

Zabludowicz Art Projects
(A charitable company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
30 December 2018

Charity Registration No. 1120067
Company Registration No. 06269259

Zabludowicz Art Projects (Limited by Guarantee)

TRUSTEES' REPORT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 DECEMBER 2018

The trustees submit their report and the financial statements of the charity for the year ended 30 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and 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 published on 16 July 2014.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1120067
Company number: 06269259
Registered office: 41 Dover Street
London
W1S 4NS

ADVISORS

Statutory Auditor: RSM UK Audit LLP
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

Solicitors: Ashfords LLP
Ashford House
Grenadier Road
Exeter
EX1 3LH

Bankers: Barclays Bank
Level 27
2 Churchill Place
London
E14 5RD

Advisory committee: Brian Boylan
Thomas Dane
James Lingwood

In addition, advice on each exhibition may be sought from the guest and/or resident artist/curator.

DIRECTORS AND TRUSTEES

The directors of the company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving since incorporation are as follows:

Chaim Zabludowicz (Chairman)
Anita Zabludowicz (Director)
David Halpern FCA
Dr. Fabio Botterini de Pelosi (Liechtenstein)

SECRETARY

Richard Lloyd ACA

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TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is a company limited by guarantee registered and incorporated in England and Wales and is governed by its Memorandum and Articles of Association dated 5 June 2007 (and amended by a Special Resolution dated 10 December 2007).

Appointment of trustees

As set out in the Articles of Association the trustees have the power to appoint new trustees. There is no maximum limit to the number of trustees in office. However, there must be a minimum of three trustees in office at any time. At each annual general meeting a third of the longest standing trustees must retire from office. In each case each outgoing trustee is eligible for re-appointment.

Trustee induction and training

All trustees appointed on incorporation, together with the Advisory Committee, are briefed on the charitable objectives and their responsibilities as trustees.

Organisation

The board of trustees administers the charity. The Director appointed by the trustees manages the day to day operations of the charity. Zabludowicz Art Projects is managed by the Director and two secondees from the Zabludowicz Art Trust, viz. the Artistic Director (formerly the curator) and the collection manager, each of which has an assistant employed by Zabludowicz Art Projects. The finances are managed by Dr. Botterini de Pelosi and Mr. Halpern. All report to the Chairman.

The trustees also rely on the Advisory Committee whose remit is to advise and comment upon the organisation's achievement of its charitable objectives, public activities, marketing, position and role of the charity.

The charity has had regard to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)', in preparing the trustees' report and the financial statements.

Pay policy for senior staff

The trustees consider the board of trustees, who are the charity's directors, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 3 to the accounts. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings as appropriate.

Related parties

The charity has had close but informal relations with the following parties over the past 12 months:

TESTING GROUND

UAL: Central Saint Martins
Jiamin Cao
Veronica Nadine Gisondi
Weiyang Liu
Federico Sargentone
Matilda Slight
Jeroen Bloemen
Delia Boyano
Nic Brannan
Katarzyna Debska
Nasia Papavasileiou
Georgia Pazarloglou
Irene Ros
Leslie Yao

Pipilotti Rist
Gillian Wearing
Abigail Spendlove
Rachel Rose
Helen Benigson
Oliver Beer

MASTERCLASS

Doug Fishbone
Ericka Beckman
Jake Chapman
Michael Dean
Richard Wentworth
Chloe Ashley
Corey Bartle-Sanderson

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Sam Blackwood
Eleanor Duffin
Bob Gelsthorpe
Clinton Kirkpatrick
Penelope Koliopoulou
Suzi Osborn

INVITES

Siobhan Coen
David Burrows
Hazel Brill
Thomas Kendall
Lindsey Mendick
Guy Oliver
Tom Loffill
Josefine Reisch
Anne Harild
Nora Hansen
Tamu Nkiwane

Ericka Beckman

Rachel Falconer
David King
Phoenix Perry

Marianna Simnett

Hannah Marie Gatt
Ian Dawson
Lucinda Chua
Charlie Fox
Marina Warner

Rachel Maclean

Bronya Arciszewska
Daphne Economou
Mel Slater
Peter Fisher
Harry Brenton
Tom Pope
Rachel Maclean
Ivan Knapp
Daniel F Herrmann
Rosemary Cronin
Rachel Maclean
Alchemy Films, Scotland + Venice
Douglas Hyde Gallery

