

REGISTERED CHARITY NUMBER: 1169698

**GROUP REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022
FOR
COUNTY HALL ARTS**

Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

COUNTY HALL ARTS

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FOR THE YEAR ENDED 31ST DECEMBER 2022**

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COUNTY HALL ARTS

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

TRUSTEES

K Okamoto
M Okamoto
I Martinez

PRINCIPAL ADDRESS

The Riverside Building
County Hall
Westminster Bridge Road
London
SE1 7PB

REGISTERED CHARITY NUMBER

1169698

AUDITORS

Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2022

The trustees present their report with the financial statements of the charitable group for the year ended 31st December 2021. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance the education of people in the arts for the public benefit in particular the arts of, drama, dance, music and motion pictures and culinary arts primarily but not exclusively, through the provision of financial assistance in the education, access and creation of arts and culture. To support these aims, the charity wishes to consider establishing art galleries, museums, schools and culinary arts schools and provide space for cultural events, exhibitions and production of motion picture films.

Public benefit

The trustees have complied with the duty in section 4 of the Charities Act 2011 and have regard to the public benefit guidance as issued by the Charity Commission as shown in the objectives above.

We have referred to the guidance on public benefit when reviewing our aims and objectives and in planning our future activities in particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

This public benefit statement forms the basis for all judgements regarding operational reports to the Board meetings, in order to be reassured that the facilities and services currently managed by the charity continue to meet these criteria. At these meetings, the Financial Controller also presents the monthly financial position including taking account of any restricted funds and the Charity's status as a going concern.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the charity provided £250k funding to produce creative content including filmmaker, animator, visual artist & musician sponsorships some of which included international arts education. These sponsorships resulted in the creation of over 70 short films which were all published on the County Hall Arts website for public viewing. During the year the charity also ran a "Riverside Views" landscape painting competition, held a public exhibition of the shortlisted paintings submitted, and awarded the winner and two runners up prize money of £10k and £1k respectively. Later in the year another competition opened for the composing of a symphony inspired by Kyoto. This "Symphony Kyoto" concours will award a winner €50k and up to 5 other shortlisted entrants €10k each. The competition winner will be selected in 2023 with an orchestra performance of the winning work then intended to follow. The Trustees plan to continue to hold regular competitions in future with all competitions open to the general public and involving industry professionals in the selection and judging of the works submitted.

During the year the feature film "Living" (£3m investment funding provided by County Hall Arts in 2022) was released. The film received many positive critic and audience reviews as well as industry awards nominations. The Trustees continue to look for opportunities for the charity to support the production of quality feature length films which are considered to have artistic merit and positive themes but are unlikely to receive full commercial funding.

The MOM Culinary Institute established by County Hall Arts in Madrid in 2021 continued to provide education in the culinary arts to 120 students studying to complete their 2 year Diplomas, the first cohort to graduate will do so in 2023. During the year the charity provided £165k in course & student sponsorship funding. The Trustees are pleased with the progress of the school and the charity will continue its financial support in 2023.

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2022

In 2021 the acquisition of a property in San Sebastian was completed with it to be used for the establishment of a Classical Music school. During 2022 the Trustees released €520k of funds to obtain usage permission and conduct repairs to the exterior of the property as well creating student accommodation facilities including 23 furnished bedrooms with en suites. The Trustees have spoken with a number of potential partners regarding the creation of the school however the search is ongoing.

In 2022 the charity began construction of facilities to house an agricultural & culinary arts university at its property in El Pardo, Madrid. During the year funds were released in the amount £1.76m for the refurbishment, change of use, as well as the creation of classroom and kitchen facilities, student accommodation and botanical gardens. The university named Madrid Culinary Campus (MACC) will initially offer a Degree in Gastronomy and Culinary Innovation with plans for further training courses to be established in future. Construction will continue in 2023 with the university scheduled to open later that year.

FINANCIAL REVIEW

Financial position

Incoming resources for the group in the year were £7,891,391: comprising £6,086,911 of investment income and £1,804,480 of trading income. None of the income resources were restricted.

A surplus of £4,719,709 was made during the year. As at 31 December 2022 total consolidated funds were £51,984,941 (2021: £47,264,393) of which £108,314 (2021: £142,737) is in relation to the non-controlling interests. All of the £51,984,941 (2021: £47,393,639) attributable to the charity relates to general unrestricted funds.

