

REGISTERED CHARITY NUMBER: 1169698

**GROUP REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018
FOR
COUNTY HALL ARTS**

Wags LLP t/a Wagstaffs
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

COUNTY HALL ARTS

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Report of the Independent Auditors	5 to 7
Consolidated Statement of Financial Activities	8
Consolidated Statement of Financial Position	9 to 10
Charity Statement of Financial Position	11 to 12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 to 29
Consolidated Detailed Statement of Financial Activities	30 to 31

COUNTY HALL ARTS

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

TRUSTEES

D Sharpe (Chair) (appointed 3/7/18)
M Okamoto
J Chauhan
K Okamoto (appointed 6/3/18)
I Martinez (appointed 18/4/18)
A L C M Powilewicz (appointed 20/9/18)
F Archer (resigned 1/2/19)

PRINCIPAL ADDRESS

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

REGISTERED CHARITY NUMBER

1169698

AUDITORS

Wags LLP t/a Wagstaffs
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 2018

The trustees present their report with the financial statements of the charitable group for the year ended 31st December 2018. 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 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, 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 meeting, the Financial Controller also presents the quarterly 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 charitable group received ongoing funding to allow future investment in the education, access and creation of arts and culture, in line with the charity's objectives. In addition, rents were received from tenants amounting to £1,821,178 for the year (2017 : £Nil). Included in expenses are the associated expenses incurred in securing rent yields.

During the year ongoing funding was secured at sufficient levels to allow the charity to provide support in subsequent accounting periods for those activities which facilitate delivery of the charity's objectives.

FINANCIAL REVIEW

Financial position

Incoming resources for the group in the year were £6,376,016, comprising £4,463,534 of donations and £1,912,482 of interest income. None of the income resources were restricted.

A surplus of £6,004,878 was made during the year. As at 31 December 2018 total consolidated reserves were £11,985,570 (2017: £5,957,435), of which £23,257 is in relation to the minority interest. All of the £11,962,313 (2017: £5,957,435) attributable to the charity relates to general unrestricted funds.

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2018

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 have examined the requirements for free reserves which are those funds not invested in fixed assets or designated for specific purposes otherwise committed. The trustees consider that, given the nature of work the level of reserves maintained by the charity are sufficient to fund the ongoing operations.

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 an unincorporated charity.

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 2018

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 Limited 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

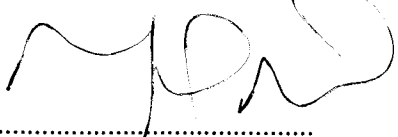
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity SORP;
- 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 ^{17th} ~~17th~~ ~~SEPTEMBER 2018~~ and signed on its behalf by:


.....
J Chauhan - 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 2018 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 of the charity's affairs as at 31st December 2018 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

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 group'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, 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.

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

Other information - continued

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 Act 2011 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.

Our 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 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.

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.

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.

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



Wags LLP t/a Wagstaffs

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: 20th SEPTEMBER 2014

COUNTY HALL ARTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2018

		Year Ended 31.12.18 Unrestricted fund £	Period 14.10.16 to 31.12.17 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	4,463,534	6,201,308
Investment income	3	<u>1,912,482</u>	<u>-</u>
Total		6,376,016	6,201,308
EXPENDITURE ON			
Raising funds	4	155,681	5,340
Charitable activities	5		
Direct charitable expenditure		206,435	230,336
Other resources expended		772	697
Governance costs		<u>8,250</u>	<u>7,500</u>
Total		371,138	243,873
NET INCOME		6,004,878	5,957,435
RECONCILIATION OF FUNDS			
Total funds brought forward		5,957,435	-
Minority interest acquired in year		23,257	-
TOTAL FUNDS CARRIED FORWARD		<u>11,985,570</u>	<u>5,957,435</u>

The notes form part of these financial statements

COUNTY HALL ARTS

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2018**

	Notes	2018 Unrestricted fund £	2017 Total funds £
FIXED ASSETS			
Tangible assets	11	1,143,101	782,249
Heritage assets	12	<u>45,000</u>	<u>45,000</u>
		1,188,101	827,249
CURRENT ASSETS			
Debtors	14	5,691,672	-
Cash at bank		<u>6,892,474</u>	<u>5,153,963</u>
		12,584,146	5,153,963
CREDITORS			
Amounts falling due within one year	15	<u>(1,775,911)</u>	<u>(23,777)</u>
NET CURRENT ASSETS		<u>10,808,235</u>	<u>5,130,186</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,996,336	5,957,435
PROVISIONS FOR LIABILITIES	16	<u>(10,766)</u>	-
NET ASSETS		<u>11,985,570</u>	<u>5,957,435</u>
FUNDS			
Unrestricted funds	17	11,962,313	5,957,435
Minority interest	18	<u>23,257</u>	-
TOTAL FUNDS		<u>11,985,570</u>	<u>5,957,435</u>