Chapter
BBC
Manchester Art Gallery

FINLAND

Charles Harlan
Rebecca Ackroyd
Alexandre da Cunha
Hazel Collins
Corinna Gardner
Juhani Lehmetti
Jean Pierre Tortil
Dr ChrisTurner
Ikko Yokoyama
Patrick Amsellem
Berndt Arell
Rachael Champion
Martin Clark
Thomas Dane
Matthew Darbyshire
Matthew Day Jackson
Emma Dexter
Adrienne Drake
David Hoyland
Ash l'Ange
Tom Morton
Helen Pheby
Lekha Poddar
Ranjan Poddar
Olga Sviblova
Jonathan Trayte
Sasha Gomeniuk
John Michael Ross
Grace Spooner

INFORMAL SUPPORT

Studio Voltaire
Camden Arts Centre
ICA (London)
Victoria and Albert Museum
M+ West Kowloon

The charity also continued its relationships with those parties disclosed in earlier trustees' reports. In addition to the above, the charity also relied on the Zabludowicz Art Trust for its funding during the period and will do so for the foreseeable future. Mr. Zabludowicz and Dr. Botterini de Pelosi are trustees of the Zabludowicz Art Trust.

Details of transactions with related parties are given in note 12 of the financial statements.

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TRUSTEES' REPORT

ACHIEVEMENTS AND PERFORMANCE

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objectives, as set out in its governing document, are: to promote, encourage and increase the public's appreciation and understanding of contemporary art by establishing and maintaining a venue for the exhibition of contemporary art in various media; undertaking and promoting self-initiated exhibitions and commissioning works for exhibition by contemporary artists and curators; and advancing the education of the public in contemporary art through exhibitions, publications, seminars, lectures, talks and similar events. The trustees are of the opinion that the charity's activities, as set out below, achieve these objectives.

Activities

During 2018 the charity continued to manage the exhibition space at 176 Prince of Wales Road, London (the "gallery") with three exhibitions during the year as well as the smaller series of exhibitions known as Invites. The charity also established closer relations with the related parties listed above in addition to those listed in previous trustees' reports.

Attendance Overview

	Exhibition Attendance	Daily Average	Exhibitions
Jan – Feb 2018	2,423	97	Testing Ground: A Minute Ago
Mar – Jul 2018	4,647	67	Beckman-Simnett
Sep. – Dec 2018	6,034	94	Rachel Maclean

Total attendance during 2018: 13,104 (2017 total attendance: 14,833).

Each of the above exhibitions was accompanied by a series of public events, talks and screenings which were held concurrently with the exhibitions. Publications for the Rachael Maclean and Beckman-Simnett exhibitions were produced and made available to the public during 2019. A total of 3,585 attendees took part in the public events and launches.

Public event attendees:

Testing Ground/Master Class: 878

Beckman-Simnett: 1,094

Rachel Maclean: 1,481

Invites: 132

Testing Ground for Art and Education

For the 10th consecutive year, Testing Ground focused on opportunities for the creative and professional development of emerging artists and curators. A continuously evolving programme, Testing Ground collaborates with educational and artist-led organisations to develop experimental exhibitions and events that facilitate the consideration and testing of new ideas and modes of practice. The exhibition considered the idea of 'a moment' through artistic practice: how do we experience a single moment in time, and how do we process, communicate, and reconstruct it. Including performances by live art practitioners and moving image work selected from the Zabludowicz Collection, the exhibition investigates the ways in which a moment can be interrogated through different art forms. Exhibited artists from the Zabludowicz Collection: Oliver Beer, Helen Benigson, Pipilotti Rist, Rachel Rose, Abi Spendlove and Gillian Wearing

Testing Ground: Master Class

Now in its sixth year, Master Class is a week-long intensive programme for emerging artists developed in collaboration with artist Doug Fishbone. Master Class offers eight emerging artists from around the UK the opportunity to discuss and examine their practice with a group of their peers. This provides them with the insights of more experienced and established artists as well as the practice support that they can often miss after leaving art school.

