local connections. The exhibitions and collections displays include thematic narratives concerning race, gender, sexuality and religion, diversifying the Gallery's programme. The programme included young, emerging and mid-career artists and we have ensured that women artists are well represented in collections displays and exhibitions

The Covid-19 pandemic and the first national lockdown meant that the Gallery's Spring Season was forced to close after just three days. However, it was possible to extend the external loans until November 2020, which allowed the Gallery to reopen with the existing shows in August. They have proved very successful with both visitors, critics and the press, and visitor numbers have exceeded expectations. With 117 hours less, due to reduced opening hours and timed ticketing, visitor numbers were 12, 675 and ticket income was £88,012. The Gallery extended its opening hours for the final week of the Barnett Freedman exhibition in order to meet demand for tickets.

However, the impact of the pandemic on Gallery finances have led us to review our future exhibition programme. We shall now have two major exhibitions each year, rather than three, for the next two

years and two major exhibitions have been postponed: Ben Nicholson to late Spring 2021 and Glyn Philpot to 2022. New exhibitions will be curated from works in the Gallery's permanent collection. Fewer large short-term exhibitions and fewer external loans will significantly cut costs and reduce staffing requirements. Smaller displays will be staggered throughout the year to attract repeat visitors and press coverage.

The period since March 2020 has been extremely difficult for Pallant House Gallery but we believe we have put in place the necessary changes in the gallery's infrastructure and exhibition programme to respond to the challenges. Our success in doing so will be a matter for next year's report.

The following is a celebration of what we were able to achieve during 2019/20 before the period of closures.

Spring Season (March – June 2019)

Exhibition visitor numbers: 13,256

The Gallery presented a highly successful pairing of exhibitions in spring 2019 that created connections between historic and contemporary art. *Harold Gilman: Beyond Camden Town*, in partnership with Djanogly Art Gallery and guest curated by James Rawlin and Lara Wardle, presented the first major exhibition of the artist's work in forty years. *Nick Goss: Morley's Mirror* was the artist's first museum presentation, meeting our objective to make Modern British art relevant today by exploring contemporary, historic and international connections; including an artist's curated selection from the permanent collection exploring his influences. This received significant reviews and drew a younger audience engaged with contemporary art.



Harold Gilman:
Beyond Camden
Town

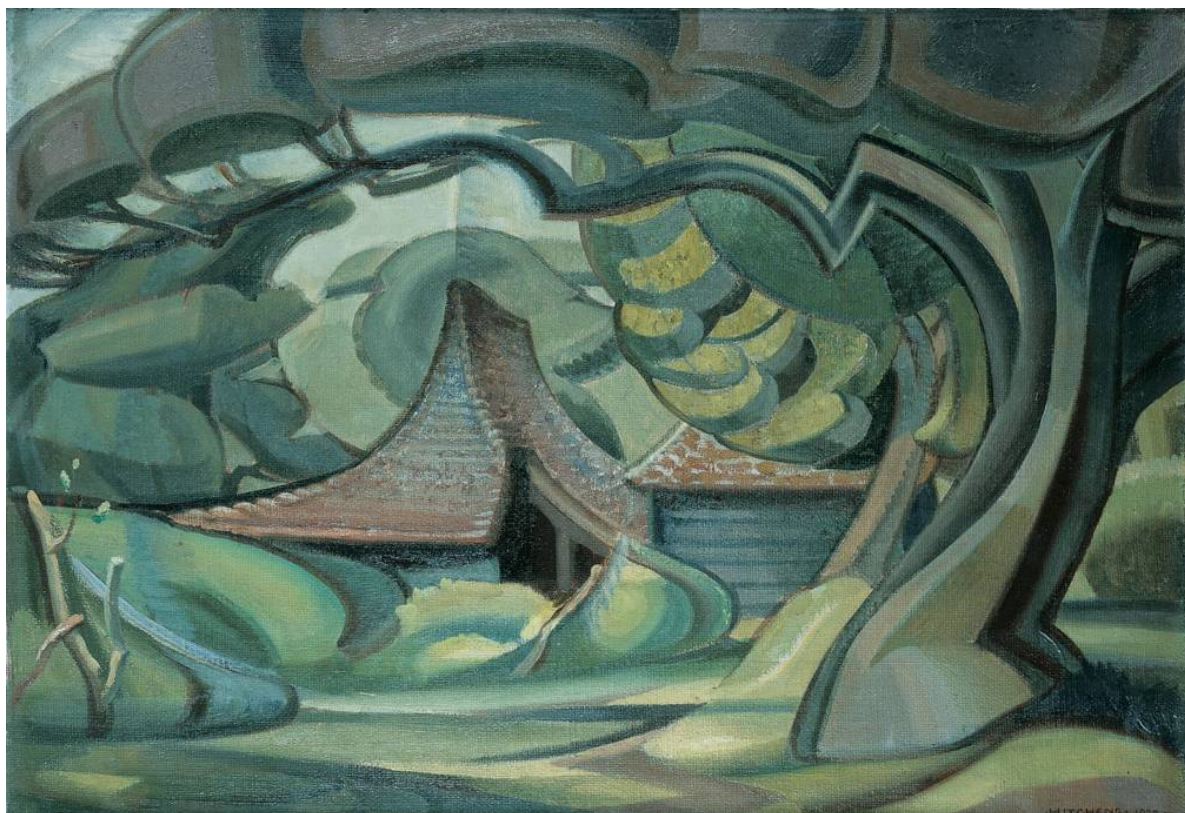
Art Quake: Post Impressionism and British Art was a collection display of 25 works from the collection that showcased changes happening in the early part of the twentieth-century, providing a wider context for Gilman's work. The work included by international artists including Paul Cézanne, Édouard Manet and Édouard Vuillard and leading British artists, Walter Sickert, Vanessa Bell, Duncan Grant and Spencer Gore.

From Pissarro to Kollwitz: The Elizabeth Burney Bequest in the Print Room celebrated a recent acquisition of works by British and continental artists, which enabled us to present new research into and conservation of the collection, whilst marking a significant female collector.

Summer Season (June – October 2019)

Exhibition visitor numbers: 19,947

The summer exhibition season focussed on British art and its local connections, with a major exhibition **Ivon Hitchens: *Space through Colour***. This was the largest Hitchens museum show since his retrospective in 1963, with over 100 exhibits (including 30 sketchbooks and archive items) and 11 items from the PHG collection. It included many depictions of the South Downs, which subsequently toured to the Djanogly Art Gallery at the University of Nottingham.



Ivon Hitchens *Curved Barn* (1922)

A partnership with the South Downs National Park resulted in a new country walks initiative in the footsteps of Hitchens, and a partnership with the Petworth Festival resulted in events and exhibitions North of the Downs, to reach new audiences through reciprocal marketing. The Sussex-based contemporary artist Simon Roberts was commissioned to create *Inscapes* a series of new photographs and short-films of the locations that Hitchens had painted, enabling us to explore contemporary connections and relevance in the programme, and connecting to initiatives such as Sussex Modern.

During this season the Gallery also took part in the nationwide Insiders Outsiders Festival recognising the cultural impact of refugees from Nazism and marking our contribution to celebrating diversity including a Print Room exhibition of ceramics and watercolours by the Jewish artist Grete Marks and an in-focus exhibition Walter Nessler: *Postwar Optimist*.

Autumn Season (November 2019 – February 2020)

Exhibition visitor numbers: 11,702

The autumn/ winter season celebrated overlooked women artists, including the exhibition *Radical Women: Jessica Dismorr and her Contemporaries*, guest curated by Dr. Alicia Foster, presented original research on an over-looked and under-represented female artist who was central to international and national art movements in the first half of the twentieth century.

Jann Haworth: Close Up, featured the first UK showing of the American pop artist's 'Work in Progress' mural addressing current issues around re-evaluating and celebrating overlooked female histories, achievements and contributions to society. Haworth was invited to select work from the collection and she chose to select work by all female artists.



Radical Women: Jessica Dismorr and her Contemporaries

These exhibitions received substantial press coverage and helped increase representation of women artists within the Gallery's programme, including a programme of talks and a Symposium on women artists funded by the Paul Mellon Centre for Studies in British art. Haworth also selected works by women artists in a curated exhibitions display, demonstrating the relevance of Modern British art to contemporary practice. An in-focus exhibition of Prunella Clough placed works from the collection in context with key loans; and the Print Room exhibition *Henry Moore: The Artist and his Patron* celebrated local connections through an exploration of the patronage of Walter Hussey, Dean of Chichester Cathedral and donor of the Gallery's founding bequest.

The Gallery presented a recent acquisition entitled *Galerie Simpson: Selection Box*, a portfolio of prints and multiples by eighteen contemporary artists. It is the latest acquisition through the Golder-Thompson Gift, a purchase fund established in 2001, and demonstrates the Gallery's commitment to showing contemporary printmaking.

The Gallery's Community Programme have exhibited in a selling Studio exhibition, celebrating the diverse community of local artists with a range of support needs.

Spring Season

12 March – June 2020

As previously mentioned, the Gallery's spring season closed after three days due to Covid-19.

Barnett Freedman: Designs for Modern Britain was the first major exhibition of the life and work of artist Barnett Freedman (1901 – 1958) in over fifty years and reflects the Gallery's commitment to showcasing over-looked or underrepresented artists within Modern British art. Curated by external curator Emma Mason, the exhibition includes paintings, drawings, lithographs, book jackets and illustrations and commercial designs. The variety of work on display had mixed appeal; for a fine art audience as well as a broader audience interested in commercial and graphic design.



Barnett Freedman: Designs for Modern Britain

Drawing on the strength of the Gallery's permanent collection, *An Outbreak of Talent: Bawden, Marx, Ravilious & their Contemporaries* presented work by Barnett Freedman's fellow Royal College of Art students in the 1920s. By using the collection to 'in focus' exhibitions to provide context to a temporary exhibition or artist or expand on a theme, it ensures an active approach is taken to presenting the collection. *A Life in Art: The Muriel Wilson Bequest* enhanced the Gallery's unique status of 'collection of collections', exhibiting the recent bequest of work by Muriel Wilson - female collector, first wife of Prof. Sir Colin St John Wilson, former Head of Visual Arts at the British Council and long-time supporter of the Gallery.

Drawn to Nature; Gilbert White and the Artists celebrated the tercentenary of the birth of Gilbert White; his book *'The Natural History of Selborne'* was first publication in 1789 and has remained in

print ever since. The exhibition showcased different editions of the book together with original prints and drawings by Modern British artists including Eric Ravilious, John Nash, Gertrude Hermes, Clare Leighton and John Piper. In addition, eleven contemporary illustrators and printmakers were commissioned to make new responses to Gilbert White's writings and these were displayed in the Garden Gallery. Works include wood-engravings, linocuts, watercolours, collages and stone carvings by the following: Christopher Brown, Neil Bousfield, Mark Hearld, Clive Hicks-Jenkins, Michael Kirkman, Ed Kluz, Angie Lewin, Alice Pattullo, Emily Sutton, Jo Sweeting and Tristan Sherwood. This exhibition, curated by the Director, offered audience several interesting links to the current temporary exhibition, a local connection and contemporary interests.

Exhibition catalogues

The Gallery publishes high-quality publications to accompany and provide a lasting legacy for its exhibitions, commissioning and sharing new research on Modern British art and artists. These reach an international audience of academics, students, libraries, gallery visitors, collectors, curators, art industry, and general art interest, and bring a significant commercial income to the Gallery and Bookshop.

Publications in 2019/20:

Title	Format	Print run	Sales (to Sep 2020)
Ivon Hitchens: Space through Colour	Hardback	2,500	1,753
Radical Women: Jessica Dismorr and her Contemporaries*	Hardback & softback	1,000	470
Barnett Freedman: Designs for Modern Britain	Hardback	1,000	702

*in association with Lund Humphries, and with support from the Paul Mellon Centre for Studies in British Art.

In addition, 'Nick Goss: Morley's Mirror' was published by Pallant House Gallery and Josh Lilley in association with Koenig Books, London to coincide with Nick Goss' exhibition in spring 2019.

Public Programmes

Our wide range of creative opportunities for people of all ages and backgrounds helps them to discover how art can have a place in their lives. Our Public Programme aims to ensure everyone feels welcome at the Gallery and our activities show the benefits of leading a creative life whilst providing opportunities to do this. Through delivering activities (programmes for all ages) the aim is to increase number and diversity of visitors to better reflect local, regional and national populations.

The Gallery's 3-year Public Programmes Strategy (2019-22) was approved by the Board in June 2019. It set out many goals for the year and the Public Programmes team made excellent progress in meeting those.

Given the increasing success and the momentum of the Public Programme over the last few years, it is a huge disappointment that the Covid-19 pandemic has prevented the majority of planned activity so far in 2020/21. Even after the Gallery reopened in August, social distancing requirements meant that events would not be financially viable, even if audiences felt comfortable attending. We are currently developing a programme of digital events, which will be launched alongside our Winter Season of exhibitions. In addition to serving our core audience, we recognise that this is an exciting opportunity to engage with new audiences.

