THE ZURBARAN TRUST

England & Wales · Charity number 1146437

Details

Other names	URBAN ZURBARAN
Status	Registered
Legal form	Charitable company
Company number	07846779
Registered	2012-03-16
Register	View on the Charity Commission register

Contact

Address	58 Kingsway Bishop Auckland County Durham DL14 7JF
Phone	01388743750
Email	enquiries@aucklandproject.org
Website	www.aucklandproject.org

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Activities

Objects: OBJECT 1 FOR THE BENEFIT OF THE PUBLIC AND IN PARTICULAR THE PEOPLE OF THE NORTH-EAST OF ENGLAND TO ADVANCE ART CULTURE AND HERITAGE INCLUDING BY:-(A) ACQUIRING AND HOLDING IN PERPETUITY THE PAINTINGS (REFERRED TO BELOW TO BE HOUSED AT AUCKLAND CASTLE IN SUCH LOCATIONS AS ARE NOT LIKELY TO CAUSE DAMAGE OR DETERIORATION TO THE PAINTINGS AND WHICH ARE AVAILABLE FOR ON-GOING PUBLIC DISPLAY AND THE PAINTINGS WILL ONLY BE REMOVED FROM AUCKLAND CASTLE FOR THE PURPOSES OF RESTORATION OR TEMPORARY PUBLIC EXHIBITION; (B) PROVIDING FOR AND FACILITATING THE PRESERVATION OF AN EXHIBITION FOR THE PUBLIC OF THE PAINTINGS AND (C) RECEIVING ON LOAN AND/OR ACQUIRING AND/OR PROVIDING FOR AND FACILITATING THE PRESERVATION OF OR RESEARCH INTO AND/OR EXHIBITING TO THE PUBLIC OTHER WORKS OF ART FROM TIME TO TIME AT AUCKLAND CASTLE OR ELSEWHERE.OBJECT 2 TO ADVANCE EDUCATIONOBJECT 3 TO RELIEVE POVERTY AND SUFFERING IN PARTICULAR BY PROVIDING FINANCIAL AND OTHER ASSISTANCE (INCLUDING THE MAKING OF GRANTS) TO ORGANISATIONS AND INDIVIDUALS.OBJECT 4 SUCH OTHER PURPOSES AS ARE EXCLUSIVELY CHARITABLE UNDER THE LAWS OF ENGLAND & WALES."THE PAINTINGS MEANS THE 13 PAINTINGS COLLECTIVELY KNOWN AS THE PICTURE CYCLE OF "JACOB AND HIS SONS" INCLUDING 12 PAINTINGS OF JACOB AND HIS 11 SONS BY FRANCISCO DE ZURBARAN (1598-1664) AND ONE PAINTING OF "BENJAMIN" PAINTED AS A COPY BY ARTHUR POND (1705-1758) (OIL ON CANVAS EACH PAINTING APPROX. 80 X 41 INCHES).

Activities: The charity was formed to acquire from the Church Commissioners a collection of paintings by the Spanish artist Zurbaran, and in conjunction with her sister charity, The Auckland Castle Trust (Charity Reg:1146219), to enable these paintings to be seen by the general public.It also owns other paintings, furniture and artefacts that form part of the permanent exhibition at Auckland Castle

Classification

- **How:** Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Durham

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,061,202	£190,787	£32,289,511	0
2024-03-31	£2,488,112	£290,847	£31,419,100	0
2023-03-31	£3,502,126	£307,120	£29,221,835	0
2022-03-31	£1,787,981	£276,672	£26,026,829	0
2021-03-31	£2,989,796	£292,015	£25,515,520	0

Trustees

Name	Role	Appointed
JONATHAN GARNIER RUFFER	Chair	2012-02-14
ANTHONY STEWART WORSLEY MOULD		2013-03-24
Brendan Godfrey Eamonn Finucane		2022-05-04
Dr JANE MARY RUFFER		2012-03-15
Dr Jose Luis Colomer		2015-01-13
Dr LINDSAY RAYMONDE CLIFFORD STAINTON		2013-03-24

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THE ZURBARAN TRUST

England & Wales - Charity number 1146437

Accounts

Company number: 07846779 (England and Wales)
Charity number: 1146437

The Zurbarán Trust

(A Company Limited by Guarantee)

Report and Financial Statements

For the Year Ended 31 March 2025

The Zurbarán Trust
(A Company Limited by Guarantee)

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The Zurbarán Trust
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also directors of the charity for the purpose of company law) present their annual accounts and audited financial statements of The Zurbarán Trust (the Trust) for the year ended 31 March 2025.