The "Masters" are comprised of artists whose work is associated with the Zabludowicz Collection and who have experienced public recognition and success. Led by artist Doug Fishbone, the 2018 Masters were: Ericka

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Beckman, Jake Chapman, Michael Dean and Richard Wentworth. Emerging artist participants in 2018 were: Chloe Ashley (Kent), Corey Bartle-Sanderson (London), Sam Blackwood (Sheffield), Eleanor Duffin (Bristol), Bob Gelsthorpe (Cardiff), Clinton Kirkpatrick (Belfast), Penelope Koliopoulou (London), and Suzi Osborn (Birmingham).

Beckmann-Simnett 22 March – 8 July 2018

These exhibitions examine ideas of embodiment and performance of identity in relation to technology through the medium of film and video. Beckman and Simnett have each established a unique approach to storytelling that draw upon fairy tale archetypes and their works share an interest in how gender is constructed and its relationship to mechanisms of desire and capitalist consumption. Their works reflect the impact of new technologies - robotics, virtual reality, bio-medical - on both the built environment and subjectivity. In addition, both artists have developed distinctive uses of sound in their work as a pre-linguistic tool for communication. They utilise tropes of the musical from the abstract repetitions and rhythms of playground chants and nursery rhymes, to the cathartic effect of song as a narrative device.

Erika Beckmann

In her first major solo UK exhibition, four seminal works by American artist Ericka Beckman, sourced from the Zabludowicz Collection, were presented, spanning over 30 years of genre-defying filmmaking. Beckman's work consistently treats film as a performance medium and draws on the pioneering energy of her years at CalArts and the do-it-yourself sensibilities of New York's Downtown Scene in the late 1970s and early 80s. It also astutely anticipates the social and cultural impact of video gaming and online networks over recent decades.

Shot on 16mm, with all the animation and visual effects being constructed in camera through multiple exposures, Beckman's films create narratives using the pedagogic and competitive structures of games. They playfully reveal the conditions of gender and identity formation in relation to labour, leisure, architecture and capital.

Marianna Simnett

British artist Marianna Simnett creates fable-like film, performance, sound and light installations that examine the sense of intimacy yet anxious unfamiliarity we experience with our own bodies. She particularly focuses on the means we deploy to control these bodies, both technological and cultural. The exhibition focussed on a group of recent work from the Zabludowicz Collection: the films *The Udder* (2014), *Blood* (2015), and *Blue Roses* (2016) – installed as a trilogy for the first time – alongside a sound and light installation *Faint with Light* (2016).

Simnett's works seek to create in-between states that defy and threaten easy categorisation by the patriarchal social structures that govern our bodies and identities. It's an approach that throws into doubt binary categories such as innocence and cruelty, purity and contamination, desire and revulsion, and even life and death.

Annual Commission: Rachel Maclean

Rachel Maclean has rapidly established herself as one of the most distinctive creative voices in the UK. Crafting baroque, hyper-real worlds from green-screen video and computer animation, and playing many of the extravagantly costumed characters herself, Maclean spins razor-sharp fables that revel in combining comedy and horror. Maclean's work offers a powerful critique of contemporary society and its underlying fears and desires.

Maclean first exhibited at the Zabludowicz Collection in 2014 with a solo exhibition as part of our Invites programme, and returned for the 2018 Annual Commission show. The works presented were *I'm Terribly Sorry*, 2018, *Spite Your Face*, 2017 and *Make Me Up*, 2018 which reflected on societal, political and feminist issues respectively.

A new monograph on Maclean was in production during 2018 and was printed during 2019. The work features texts by Kevin McGarry, Ana Teixeira Pinto and a conversation between the artist and Booker Prize shortlisted writer Tom McCarthy.

Zabludowicz Collection: Invites

During 2018 the Invites series continued with six solo exhibitions by UK-based artists without UK commercial gallery representation. The 2018 invites artists were: Siobhan Coen, Hazel Brill, Lindsey Mendick, Guy Oliver, Josefine Reisch and Tamu Nkiwane.

360 The Virtual Reality Room

During 2018 the charity set up the UK's first contemporary art virtual reality gallery and presented a repurposed installation by Haroon Mirza originally produced for his 2017 solo Annual Commission exhibition. In addition, VR works from the Zabludowicz Collection were exhibited together with those from a wider pool of artists.