Schools programme

	Number
Number of school visits	49
Total number of KS1-4 pupils visiting	906
Total number of pupils engaged outside of the Gallery	285

A slight decrease in these numbers from 2018-19 (-15% in total number of pupils visiting) reflected a slight change in focus to address lower numbers in FE / HE students, which increased substantially (see below).

It also reflects a drop in figures for the usually busy month of March – 18 out of 29 pre-booked school visits in March 2020 were cancelled due to Covid-19. The percentage of schools and pupils from Chichester District was similar to 2018-19, which was a priority, and the team managed for the first time to get out to schools to speak to pupils in their own institutions.

- The format for School visits - **Discover, Discuss and Do** – remained the same in 2019/20. Discover sessions were still self-led and free, with Discuss and Do sessions costing £50 per school and are led by a member of the Public Programmes team.
- A new focus for the Gallery's work was Creative Careers. Learning Coordinator, Holly Riddle, went into the Regis School and Littlehampton Academy to speak to year 9 students about career options and conduct workshops around pursuing a creative career. The team started to work with the Design Collective Chichester to continue this work in 2020-21 but this has been put on hold due to Covid-19.
- **School In Residence programme** continued, with funding secured (from the Eridge Trust) to help schools from further afield to pay for transport to the Gallery. Chichester Free School Primary were involved and Bishop Luffa returned for a second residency, in partnership with Art UK and their **Write on Art** competition. The programme was extended to **Nursery Schools in Residence** with three local nurseries attending during the year. Exciting residencies with Fordwater School for pupils with support needs and Littlehampton Academy had started or were being planned. Unfortunately, needed to be rescheduled due to Covid-19.
- The Gallery partnered with Arun Inspires and was involved in the judging process of choosing an **Artist in Residence for Angmering School**. The artist chosen is due to work with the pupils to create a new public sculpture in Angmering, after visiting the Gallery to learn about sculpture.

- **Seasonal Teacher Private Views** were a success with 25 local teachers in attendance in November 2019. The third one of the year was cancelled due to the Covid-19.
- The Gallery was involved in the steering group to create a **West Sussex Cultural Education Partnership**, a project that is led by Sussex Arts Academy and Chichester Festival Theatre.
- A year-long **Pallant Arts Award Club [PAAC]** was launched, offering Discover, Explore or Bronze Arts Award levels. It sold out with 13 participants (aged 8-14). Sessions took place on the second Saturday of the month in the Studio, but were delivered online after the Gallery's closure in March. The PAAC started again in October 2020 with a new cohort of students (including some previous participants) and will run online for the foreseeable future.

College and university programme

	Number
Number of FE/HE institution visits	66
Number of FE / HE students visiting	939
Total number of FE / HE engaged outside of the Gallery	183

These numbers reflect a push to engage with young people (16 and over) and students. The number of institution visits has increased by 247% (66 in 2019-20, in comparison to 19 in 2018-19) and the number of students visited has increased by 173% (939 in 2019-20, in comparison to 344 in 2018-19). The proportion of which are from Chichester District has stayed the same but, as with school pupils, there were more external visits to speak to students in their institutions; a very high percentage of these (83%) were in Chichester District.

- The Gallery continues to provide opportunities (3 in total) for **Chichester University** students to become **Partners in Art** – where they are partnered with a member of the Community Programme whom they help mentor and support to create new artwork. The Learning Coordinators created a small focus group of Fine Art students to ask them what they want from the Gallery. There was a trial of working with Chichester University's Creative Writing Department to be the first **University in Residence**; with a series of visits to the Gallery to inspire written work. The University also hosted one of the Gallery's Summer Lates in October 2019.
- The Gallery continued to work closely with **Chichester College**. A joint project with Graphic Design students challenged them to create content for the Gallery's website and online presence. Andy Green, Executive Principle, was a member of Public Programmes Advisory Committee until handing over to Jo Henderson (Head of Learning) in July 2020.
- The Public Programmes team began to take student **Work Experience Placements** in 2019-20 – one student for two weeks, full time, in the Easter holidays and one student for 6 weeks, part time, in the Summer holidays. Both were interested in finding out more about a career in museums and were a great asset in helping the team deliver a number of successful family activities.

Children, young people and families programme

	Number
Number of participants in Early-Years workshops	186
Number of children attending paid-for workshops	211
Number of participants in free activities	2654
Free Open Weekend participants	1300



- **Early Years workshops** ran two sessions on first Friday of every month. Most sessions sold out and we had an overall increase of 20 more participants from 2018-19 (166).
- The Gallery's annual **Open Weekend** took place on 13 and 14 April 2019. 1300 people visited the Gallery during the two days, taking part in free activities such as wallpaper printing, behind-the-scenes tours of the library and print room, spotlight tours, badge-making, flag-making, in-gallery trails, doggie life drawing in partnership with Canine Partners and a Name the Ostrich activity. As a result of this, and a public vote via social media channels, the Gallery's stone ostriches are now named Tracey and Barbara (after artists Tracey Emin and Barbara Hepworth).
- During Easter and Summer, the Gallery held more **Free Activities for Families** which has resulted in the 430% increase in participants in free activities (from 500 last year). Easter activities included partnering with the Novium for Roman Week and holding 4 colour mornings, encouraging visitors to dress up in a different colour every day.

Free Range Saturdays, on 27 July and 10 August 2019 exceeded expectations with each morning reaching 335 and 337 visitors respectively. Nature-themed activities such as storytelling, bouquet-

bingo, paper marbling and printing with natural materials were inspired by the Ivon Hitchens exhibition. Staging the second annual **Christmas Starlight Trail** in partnership with the Novium, Chichester Library and Ede's House, also added to this number, as did being invited by national charity, **Kids in Museums**, to be one of 50 UK Museums to take part in a Where's Wally Big Museum Hunt in October half term.

- The Gallery's **Paid-for Holiday Workshops** introduced in 2018-19 built momentum and a core audience, resulting in 211 participants in comparison to 2018-19's 148 (43% increase). These workshops were categorised into two ages groups (6-10 years and 11-15 years), were taught by freelancer artist educators and responded to the current exhibition season.
- The Gallery started a new **Children's Choir** in collaboration with local company, Little Notes. Around 14-16 children attended each Thursday evening to rehearse in the Gallery.
- **In-gallery Activities for Children** continued to be developed for each exhibition season and for the Ivon Hitchens and Radical Women exhibitions, there was a 'response wall' where visitors could contribute their own landscape postcard or radical woman portrait.
- **Theatre Inc Partnership:** Once again the Gallery partnered with Theatre Inc – a youth theatre company, based at Chichester College, for young people living with disability. In July 2019, a group of 20 performers held two performances inspired by their visit – the highlight being a promenade short play through the Galleries called Murder in the Gallery.
- The Gallery continues to play an active role in the **Chichester Cultural Learning Partnership**. A 'summer passport' was created in 2019 to encourage local children to visit the 6 organisations (CFT, The Novium, Fishbourne Roman Palace, Weald and Downland, Chichester Cathedral and the Gallery).

Community Programme

The Community Programme worked closely with 194 participants, with a high percentage of these from Chichester District (at least 80%).

Continuing the Gallery's Community Programme in some form during lockdown was an immediate priority. It supports almost 200 adults with a range of support needs - many of whom already suffer social isolation - so it was important to keep participants connected to each other and the Gallery, and to help them sustain their creativity and individual art interests.

A 'Telephone Partners' scheme was set up based on our successful Partners in Art model and, through our close links with Chichester Social Prescribers, an additional four referrals were made in the first three months. A new Community Programme Facebook group (monitored and moderated by staff) was created for members to share artwork and ideas and over 100 packs of art materials were sent out to encourage creative activities. These were extremely well received, with feedback from recipients like the following *"I received your art pack yesterday and was so thrilled. It brightened up my whole life for the moment."*

As soon as the Gallery reopened, one to one visits were offered to Community Programme members and 56 have taken place to date. Subject to Government guidance, there are plans for small number of socially-distant workshops to restart on site in the new year.

In 2019-20, there were 5022 instances of people participating in our Community Programme activities. These included regular, weekly art sessions at the Gallery as well as one-off events such as Share Art (in partnership with Outside In), Creative Conversations sessions, trips, exhibition openings and instances of Partners in Art meeting.

- The **Annual Community Programme Report** was published in July 2019. For this report all members of the programme were asked about their experience, some key quotes are shared here:

"It's given me a bit of pride. Think I've got a bit more concentration and also it makes me feel, when I make mistakes, it's not the end of the world. So less afraid to make a mistake generally."

"One of the best things in my life. Invaluable."

"I think it is a fantastic opportunity! It is life affirming, creative, positive, encouraging and hopeful. I feel included in something really exciting and constructive."

- More trips to community programme members were organised than usual during the year: Fabrica in Brighton, the Weald and Downland Museum, Chichester Canal, Southampton Art Gallery, Charleston, the Watt's Gallery and a summer social picnic in Priory Park.
- The **Annual Community Programme Fundraising Exhibition** in the studio over the Christmas period once again raised over £2,000. This was accompanied by a Christmas card designed by one of the members of the Community Programme which was sold in the Gallery book shop. Profits from the card sales will go back into the Community Programme budget.
- Volunteer Lisa Mundy won the **Marsh Award for Volunteers in Museum Learning** for the South East region 2019. Lisa, who has been a regular volunteer on the Community and Learning programme for some years, attended an Awards Ceremony at the British Museum in September with some of the team.
- Three members of the Community Programme Staff joined Gallery staff to present at the **Museums Association Conference** in Brighton in October 2019. The hour-long session - entitled 'Museum-led social prescription' - was attended by around 70 people and included a lively Q&A session where many interesting questions were raised. The panel received very positive feedback both afterwards and on social media, with many commenting how refreshing it was to hear directly from participants and about the challenges, not just the successes. The team was also invited to speak about the Community Programme at the Museums + Heritage Show but this was cancelled due to Covid-19.
- The Gallery and its Community Programme won the **Chichester City Council Community Award 2019** "for groups or organisations who have made an outstanding contribution of the City and its residents".
- The Community Programme continues to work closely with **Chichester Cathedral**, who have now trained their staff to do Art Views as part of their regular programme. The 'Safe Spaces' exhibition was shown in Chichester Cathedral from 3 October – 4 November 2019. Sixteen artists from the Community Programme showed a variety of different works and received much praise, including a 3-page article in The Church Times. Comments from visitors included:

"I am moved and in admiration"

"Talent everywhere – excellent!"

"The exhibition is wonderful, I particularly enjoyed reading the labels and finding out how the artists approached their work."

The Gallery has also stepped up its work with different groups, outside of the Community Programme.

- In May 2019, the Gallery was awarded £92,000 from the **National Lottery Reaching Communities Fund**. This grant will support a two-year project (which started in September

2019) to work with new organisations in lower socio-economic areas. The project - called Pallant Partners - involves weekly workshops with partner organisations in Bognor Regis and Littlehampton (Bognor Mind, Littlehampton Mind, Stonepillow Bognor and Early Intervention in Psychosis Service Bognor, and the Social Prescribing team in Littlehampton).

- The Gallery launched its **Access to Art Pass** scheme in Mental Health Awareness Week (13-17 May). This is a scheme where 100 local organisations and charities are given an annual pass to bring groups to the Gallery for free. They were also issued with a comprehensive Access Guide to the Gallery which was created especially for this scheme.
- The Gallery relaunched a new **Access Forum** with approximately 10 members, including representation from the Gallery's Community Programme, staff, volunteers, charity 4Sight and Chichester Sanctuary for Refugees. Small changes to make the Gallery more accessible are being implemented all the time thanks to this group's input and suggestions. The Gallery's Access Guide has been updated to include more information, there are hands-free lights in the toilets, iPads are available at reception for people to borrow if they'd like to view artworks through a screen (this sometimes helps those with poor vision) or use an app that will read labels out loud.

Adult programme

In 2019/20, the Gallery recorded approximately 3,550 participants in the programme of seasonal talks, art courses, practical workshops, tours and Summer Late events.