The notes form part of these financial statements

COUNTY HALL ARTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED
AT 31ST DECEMBER 2018

The financial statements were approved by the Board of Trustees on ...17th ~~December~~ 2019... and were signed on its behalf by:



.....
J Chauhan -Trustee

The notes form part of these financial statements

COUNTY HALL ARTS

CHARITY STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2018


	Notes	2018 Unrestricted fund £	2017 Total funds £
FIXED ASSETS			
Tangible assets	11	853,389	782,249
Heritage assets	12	45,000	45,000
Investments	13	209,308	-
		<u>1,107,697</u>	<u>827,249</u>
CURRENT ASSETS			
Debtors	14	5,637,914	-
Cash at bank		6,722,977	5,153,963
		<u>12,360,891</u>	<u>5,153,963</u>
CREDITORS			
Amounts falling due within one year	15	(1,506,275)	(23,777)
		<u>10,854,616</u>	<u>5,130,186</u>
NET CURRENT ASSETS			
		<u>11,962,313</u>	<u>5,957,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>11,962,313</u>	<u>5,957,435</u>
NET ASSETS			
		<u>11,962,313</u>	<u>5,957,435</u>
FUNDS			
Unrestricted funds	17	11,962,313	5,957,435
TOTAL FUNDS			
		<u>11,962,313</u>	<u>5,957,435</u>

The notes form part of these financial statements

COUNTY HALL ARTS

CHARITY STATEMENT OF FINANCIAL POSITION - CONTINUED
AT 31ST DECEMBER 2018

The financial statements were approved by the Board of Trustees on 17th January 2019 and were signed on its behalf by:



.....
J Chauhan -Trustee

The notes form part of these financial statements

COUNTY HALL ARTS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Notes	Year Ended 31.12.18 £	Period 14.10.16 to 31.12.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>1,784,893</u>	<u>5,153,963</u>
Net cash provided by (used in) operating activities		<u>1,784,893</u>	<u>5,153,963</u>
Cash flows from investing activities:			
Debtors acquired on acquisition		53,758	-
Cash acquired on acquisition		169,496	-
Creditors acquired on acquisition		<u>(269,636)</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(46,382)</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period			
		<u>1,738,511</u>	5,153,963
Cash and cash equivalents at the beginning of the reporting period		<u>5,153,963</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u>6,892,474</u>	<u>5,153,963</u>

The notes form part of these financial statements

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

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

	Year Ended	Period
	31.12.18	14.10.16 to 31.12.17
	£	£
Net income for the reporting period (as per the statement of financial activities)	6,004,878	5,957,435
Adjustments for:		
Depreciation charges	16,844	15,964
Net non cash donations	(297,292)	(843,213)
Increase in debtors	(5,691,672)	-
Increase in creditors	<u>1,752,135</u>	<u>23,777</u>
Net cash provided by (used in) operating activities	<u>1,784,893</u>	<u>5,153,963</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

1. ACCOUNTING POLICIES

Basis of preparing the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The consolidated 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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

County Hall Arts group meets the definition of a public benefit entity under FRS 102.

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern.

Legal status of the charity

The charity is limited by guarantee and has no share capital. In the event of the charity being wound up, the members have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

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 2018. 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 company 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 in note 1, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

1. ACCOUNTING POLICIES - continued

Significant judgements and estimates - continued

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.

Interest income

Interest income is recognised when it is probably 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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

1. ACCOUNTING POLICIES - continued

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.

Taxation

The charity is exempt from tax on its charitable activities.

Subsidiary are subject to taxation at the applicable rates. Taxation 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.

Deferred taxation

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.