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This Programme gained much press around its opening including an interview with Programme Director and 360 curator Maitreyi Maheshwari on Al Jazeera. Artists and works exhibited in 2018 exhibitions were: Rachel Rossin, *I Came And Went As A Ghost Hand (Cycle 2)*, 2015. *Metaphysics*, Nausea, 2016, Jakob Kudsk Steensen, *AQUAPHOBIA*, 2017, Peter Burr, *Arcology*, 2016, Jeremy Couillard, *The Founders of Daytona Beach* also founded Dayton Ohio, 2018, Jordan Wolfson, *Real Violence*, 2017, Paul McCarthy, *C.S.S.C Coach Stage Stage Coach VR Experiment Mary and Eve*, 2017, Melodie Mousset, *HanaHana*, 2017. A panel discussion featuring experts was also held. Speakers were Daphne Economou (University of Westminster), Mel Slater (University of Barcelona, Event Lab) and Peter Fisher (Co-founder & CTO at Khora, Partner at Khora Contemporary), with Harry Brenton

Offsite exhibitions & activities

You Are Looking at Something that Never Occurred

The charity's mid-2017 exhibition, *You Are Looking at Something that Never Occurred*, augmented by additional work from the Collection, was presented at the Multimedia Art Museum, Moscow, from 14 September to 18 November 2018. The presentation was jointly curated by Olga Slibova (Director MAMM) and Paul Luckraft.

Finland: Invited Artist Residency Programme & Symposium

During 2018, three international artists were invited to undertake residencies in Finland of up to three months, Charles Harlan, Rebecca Ackroyd and Alexandre da Cunha spent three weeks in Finland. All produced new works on the island. Harlan produced a new permanent outdoor sculpture *Sarvisalo Birdbath*, 2018, da Cunha made a small indoor work *Leaning Figure (Elbow)*, 2018 and Ackroyd a painting, *DRAIN Suvikunta*, 2018 which all three remains on the island.

The charity continued its free weekly Saturday afternoon drop-in workshops, *Families Creates*, for children and families.

FINANCIAL REVIEW

The results for the year ended 30 December 2018 are set out on the statement of financial activities on page 12. The position at the end of the period is shown in the balance sheet on page 13.

The trustees were pleased to note that certain of their activities, viz. the Moscow touring exhibition and the Rachel Maclean annual commission were funded by new income streams received specifically for these exhibitions. In the case of the Moscow tour, the charity's costs were covered in full.

The trustees are satisfied with the results for the period.

Risk Management

The trustees have a risk management strategy which comprises:

- A regular review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified during the review; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The specific risks are identified as follows:

Sources of Income

The charity has no regular source of income other than the donations it receives from the Zabludowicz Art Trust. However, the Zabludowicz Art Trust is committed in its support of the charity.

General risks

As the public face of the Zabludowicz Collection there are risks relating to: safety of the visiting public; staff safety; theft of/damage to art works being exhibited and damage to the building and its fixtures and fittings. The gallery's management team, led by the Artistic and Administrative Directors ensure that staff are trained in health and safety matters. While the exhibition space is open to the public, gallery invigilators are present to ensure the safety of the public, the works and the surroundings. During busy times, such as public opening evenings, security services are retained.

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Investment Powers and Policy

Under the Memorandum and Articles of Association the charity may invest for the sole purpose of furthering its charitable objectives. No investments were held during the year ended 30 December 2018 (2017: £nil).

Reserves Policy

As at 30 December 2018:

- (i) restricted funds of the charity amounted to £nil (2017: £nil).
- (ii) unrestricted funds amounted to (£45,002), (2017: (£16,634)) of which £19,215 (2017: £30,998) was represented by fixed assets and £64,217 (£2017: £47,632) was represented by net current liabilities.

As the Zabludowicz Art Trust is committed to its support of the charity, the trustees are satisfied with the level of reserves held.

Sponsorship Policy

In line with the charitable objects, the charity will from time to time provide financial support to artists. The Director is responsible for identifying and recommending suitable candidates to the other trustees who then decide whether support is provided.

FUNDRAISING

The charity does not carry out any fundraising activities and received no fundraising complaints during the year.