OBJECTIVES AND ACTIVITIES

Policies and objectives
The Trust was set up to benefit the public and in particular the people of North East England and:

- To advance art, culture and heritage by acquiring and holding in perpetuity the thirteen paintings of "Jacob and his sons" (the Paintings, the Zurbarán Collection or the Zurbaráns) to be housed at Auckland Castle;
- To advance education.
- To relieve poverty and suffering, in particular by providing financial or other assistance to organisations and individuals; and
- For such other purposes as are exclusively charitable under the laws of England and Wales.

This requires the following:

- That pictures are kept in good condition, and are attractively and appropriately displayed
- That further acquisitions be identified, valued and acquired at competitive prices.
- That identification of assets be primarily centred around the contextualisation of the Zurbarán Collection;
- That the curatorial aspects of the Auckland Castle (the Castle) be advised by the Trust;
- That the loan of heritage assets be approved by the Trust; and
- That scholarship, publicity and liaisons with other learned societies, museums and galleries, be under the responsibility of the Trust.

Public Benefit
The Trustees have due regard to the guidance published by the Charity Commission on public benefit. The Trust's activities encompass a number of charitable purposes which are referred to in the Charities Act 2011, in particular the advancement of the arts, culture and heritage.

ACHIEVEMENTS AND PERFORMANCE

Auckland Castle and the galleries were open through 2024/25.

The trust has continued to acquire new works, including paintings by Collantes, Master of Villamediana and Jose Maria Cano. The Mining Art Gallery has benefitted from donations and acquisitions. Several significant works have also been on loan to The Spanish Gallery on a rotating basis.

Negotiations continue to acquire a tapestry with significant links to the Henrician Reformation.

FINANCIAL REVIEW

Financial Summary
Full details of the Trust's financial position can be found in the accompanying financial statements attached to this report.

Reserves Policy
The level of endowment and designated funds maintained should equal the value of the heritage assets held. Due to the nature of other expenditure and the relationship with The Auckland Project and Lempriere Pringle 2015 other reserves are usually held at a low level.

Principal Funding
The principal funding was as set out in the financial statements attached.

Plans for the Future
In the year ending 31 March 2026, the Trust will continue providing appropriate art works for the The Spanish Gallery and Faith Museum. The long-term ambition is to see Bishop Auckland as a major European study centre for Spanish Peninsular art.

TRUSTEES' REPORT (*Continued*)
FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number:	1146437
Company number:	07846779
Registered office:	58, Kingsway, Bishop Auckland, Co Durham, DL14 7JF

Advisors

Auditors	S&W Audit	17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers	Barclays Bank Plc	6 Market Place, Durham, DH1 3ND

Directors and Trustees
The Directors of the Trust are the Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees:	Mr J G Ruffer
	Mr A S W Mould
	Mrs J M Ruffer
	Dr L R C Stainton
	Don J L Colomer
	Mr B G E Finucane
Company secretary:	Mrs J E Henderson

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents
The Trust was registered as a company limited by guarantee and was set up by a Memorandum of Association on 14 November 2011. The Trust is constituted under its Memorandum of Association and is a registered charity (number 1146437). The Articles of Association have been approved by the Charity Commission.

The principal objects of the Trust as stated in the Articles of Association are to advance art, culture and heritage by:

- Acquiring and holding the thirteen paintings of "*Jacob and his sons*" (the paintings) to be housed at Auckland Castle.
- Providing and facilitating the preservation of and exhibition of the paintings; and

Other objects are:

- Advancing education.
- Relieving poverty and suffering in particular by providing financial or other assistance (including the making of grants) to individuals and organisations.