- The seasonal Talks Programme continued to go from strength to strength, with approximately 75% of all Thursday evening talks selling out (80 tickets). Highlights included a reading of *A Short Affair* by Juliet Stevenson, an event in partnership with Pin Drop Studio, Chris Stephen's talk on *Van Gogh in Britain*, Anne Goodchild's curator's talk on the Ivon Hitchens exhibition, Jann Haworth's artist talk, and branding guru Michael Johnson, in collaboration with Design Collective Chichester, bringing a younger design audience from further afield to the Gallery.
- The new Summer Lates programme in partnership with local organisations was extremely popular and attracted a younger, more diverse audience to the Gallery. Programme partners were: Portsmouth-based Strong Island who presented a vibrant live street-art event in the garden, with three established street artists painting throughout the evening in front of visitors; **Design Collective Chichester**, took over the Gallery with their 'Wish You Were Here' theme (members of the Collective had designed a pack of 50 postcards celebrating the local area and staged talks and workshops around this theme); Chichester Festival Theatre staged an evening of performance and dress-up, bringing authentic costumes and props for visitors to try on and some objects from the Theatre archive on display; Chichester University MA Fine Art students took over the spaces to display their work and stage performances and workshops; and the Limina Collective curated a Mindfulness Late, which offered free sessions on slow looking, mindfulness, tea-tasting, 'visual medicine' painting and a gong bath.
- Practical Workshops of all kinds kept participants occupied during the year. Introducing Mindfulness sessions was a success this year, with London-based collective, Limina, and monthly Life Drawing classes continue to be sold out. Both a Spring School and Summer School led by artist Kate Boucher were a success once again, and Digital I-pad Drawing, Photowalks, Christmas workshops and Landscape painting were also popular.
- The 'Radical Women' Symposium, supported by the Paul Mellon Centre for Studies in British Art, took place at the Gallery in February. The event was sold out with 60 delegates, and 13 speakers:

"Went away with book full of notes and mind full of ideas"

"Fascinating, wide ranging and competently done. Of immense interest and value"

- The Symposium was accompanied by a day-long Wikipedia edit-a-thon on 7 February, funded by the Wikimedia Foundation. With representatives from Art UK, Eiderdown Books and Wikipedia, the event taught participants how to edit Wikipedia entries about women artists.
- Art History Courses continued seasonally, with new leaders being introduced in 2019-20; writer Philomena Epps led a 2-part course about The Art of Feminism, and experienced speaker Richard Cupidi lead a 3-part course on American Originals. Both speakers had glowing reviews:

"Richard really brings artists and their work alive – so vibrant and interesting"

"These talks are an absolute bonus to Pallant's offer"

"An excellent series– engaging, informative, lively and enlightening"

- Bi-weekly Spotlight Talks and seasonal thematic tours continued to be given by the Gallery's formidable group of around 15 volunteer Gallery Guides. They imparted their knowledge to over 250 visitors this year and continue to be an immeasurable asset to the Gallery.

Communications

The Gallery's core values; Connecting and Collaborative, Bold and Ambitious, Open and Welcoming, Outstanding quality are used to help form and deliver the Gallery's Communications strategy. The values are communicated as strongly externally as they are upheld internally.

With reaching the widest possible audience at the heart of what we do, we are constantly evaluating and deepening our knowledge of our audiences, both established and emerging, to ensure we are identifying, targeting and communicating with each audience segment as effectively as possible, enabling the Gallery to expand into new areas of growth whilst sustaining our core visitor engagement.

The Gallery increased its communications activities significantly during lockdown, as our eBulletins, website and social media channels became our primary methods of engaging audiences and delivering our charitable aims. These included:

- Creating weekly eBulletins with a "menu" of articles to read, talks from our archive to listen to and creative activities that could be done at home.
- We doubled the frequency of our blog posts from monthly to at least fortnightly, subsequently increasing the number of page views by over 60% since the beginning of the year.
- We adapted our website so that it was rich with content for browsing, creating new sections with information about our collection and another offering creative activities for families while home-schooling. These activities were extremely popular and one activity – making a Pop-art inspired robot – was featured in national newspapers and magazines (World of Interiors and i online).
- The Gallery's Instagram audience has grown by over 20% since March 2020 (from 17,653 to 21,444 followers) and our weekly art quiz during lockdown regularly attracted 800+ responses (usual average audience for Instagram stories approx. 500).

Understanding our Audiences

Our evolving digital platforms significantly increased access to audience data in 2019/20. We now have Spektrix data, Google Analytics, digital advertising, social media and eBulletin data in addition to our Audience Finder and in-house surveys and more informal feedback.

Two new data sharing agreements came in to effect in January 2020 (with Watts Gallery & Ditchling Museum of Art + Craft) along with CVAN South East to help inform our benchmarking and enrich our understanding of audience behaviour.

The integration of the Audience Agency's 'Audience Spectrum' into Spektrix enables us to report on our visitors using their audience segmentation and also to send targeted eBulletins to those different segments. The introduction of pre-booked online tickets in August 2020 (as part of the Gallery's Covid security measures) means that we will be able to undertake a more extensive and accurate analysis of our audience data from 2020/21 onwards.

As a result of the pandemic, digital audiences have grown significantly this year. We are currently surveying our digital audience in order to understand them better and gather the audience information we need to build a strong digital strategy and set benchmarks to accurately monitor our success.

Content Strategy

In April 2019 we created and put into action a Content Strategy detailing how we use our content to meet organisational objectives, communicate the Gallery's brand and offer, and what kind of content we produce and where we publish it. In line with our established objectives, we have since seen the launch of our Perspectives blog, filmed interviews with artists, uploaded recordings of Gallery talks to Soundcloud and installed Simon Robert's 'Soundscapes' as an adjunct to the 'Ivon Hitchens: Space Through Colour' exhibition.

By necessity, the Content Strategy has evolved in 2020 in response to Covid-19 and the changing circumstances of the Gallery and our audiences. We have focussed more time and resources on creating absorbing content for consumption at home, enabling us to reach audiences who may not be able to visit and also engaging those who aren't yet familiar with our work. As consumer engagement with digital content has skyrocketed during the lockdown, and with certain trends appearing here to stay, the Communications department has adapted their digital content plan to create an expanded programme for 2021 including films, podcasts and digital events.

Magazine

In 2019/20, three editions of the Gallery magazine were published corresponding to each of the three exhibition seasons. Magazines are distributed to the Friends as part of their membership package, given to key stakeholders and available for sale on the Gallery's reception desk. Over 8000 copies were distributed and a further 4000 were sold last year.

Press

Since summer 2019, the Gallery has worked with external PR company Rees & Company on our press campaigns

The Ivon Hitchens exhibition generated over 30 pieces of press coverage, including a six-page spread in *World of Interiors*, as well as articles and reviews in local and national publications. The Grete Marks and Walter Nessler exhibitions, which were part of the nationwide Insiders / Outsiders Festival, were included in press coverage about the festival in national and international press. Stories of particular

relevance to our local audiences were placed with local papers; the Summer Late curated by Design Collective were covered in the *Chichester Observer* and the launch of the Free Range Saturdays for the Summer season was covered in *The Chichester Post*.

The Autumn season achieved 40 items of preview, review and interview coverage across broadcast, print and online, in national newspapers, magazines, and arts and trade publications, with an estimated total circulation of 7 million. *Radical Women* was the subject of major reviews in *The Guardian*, *The Independent* and *The Financial Times*, and the Art Fund recorded a film about the exhibition for their *7 Questions* series with actress Juliet Stevenson. Jann Howarth was interviewed for BBC Radio 4's *Woman's Hour*.

In order to attract more journalists and art critics from national newspapers and the arts trade press, we shifted our Press View to the morning before the new season opens. As a result, more leading journalists visited, resulting in better coverage but also improving our relationships with the individual journalists and raising the Gallery's profile. This was reflected in the amount and quality of coverage, with our Autumn 2019/20 exhibitions receiving positive reviews in *The Telegraph*, *Guardian* and *Financial Times* in their opening weeks.

While the Gallery is well known for the quality of its exhibitions, the pioneering work of the Community Programme and our conservation work had not been widely promoted. To redress this imbalance, we increased the number of press announcements related to these areas from an average of two per year to five in 2019, resulting in more coverage in local newspapers (outside the culture pages) and trade press (*Museums Journal*). This helped raise our profile and shift perceptions of the Gallery, locally identifying us as a valuable community contributor and within the trade as a sector leader in this field.

Tourism

Following a review of print material in 2018/19, a new "Destination" leaflet was created in 2019/20 aimed at new audiences - in particular tourists and those in "active retirement". 40,000 copies were printed which have been distributed to local attractions, accommodation providers and Tourist Information Centres across the South East and in London.

Pallant House Gallery continues to be part of the **Sussex Modern** cultural tourism network. Phase 2 of the programme (launched in July 2019) aims to promote the Sussex landscape, culture and wine production, through joint marketing and partnerships between land stewardship organisations, arts and cultural venues and local vineyards.

Buildings & facilities

Pallant House Gallery has one of the most distinctive architectural settings of any modern art museum: a combination of a Queen Anne townhouse and a modernist gallery, which sits at the heart of a historic conservation area in Georgian Chichester. The townhouse, built in 1712-13, is recognised as being of exceptional interest both for its Grade I-listed red-brick exterior and Grade II* railings and forecourt, and its panelled interiors, including a remarkable carved wooden staircase. It is almost unique as a furnished Queen Anne domestic building in which Modern and Contemporary art can be experienced. The modern extension, which opened in 2006, was designed by Long & Kentish, in association with Prof Sir Colin St John Wilson, the architect of the Grade I-listed British Library. It has received much praise for its bridging of historic and modern spaces, with references to international modernists such as Alvar Aalto and Hendrik Berlager. We were the first museum in Britain to feature a sector-leading environmentally-sustainable geothermal heating and cooling system.

Over the summer, we undertook detailed risk assessments in relation to all areas of our operations and was awarded the Visit Britain's *We're Good To Go* kitemark prior to reopening. Health and safety and social distancing measures were implemented for both visitors and staff and the following changes were introduced:

- Perspex safety screens at till points on the Welcome desk
- A one-way system throughout the building to help flow of visitors and aid social distancing
- A re-hang of works in the historic House to create more space, and the closure of two rooms
- Signage and Covid-related guidance at main entrance and other key locations
- Doors into galleries left open to reduce touch points and congestion
- Changes to ventilation to bring more fresh air through the galleries in the New Wing
- Foot-operated hand-sanitising stations at key locations in the building
- Café seating in the Garden Gallery was removed
- Toilets restricted to two users at a time, with paper towels instead of handriers
- Enhanced cleaning regime

Care, maintenance & security

The Gallery continued its ongoing care, maintenance and security programme. Specific tasks undertaken in 2019-20 include:

- The installation of a new reverse osmosis unit in the basement plant room, ensuring the Gallery's humidifiers are fed with purified water. This minimises the risk of scale build-up and the release of potential contaminants into the ventilation system. Standalone humidifiers in the historic House were also replaced and the air-handling unit in the roof plant room underwent a major service.
- Improvements were made to the electrical systems in the historic House following the triennial Electrical Installation Condition Report on Pallant House in 2019. New fuse boards were fitted with individual RCD protected circuits and all mains cables upgraded.
- Additional security lighting has been installed in the garden. Downlights next to the external restaurant door and gate to East Pallant have been fitted with a day and night sensor, which illuminates the area during dark. The installation of a remote control floodlight in the North West corner of the garden enables those who attend an evening security call-out, to light and inspect the area without putting themselves at risk.
- Fire Officers from Chichester Fire Station were given a familiarisation tour of the buildings, to identify any hazards or risks associated with the site. In the event of an emergency, they will be able to navigate the buildings efficiently and tackle any issues effectively. Staff and volunteers also received updated fire orders as part of their regular fire safety training.
- Additional security measures were implemented as a result of the Arts Council's Security Review. A keypad lock has been fitted to the door leading from the bottom of the house's stairs to the cellar. Only those in possession of the key code, security fob and key can access the cellar and basement areas.
- First aid training was given to selected staff in April 2019. As a result, the Gallery purchased and installed a defibrillator, which included a further half-day course of training. In addition, there has been training for Evacu-chairs for Front of House staff

Access Audit & improving physical access to the Gallery

A Disability Access Audit of the Gallery's internal public spaces conducted by the Chichester Disability Access Group in late spring 2019. Overall feedback was positive, with the report concluding that *"Pallant House Gallery goes to great lengths in order to provide good access to all its staff and visitors"*. However, a number of improvements were identified and have subsequently been implemented, including the installation of occupancy sensors to both accessible toilets and updated guidance for users of the hearing loop.

In order to ensure continuing improvements, and to inform the development of the Capital project, the Gallery created an Access Forum, which met for the first time in September 2019. In attendance were representatives with a range of different lived-experiences and access needs, from the Community Programme, Gallery staff, Gallery volunteers and external partners such as charity 4Sight and Chichester Sanctuary for refugees.

Systems, processes and technology

The Gallery introduced a new CRM system called Spextrix in 2018-19 which required a significant amount of data-cleaning in order to achieve GDPR compliance with over 40,000 individual records. This continued during 2019-20; the duplication of Friends' records on the system was manually rectified,

Spektrix is used across all Gallery departments, and integrates with our financial and till software. The requirement to introduce pre-booked timed entry prior to reopening enabled us to bring forward our implementation of an online ticket sales system, by integrating Spektrix with the Gallery's website. Not only are visitors able to book their tickets through the Gallery website but we are able to capture much more accurate data about them. This will, in turn, increase our understanding of our current audiences and opportunities for further audience development.