FUTURE PERIODS

The charity held the following exhibitions during 2019:

17 January–24 February 2019

Testing Ground: In the Shadow of Forward Motion.

21 March–7 July 2019

World Receivers curated by Tiffany Zabludowicz

Rachel Rossin: Stalking The Trace

Master Class with guest tutors: Haroon Mirza, Alexandre da Cunha, Amie Siegel and Janice Kerbel

Annual Commission: Shana Moulton

12 September–15 December

Invites has held five exhibitions during 2019 to date. The artists involved were Ollie Dook, Jakes Elwes, Fani Parali, Richard Ayodeji Ikhide and Puck Verkade.

360 held exhibitions by: Theo Triantafyllidis, Jan – Feb 2019 and Rebecca Allen, Sept – Oct 2019. A VR commissioning Programme was discussed with Rhizome and the New Museum during 2018 and the trustees hope that this will crystallise in the near future.

Also, during 2019 the charity has focussed on extending the UK programme to offsite locations e.g. the Marianna Simnett and Erika Beckmann exhibition was exhibited at FACT in Liverpool. New relationships are being developed with e.g. QUAD in Darby and Manchester Art Gallery in respect of future tours of the gallery's exhibitions

The Director and Artistic Director together with the gallery's curatorial team plan the charity's future exhibitions on a rolling 12 month basis and during 2020 they intend to present the following:

January – February 2020 Testing Ground/Master Class

March 2020: Opera Festival

April – July 2020: Spring Show

September – December 2020: Annual Commission

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TRUSTEES' REPORT

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITOR

In accordance with company law, as the charity's trustees, we certify that:

- so far as we are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- as the trustees of the charity we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor, RSM UK Audit LLP, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the trustees



Trustee: CHAIM ZABLUDOWICZ

Date: 27 September 2019

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Zabludowicz Art Projects for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Zabludowicz Art Projects (Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZABLUDOWICZ ART PROJECTS

Opinion on financial statements

We have audited the financial statements of Zabludowicz Art Projects (the 'charitable company') for the year ended 30 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

Opinion 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' Report, which includes the Directors' Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZABLUDOWICZ ART PROJECTS

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 9 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

SARAH MASON FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor, Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

MK9 1BP

Date: 30 September 2019

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STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account) for the year ended 30 December 2018

	Note	Total Unrestricted Funds 2018 £	Total Unrestricted Funds 2017 £
INCOME FROM:			
Donations and legacies	1	975,182	1,098,590
Charitable activities	1	113,735	-
Other trading activities	1	25,852	41,419
TOTAL		1,114,769	1,140,009
EXPENDITURE ON:			
Raising funds	2	39,299	50,829
Charitable activities	2	1,103,838	1,112,980
TOTAL		1,143,137	1,163,809
NET EXPENDITURE	4	(28,368)	(23,800)
TOTAL FUNDS BROUGHT FORWARD		(16,634)	7,166
TOTAL FUNDS CARRIED FORWARD		(45,002)	(16,634)

Zabludowicz Art Projects (Limited by Guarantee)

BALANCE SHEET

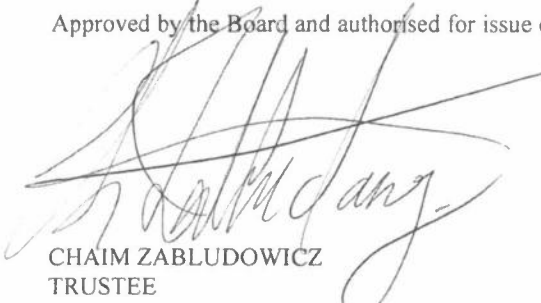
As at 30 December 2018

Company No: 06269259

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	7	19,215	30,998
CURRENT ASSETS			
Stock		13,397	16,555
Debtors	8	16,497	20,848
Cash at bank and in hand		2,935	17,313
		32,829	54,716
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	9	(97,046)	(102,348)
NET CURRENT LIABILITIES		(64,217)	(47,632)
NET LIABILITIES		(45,002)	(16,634)
THE FUNDS OF THE CHARITY			
Unrestricted funds		(45,002)	(16,634)
		(45,002)	(16,634)

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

Approved by the Board and authorised for issue on 27 September 2019 and signed on its behalf by



CHAIM ZABLUDOWICZ
TRUSTEE

The notes on pages 15 to 23 form part of these financial statements.