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

1. ACCOUNTING POLICIES - continued

Fund accounting - continued

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 subsidiary operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

2. DONATIONS AND LEGACIES

	Year Ended	Period
	31.12.18	14.10.16
	£	to
		31.12.17
		£
Donations	<u>4,463,534</u>	<u>6,201,308</u>

3. INVESTMENT INCOME

	Year Ended	Period
	31.12.18	14.10.16
	£	to
		31.12.17
		£
Rents received	1,821,878	-
Interest received	<u>90,604</u>	-
	<u>1,912,482</u>	-

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

4. RAISING FUNDS

Investment management costs

	Year Ended	Period
	31.12.18	14.10.16
	£	to
		31.12.17
		£
Rents payable	72,875	-
Legal fees	<u>82,806</u>	<u>5,340</u>
	<u>155,681</u>	<u>5,340</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 6)	Support costs (See note 7)	Totals
	£	£	£	£
Direct charitable expenditure	161,168	28,423	16,844	206,435
Other resources expended	-	-	772	772
Governance costs	-	-	<u>8,250</u>	<u>8,250</u>
	<u>161,168</u>	<u>28,423</u>	<u>25,866</u>	<u>215,457</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

6. GRANTS PAYABLE

	Year Ended 31.12.18 £	Period 14.10.16 to 31.12.17 £
Direct charitable expenditure	<u>28,423</u>	<u>-</u>

The total grants paid to institutions during the year was as follows:

	Year Ended 31.12.18 £	Period 14.10.16 to 31.12.17 £
NFTS	20,000	-
Greenwood Project	4,396	-
New Bauhaus	<u>4,027</u>	<u>-</u>
	<u>28,423</u>	<u>-</u>

7. SUPPORT COSTS

	Management £	Finance £	Other £	Governance Costs £	Totals £
Direct charitable expenditure	-	-	16,844	-	16,844
Other resources expended	713	59	-	-	772
Governance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,250</u>	<u>8,250</u>
	<u>713</u>	<u>59</u>	<u>16,844</u>	<u>8,250</u>	<u>25,866</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2018 nor for the period ended 31st December 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2018 nor for the period ended 31st December 2017.

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

9. STAFF COSTS

There were no staff costs for the year ended 31st December 2018 nor for the period ended 31st December 2017.

No employees received emoluments in excess of £60,000.

The average number of employees during the year was Nil (2017 : Nil).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	6,201,308
Total	<u>6,201,308</u>
EXPENDITURE ON	
Raising funds	5,340
Charitable activities	
Direct charitable expenditure	230,336
Other resources expended	697
Governance costs	7,500
Total	<u>243,873</u>
NET INCOME	<u>5,957,435</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>5,957,435</u></u>

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

11. TANGIBLE FIXED ASSETS

Group

	Long leasehold £	Fixtures and fittings £	Total £
Cost or valuation			
At 1st January 2018	798,213	-	798,213
On acquisition	-	321,498	321,498
Additions	<u>87,984</u>	-	<u>87,984</u>
At 31st December 2018	<u>886,197</u>	<u>321,498</u>	<u>1,207,695</u>
Depreciation			
At 1st January 2018	15,964	-	15,964
On acquisition	-	31,786	31,786
Charge for year	<u>16,844</u>	-	<u>16,844</u>
At 31st December 2018	<u>32,808</u>	<u>31,786</u>	<u>64,594</u>
Net book value			
At 31st December 2018	<u>853,389</u>	<u>289,712</u>	<u>1,143,101</u>
At 31st December 2017	<u>782,249</u>	-	<u>782,249</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

11. TANGIBLE FIXED ASSETS - continued

Company

Long
leasehold
£

Cost

At 1st January 2018

798,213

Additions

87,984

At 31st December 2018

886,197

Depreciation

At 1st January 2018

15,964

Charge for year

16,844

At 31st December 2018

32,808

Net book value

At 31st December 2018

853,389

At 31st December 2017

782,249

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

12. HERITAGE ASSETS

Group

	Total £
Market value	
At 1st January 2018 and 31st December 2018	<u>45,000</u>
Net book value	
At 31st December 2018	<u>45,000</u>
At 31st December 2017	<u>45,000</u>

Company

	Total £
Market value	
At 1st January 2018 and 31st December 2018	<u>45,000</u>
Net book value	
At 31st December 2018	<u>45,000</u>
At 31st December 2017	<u>45,000</u>

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

13. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
Market value	
Additions	<u>209,308</u>
 Net book value	
At 31st December 2018	<u><u>209,308</u></u>
At 31st December 2017	<u><u>-</u></u>

There were no investment assets outside the UK.

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

Subsidiaries

Zen Arts Limited

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	

	2018	2017
	£	£
Aggregate capital and reserves	232,566	231,186
Profit for the year	<u><u>1,380</u></u>	<u><u>(9,231)</u></u>

On 13th December 2018 the charity acquired 90% of the share capital of Zen Arts Limited. The shares in the subsidiary undertaking were donated to the charity and therefore no consideration was payable. This has been accounted for under the acquisition method of accounting. All subsidiaries are included within these consolidated financial statements.