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2022

FINANCIAL REVIEW

Investment powers, policy and objectives

As required in its articles of association in furtherance of its objects and for no other purposes, the Association has the power to invest the monies of the charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may for the time being be imposed or required by law.

Reserves policy

The Trustees are committed to maintaining a level of unrestricted funds as free reserves. The charity's income is subject to property market conditions and sufficient cash reserves are maintained to allow the charity to take advantage of project opportunities and to continue to operate at its forecasted expenditure level for a period of five years, should a substantial fall in income occur. It is anticipated five years would allow sufficient time for market recovery and based on the most recent budgeted expenditure the reserves requirement totals £15m.

The Trustees have ear marked future expenditure on the following projects:

For the creation of a new creative arts feature length film to inspire and educate involving both emerging talent and recent film school graduates	£10,000,000
For commissioning emerging film makers to create short films with educational and artistic focus	£500,000
Committed to sponsorships for scholarships for book illustrators, creative art students, culinary art students, painting, music, and film making	£500,000
For the set up of a new Culinary Arts & Agriculture School in El Pardo and a Music and Culinary School in St Sebastian.	£3,500,000
Total Expenditure	£14,500,000

FUTURE PLANS

The aims and objectives of the charitable group in the future are to continue to raise funds with which to provide assistance in the education, access and creation of arts and culture. The activities planned to achieve these objections include, and are not limited to, sponsoring various motion pictures to support aspiring script writers, actors and other creative talents.

In addition, the trustees will look to further develop the rental space within their property assets in order to generate additional rental income. The object being that future rent yields will continue to positively contribute to the charities long term existence.

The future direction of the group will remain substantially the same as to date, subject to an ongoing monitoring review by all the Trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes a charitable incorporated organisation.

COUNTY HALL ARTS

**GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

Recruitment and appointment of new trustees

Every trustee must be appointed for a term of 5 years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the Charitable Incorporated Organisation.

As stated in the articles of association the maximum number of trustees is twelve and there must be at least three charity trustees. If the number falls below this minimum, the remaining trustee or trustees may act to call a meeting of the charity trustees or appoint a new charity trustee.

Organisational structure

The charity trustees manage the affairs of the Charitable Incorporation Organisation and may for that purpose exercise all the powers of the CIO.

Any decisions may be taken either at a meeting of the charity trustees or by resolution in writing or electronic form.

COUNTY HALL ARTS

**GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The charity trustees will make available to each new charity trustee, on or before his or her first appointment, a copy of the current version of the constitution and a copy of the latest trustees annual report and statement of accounts.

Related parties

The charitable group is related to the groups of companies headed by London Sky Garden Ltd and Cadogan Entertainment Investments Limited via the trustees' directorships and / or shareholdings in the aforementioned groups, all of which operate out of The Riverside Building at County Hall.

All donations received during the year have been received from the above-mentioned related parties to facilitate the charity in its pursuit of its charitable objectives.

STATEMENT OF TRUSTEES RESPONSIBILITIES


The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those consolidated 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 31-Oct-2023 2023 and signed on its behalf by:

DocuSigned by:

.....0784DB696DBA4EG.....
K Okamoto - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
COUNTY HALL ARTS**

Opinion

We have audited the financial statements of County Hall Arts (the 'charity') and its subsidiaries (the "group") for the year ended 31st December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Charity Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the consolidated 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 (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 charity's affairs as at 31st December 2021 and of the group's incoming resources and application of resources 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 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
COUNTY HALL ARTS**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent entity; or
- the parent entity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 group'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 charity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
COUNTY HALL ARTS**

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory framework applicable to the charity and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2011.

- We obtained an understanding of how the charity is complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our inquiries through our review of board minutes and papers provided by those charged with governance.

- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team include:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgments made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with the relevant laws and regulations.