In autumn 2019, twenty-nine of the Gallery's PC were upgraded to the Windows 10 operating systems. The decision to upgrade rather than replace not only saved money (approx. £700 per PC) but also avoided an enormous amount of waste and recycling. The Gallery's Remote Desktop Server [RDS] was also upgraded at the same time, improving speed and capacity for staff when working remotely.

Following the closure of the Gallery and subsequent lockdown, staff were advised to work from home wherever possible, and this advice remains in place. This has been facilitated by the RDS, specialist web-based software (such as Spektrix and Xero) and video-conferencing platforms such as Zoom. The Gallery has developed a draft Homeworking Policy (in consultation with our HR consultants and insurers) which is due to be approved by the Board in December. Staff have also been required to complete a health and safety assessment of their home working environment and equipment, with the Gallery providing additional equipment if necessary.

Statement of Significance & Conservation Management Plan

In order to inform the Capital project, heritage consultants Alan Baxter Ltd were appointed in December 2019 to produce a Statement of Significance for the historic House (completed Feb 2020) and a Conservation Management Plan [CMP] for the entire site. Although the Capital project is now on hold, the Gallery approved the completion of the CMP in September this year, and it is expected to be delivered at the end of November. The CMP will inform and prioritise the care and maintenance programme of the historic buildings in line with the Gallery's obligations under its charitable objectives and its lease on Pallant House. It will also be shared with our landlord, Chichester District Council, who are responsible for maintaining the exterior of the historic House.

Environmental sustainability

The Gallery is committed to playing a positive role in securing a sustainable future for environment, by reducing energy use, encouraging recycling and taking positive steps for the organisation.

The Gallery's Environmental Policy was updated and approved by the Board in June 2019. Our annual Sustainability Report 2018/19 was submitted to Julie's Bicycle in May 2019. It demonstrated a 48 tonnes CO₂e reduction in the organisation's environmental impact. The reduction was 10 tonnes in 17/18 and 40 tonnes in 16/17.

We are continually seeking to reduce the Gallery's energy consumption and switched to 100% renewable electricity and green gas in April 2019. While our usage of gas and electricity has decreased, higher energy prices have seen our bills increase. A rolling programme to introduce more energy efficient lighting in private and public areas has been completed as far as possible.

A plan to upgrade to a more energy-efficient LED lighting system in the historic House is to be included as part of the Gallery's Capital project. The Gallery is continuing to working with architects Wright & Wright and engineers Max Fordham to develop the scheme and hopes to proceed with installation in early 2021.

Initiatives to reduce internal paper use were introduced and all internal printing and photocopying was switched to recycled paper. Staff milk is now delivered (replacing plastic cartons with reusable glass bottles) and a weekly box of organic fruit delivered for staff, not only reducing waste and food miles but also supporting local businesses.

With the majority of staff working from home for the last eight months, both employee travel to and from the Gallery, and travel on Gallery business has been dramatically reduced. The widespread adoption of video-conferencing over the last year is unlikely to be reversed post-Covid so this trend is likely to continue. Changes to the Gallery's exhibition programme and less reliance on external loans will also reduce the environmental impact of our temporary exhibitions

Commercial activities

Both the Café and the Bookshop are run on behalf of the Gallery by independent operators under agreements that sets out standards for doing so. Both operators have a standing invitation to attend the Gallery's Commercial & Communications Advisory Group and regularly meet with management, so that they are apprised of the Gallery's own programme and there is a healthy two-way dialogue over performance.

The closure of the Gallery on 17 March 2020 also necessitated the closure of the Gallery Bookshop and Gallery Restaurant and Café with immediate effect. Both businesses were given concessions to tide them over the closure period (April – July). Although this cost the Gallery in lost revenue, we were keen to support our partners and to ensure the continuity of a high-quality offer to visitors when they returned.

Pallant Café & Restaurant

The catering is a franchise operated by The Sussex Bar and Food Company under an agreement that links rent to turnover. The contract is due to be renewed in 2022. Until 17 March 2020, the Pallant Restaurant had a capacity of 44 covers, and the Pallant Café a space of 25 covers, plus significant additional table and bench space in the courtyard garden. In 2019-20, the catering offer provided the Gallery £15,173 in rental income.

The Gallery has loaned prints from the collection to Purchases Restaurant, which is operated by the Sussex Pub Company, in order to further brand-alignment and promote the Gallery within the city centre.

Pallant Café & Restaurant closed in March 2020 and reopened in a different configuration when the Gallery reopened at the beginning of August. Although the closure of the Gallery Restaurant and Café had serious financial implications for the operator, it also provided an opportunity to review its existing operations. Prior to lock down, the high labour and operations costs of the Restaurant meant that it was under performing against the Café in the Garden Gallery.

When the Gallery reopened in August, the catering offer was consolidated into the Restaurant and Courtyard, with a simpler café-style menu better geared to the Gallery's daytime visitors.

Good weather and high number of visitors to the Gallery led to good sales in between August and October as customers were able to use the additional seating in Courtyard garden. However, the winter is likely to prove more challenging when the weather prevents regular use of the Courtyard.

Pallant Bookshop

The Bookshop is an independent franchise operated by Nicholas and Caroline Higbee, who are stakeholders within the Gallery, and work closely in parallel with the Gallery's programme and exhibitions. The Bookshop Director sits on the Gallery's Collections and Exhibitions Advisory Group.

The Bookshop is the primary point of sales for the Gallery's publications, postcards, collection prints and other merchandise based on the collections and exhibition. In addition, the Pallant Bookshop is the leading specialist bookshop for Modern Art Britain art and design, with extensive stock of both new publications and exhibition catalogues, rare books and first editions, artist-illustrated and limited edition prints. The Bookshop also stocks ranges for children and young people, gift ranges (from mugs to tea-towels), greetings cards and postcards.

The Bookshop contributes a rental income of £18,000 per annum, and pays a commission to the Gallery on its products. The Bookshop has a separate staff structure, with a separate office in the Pallant. Gallery stock is held on site, but the Bookshop has separate off-site storage. The Bookshop e-bulletin mailing list has 6,000 subscribers and approximately 30% of their income (pre-Covid) is derived from web sales. There is potential growth for extending the Pallant House Gallery brand in the USA and to international clients who are lovers of Modern British art.

In addition to the Barnett Freedman publication, the Gallery commissioned a mug and tea towel based on his designs to generate additional commercial income from the exhibition. Although sales in the financial year 2019/20 were minimal (due to closure), they were popular when the Gallery reopened. A second run of both the mug and tea towel were ordered in October 2020.

Apart from a short period in April, the Bookshop continued to trade online throughout the closure. Where appropriate, the Gallery's weekly eBulletin has included links to Gallery publications for sale on the Bookshop's website, which has led to increased sales. The Gallery and the Bookshop will continue to look for joint and complementary marketing opportunities.

Fundraising

Pallant House Gallery actively seeks philanthropic support from a wide variety of sources, securing restricted and unrestricted income from individuals, companies, trusts and foundations and statutory bodies. The 2019/20 Financial Year saw the retirement of the Gallery's longstanding fundraiser and the handing over to a new Head of Development. The Gallery has only a single fundraiser. All

fundraising activity is carried out in house and no agencies are employed to fundraise on behalf of the Gallery.

In 2019/20, building upon historic successes, the Gallery prepared to embark on a Capital Fundraising Campaign for the expansion of the Gallery in order to ensure its future sustainability. In spring 2019 a new strategy was presented and approved by the Board of Trustees, along with a new Donation Acceptance Policy. No material expenditure on the fundraising campaign was committed during the year under review.

The Gallery's new Customer Relationship Management system was embedded into the department, improving centralised working, reporting and financial visibility. A seven-stage pipeline prospects and donors has been activated and currently holds over 350 prospects, with a total 'ask' target of £30 million for the Capital campaign.

The Development Committee, chaired by our Trustee Jackie Russell, consists of seven members, who each bring skills, expertise and networks to help the progression of the fundraising strategy. They have also contributed to a series of cultivation and stewardship events, which were held monthly in 2019, including exhibition tours, drinks receptions and dinners. These events helped to actively move prospects through the pipeline in preparation for the expected Capital Campaign launch in 2020.

In 2019/20 we received £527,884 in gifts and pledges from individuals, trust and foundations, corporates and £357,429 in funding from public bodies, particularly from Art Fund, ACE, NLHF and tax reliefs.

Fundraising activities were compliant with appropriate codes and there have been no complaints about our activities.

COVID: In March 2020 Trustees put the Capital campaign on hold in light of the developing situation around the Covid-19 pandemic. The subsequent closure of the Gallery and the ceasing of much economic activity in the UK has significantly altered the philanthropic environment in ways which remain unpredictable.

It is vital that over the coming eighteen months we do everything possible to retain existing supporters and maximise our income from them; appropriately stewarding their past philanthropy and identifying opportunities to convert historic supporters to current donors.

Ensuring that our ongoing revenue fundraising is effective and secure will allow us to revisit a Capital Campaign in a healthy situation once it is appropriate to do so.

Friends

The Friends of Pallant House Gallery, founded 40 years ago, today stands at nearly 4,000 members, including joint members, with around 2,576 paying subscriptions. They are knowledgeable and enthusiastic champions of the Gallery, and their financial support is the lifeblood of the Gallery.

There are several different membership packages available, and benefits include free admission, exclusive access to Friends previews and other events and a subscription to the Gallery magazine.

Following the successful merger between the Gallery and the Friends in 2018, responsibility for stewardship of the Friends was integrated across multiple departments in May 2019, in order to take full advantage of existing experience within the staff team.

Our CRM software Spektrix now captures all membership data, allowing more productive and timely reporting. Membership training has been completed for 12 members of the Front of House team and

a new system of reviewing training is in place. New Friends membership gift cards were launched in autumn 2019.

In December 2019, the Gallery celebrated the 40th anniversary of the founding of the Friends of Pallant House Gallery. A special event was held to mark the occasion, which was attended by around 400 Friends and local people. The dedication of the Friends has been fundamental to the Gallery's success and it was important to recognise this publicly.

The four-month closure due to Covid-19 deprived Friends of the principal benefit of their membership, free admission to the Gallery at all times. In order to compensate for this and to encourage retention, existing members have been offered a 15 month membership for the price of 12 when renewing in 2020. This also provides an opportunity to encourage Friends to renew by direct debit, to increase the retention rate in future.

Patrons

The Patrons programme provides unique opportunities for individual supporters to have an in-depth engagement with the full programme of activities, from private exhibition tours and talks, to studio visits, dinners, international tours and visits to private collections. Each event is supported by the appropriate Senior Management team member and Trustees to help develop key relationships and provide an invaluable insight into the workings of the Gallery.

During 2019-20 the Gallery held a range of Patron events including a Chairman's Party; visits to private collectors in London and Sussex and a cultural trip organised by Arts Abroad to Texas, visiting Houston, Dallas and Fort Worth, and Marfa.

New Patron levels of Silver (£2500) and Gold (£5000) were added.

As with the Friends, the four-month closure and subsequent Covid security measures had an impact on the Patrons activities in the first half of 2020/21. Events were cancelled and the annual cultural trip which was due to go to Copenhagen in September 2020 has been postponed until Spring 2021.

All Patrons and recently expired Patrons were invited to visit the Gallery 'after hours' in the Gallery's re-opening week, and again in September. Exclusive visits for Patrons and members of their household bubbles were hosted by the Director and Trustee & Chair of the Development Committee, Jackie Russell.

Human Resources

The Gallery recognises that its staff and volunteers are key to its success and require investment to get the best outcomes. This will be achieved through investing in HR, training and development as well as reviewing internal communications.

Project Management training for all SMT and key-staff was organised in January 2020 to prepare for the Capital project. Two Senior Management Team away-days, and departmental away-days for Communications, Visitor Services, Curatorial, and Public Programmes teams were organised.

The Gallery's HR Policies were reviewed and updated with the Gallery's external HR advisers and approved by the Board of Trustees.

A People Survey was conducted by external HR expert, Emma Lochhead, in February 2020, exploring staff views on aspects of their employment and the organisational culture. Emma undertook 32 interviews with individual members of staff. The initial results of this survey were due to be shared

with the Board and staff in early 2020/21 but this has been postponed as the Gallery responds to immediate staffing issues in relation to Covid-19.

The Gallery took advantage of the Government's Coronavirus Job Retention Scheme [CJRS]; 28 members of staff were furloughed in April and a further three individuals were furloughed in June. Salaries were 'topped-up' to 100% and the Gallery has continued with this policy to date.

Volunteers

Pallant House Gallery continues to recruit, operate and rely on the support of volunteers across all departments. During 2018-20, on average there have been over 250 volunteers. 70% are aged over 60 with a further 10% over 80. The Gallery is actively taking steps to increase the number of younger volunteers to provide greater opportunities for training and skills development, and by extension to encourage younger visitors to feel welcome.