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	30,656	-	5,178	-
Other debtors	<u>5,661,016</u>	-	<u>5,632,736</u>	-
	<u>5,691,672</u>	-	<u>5,637,914</u>	-

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	252	-	-	-
Taxation and social security	239,166	-	227,019	-
Other creditors	<u>1,536,493</u>	<u>23,777</u>	<u>1,279,256</u>	<u>23,777</u>
	<u>1,775,911</u>	<u>23,777</u>	<u>1,506,275</u>	<u>23,777</u>

16. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax		
Accelerated capital allowances	<u>10,766</u>	-
		Deferred tax
		tax
		£
On acquisition		<u>10,766</u>
Provided during year		-
Balance at 31st December 2018		<u>10,766</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

17. MOVEMENT IN FUNDS

Group

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	5,957,435	6,004,878	11,962,313
Minority interest	-	23,257	23,257
TOTAL FUNDS	<u>5,957,435</u>	<u>6,028,135</u>	<u>11,985,570</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,376,016	(371,138)	6,004,878
TOTAL FUNDS	<u>6,376,016</u>	<u>(371,138)</u>	<u>6,004,878</u>

Company

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	5,957,435	6,004,878	11,962,313
TOTAL FUNDS	<u>5,957,435</u>	<u>6,004,878</u>	<u>11,962,313</u>

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

17. MOVEMENT IN FUNDS - continued

Company - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,376,016	(371,138)	6,004,878
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>6,376,016</u>	<u>(371,138)</u>	<u>6,004,878</u>

Comparatives for movement in funds

	Net movement in funds £	At 31.12.17 £
Unrestricted Funds		
General fund	5,957,435	5,957,435
	<hr/>	<hr/>
TOTAL FUNDS	<u>5,957,435</u>	<u>5,957,435</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,201,308	(243,873)	5,957,435
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>6,201,308</u>	<u>(243,873)</u>	<u>5,957,435</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

18. MINORITY INTEREST

	2018	2017
	£	£
On acquisition	23,257	-
Share of results	-	-
	<u> </u>	<u> </u>
Closing minority interests	<u>23,257</u>	<u>-</u>

19. RELATED PARTY DISCLOSURES

During the year County Hall Arts received donations from related parties totalling £4,463,534 (2017 : £6,201,309). No conditions were attached to these donations.

As at the year end an amount of £Nil (2017 : £16,276) is included within creditors due within one year as due to Zen Arts Limited, a related company in which a trustee is involved as a directors for expenditure that was paid for on behalf of County Hall Arts. There are no formal repayment terms agreed on this loan and the loan is interest free and repayable on demand.

During the year a loan of £5.1m was made to Ozu Limited, a company connected to County Hall Arts through the trustees involvement in the company. There is a formal loan agreement in place for this loan which states the repayment date to be within the next twelve months and interest is to be charged at 2% above the Bank of England base rate per annum.

20. LEASING AGREEMENTS

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

	2018	2017
	£	£
Within one year	262,862	-
Between one and five years	1,008,714	-
In more than five years	2,521,333	-
	<u> </u>	<u> </u>
	<u>3,792,909</u>	<u>-</u>

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COUNTY HALL ARTS

DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Year Ended 31.12.18 £	Period 14.10.16 to 31.12.17 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	4,463,534	6,201,308
Investment income		
Rents received	1,821,878	-
Interest received	<u>90,604</u>	<u>-</u>
	<u>1,912,482</u>	<u>-</u>
Total incoming resources	6,376,016	6,201,308
EXPENDITURE		
Investment management costs		
Rents payable	72,875	-
Legal fees	<u>82,806</u>	<u>5,340</u>
	155,681	5,340
Charitable activities		
Architecture fees	161,168	214,372
Grants to institutions	<u>28,423</u>	<u>-</u>
	189,591	214,372
Support costs		
Management		
Insurance	613	697
Sundries	<u>100</u>	<u>-</u>
	713	697
Finance		
Bank charges	59	-

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COUNTY HALL ARTS

DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Year Ended 31.12.18 £	Period 14.10.16 to 31.12.17 £
Other		
Long leasehold	16,844	15,964
Governance costs		
Auditors' remuneration	<u>8,250</u>	<u>7,500</u>
Total resources expended	371,138	243,873
	<hr/>	<hr/>
Net income	<u>6,004,878</u>	<u>5,957,435</u>

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