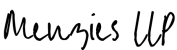
- We have reviewed the financial statements and considered whether they are consistent with our understanding of the entity or indicate a previously unrecognised risk of material misstatement that could be due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
COUNTY HALL ARTS**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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for and on behalf of Menzies LLP

Chartered Accountants and Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Richmond House

Walkern Road

Stevenage

Hertfordshire

SG1 3QP

Date: 31-Oct-2023
Date: 2023

COUNTY HALL ARTS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

		Year Ended 31.12.22 Unrestricted funds £	Year Ended 31.12.22 Total funds £	Year Ended 31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	3	-	-	2,312,656
Investment income	4	6,086,911	6,086,911	5,531,735
Trading income	5	<u>1,804,480</u>	<u>1,804,480</u>	<u>402,491</u>
Total		7,891,391	7,891,391	8,246,882
EXPENDITURE ON				
Raising funds	6	509,798	509,798	611,625
Charitable activities	7			
Direct charitable expenditure		1,389,106	1,389,106	750,511
Other resources expended		1,267,366	1,267,366	541,769
Governance costs		<u>14,027</u>	<u>14,027</u>	<u>9,886</u>
		3,180,297	3,180,297	1,913,791
Tax	8	<u>(8,615)</u>	<u>(8,615)</u>	<u>(4,583)</u>
Total		3,171,682	3,171,682	1,909,208
NET INCOME		<u>4,719,709</u>	<u>4,719,709</u>	<u>6,337,674</u>
RECONCILIATION OF FUNDS				
Total funds brought forward		47,265,232	47,265,232	40,926,719
Owners of parent		4,828,023	4,828,023	6,480,411
Non-controlling interests	22	<u>(108,314)</u>	<u>(108,314)</u>	<u>(142,737)</u>
		4,719,709	4,719,709	6,337,674
Issue of share capital		-	-	<u>839</u>
TOTAL FUNDS CARRIED FORWARD		<u>51,984,941</u>	<u>51,984,941</u>	<u>47,265,232</u>

COUNTY HALL ARTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2022

		2022 Unrestricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS	Notes			
Tangible assets	14	12,891,626	12,891,626	10,501,315
Heritage assets	15	<u>176,250</u>	<u>176,250</u>	<u>167,250</u>
		13,067,876	13,067,876	10,668,565
CURRENT ASSETS				
Inventory	17	3,028,000	3,028,000	3,028,000
Debtors	18	15,398,033	15,398,033	16,476,770
Cash at bank		<u>23,907,062</u>	<u>23,907,062</u>	<u>19,838,921</u>
		42,333,095	42,333,095	39,343,691
CREDITORS				
Amounts falling due within one year	18	<u>(3,427,010)</u>	<u>(3,427,010)</u>	<u>(2,747,024)</u>
NET CURRENT ASSETS		<u>38,906,085</u>	<u>38,906,085</u>	<u>36,596,66</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		51,973,961	51,973,961	47,265,232
PROVISIONS FOR LIABILITIES	19	<u>10,980</u>	<u>10,980</u>	<u>-</u>
NET ASSETS		51,984,941	51,984,941	47,265,232

COUNTY HALL ARTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED
AT 31ST DECEMBER 2022

FUNDS	Notes	2022 Unrestricted funds £	2021 Total funds £
Unrestricted funds	20	52,221,662	47,393,639
Non-controlling interests	21	(236,721)	(128,407)
TOTAL FUNDS		<u>51,984,941</u>	<u>47,265,232</u>

The financial statements were approved by the Board of Trustees on ^{31-Oct-2023} 2023 and were signed on its behalf by:

DocuSigned by:

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 K Okamoto - Trustee

COUNTY HALL ARTS

CHARITY STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2022

		2022	2021
		Unrestricted funds	Total funds
		£	£
FIXED ASSETS	Notes		
Tangible assets	14	10,805,892	8,593,439
Heritage assets	15	176,250	167,250
Investments	16	211,747	211,158
		11,193,889	8,971,847
CURRENT ASSETS			
Inventory		3,028,000	3,028,000
Debtors	17	17,206,729	18,324,028
Cash at bank		23,855,769	19,777,720
		44,090,498	41,129,748
CREDITORS			
Amounts falling due within one year	18	(2,219,914)	(2,091,476)
NET CURRENT ASSETS		41,870,584	39,038,272
TOTAL ASSETS LESS CURRENT LIABILITIES		53,064,473	48,010,119
NET ASSETS		53,064,473	48,010,119