In 2019/20, our dedicated team of Volunteers donated over 10,000 hours of their time and we are most grateful for their support:

- 98 Gallery Assistants
- 90 Public Programmes Volunteers, including Community Programme Volunteers and Learning Programme Volunteers
- 15 Guides
- 4 Library & Archive Volunteers
- 5 Event and Administration Support Volunteers
- 12 Trustees
- 22 Other Committee and Advisory Group members

In 2019/20, a Volunteers Communication Plan was established and one of the outcomes was that all the literature for volunteers was reviewed and updated, resulting in a more user-friendly format. A Volunteer Role description was produced and is provided to all prospective and current volunteers. In addition, the Volunteer Policy was reviewed and updated in collaboration with VAAC (Voluntary Action Arun and Chichester). Volunteer Travel expenses were reviewed in April 2019 to reimburse reasonable expenses on production of a valid receipt.

To celebrate the creative lives of our volunteers, the Gallery hosted a display of Volunteers' artwork in June 2019 to coincide with National Volunteers' Week. It was a great success and will be repeated in future years.

Given the age profile of the majority of volunteers, there were concerns that there may be insufficient volunteer Gallery Assistants when the building reopened to the public in August. However, despite 18 resignations at the time of reopening, 28 new applications were received after a call-out in the Gallery magazine and e-bulletin. Overall, there have been a slight increase in Gallery Assistants in the last four months, with more commitment to weekly slots (rather than monthly slots that were offered previously).

Financial review

Results for the year

The Trustees recognise the need to meet operational expenditure from operational income. The Statement of Financial Activities shows conversely that there was a net outgoing of almost £1.7m during the year after a surplus of £1.6m in the preceding year.

The principal cause of this apparent reversal in fortune is predominantly a result of the adjustment to investment values, which fell significantly around the year end as a result of the onset of Covid-19. As the charity is heavily dependent on the income that is derived, the investments are entirely held in a fund based on high yield equities whose capital values are particularly susceptible to stock market volatility and wider economic concerns, as occurred in March 2020. Following normal accounting practice, investments have been adjusted to the value prevailing at the year end, which entails reflecting a loss of some £2.4m. As it is not intended to realise the investments, this loss should not crystallise and it is anticipated that values will return to recent levels once the investment environment recovers.

As in previous years the reported results include the aggregate of various items that do not all reflect ordinary operations with a cash movement: gifted artwork; non-cash provisions against asset values (depreciation as well as investment valuation adjustments) and non-recurring events mainly last year (Friends merger and specific fundraising activity, mostly for the Coach House Development).

The table below separates these items in order to highlight the underlying operational result for this year. This shows that there was also a deterioration in this indicator, a deficit of £83k against a surplus of £56k in the previous year. This arises mostly from a decline in income, mainly supporter income as shown in the following table.

	All figures and totals rounded to nearest £000			Increase 2018/19 -	
	2019/20	2018/19	2017/8	2019/20	%
Ordinary operational items					
Income	1,745	1,843	1,672	(99)	-5%
Expenditure	(1,828)	(1,788)	(1,667)	(40)	2%
Net operating surplus/(deficit)	(83)	56	4	(139)	
Exceptional items					
Artwork acquisition	1,246	891	336		
Non-recurring items	(83)	831	(77)		
Investment revaluation	(2,446)	71	(239)		
Fixed asset depreciation	(301)	(297)	(292)		
Divestment of Outside In			(38)		
Total	(1,585)	1,496	(310)		
Reported net incoming/ (outgoing) transfers	(1,668)	1,552	(306)		

As in previous years, asset depreciation has been provided in accordance with normal accounting practice. The charge is around £300k, mostly amortising the value of the land and buildings with associated fittings and equipment making up the entire Gallery facility that was added to the balance

sheet in 2010. The Trustees do not consider that this underlying asset is reducing in value at all and as such this depreciation charge does not reflect a loss that the company has incurred.

The Trustees have considered the provisions of FRS 102 in relation to Heritage Assets and the requirements of the Charities SORP. Gallery is an accredited museum and its collection and archive of works is of both national and international importance. As required by Financial Reporting Standards the collection and archive are incorporated in the accounts. Their book value is treated as an unrestricted designated fund on the basis that the works cannot be sold.

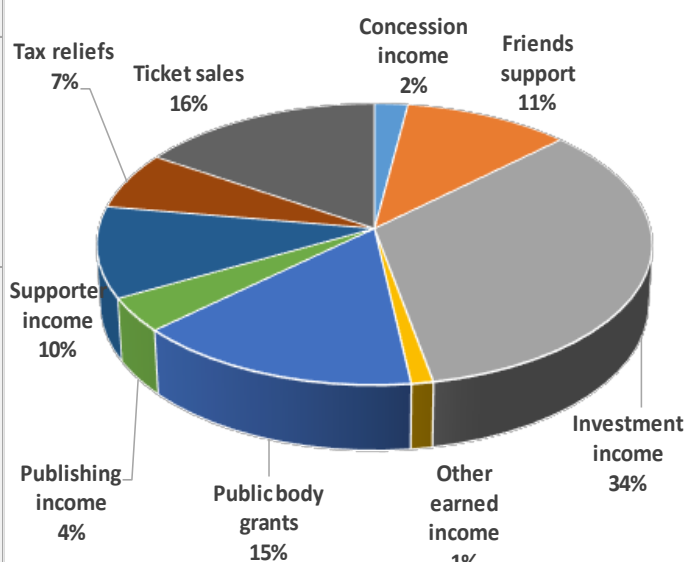
Income

The Gallery's income for the last three years is summarised below, along with a pie chart showing the analysis by source for ordinary income for 2019/20.

All figures and totals rounded to nearest £000

	2019/20	2018/19	2017/18
Artwork acquisition			
Financial support	136	27	201
Gifted items	1,110	864	135
Friends merger transfer		182	
Total	1,246	1,072	336
Non-recurring items			
Friends merger proceeds		333	(18)
Fundraising event for Coach House	5	380	17
Tax credit adjustment		60	(60)
Total	5	773	(60.3)
Ordinary operational income			
Concession income	38	47	61
Friends support	188	199	119
Investment income	594	564	513
Other earned income	20	12	11
Public body grants	262	263	234
Publishing income	69	60	61
Supporter income	183	303	315
Tax reliefs	116	117	81
Ticket sales	276	279	276
Total	1,745	1,843	1,672
Overall total	2,995	3,689	1,947

Split of ordinary operational income - 2019/20



This shows that although there have been significant fluctuations over the period, this is due to non-recurring items and the variances on receipt of gifted artwork. In particular, in 2018/19 there were receipts of around £0.7m relating to the Friends merger and the success of the fundraising event for the Coach House project.

Subtracting those items, the underlying operational income was fairly constant over three years at around £1.6-£1.8m. Furthermore, whilst this income appears to have peaked in 2018/19, there was a catch-up receipt of £60k tax relief that relates to the previous year. Last year did however record decreases in both Friends and supporter income, which results in the overall downturn in the operational result.

The table shows clearly that the larger part of the Gallery's income, around a third of the operational total, derives from its endowment investments, which has enjoyed steady growth over the period.

We are conscious however that this dependence also represents a vulnerability that will materialise over the next 1-2 years as investment returns are significantly reduced as a result of Covid-19 affecting dividends from UK equities. We are planning on this income being halved in 2021, partly as a result of lower dividends and partly because we are planning to reposition the portfolio to make it more resilient in the longer term.

Another impact of Covid-19 will come from the policy decision to provide friends with a three month extension in membership during 2020/21, along with the currently unknown impact on individual and corporate giving.

A large number of individuals, businesses, trusts and foundations support the Gallery's work each and every year, such that it would be impractical to mention them all in this report. The Trustees would like in particular to highlight the following:-

- The four-year funding agreement with Chichester District Council from 2018 - 22 with an annual core grant of £130k. The Gallery has continued to curate the Council's art collection and, under the terms of the lease, to maintain the interior of Pallant House, a listed building, the maintenance of which would otherwise fall on the Council.
- The annual core grant of £89k from Arts Council England National Portfolio Organisation for the period 2018-22. ACE also awarded a grant of £300k under its Small Capital Works Scheme that is now supporting the upgrading of our facilities, although the main impact will be felt during the coming financial year.
- The National Lotteries Heritage Fund is providing a grant of £91k over two years towards its Public Programme activity with deprived communities. This is currently temporarily suspended because of Covid-19 and the vulnerable nature of many of the participants. We have partly carried forward this revenue and hope to resume in 2021.
- The Art Fund provided two generous grants of £12k and £100k respectively to assist with the purchase of the Pauline Boty painting and the Cass Sculpture Collection (enhanced by the £19k donation from John Ayton and part of the £60k donation from John Booth made last year.
- Epigoni Trust has supported our Public Programme work with an annual grant of £17.5k for some years and the Dannatt Trust funds our Librarian post with a grant of £10k.
- The number of supporters who worked with us by providing Gift Aid declarations that enabled us to claim almost £74k during the year.
- We shall be claiming £65k from the Museums & Galleries Exhibition Tax Relief scheme towards the expenditure the Gallery had incurred in undertaking new exhibitions during 2019/20, which replicates similar receipts in the previous two years.
- Over 2,500 Friends that provided subscription support of over £120k.
- The Gallery continued to develop its Patrons programme, providing over £70k in support of the Gallery's activity.

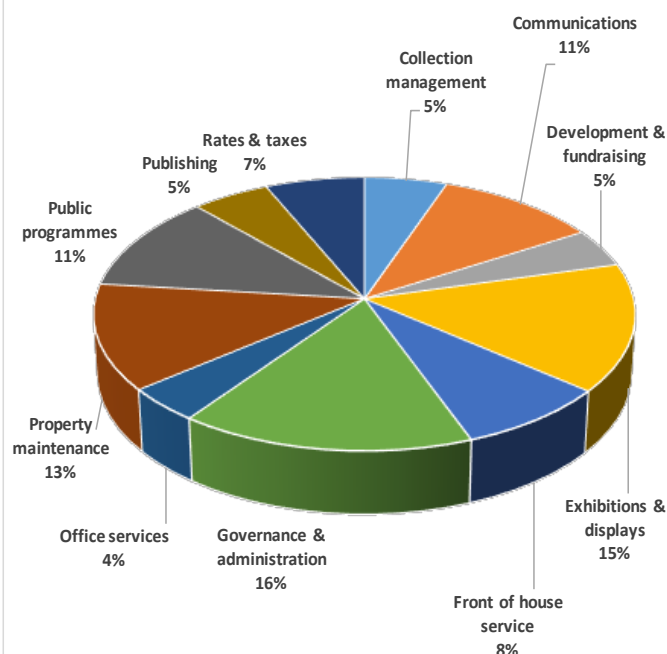
Expenditure

An analysis of the entire Gallery expenditure, as reflected in the consolidated group accounts, is set out below:-

All figures and totals rounded to nearest £000

	2019/20	2018/19	2017/18
Non-recurring items			
Outside In transfer			38
Branding review		23	
Coach House project fees	88	19	9
Fixed asset depreciation	301	297	292
Fundraising event for Coach House		25	
Other system improvements		30	
Website development		27	8
Total	389	420	347
Ordinary operational expenditure			
Collection management	100	113	93
Communications	197	185	164
Development & fundraising	83	86	74
Exhibitions & displays	277	292	255
Front of house service	151	157	126
Governance & administration	290	283	348
Office services	75	75	56
Property maintenance	229	231	203
Public programmes	210	180	155
Publishing	95	69	82
Rates & taxes	120	117	111
Total	1,828	1,788	1,667
Overall total	2,217	2,208	2,014
Staff payroll cost included	879	871	743

**Split of ordinary operational expenditure
- 2019/20**



The Gallery's principal expense remains its staffing costs, which have been allocated to department in the summary above. Most areas of charitable activity have seen some growth in expenditure as more work is undertaken, in particular within Public programmes for which funding was partly secured. We continue seek to contain administration costs, largely through investing in more efficient systems. Property maintenance, including with regard to an old building, continues to be significant.

Reserves policy and going concern

A summary of the reserves at each year end is set out below:

All figures and totals rounded to nearest £000				
	2019/20	2018/19	2017/18	
Restricted funds				
Collection Management	72	90	117	Funds provided by donors to support a specific activity
Exhibition	7	13	31	
Public Programme	10	14	8	
Organisational Development	276	363	26	
Total	364	479	182	
Unrestricted funds				
Designated	25,003	23,982	23,090	Representd by fixed assets (building & plant), or heritage assets (works of art) which are an non-realisable and instrnsic part of the Gallery's operation
General funds	472	580	268	General unfettered funds
Total	25,475	24,563	23,359	
Endowment funds	9,148	11,614	11,563	Represented by investments made to generate income, either by stipulation of the donor or by designation of the trustees, plus Coach House property
Total funds	34,987	36,656	35,104	

An analysis of the assets attributable to the various funds and a description of those funds are in note 20 to the accounts.