Zabludowicz Art Projects (Limited by Guarantee)

CASH FLOW STATEMENT

For the year ended 30 December 2018

	<i>Notes</i>	2018 £	2017 £
OPERATING ACTIVITIES			
Cash (used in)/generated from operations	11	(14,098)	6,302
NET CASH (USED IN)/ FROM OPERATING ACTIVITIES		(14,098)	6,302
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(280)	(521)
NET CASH USED IN INVESTING ACTIVITIES		(280)	(521)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(14,378)	5,781
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		17,313	12,429
Effect of foreign exchange rate changes		-	(897)
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,935	17,313

Zabludowicz Art Projects (Limited by Guarantee)

ACCOUNTING POLICIES

for the year ended 30 December 2018

BASIS OF ACCOUNTING

Zabludowicz Art Projects is a private company limited by guarantee and a registered charity. It is registered, domiciled and incorporated in England. The registered charity and company numbers and its principal activities are shown in the Trustees' Report.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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) issued on 16 July 2014 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

GOING CONCERN

The charity's business activities, together with the factors likely to affect its future development and position, are set out in the Trustees' Report on pages 1 to 8.

The charity has net liabilities. The trustees consider it appropriate to prepare the financial statements on the going concern basis. The charity is reliant on the support of the Zabludowicz Art Trust. The Zabludowicz Art Trust has indicated its willingness to continue to support the charity for 12 months following the signing of the financial statements and will make sufficient funds available during 2019 to allow the charity to rectify its negative reserve position at the balance sheet date.

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the charity.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

DONATIONS AND LEGACIES

Donations are credited to the Statement of Financial Activities when conditions of receipt have been met and in accordance to the periods to which they relate. All other income is recognised on an accruals basis.

DONATED SERVICES

Donated services are included in income when the benefit to the charity is reasonably quantifiable and measurable. These are valued by the trustees at the amount the charity would have been willing to pay on an open market.

RAISING FUNDS

Income from trading operations represents the invoiced value of goods sold and services provided to visitors to the gallery where the charity displays its collections.

Zabludowicz Art Projects (Limited by Guarantee)

ACCOUNTING POLICIES (continued)

for the year ended 30 December 2018

EXPENDITURE

Expenditure is recognised when a liability is incurred. Direct costs are defined as those costs directly attributable to areas of charitable activity and support costs are those not directly attributable. Total expenditure is allocated between Expenditure on Raising Funds and Charitable Activities as follows:

- Cost headings readily identifiable to one of the above two categories are allocated in full to that particular category.
- 10% of the seconded curator's salary and 5% of the interaction curator's salary are allocated to Expenditure on Raising Funds.
- The remaining support costs are allocated to the Charitable Activities, as only one charitable activity is recognised.

EXPENDITURE ON RAISING FUNDS

These are costs incurred in activities to raise funds.

CHARITABLE ACTIVITIES

Comprises those costs incurred by the charity in the execution of its activities.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Leasehold improvements	10% straight line
Computer equipment	25% straight line
Fixtures, fittings and equipment	10% straight line
Office equipment	25% straight line

STOCK

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on selling price less any future selling costs. Provision is made for obsolete and slow moving items.

UNRESTRICTED FUNDS

Unrestricted funds are those funds which the trustees are free to use in accordance with the charitable objects.

RESTRICTED FUNDS

Restricted funds are used for specific purposes as laid down by the donor or grant making body. Expenditure which meets the necessary criteria is allocated against the funds, together with a fair allocation of overheads. There were no restricted funds to recognise.

VALUATION OF GIFTS IN KIND

Gifts in kind are included in the accounts on the basis of historical cost, or if this is not readily obtainable by reference to the market value at the time the gift was made.

IRRECOVERABLE VAT

The charity is not registered for VAT. The irrecoverable VAT is reported as part of the expenditure to which it relates.

RETIREMENT BENEFITS

During the year the charity operated a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

Zabludowicz Art Projects (Limited by Guarantee)

ACCOUNTING POLICIES (continued)

for the year ended 30 December 2018

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full, to all of its financial instruments.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets

Basic financial assets, which include other debtors and accrued income, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include trade creditors and accruals, are initially measured at transaction price and subsequently measured at amortised cost.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used in estimating the total amount of expenditure to be accrued at the start of each project. These estimates 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.