COUNTY HALL ARTS

**CHARITY STATEMENT OF FINANCIAL POSITION - CONTINUED
AT 31ST DECEMBER 2022**

	2022	2021
	Unrestricted funds	Total funds
	£	£
FUNDS		
Unrestricted funds	<u>53,064,473</u>	<u>48,010,119</u>
TOTAL FUNDS	<u><u>53,064,473</u></u>	<u><u>48,010,119</u></u>
Charity net income for the year	<u><u>5,054,354</u></u>	<u><u>7,009,007</u></u>

The financial statements were approved by the Board of Trustees on 31-Oct-2023 and were signed on its behalf by: 2023

DocuSigned by:

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 K Okamoto - Trustee

COUNTY HALL ARTS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Notes	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>6,707,857</u>	<u>7,695,397</u>
Net cash provided by (used in) operating activities		<u>6,707,857</u>	<u>7,695,397</u>
Cash flows from investing activities:			
Purchase of fixed assets		<u>(2,639,716)</u>	(8,083,224)
Disposal of fixed assets		<u>-</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(2,639,716)</u>	<u>(8,083,224)</u>
Cash flows from financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		4,068,141	(386,988)
Cash and cash equivalents at the beginning of the reporting period		<u>19,838,921</u>	<u>20,225,909</u>
Cash and cash equivalents at the end of the reporting period		<u>23,907,062</u>	<u>19,838,921</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Net income for the reporting period (as per the statement of financial activities)	4,719,709	6,337,674
Adjustments for:		
Depreciation charges	240,405	105,959
Decrease in deferred tax provision	(8,615)	(4,583)
Decrease in debtors	1,076,372	497,943
Increase in creditors	679,986	758,404
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	<u>6,707,857</u>	<u>7,695,397</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank	<u>19,838,921</u>	<u>4,068,141</u>	<u>23,907,062</u>
	<hr/>	<hr/>	<hr/>
	<u>19,838,921</u>	<u>4,068,141</u>	<u>23,907,062</u>
Total	<u>19,838,921</u>	<u>4,068,141</u>	<u>23,907,062</u>

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

1. STATUTORY INFORMATION

County Hall Arts is a charitable incorporated organisation, registered as a charity in England and Wales. The charity registration number and principal address can be found within the reference and administrative details on page 1.

2. ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements of the charitable incorporated organisation, which is a public benefit entity, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis.

Basis of consolidation

The group consolidated financial statements include the financial statements of the charity and all of its subsidiary undertakings made up to 31 December 2022. A subsidiary is an entity controlled by the group. Control is power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statement to apply the group's accounting policies when preparing the consolidated financial statements.

Non-controlling interests

Non-controlling interests at the statement of financial position date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Charity, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position as a separate fund. Non-controlling interests in the results of the Group for the year are also separately presented in the consolidated statement of financial activities.

Individual Statement of Financial Activities

As permitted by the Charities Act 2011, the Income Statement of the parent undertaking is not presented as part of these financial statements.

Significant judgements and estimates

In the application of the company's accounting policies, which are described throughout note 2, management is required to make judgements estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022****2. ACCOUNTING POLICIES - continued****Significant judgements and estimates**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Useful Economic Life of Tangible Assets:

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and physical condition of the assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are taken to the statement of financial activities in the period in which they are incurred. Rental income is invoiced in advance of the period to which it relates and hence is shown as deferred income within liabilities on the statement of financial position until the revenue recognition criteria are satisfied.

Interest income

Interest income is recognised when it is probable that the economic benefit will flow to the entity and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Trading income

Trading income is recognised when goods have been delivered and services supplied to customers such that risks and rewards of ownership have transferred to them.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022****2. ACCOUNTING POLICIES - continued****Expenditure**

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 50 years straight line and over the life of the lease
Fixtures and fittings	- 20% on cost

Heritage assets

The heritage assets held by the charity relate to various pieces of artwork. Heritage assets have been recognised at cost. No depreciation is provided on heritage assets due to the indefinite useful life of the assets.

Fixed asset investments

Fixed asset investments are stated at cost less and provision for diminution in value.

Inventory

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Film rights are stated at the lower of minimum guarantee payments less value charged against sales and net realisable value. Minimum guarantee costs are expensed in line with the expected sales profile over the period of expected sales.

Tax

The charity is exempt from tax on its charitable activities.