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

The numerous restricted funds are listed later in these accounts in note 22. Each fund relates to a separately identifiable activity that has attracted its own funding from various donors on terms generally that their support is to be applied only to that project. Normally the Gallery has agreed to fund the 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 were created historically by the provision to the charity of the Gallery building, along with funds held for related contingencies and the collection of works of art donated or purchased from donations for display in the Gallery. These designated funds are not liquid.

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

Trustees have again reviewed the reserves policy, which was last amended during 2017/18, and have resolved that it should continue in force for a further year. This is as follows:-

- The Gallery should hold cash balances in unrestricted funds, of at least £200,000 or, if greater, the cash funding projected to be required for its activities for the following two months. This is currently achieved.
- 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 policy continues to be reviewed annually. It was followed during the course of 2019/20 and up to the date of signing this report.

The advent of Covid-19 has brought considerable uncertainty to the financial planning of the Gallery. It was closed compulsorily during Summer 2020, opened briefly in the Autumn and at the time of writing this report, was closed again for the month of November without clarity when it would be appropriate to re-open. The report discusses previously how the approach towards exhibitions and the public programme activity has been affected.

The suspension of the exhibition programme and the loss of related income (totalling about £300k in total) due to the closures of PHG has been wholly mitigated by the CJRS furlough grants to cover staff costs, and rates relief, whilst investment income, core grants and Friends subscriptions have been unaffected

It is recognised however that the financial challenge will be during 2021-2022, rather than the current year. Whilst the precise nature of the exhibition and public programme activity is still being reviewed until it is known when the pandemic will end practically, it is already clear that investment income will be some £200-£300k annually lower and the policy to extend Friends membership periods will cost around £40k. Whilst the Gallery has received welcome additional donation support from well-wishers in direct response to the circumstances, it remains to be seen what the underlying fundraising environment will be, along with the propensity and ability of traditional donors to provide assistance. At the present time, the Gallery cannot be assured that it will qualify for further Government support in response to the present crisis.

The financial management within the Gallery, in conjunction with the Finance Committee, is assessing regularly the financial outlook and are updating plans as new assumptions can be made about the likely funding and activity levels. Measures to save costs have been taken wherever feasible, including a staff consultation currently underway that will lead to some reductions in staff costs. The capital project for the Coach House is on hold. There is realistically limited scope to save costs, mostly comprising a cohesive management team and the demands of looking after a heritage building and collection, before stakeholders, funders and ordinary visitors become disaffected and ultimately receipts are affected.

At the time of compiling this report, the overarching assumption is that there will be a deficit of the order of £300k in 2021-22. If this transpires, then it can be met by the cash resources in place, currently around £400k, and potentially the first level of reserves represented by investments as explained above. Consequently, the Trustees do not envisage that there is a serious risk to the Gallery as a going concern in the foreseeable future but all this will nevertheless mean a significant setback in what the Gallery could otherwise deliver and is hugely disappointing.

Investment policy and objectives

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

For the reasons explained previously, the Gallery's endowment funds are held for the long term to generate income, required to meet around a third or more of the continuing cost base. The trustees' investment policy has hitherto been to invest in a funds promoted by M&G Investments specifically for charities focussing on high yielding UK equities in order to make that required level of income, accepting a higher level of risk to capital accordingly.

After the year end in August 2020, the Finance & Investment Committee undertook a periodic tendering process to reassess the investment policy and to select the fund manager that was considered would provide the best return. In doing this, the Committee considered it more prudent to move away from an income-driven, short-term approach and instead adopt a total return approach that would involve utilising capital growth. This change was already underway before Covid-19 struck but has been reinforced by it.

Following the tendering process, it was decided to appoint Sarasin & Partners to be the investment advisers and to instruct that the investments currently within M&G should be moved to a fund managed by Sarasin over an 18 month period.

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 controls are in place to provide reasonable assurance against fraud and error.

The trustees operate an Audit and Risk Committee that meets every quarter and as part of its remit, review the "living" Risk Register. This contains the principal risks that the trustees and the senior management team have identified and the Committee ensures that adequate steps are being taken to mitigate and minimize them. However during the period of closure over Summer 2020, the Committee's focus has been dominated by issues arising from the pandemic.

As regards building and contents, the risk of damage due to fire is controlled by an extensive fire detection and alarm system, which is monitored 24/7 and serviced annually. Designated members of Gallery staff are trained in what to do in the event of a fire. A team of Fire Marshalls and a Duty Manager are named on a list at reception and are responsible for the safe and efficient evacuation of the galleries and communicating and liaising with the alarm monitoring company and emergency services. An Emergency Salvage Priority list is updated regularly and includes works from the Gallery's collection and works on loan and their location.

The Finance and Investment Committee meets every quarter to review the current projected financial position of the Gallery. Thus timely corrective action can be instigated to minimise the impact. Its work is clearly focussed currently on the financial planning in response to Covid-19, picking up the points covered in previous sections.

Plans for the future

Ordinarily, the Trustees would be saying in this section that the Gallery intends to build continuously on the activities described in this report and to further its mission to be the leading UK museum that stimulates new ways of thinking about Modern British Art from 1900 to date.

There would be a description of the plans for major temporary exhibitions and the three year public programme strategy to develop the artistic practice of people who have support needs or experience

barriers; to inspire a new generation of creatives; to provide opportunities for everyone to have informative, welcoming and exciting experiences at the Gallery; and to ensure all of our programmes are high-quality and exemplars of best practice. We would be describing how the exciting capital project would be proceeding.

In the circumstances, all that can be said is this remains an aspiration and both the Trustees and the management are looking to return to normality as quickly as possible.

The one upside from this extraordinary situation is that it has forced us to assess how we can work more efficiently using remote technology, to review critically our expenditure and to develop ways of using digital media to achieve our above aims. Undoubtedly, we are learning new ways of working that will be retained even when normality returns.

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 company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under 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 'Legal and Administrative Information' section at the beginning of this report.

None of the trustees has any beneficial interest in the charitable company. All of the trustees are members of the charitable company and guarantee to contribute £1 in the event of a winding up.

Appointment of trustees

Trustees are proactively selected and appointed to ensure there is a broad range of relevant skills and experience represented across the trustee board. Trustee recruitment take place through targeted approaches to individuals, and via open advertising and interview, agreed by the nomination committee to possess skills and experience that would further strengthen the board. A trustee board skills matrix has been reviewed to ensure a suitable balance of skills, experience and trustee diversity.

A comprehensive policy is being prepared by the nominations committee for the appointment and approval of new trustees, in addition to processes for the election of officers such as the Chair and Treasurer.

Trustee induction and training

An effective training and development programme for trustees is under development that will ensure that Trustees are cognizant of their statutory responsibilities and also keep up to date on key issues. Currently any new Trustee receives copies of the last three Trustee meetings minutes, annual financial statements and a copy of the Charity Commission's The essential trustee: what you need to know, what you need to do (CC3) and copies of other Gallery literature, the magazine and What's On leaflet.

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. A Finance & Investment Committee, Audit & Risk committee and Nominations committee have been established to ensure that the trustees Governance responsibilities are fulfilled. All trustees give their time voluntarily and

receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Remuneration policy for key management personnel

Remuneration levels for key management personnel is approved by the Finance & Investment committee and the trustee board takes responsibility for the appointment and performance management of the Director.

The Senior Pay disclosures include the Director and the Deputy Director.

Equality and Diversity

The Gallery is committed to equality and diversity. Staff and trustees have undergone appropriate training and there are written policies in place which are mentioned by the Director of the Gallery and the trustees. A new Equality Action Plan was formulated in December 2017 and submitted to the Arts Council for approval. This was updated in February 2020.

Related parties and relationships with other organisations

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

A trading subsidiary, Pallant House Gallery Services Limited, carries on commercial activities related to the Gallery and receives income from the restaurant and from the shop franchise.

Funds held as custodian trustee on behalf of others

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

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

- 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
- 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 £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2020 was 12 (2019:12). 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 of which the auditor is unaware. 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 4th December 2020 and signed on their behalf by:

Elizabeth Davis
Trustee & Company Secretary

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

We have audited the financial statements of Pallant House Gallery (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the group financial statements is not appropriate; or
- The trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or the parent charitable company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Judith Miller (Senior statutory auditor)

24 February 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

Consolidated statement of financial activities

(incorporating an income and expenditure account)

	Year ended 31 March 2020				Year ended 31 March 2019			
	Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
Income from:								
Donations and legacies	1,565,662	160,973	-	1,726,635	1,910,425	502,669	-	2,413,094
Charitable activities								
Collection Management	4,456	16,750	-	21,206	2,412	8,783	-	11,195
Exhibition & Displays	292,276	115,956	-	408,232	374,374	125,773	-	500,147
Public Programmes	87,484	51,211	-	138,695	83,832	9,576	-	93,408
Publishing	68,648	-	-	68,648	54,658	5,081	-	59,739
Other trading activities	37,617	-	-	37,617	46,570	180	-	46,750
Investments	593,686	-	-	593,686	564,341	-	-	564,341
Total income	2,649,829	344,890	-	2,994,719	3,036,611	652,063	-	3,688,674
Expenditure on:								
Raising funds	90,087	5,897	-	95,984	101,398	32,721	-	134,119
Charitable activities								
Collection Management	226,356	29,541	2,438	258,335	256,788	36,481	2,859	296,128
Exhibitions & Displays	840,139	226,941	10,168	1,077,248	826,289	287,834	10,860	1,124,983
Public Programmes	419,441	116,409	5,106	540,956	417,436	50,792	4,564	472,792
Publishing	215,953	26,171	2,307	244,431	156,903	21,210	1,736	179,849
Tax payable by subsidiaries	-	-	-	-	-	-	-	-
Total expenditure	1,791,976	404,959	20,019	2,216,954	1,758,814	429,038	20,020	2,207,872
Net income / (expenditure) before net gains / (losses) on investments	857,853	(60,069)	(20,019)	777,765	1,277,797	223,025	(20,020)	1,480,802
Net gains / (losses) on investments	-	-	(2,446,011)	(2,446,011)	-	-	71,192	71,192
Net income / (expenditure) for the year	857,853	(60,069)	(2,466,030)	(1,668,246)	1,277,797	223,025	51,172	1,551,993
Transfers between funds	54,799	(54,799)	-	-	(73,785)	73,785	-	-
Net movement in funds	912,652	(114,868)	(2,466,030)	(1,668,246)	1,204,011	296,810	51,172	1,551,993
Reconciliation of funds:								
Total funds brought forward	24,562,573	479,123	11,613,810	36,655,506	23,358,562	182,313	11,562,638	35,103,513
Total funds carried forward	25,475,225	364,255	9,147,780	34,987,260	24,562,573	479,123	11,613,810	36,655,506

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 20 to the financial statements.

Consolidated Balance Sheet

	2020 £	2019 £
Fixed Assets		
Tangible assets	6,920,943	7,021,974
Heritage assets	19,039,166	17,929,487
Investments	8,512,015	10,958,026
	<u>34,472,125</u>	<u>35,909,488</u>
Current Assets		
Stocks	10,959	20,959
Debtors	349,144	375,647
Cash at bank and in hand	477,186	545,990
	<u>837,289</u>	<u>942,595</u>
Liabilities		
Creditors: Amounts falling due within one year	(322,154)	(196,576)
	<u>515,135</u>	<u>746,019</u>
Net current assets		
	<u>515,135</u>	<u>746,019</u>
Total net assets	<u>34,987,260</u>	<u>36,655,506</u>
Funds:		
Unrestricted		
Designated	25,003,241	23,982,222
Unrestricted	471,984	580,351
Endowment	1,444,196	1,676,342
Total unrestricted funds	<u>26,919,421</u>	<u>26,238,915</u>
Endowment	7,703,583	9,937,467
Restricted	364,256	479,124
	<u>34,987,260</u>	<u>36,655,506</u>
Total funds		
	<u>34,987,260</u>	<u>36,655,506</u>

Note: Separate Charity balance sheets have not been presented as the difference between group and charity is not material and detailed information has been provided in the notes to the financial statements.

Approved by the trustees on 4th December 2020 and signed on their behalf by:

Elizabeth Davis
Trustee & Company Secretary

Consolidated statement of cash flows

	2020		2019	
	£	£	£	£
Cash flows from operating activities				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(1,668,246)		1,551,994	
Depreciation charges	301,069		296,840	
Donations of heritage assets included in income	(1,109,679)		(1,045,930)	
(Gains)/losses on investments	2,446,011		(71,192)	
Dividends and interest from investments	(593,686)		(564,342)	
(Increase)/decrease in stocks	10,000		691	
(Increase)/decrease in debtors	26,502		(154,324)	
Increase/(decrease) in creditors	125,577		64,599	
Net cash provided by / (used in) operating activities		(462,451)		78,336
Cash flows from investing activities:				
Dividends and interest from investments	593,686		564,342	
Purchase of fixed assets	(200,039)		(65,734)	
Purchase of investments	-		(300,000)	
Net cash provided by / (used in) investing activities		393,647		198,608
Net cash provided by / (used in) financing activities		-		-
Change in cash and cash equivalents in the year		(68,804)		276,944
Cash and cash equivalents at the beginning of the year		545,990		269,046
Change in cash and cash equivalents due to exchange rate movements		-		-
Cash and cash equivalents at the end of the year		477,186		545,990

Notes to the financial statements

1) Accounting policies

a) Statutory information

Pallant House Gallery is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Pallant House, 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) (effective 1 January 2015) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries Pallant House Gallery Services Limited and Pallant House Enterprises Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two 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.