Zabludowicz Art Projects (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 December 2018

1 INCOME

The charity's income and net income were all derived from its principal activity which arose wholly in the United Kingdom.

A breakdown of the income is shown below:

	2018	2017
	£	£
Donations and legacies	975,182	1,098,590
Gift/Coffee Shops Income	25,852	41,419
Charitable activities – exhibitions	113,735	-
Total income	1,114,769	1,140,009

2 EXPENDITURE

	Raising Funds £	Charitable Activities £	Total 2018 £
DIRECT COSTS			
Salaried staff	2,614	437,138	439,752
Seconded and recharged staff costs	1,596	138,271	139,867
Purchases	15,213	-	15,213
Project costs	-	309,190	309,190
TOTAL DIRECT COSTS	19,423	884,599	904,022
SUPPORT COSTS			
Property expenses	-	15,582	15,582
IT expenses	-	2,717	2,717
Travel & entertaining	4,154	1,138	5,292
Other office costs	-	11,000	11,000
Legal & professional	-	123,775	123,775
Depreciation	-	12,063	12,063
Telecommunications	-	6,457	6,457
Governance costs including audit	-	19,563	19,563
Security	-	3,534	3,534
Sponsorship	-	-	-
Bank Charges	-	508	508
Insurance	-	128	128
Advertising	15,722	-	15,722
Exchange differences	-	1,879	1,879
Donations made	-	18,000	18,000
Annual Return	-	13	13
Accountant's Fees	-	2,880	2,880
Bank Interest Payable	-	2	2
TOTAL SUPPORT COSTS	19,876	219,239	239,115
TOTAL EXPENDITURE	39,299	1,103,838	1,143,137

Zabludowicz Art Projects (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 December 2018

2 EXPENDITURE (continued)

The expenditure for the year ended 30 December 2017 were categorised as follows:

	Raising Funds £	Charitable Activities £	Total 2017 £
DIRECT COSTS			
Salaried staff	2,898	413,615	416,513
Seconded and recharged staff costs	4,005	146,807	150,812
Purchases	26,296	-	26,296
Project costs	-	338,125	338,125
TOTAL DIRECT COSTS	33,199	898,547	931,746
SUPPORT COSTS			
Property expenses	-	45,069	45,069
IT expenses	-	4,225	4,225
Travel & entertaining	7,468	668	8,136
Other office costs	-	5,559	5,559
Legal & professional	-	103,874	103,874
Depreciation	-	17,156	17,156
Telecommunications	-	6,432	6,432
Governance costs including audit	-	18,791	18,791
Security	-	1,891	1,891
Sponsorship	-	2,700	2,700
Bank Charges	-	984	984
Insurance	-	171	171
Advertising	10,162	-	10,162
Exchange differences	-	899	899
Donations made	-	6,000	6,000
Annual Return	-	14	14
TOTAL SUPPORT COSTS	17,630	214,433	232,063
TOTAL EXPENDITURE	50,829	1,112,980	1,163,809

Zabludowicz Art Projects (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 December 2018

3 EMPLOYEES

	2018 No.	2017 No.
The average monthly number of persons employed by the charity during the year was:	24	20
	2018 £	2017 £
Staff costs of the above persons:		
Wages and salaries	375,173	358,751
Social security costs	31,640	32,158
Pension costs	24,590	16,732
	431,403	407,641

No employee's emoluments exceeded £60,000 (2017: £Nil).

There are informal arrangements in place where employees of related parties are seconded to the charity. The time spent by each secondee is recognised in the accounts as a donated service to the charity on the basis of employer cost.

During the year staff costs of £79,264 (2017: £102,332) and £60,604 (2017: £40,055) were donated by the Zabludowicz Art Trust and Tamares Real Estate Investments (UK) Limited respectively.

Contributions outstanding at the year end in respect of the pension scheme were £2,734 (2017: £1,786) and are included in other creditors.