The subsidiary is subject to tax at the applicable rates. Tax for the year comprises current and deferred tax. Tax is recognised in the Statement of Financial Activities, except to the extent that it relates to items recognised in other comprehensive income or directly in funds.

Current or deferred tax assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST DECEMBER 2022

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

All funds were unrestricted as at the period end date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of financial activities in the period to which they relate.

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022

3. DONATIONS AND LEGACIES

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Donations	-	<u>2,312,656</u>

4. INVESTMENT INCOME

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Rents received	6,076,430	5,516,073
Interest received	10,481	15,662
	<u>6,086,911</u>	<u>5,531,735</u>

5. TRADING INCOME

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Income generated from trading activities	<u>1,804,480</u>	<u>402,491</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022

6. RAISING FUNDS

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Rents payable	244,656	428,830
Rates	-	19,959
Legal fees	83,233	21,948
Consultancy and Design fees	<u>181,909</u>	<u>140,888</u>
	<u>509,798</u>	<u>611,625</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 9) £	Support costs (See note 10) £	Totals £	Year Ended 31.12.21 £
Direct charitable expenditure	974,210	175,795	239,101	1,389,106	750,511
Other resources expended			1,267,366	1,267,366	541,769
Governance costs	-	-	<u>14,027</u>	<u>14,027</u>	<u>9,886</u>
	<u>974,210</u>	<u>175,950</u>	<u>1,520,494</u>	<u>2,670,499</u>	<u>1,302,166</u>

8. TAXATION

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Deferred tax	<u>8,615</u>	<u>4,583</u>
	<u>8,615</u>	<u>4,583</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022

9. GRANTS PAYABLE

	Year Ended 31.12.22	Year Ended 31.12.21
	£	£
Direct charitable expenditure	<u>175,795</u>	<u>103,750</u>

The total grants awarded during the year was as follows:

	Year Ended 31.12.22	Year Ended 31.12.21
	£	£
NFTS	14,613	3,750
Picture Hooks	-	100,000
Agricooking S.L.	149,182	-
Riverside Views	<u>12,000</u>	<u>-</u>
	<u>175,795</u>	<u>103,750</u>

10. SUPPORT COSTS

	Management	Finance	Other	Governance Costs	Totals
	£	£	£	£	£
Direct charitable expenditure	-	-	239,101	-	239,101
Other resources expended	1,158,900	3,882	104,584	-	1,267,366
Governance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,027</u>	<u>14,027</u>
	<u>1,158,900</u>	<u>3,882</u>	<u>343,685</u>	<u>14,027</u>	<u>1,520,494</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or expenses paid for the year ended 31st December 2022 nor for the period ended 31st December 2021.

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022

12. STAFF COSTS

	Year Ended 31.12.22	Year Ended 31.12.21
	£	£
Wages	930,238	482,530
Social security	225,654	17,044
Pension	<u>3,008</u>	<u>3,022</u>
	<u>1,158,900</u>	<u>502,596</u>

No employees received emoluments in excess of £60,000 (2021: £60,000)

The average number of employees during the year was 32 (2021: 14)

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Total funds
	£	£
INCOME AND ENDOWMENTS FROM		
Donations and legacies	2,312,656	2,312,656
Investment income	5,531,735	5,531,735
Trading income	<u>402,491</u>	<u>402,491</u>
Total	8,246,882	8,246,882
EXPENDITURE ON		
Raising funds	611,625	611,625
Charitable activities		
Direct charitable expenditure	750,511	750,511
Other resources expended	541,769	541,769
Governance costs	<u>9,886</u>	<u>9,886</u>
Tax	<u>(4,583)</u>	<u>(4,583)</u>
Total	1,909,208	1,909,208
NET INCOME	<u>6,337,674</u>	<u>6,337,674</u>
RECONCILIATION OF FUNDS		
Total funds brought forward	40,926,719	40,926,719
Funds attributable to group	6,480,411	6,480,411
Non-controlling interests	<u>(142,737)</u>	<u>(142,737)</u>
TOTAL FUNDS CARRIED FORWARD	<u>47,265,232</u>	<u>47,265,232</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022