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 even using pessimistic assumptions about the impact of the Covid-19 pandemic during 2020/21, 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.

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.

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.

Membership 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 so refer to the trustees' annual report for more information about their 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 the charitable purposes.

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

i) Resource expended

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) Allocation of support and governance costs

Activities have been identified under the headings of:

- Collections management - maintaining and acquiring artwork, lending to other galleries and maintaining a resource library.
- Exhibitions & displays – creating and promoting permanent and temporary exhibitions and arranging for public admission.
- Public programmes – organising and promoting courses, lectures and events for artistic, historical, educational and community outreach purposes.
- Publishing – creating publications, mostly related to the exhibition activity for sale in the Gallery bookshop and elsewhere.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned where it is realistic and feasible to measure this.

Otherwise support and governance costs are allocated to the activities in proportion of their direct cost. Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

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

l) 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:

- Land & buildings 50 years
- Plant & machinery 15 years
- Fixtures, fittings and equipment 10 years

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 net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

t) Pensions

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

2) Donations and legacies

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations and gifts	10,420	-	10,420	6,802	5,130	11,932
Legacies	5,641	-	5,641	12,500	10,000	22,500
Gifts of artwork	1,109,679	-	1,109,679	864,120	-	864,120
Arts Council England grant	89,118	-	89,118	89,120	-	89,120
Chichester DC grant	130,000	-	130,000	130,000	-	130,000
Friends merger proceeds	-	-	-	512,439	2,499	514,938
Gift Aid on income	32,896	-	32,896	29,490	-	29,490
Assistance to acquire artwork	-	135,875	135,875	12,493	14,059	26,551
Grants for specific activities	-	20,598	20,598	54,655	29,000	83,655
Sponsorship	-	-	-	-	18,750	18,750
Friends & Patrons events	2,788	-	2,788	8,946	-	8,946
Friends & Patrons subscriptions	185,120	-	185,120	189,759	-	189,759
Fundraising events	-	4,500	4,500	100	379,533	379,633
Total income from donations and legacies	1,565,662	160,973	1,726,635	1,910,424	458,970	2,369,395

3) Charitable activities

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Collection management						
Charges to owners	4,456	-	4,456	2,412	-	2,412
Grants & donations	-	6,750	6,750	-	-	-
Trust & foundations	-	10,000	10,000	-	8,784	8,784
Subtotal	4,456	16,750	21,206	2,412	8,784	11,195
Exhibitions & displays						
Admission income	209,688	-	209,688	217,331	-	217,331
Charges to other galleries	(114)	15,762	15,648	350	9,337	9,687
Corporate sponsorship	-	13,000	13,000	3,500	17,000	20,500
Donations	-	37,194	37,194	-	15,719	15,719
Exhibition tax relief	65,054	-	65,054	130,340	-	130,340
Gift Aid on entrance fees	17,648	-	17,648	17,353	-	17,353
Supporters' Circle	-	50,000	50,000	5,500	77,953	83,453
Trust & foundations	-	-	-	-	5,765	5,765
Subtotal	292,276	115,956	408,232	374,373	125,773	500,147
Public programmes						
Courses earned income	66,398	-	66,398	61,053	576	61,629
Grants income	17,500	28,498	45,998	20,450	9,000	29,450
National Lottery Heritage Fund	-	22,713	22,713	-	-	-
Sale of artwork	3,586	-	3,586	2,329	-	2,329
Subtotal	87,484	51,211	138,695	83,832	9,576	93,408
Publishing						
Advertising Income	11,421	-	11,421	10,955	-	10,955
Image rights revenue	1,164	-	1,164	1,162	-	1,162
Sales of publications	56,063	-	56,063	42,541	81	42,622
Trust & foundations	-	-	-	-	5,000	5,000
Subtotal	68,648	-	68,648	54,658	5,081	59,739
Total income from charitable activities	452,864	183,917	636,781	515,275	149,214	664,489

4) Income from other trading activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Bookshop rental income	17,250		17,250	18,000		18,000
Gallery hire income	5,183		5,183	4,350		4,350
Other income	11		11	2,496	180	2,676
Restaurant rental income	15,173		15,173	21,724		21,724
Total income from other trading activities	37,617		37,617	46,570	180	46,750

5) Income from investments

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Listed investments on endowment	592,686	-	592,686	592,686	-	563,360
Other	1,000	-	1,000	1,000	-	982
Total income from investments	593,686	-	593,686	593,686	-	564,342

6) Analysis of expenditure

a) Current year

	Charitable activities						Support costs	2020 Total	Total 2019
	Raising Funds	Collection management	Exhibitions & displays	Public programme	Publishing	Governance			
Advertising	-	-	-	-	-	-	26,159	26,159	26,740
Architect fees	-	-	-	-	-	-	41,118	41,118	-
Artist & Technicians	-	264	37,069	-	-	-	-	37,333	63,143
Artwork conservation	-	8,606	16,718	-	-	-	-	25,324	21,919
Artwork transport	-	-	108,418	-	-	-	-	108,418	50,087
Audience development	-	-	-	-	-	-	8,125	8,125	4,682
Business Rates	-	-	-	-	-	-	40,885	40,885	39,908
Course expenses	-	-	-	75,098	-	-	-	75,098	59,288
Depreciation and impairment	-	-	-	-	-	-	301,069	301,069	296,840
Exhibition development	-	-	32,877	-	-	-	-	32,877	14,592
Finance charges	-	-	-	-	-	-	9,080	9,080	10,135
Fundraising event expenses	1,674	-	-	-	-	-	-	1,674	27,081
Insurance	-	25,925	-	-	-	-	30,323	56,248	57,308
Irrecoverable VAT	-	-	-	-	-	-	79,488	79,488	77,342
Magazine & gallery publications	-	-	-	-	76,683	-	-	76,683	50,694
Office costs	-	-	-	-	-	-	21,947	21,947	21,791
Other professional fees	-	-	-	-	-	-	20,525	20,525	18,728
PR consultancy	-	-	-	-	-	-	23,040	23,040	6,218
Professional fees	-	-	-	-	-	49,592	6,112	55,704	51,827
Project management fees	-	-	-	-	-	-	22,425	22,425	-
Promotional activity	-	-	-	-	-	-	-	-	50,025
Promotional materials	-	-	-	-	-	-	27,788	27,788	25,950
Quantity surveyor fees	-	-	-	-	-	-	3,876	3,876	-
Rent	-	-	-	-	-	-	19,620	19,620	18,960
Repairs & maintenance	-	-	-	-	-	-	52,141	52,141	64,427
Research	-	998	-	-	-	-	-	998	389
Staff costs	73,162	49,816	263,044	134,845	18,180	-	367,234	906,281	895,819
Storage facilities	-	14,650	780	-	-	-	-	15,430	23,660
Supporter development	21,148	-	-	-	-	-	-	21,148	15,628
Systems enhancement	-	-	-	-	-	-	1,498	1,498	45,538
Systems maintenance	-	-	-	-	-	-	52,007	52,007	37,774
Touring & loan fees	-	-	8,007	-	-	-	-	8,007	55,542
Trustee expenses	-	-	-	-	-	2,695	-	2,695	2,010
Utilities	-	-	-	-	-	-	86,923	86,923	73,432
Website maintenance	-	-	-	-	-	-	4,163	4,163	395
Deferred to future periods	-	-	(48,839)	-	-	-	-	(48,839)	-
Subtotal	95,984	100,259	418,074	209,943	94,863	52,286	1,245,545	2,216,954	2,207,872
Reapportionment of support and governance costs									
Support costs	-	151,708	632,616	317,678	143,543	-	(1,245,545)	-	
Governance costs	-	6,368	26,556	13,336	6,026	(52,286)	-	-	
Total Expenditure for 2020	95,984	258,335	1,077,246	540,957	244,432	-	-	2,216,954	
Total Expenditure for 2019	134,119	296,128	1,124,983	472,793	179,849	-	-		2,207,872

b) Prior year

	Charitable activities						Support costs	2019 Total
	Raising Funds	Collection management	Exhibitions & displays	Public programme	Publishing	Governance		
Advertising	-	-	-	-	-	-	26,740	26,740
Artist & Technicians	-	6,230	56,913	-	-	-	-	63,143
Artwork conservation	-	11,104	10,815	-	-	-	-	21,919
Artwork transport	-	-	50,087	-	-	-	-	50,087
Audience development	-	-	-	-	-	-	4,682	4,682
Business Rates	-	-	-	-	-	-	39,908	39,908
Course expenses	-	-	-	59,288	-	-	-	59,288
Depreciation and impairment	-	-	-	-	-	-	296,840	296,840
Exhibition development	-	-	14,592	-	-	-	-	14,592
Finance charges	-	-	-	-	-	-	10,135	10,135
Fundraising event expenses	27,081	-	-	-	-	-	-	27,081
Insurance	-	25,563	-	-	-	-	31,745	57,308
Irrecoverable VAT	-	-	-	-	-	-	77,342	77,342
Magazine & gallery publications	-	-	-	-	50,694	-	-	50,694
Office costs	-	-	-	-	-	-	21,791	21,791
Other professional fees	-	-	-	-	-	-	18,728	18,728
PR consultancy	-	-	-	-	-	-	6,218	6,218
Professional fees	-	-	-	-	-	47,181	4,646	51,827
Promotional activity	-	-	-	-	-	-	50,025	50,025
Promotional materials	-	-	-	-	-	-	25,950	25,950
Rent	-	-	-	-	-	-	18,960	18,960
Repairs & maintenance	-	-	-	-	-	-	64,427	64,427
Research	-	389	-	-	-	-	-	389
Staff costs	91,411	46,016	241,194	121,067	17,912	-	378,219	895,819
Storage facilities	-	23,660	-	-	-	-	-	23,660
Supporter development	15,628	-	-	-	-	-	-	15,628
Systems enhancement	-	-	-	-	-	-	45,538	45,538
Systems maintenance	-	-	-	-	-	-	37,774	37,774
Touring & loan fees	-	-	55,542	-	-	-	-	55,542
Trustee expenses	-	-	-	-	-	2,010	-	2,010
Utilities	-	-	-	-	-	-	73,432	73,432
Website maintenance	-	-	-	-	-	-	395	395
Deferred to future periods	-	-	-	-	-	-	-	-
Subtotal	134,119	112,963	429,143	180,355	68,607	49,191	1,233,495	2,207,872
Reapportionment of support and governance costs								
Support costs		176,141	669,154	281,223	106,977		(1,233,495)	
Governance costs		7,024	26,685	11,215	4,266	(49,191)		
Total Expenditure for 2019	134,119	296,128	1,124,983	472,793	179,849	-	-	2,207,872

7) Net income/ (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation and impairment	301,069	296,840
Operating lease rentals payable		
Property	19,620	18,960
Other	-	-
Operating lease rentals receivable		
Property	(34,500)	(36,000)
Other	-	-
Auditors remuneration (excluding VAT)		
Audit	20,675	13,340
Other services	-	-
	<hr/>	<hr/>

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

Staff costs were as follows:

	2020 £	2019 £
Salaries	780,098	783,681
Redundancy and termination costs	23,631	10,993
Social security cost	62,831	63,206
Employer's pension contributions (*)	13,934	9,746
Furlough grants	(6,031)	-
Other forms of employee benefits	8,419	5,438
Training costs	7,662	8,563
Travel and sustenance	14,183	13,520
Volunteer expenses	1,554	672
	<hr/> 906,281 <hr/>	<hr/> 895,819 <hr/>

(*) made to defined contribution scheme

The redundancy and termination costs were settled and paid at the balance sheet date.

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

	2020 No	2019 No
£60,000 - £69,999	1	1
£70,000 - £79,999	-	-
£80,000 - £89,999	-	-
£90,000 - £99,999	-	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £136,895 (2019: £135,859).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of trustee indemnity insurance premium of £1,570 (2019: £1,492), staff annual dinner costs of £960 (2019: £517) and leaving gifts of £165 (2019: Nil).

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

- C Martin is also a Trustee of Outside In Art. Included in income are management charges to Outside In Art of £12,000 (2019: £17,500) and also gallery hire income of £nil (2019: £600). There were no amounts included in restricted funds in either year that were paid to Outside In Art. At the balance sheet date £142 (2019: £nil) was owed by Outside In Art.
- The John Booth Charitable Foundation made a fundraising event donation of £69,000 and another general donation of £60,000 during 2018/19, within none being received in 2019/20. John Booth is the Chairman of the Trustees.
- There are no other donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9) Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 40 (2019: 40).