The key management personnel of the charity are Anita Zabludowicz, Elizabeth Neilson, Virgine Morysse and Maitreyi Maheshwari. Of these, Maitreyi Maheshwari (2017: Maitreyi Maheshwari) had benefits accruing under a defined contribution pension scheme as at 30 December 2018. The total key management remuneration during the period, which comprised salary and pension benefits, were £123,075 (2017: £152,749) and Employers National Insurance of £5,326 (2017: £6,040).

The Trustees received no remuneration or expense reimbursements during the year (2017: £Nil).

Zabludowicz Art Projects (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 December 2018

4 NET EXPENDITURE

	2018 £	2017 £
The net expenditure for the year is stated after charging:		
Auditor's remuneration;		
- statutory audit	16,480	16,000
- tax compliance	2,880	2,880
Depreciation (owned assets)	12,064	17,156
Exchange losses	1,879	897
Stock:		
- amounts expended in the period	15,213	16,250
- impairment losses recognized in the period	21,487	10,046

5 TAXATION

The charity is exempt from corporation tax on any surplus derived from its charitable activities.

6 LIMITED BY GUARANTEE STATUS (MEMBERS' LIABILITY)

The liability of members is not to exceed £10 a member. At 30 December 2018 there were 2 members (2017: 2 members).

7 TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i> £	<i>Computer equipment</i> £	<i>Fixtures, fittings & equipment</i> £	<i>Office Equipment</i> £	<i>Total</i> £
Cost					
As at 31 December 2017	13,455	76,764	101,100	13,637	204,956
Additions	-	-	280	-	280
As at 30 December 2018	13,455	76,764	101,380	13,637	205,236
Depreciation					
As at 31 December 2017	10,764	70,540	79,562	13,092	173,958
Charged in the year	1,345	5,743	4,606	369	12,063
As at 30 December 2018	12,109	76,283	84,168	13,461	186,021
Net book value					
As at 30 December 2018	1,346	481	17,212	176	19,215
As at 30 December 2017	2,691	6,224	21,538	545	30,998

Zabludowicz Art Projects (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 December 2018

8	DEBTORS	2018 £	2017 £
	Prepayments and accrued income	14,184	17,480
	Other debtors	2,313	3,368
		<u>16,497</u>	<u>20,848</u>
9	CREDITORS: Amounts falling due within one year	2018 £	2017 £
	Trade creditors	27,260	43,366
	Other taxation and social security	15,732	13,724
	Other creditors	2,734	1,786
	Accruals and deferred income	51,320	43,472
		<u>97,046</u>	<u>102,348</u>
10	FINANCIAL INSTRUMENTS		
	The carrying amounts of the charity's financial instruments at 30 December were:		
	Financial assets:	2018 £	2017 £
	Debt instruments measured at amortised cost:		
	Other debtors	2,313	3,368
	Financial liabilities:		
	Measured at amortised cost:		
	Trade creditors	27,260	43,366
	Accruals	51,320	43,472
	Other creditors	2,734	1,786
		<u>81,314</u>	<u>88,624</u>

Zabludowicz Art Projects (Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 December 2018

11 RECONCILIATION OF NET EXPENDITURE TO NET CASH GENERATED FROM OPERATIONS

	2018 £	2017 £
Net expenditure	(28,368)	(23,800)
Adjustments for:		
Depreciation of tangible assets	12,063	17,156
Operating cash flows before movement in working capital	(16,305)	(5,747)
Decrease in stock	3,158	9,978
Decrease/(increase) in debtors	4,351	(179)
Increase/(decrease) in creditors	(5,302)	2,250
Cash (used in)/ generated from operations	(14,098)	6,302

12 RELATED PARTIES

Name of party	Relationship	Description of Transaction	Value of transactions in year		Balance at year end	
			2018 £	2017 £	2018 £	2017 £
Zabludowicz Art Trust	C Zabludowicz Director/Trustee	Donations received	834,314	893,178	-	-
Zabludowicz Art Trust	C Zabludowicz Director/Trustee	Donated services received	79,264	102,332	-	-
TREIUK Limited	C Zabludowicz Director/Trustee	Donated services received	60,604	48,480	-	(8,022)
TAAS Ltd	C Zabludowicz Director/Trustee	Donated services received	13,965	8,724	-	10,492
Tamares Real Estate Ltd	Dr Botterini de Pelosi Director/Trustee	Donated services received	-	60,825	-	-