14. TANGIBLE FIXED ASSETS

Group

	Freehold	Long leasehold £	Fixtures and fittings £	Total £
Cost or valuation				
At 1st January 2022	7,793,222	2,180,191	757,415	10,730,828
Additions	2,230,177	205,726	194,813	2,630,716
Disposals	-	-	-	-
At 31st December 2022	<u>10,023,399</u>	<u>2,385,917</u>	<u>952,228</u>	<u>13,361,544</u>
Depreciation				
At 1st January 2022	-	137,740	91,773	229,513
Charge for year	-	154,888	85,517	240,405
At 31st December 2022	-	<u>292,628</u>	<u>177,290</u>	<u>469,918</u>
Net book value				
At 31st December 2022	<u>10,023,399</u>	<u>2,102,128</u>	<u>766,099</u>	<u>12,891,626</u>
At 31st December 2021	<u>7,793,222</u>	<u>2,042,451</u>	<u>665,642</u>	<u>10,501,315</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022

14. TANGIBLE FIXED ASSETS - continued

Charity

	Freehold £	Long Leasehold £	Total £
Cost			
At 1st January 2022	7,793,222	886,197	8,679,419
Additions	<u>2,230,177</u>	-	<u>2,230,177</u>
At 31st December 2022	<u>10,023,399</u>	<u>886,197</u>	<u>10,909,596</u>
Depreciation			
At 1st January 2022	-	85,980	85,980
Charge for year	<u>-</u>	<u>17,724</u>	<u>17,724</u>
At 31st December 2022	<u>-</u>	<u>103,704</u>	<u>103,704</u>
Net book value			
At 31st December 2022	<u>10,023,399</u>	<u>782,493</u>	<u>10,805,892</u>
At 31st December 2021	<u>7,793,222</u>	<u>800,217</u>	<u>8,593,439</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022**15. HERITAGE ASSETS****Group and Charity**

	Total £
Market value	
At 1st January 2022	167,250
Additions	9,000
At 31st December 2022	<u>176,250</u>
Net book value	
At 31st December 2022	<u>176,250</u>
At 31st December 2021	<u>167,250</u>

16. FIXED ASSET INVESTMENTS**Group and Charity**

	Equity investment in group undertakings £
Market value	
As at 1st January 2022	211,158
Additions	<u>589</u>
At 31th December 2022	<u>211,747</u>
Net book value	
At 31st December 2022	<u>211,747</u>
At 31st December 2021	211,158

There were no investment assets outside the UK.

The charity's investments at the Statement of Financial Position date in the share capital of companies include the following:

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022**

Subsidiaries

Zen Arts Ltd

Registered office: County Hall, Riverside Buildings, Westminster Bridge, London, SE1 7PB

Company number: 07596404

Nature of business: Specialised design activities

	%
Class of shares:	Holding
Ordinary	90.00

Agricooking Global SL

Registered office: Calle Serrano, 95, Madrid 28006, Madrid.

Company number: B42801324

Nature of business: Cookery school

	%
Class of shares:	Holding
Ordinary	82.50

Agricooking SL

Registered office: Calle Serrano, 95, Madrid 28006, Madrid.

Company number: B42801324

Nature of business: Cookery school

	%
Class of shares:	Holding
Ordinary	82.50

Agricooking El Pardo SL

Registered office: Calle Serrano, 95, Madrid 28006, Madrid.

Company number: B44594224

Nature of business: Cookery school

	%
Class of shares:	Holding
Ordinary	82.50

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022**

17. INVENTORY

Group

2022

**Total
£**

Market value

At 1st January 2022

3,028,000

Additions

3,028,000

At 31st December 2022

Net book value

At 31st December 2022

3,028,000

At 31st December 2021

3,028,000

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	1,024,380	1,956,912	976,946	1,960,775
Deferred tax	10,980	2,365	-	-
Other debtors	<u>14,362,673</u>	<u>14,517,493</u>	<u>16,229,783</u>	<u>16,363,253</u>
	<u>15,398,033</u>	<u>16,476,770</u>	<u>17,206,729</u>	<u>18,324,028</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	863,466	47,200	-	-
Taxation and social security	35,412	3,680	299,047	293,581
Other creditors	<u>2,528,132</u>	<u>2,696,144</u>	<u>1,611,619</u>	<u>1,797,895</u>
	<u>3,427,010</u>	<u>2,747,024</u>	<u>2,219,914</u>	<u>2,091,476</u>

Included in other creditors of both the Group and Charity is deferred income of £1,934,584 (2021: £1,427,985) relating to rents received in respect of a future financial period.

20. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	324	572
Tax losses carried forward	<u>(11,304)</u>	<u>(2,937)</u>
		Deferred tax
		£
At 1st January 2022		(2,365)
Provided during year		<u>(8,615)</u>
Balance at 31st December 2022		<u>(10,980)</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022**21. CONSOLIDATED MOVEMENT IN FUNDS**

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	36,243,639	1,478,023	-	37,721,662
Designated funds	11,150,000	3,350,000	-	14,500,000
Sub-total	47,393,639	4,828,023	-	52,221,662
Non-controlling interest	(128,407)	(108,314)	-	(236,721)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>47,265,232</u>	<u>4,719,709</u>	<u>-</u>	<u>51,984,941</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	7,891,391	3,279,995	4,828,023
Non-controlling interests	-	(108,314)	(108,314)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>7,891,391</u>	<u>3,171,681</u>	<u>4,719,709</u>

Purpose of funds

Designated funds are earmarked as such by the recommendation of the trustees for use in performing future charitable activities. As at 31st December 2022, funds have been designated for future charitable activities including various film projects, sponsorships to be made by the charity and for the establishment of the MOM Culinary Institute. The trustees believe these earmarked funds to total £14,500,000.

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2022**

22. NON-CONTROLLING INTERESTS

	2022	2021
	£	£
On acquisition	23,257	23,257
Share of results	(259,978)	(152,503)
Issue of share capital	-	839
	<hr/>	<hr/>
Closing non-controlling interests	<u>(236,721)</u>	<u>(128,407)</u>

23. RELATED PARTY DISCLOSURES

During the year County Hall Arts received no donations from related parties (2021: £2,312,656).

At the financial reporting date an amount of £12,487,209 (2021: £13,128,249) was receivable from Ozu Ltd, a company connected to County Hall Arts through the trustees' involvement in the company.

24. LEASING AGREEMENTS

Minimum estimated lease payments under non-cancellable operating leases fall due as follows:

	Group and charity	
	2022	2021
	£	£
Within one year	235,047	206,076
Between one and five years	879,288	796,548
In more than five years	<u>1,610,619</u>	<u>1,810,756</u>
	<hr/>	<hr/>
	<u>2,724,954</u>	<u>2,813,381</u>

COUNTY HALL ARTS

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	-	2,312,656
Investment income		
Rents received	6,076,430	5,516,073
Interest received	10,481	15,662
Trading Income	<u>1,804,480</u>	<u>402,491</u>
	<u>7,891,391</u>	<u>5,934,226</u>
Total incoming resources	7,891,391	8,246,882
EXPENDITURE		
Investment management costs		
Rents payable	244,656	428,830
Rates	-	19,959
Legal fees	83,233	21,948
Consultancy and Design fees	<u>181,909</u>	<u>140,888</u>
	509,798	611,625
Charitable activities		
Architecture and professional fees	215,799	124,145
Grants to institutions	425,795	103,750
Operating expenses	316,255	266,121
Suppliers	39,215	17,136
Exchange rate variances	(98,277)	142,893
Other operating leases	<u>251,218</u>	<u>-</u>
	1,150,005	654,045

COUNTY HALL ARTS

DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

Support costs		
Management		
Insurance	18,494	15,752
	<hr/>	<hr/>
	18,494	15,752
Finance		
Bank charges	3,883	110

COUNTY HALL ARTS

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Other		
Leasehold depreciation	239,101	96,466
Fixtures and fittings depreciation	1,304	9,493
Wages	930,238	482,530
Social security	225,654	17,044
Pensions	3,007	3,022
Telephone	4,735	1,810
Post and stationery	394	541
Advertising	13,781	-
Travelling	1,347	124
Computer costs	212	115
Licenses and insurance	134	134
Sundry expenses	611	6,490
Subscriptions	2,136	1,921
Legal and professional fees	<u>61,435</u>	<u>2,683</u>
	1,484,090	622,373
Governance costs		
Auditors' remuneration	<u>14,027</u>	<u>9,886</u>
	14,027	9,862
Deferred tax	(8,615)	(4,583)
Total resources expended	3,171,682	1,909,208
Net income	<u><u>4,719,709</u></u>	<u><u>6,337,674</u></u>