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

10) Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Pallant House Gallery Services Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in each year was nil.

11) Fixed assets

The group and charity:-

	Freehold property	Plant & machinery	Fixtures, fittings & equipment	Artwork	Total
Cost					
At start of year	7,180,848	984,010	875,894	330,951	9,371,704
Additions	-	-	42,654	157,384	200,039
Disposals	-	-	-	-	-
At the end of the year	7,180,848	984,010	918,548	488,335	9,571,742
Depreciation					
At start of year	1,069,441	590,697	689,592	-	2,349,730
Charge for the year	143,617	65,601	91,852	-	301,069
Disposals	-	-	-	-	-
At the end of the year	1,213,058	656,298	781,443	-	2,650,799
Net book value					
At the end of the year	5,967,790	327,712	137,105	488,335	6,920,943
At the start of the year	6,111,407	393,313	186,303	330,951	7,021,974

Land with a value of £Nil (2019: £Nil) is included within freehold property and not depreciated.

12) Heritage assets

	Collections, of artworks, display furniture, pictures and art library of books
At 1 April 2019	17,929,487
Assets donated during the year	1,109,679
At 31 March 2020	19,039,166

All of the above assets are used for charitable purposes.

The Gallery owns a substantial 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. Donated over the past forty years, the collections tell the story of a number of individuals, all passionate collectors of art who generously donated their lifetimes' labours to the Gallery for the benefit of the public. The

collection includes paintings, drawings, prints, sculptures, studio pottery, lithographs and artists' sketch book and tools.

The Gallery has limited resources to permit it to purchase Heritage Assets but when offered works as a gift the Director, Head of Collections and others with the requisite skills and knowledge determine whether they should be added to the collection. In making their decision they take into account both the quality of the work and whether it is an appropriate compliment to the existing collection. They are guided by a full formal Collections Development (Acquisitions and Disposal) Policy, which was last revised in 2017 and formally approved by the trustees on 17th March 2017. It is not the Gallery's policy to dispose of Heritage Assets but, should the Director or Head of Collections believe it would be appropriate to dispose of a work, the Gallery's disposal policy specifies that the decision must be made by the trustees on the advice of the curatorial staff and that the Director or Head of Collections does 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 to public viewing through rotating displays and access to any work not on display is arranged by appointment.

The Heritage Assets are regularly valued by professional valuers for insurance purposes. Artworks have been valued when they have been lent to external venues and a revaluation of all works last valued at over £100,000 in 2009 will take place in the coming financial year. The last valuation of the 228 highest value priority works was undertaken in 2009 by Bonhams, fine art valuers and auctioneers. 27 works were valued by Bonhams in 2004, 473 works were valued by Bonhams in 2003 and 21 works valued by Sotheby's in 1995. In each case the basis of the valuation was open market value at the date of valuation. In addition to these Heritage Assets, the Gallery also holds a further 1,431 low value works that have not been formally valued. It is estimated that the value of these low value works is in the region of £140,000.

The Heritage Assets are reported in the Financial Statements at the insurance valuation.

There have been no disposals or impairment of Heritage Assets involving artwork during the last five years. The Trustee report gives more detail about the disposal of the Bow Porcelain (owned by the separate trust) and the collection of Irish glass, neither of which were considered core to the Gallery's collection and best taken on by more appropriate institutions.

13) Listed Investments

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Fair value at the start of the year	10,958,026	10,586,835	10,958,026	10,586,835
Additions at cost	-	300,000	-	300,000
Net gain / (loss) on change in fair value	(2,446,011)	71,192	(2,446,011)	71,192
	8,512,015	10,958,026	8,512,015	10,958,026
Cash held by investment broker	-	-	-	-
Investment in subsidiary	-	-	200	200
Fair value at the end of the year	8,512,015	10,958,026	8,512,215	10,958,226

The historical cost of the M&G investments at both balance sheet dates is £7,536,475. There is therefore a revaluation reserve of £975,540 (£2019: £3,421,522) included within the endowment funds.

14) Subsidiary undertaking

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

Details of the Gallery's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held direct
Pallant House Gallery Services Limited (CRO 05526158)	UK	Intermediate landlord for restaurant and bookshop concessions	Ordinary	100
Pallant House Enterprises Limited (CRO 03787604)	UK	Dormant	Ordinary	100

Both of these subsidiaries are included in these consolidated accounts. At 31 March 2020 and 2019, Pallant House Enterprises Limited's assets total £100, its liabilities £nil and its total funds £100. There was no income or expenditure in the year.

A summary of the results of Pallant House Gallery Services Limited is shown below:

	2020 £	2019 £
Turnover	33,415	40,380
Turnover from sales to parent undertaking	-	-
Gross profit/(loss)	33,415	40,380
Administrative expenses	(4,954)	(5,543)
Rent charge payable to parent undertaking	(16,707)	(19,862)
Management charges	-	-
Profit/(loss) on ordinary activities before interest and taxation	11,754	14,975
Interest receivable and similar income	-	33
Interest payable to parent undertaking	-	-
Profit / (loss) on ordinary activities before taxation	11,754	15,008
Taxation on profit on ordinary activities	-	-
Profit / (loss) for the financial year	11,754	15,008
Retained earnings		
Total retained earnings brought forward	-	-
Profit / (loss) for the financial year	11,754	15,008
Distribution under Gift Aid to parent charity	(11,754)	(15,008)
Total retained earnings carried forward	-	-
The aggregate of the assets, liabilities and reserves was:		
Assets	36,300	35,481
Liabilities	(36,100)	(35,281)
Reserves	200	200

15) Parent charity results

As explained in the previous section, the subsidiary's results are insignificant in the context of the group and such profits that were generated were donated to the Charity. In effect, therefore these accounts already disclose and only comprise the parent company results.

16) Debtors

	2020	2019
	£	£
Trade debtors	19,486	24,343
Accrued income	117,438	116,462
Deferred expenditure	48,784	-
Exhibition tax relief	65,054	130,340
Other debtors	57,436	28,686
Prepayments	40,947	75,816
	349,144	375,647

17) Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	167,303	111,431
Accruals	30,286	53,052
Tax and social security	15,149	15,675
Deferred income	101,756	9,082
Other creditors	7,660	7,336
	322,154	196,576

18) Pension

The Gallery complies with the minimum automatic enrolment obligations under the Pensions Act 2008 with an arrangement with a third party provider of personal pension plans for its employees. The extent of the Gallery's financial liability is to contribute a specified percentage of payroll costs to each employee's plan as the employer contributions along with similar deductions from pay for the employee contributions.

19) Analysis of group net assets between funds**a) Current year**

	Designated	Endowment	Restricted	Unrestricted	Total funds
	£	£	£	£	£
Tangible assets	5,904,074	920,887	-	95,982	6,920,943
Heritage assets	19,039,166	-	-	-	19,039,166
Investments	-	8,512,015	-	-	8,512,015
Net current assets	60,000	(1,729,320)	364,256	376,002	(929,061)
	25,003,241	7,703,583	364,256	471,984	33,543,064

b) Prior year

	Designated	Endowment	Restricted	Unrestricted	Total funds
	£	£	£	£	£
Tangible assets	5,992,734	940,906	-	88,333	7,021,973
Heritage assets	17,929,488	-	-	-	17,929,488
Investments	-	10,658,027	-	300,000	10,958,027
Net current assets	60,000	14,878	479,125	192,016	746,019
	23,982,222	11,613,811	479,125	580,349	36,655,507

20) Movements in funds**Current year****a) Endowment funds**

	At 1 April 2019	Income & gains	Expenditure & losses	Transfers	At 31 March 2020
<u>Endowment by donor stipulation</u>					
Appeal Fund	1,714,635	-	(393,941)	-	1,320,694
HLF Catalyst	2,175,503	-	(485,490)	-	1,690,013
The Monument Trust	6,047,328	-	(1,354,453)	-	4,692,875
	9,937,466	-	(2,233,883)	-	7,703,583
<u>Endowment by trustee designation</u>					
JM Fund	1,676,342	-	(232,147)	-	1,444,196
Total endowment funds	11,613,809	-	(2,466,030)		9,147,779

b) Restricted funds:

	At 1 April 2019	Income & gains	Expenditure & losses	Transfers	At 31 March 2020
Collection Management	89,660	28,650	(13,232)	(33,409)	71,669
Public Programme	13,973	51,211	(82,258)	26,594	9,520
Exhibition	12,632	239,931	(216,295)	(29,268)	7,000
Organisational Development	362,860	25,098	(93,175)	(18,715)	276,068
Total restricted funds	479,124	344,890	(404,959)	(54,799)	364,256

c) Unrestricted funds

(1) Designated funds	At 1 April 2019	Income & gains	Expenditure & losses	Transfers	At 31 March 2020
		-	-	-	
<u>Building</u>					
ACE Small Works	-	-	(1,872)	18,715	16,844
Building Fund	5,634,469	-	(259,853)	-	5,374,615
Print Room Island	27,315	-	(3,035)	-	24,280
Subtotal	5,661,784	-	(264,760)	18,715	5,415,739
<u>Collection Management</u>					
Acquisitions Fund	390,951	-	-	157,384	548,335
Heritage Assets Fund	17,929,487	1,109,679	-	-	19,039,166
Subtotal	18,320,438	1,109,679	-	157,384	19,587,502
Total designated funds	23,982,222	1,109,679	(264,760)	176,100	25,003,241
(2) General funds	580,351	1,540,150	(1,527,216)	(121,301)	471,984
Total unrestricted funds	24,562,573	2,649,829	(1,791,976)	54,799	25,475,225
Total funds	36,655,506	2,994,719	(4,662,965)	-	34,987,260

The narrative to explain the purpose of each fund is given at the foot of the note below.

Prior year:**a) Endowment funds**Endowment by donor stipulation

Appeal Fund	1,701,689	12,946	-	-	1,714,635
HLF Catalyst	2,159,087	16,417	-	-	2,175,504
The Monument Trust	6,003,274	44,054	-	-	6,047,328
	<u>9,864,050</u>	<u>73,417</u>	<u>-</u>	<u>-</u>	<u>9,937,467</u>

Endowment by trustee designation

JM Fund	1,698,587	-	(22,245)	-	1,676,342
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Total endowment funds	11,562,637	73,417	(22,245)	-	11,613,809
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b) Restricted funds:

	At 1 April 2018	Income & gains	Expenditure & losses	Transfers	At 31 March 2019
Collection Management	116,711	58,740	(43,620)	(42,171)	89,660
Public Programme	31,298	155,017	(243,191)	69,508	12,632
Exhibition	26,311	423,232	(132,692)	46,009	362,860
Organisational Development	7,994	15,075	(9,535)	439	13,973
Total restricted funds	182,314	652,064	(429,038)	73,785	479,125

c) Unrestricted funds

(1) Designated funds	At 1 April 2019	Income & gains	Expenditure & losses	Transfers	At 31 March 2020
<u>Building</u>					
Building Fund	5,894,356	-	(259,887)	-	5,634,469
Print Room Island (Building)	-	-	(3,035)	30,350	27,315
Subtotal	5,894,356	-	(262,922)	30,350	5,661,784
<u>Collection Management</u>					
Acquisitions Fund	312,231	60,000	-	18,720	390,951
Heritage Assets Fund	16,883,558	1,045,929	-	-	17,929,487
Subtotal	17,195,789	1,105,929	-	18,720	18,320,438
Total designated funds	23,090,145	1,105,929	(262,922)	49,070	23,982,222
(2) General funds	268,417	1,930,681	(1,495,892)	(122,855)	580,351
Total unrestricted funds	23,358,562	3,036,610	(1,758,814)	(73,785)	24,562,573

Endowment funds represent assets which either the donors required or the trustees have designated 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 would normally be reinvested. The funds include a revaluation reserve on the unrealised growth in the investment value, as is detailed in note 15.

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 source 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 or 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.

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.

21) Operating lease commitments payable as a lessee

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

	Property		Equipment	
	2020 £	2019 £	2020 £	2019 £
Less than one year	39,000	39,000	-	-
One to five years	156,000	156,000	-	-
Over five years	-	39,000	-	-
	<u>195,000</u>	<u>234,000</u>	<u>-</u>	<u>-</u>

The figures shown for the property commitments are contained within a lease for the land and buildings at 8-9 North Pallant, Chichester, which expires on 31 March 2025. The Gallery does receive the benefit of a concession rent, which would mean the amounts that will be paid are lower than this.

22) Operating lease commitments receivable as a landlord

The group is due to receive the following amounts under non-cancellable operating leases:

	Property	
	2020	2019
	£	£
Operating lease commitments receivable as a lessor		
Less than one year	28,000	40,000
One to five years	28,000	80,000
Over five years	-	-
	<hr/>	<hr/>
	80,000	120,000
	<hr/>	<hr/>

The amounts shown refer to the bookshop and restaurant concession rent and contain a projection of the rent that will be received based on turnover. The contractual minimum rents total £28k annually until 2022.

23) 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 £1.