Appointment of Trustees
The management of the Trust is the responsibility of the Trustees. New trustees are selected by existing Trustees and are appointed Members of the Trust.

Induction and Training of Trustees
Each of the Trustees is experienced in the nature of trustee responsibilities and brings a distinctive set of relevant skills and experience to the board; therefore, no specific training is given to the Trustees.

Organisational Structure
The Trust in its current formation has responsibility in ownership of fine art. The Board of Trustees is responsible for the preservation and maintenance of assets, and for handling the grants received from Lempriere Pringle 2015 and gifts or loans from Jonathan Ruffer. Jane Henderson, Company Secretary, is responsible for the administration. There are no employees, with support being provided by The Auckland Project.

The Trustees will continue to review the organisational structure as the Trust's activities develop.

Risk assessment
The Trust, along with The Auckland Project, has installed a collections management system which will be maintained as new acquisitions are made. Reports on risk assessment are made to the Trustees at their formal meetings as they arise.

The holding of the pictures is deemed low risk. The Trustees continue to acquaint themselves with the conditions in which the Paintings are housed, with the help of the Curatorial Team at The Auckland Project.

Related parties
Lempriere Pringle 2015 (LP2015) was registered with the Charity Commission on 1 May 2015. The Trust and LP2015 have a close working relationship. The Trust has received significant financial support from LP2015. Mr Jonathan Ruffer is a Trustee of both the Trust and LP2015.

The Trust also has a close working relationship with The Auckland Project. Certain costs relating to the Trust (such as insurance and security costs) are borne by The Auckland Project, and other transactions of the Trust are administered by The Auckland Project and reimbursed from time to time. Mr Brendan Finucane is a Trustees of The Auckland Project.

A Collections Management Agreement (CMA) between the Trust and The Auckland Project has been in place since June 2015. Under the CMA, the Trust will own the paintings and other artefacts, and The Auckland Project manages them and will display them to visitors.

Auditors
In accordance with the Companies Act 2006, a resolution proposing the re-appointment of S&W Audit as auditors for the year ending 31 March 2026 will be put to the members.

TRUSTEES' REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2025

Statement of Trustees responsibilities

The Trustees (who are also directors of the Trust for the purpose of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS 102).
- make judgments and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditors are unaware and
- the Trustees have taken all the steps that we ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on ....23rd Septmber.. 2025 and signed on their behalf, by

.....

Mr J G Ruffer
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ZURBARAN TRUST
FOR THE YEAR ENDED 31 MARCH 2025

Opinion
We have audited the financial statements of The Zurbaran Trust (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

Conclusions relating to going concern
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 charitable company'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.

Other information
The other information comprises the information included in the Trustees Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report contained within the Trustees' Annual Report.

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

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

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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 a general understanding of the company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with the framework through:

- Engaging external legal professionals as required and making changes to internal procedures and controls as necessary.
- Monitoring of updates made by regulatory bodies.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- The Charities Act 2011 and the Charities: Statement of Recommended Practice in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud.
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Reviewing the minutes of meetings of those charged with governance.

The senior statutory partner led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via fraudulent journal entries and management overriding controls.
- The incorrect recognition of donations from fraud or error.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Performed data analytics on the general ledger against client specific criteria
- Selected a sample of journal entries using client specific risk criteria and agreed to supporting evidence
- Obtained third party evidence for a sample of donations to ensure occurrence, accuracy and classification.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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

C. Henderson

Craig Henderson
Senior Statutory Auditor, for and on behalf of

Date: 29 October 2025

S&W Audit
Statutory Auditor
Chartered Accountants

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2025 £	Total 2024 £
Incoming resources						
Donations	**4**	162,226	754,564	-	916,790	2,215,804
Other income	**5**	139,924	4,488	-	144,412	272,308
Total income		302,150	759,052	-	1,061,202	2,488,112
Resources expended						
Charitable activities	**6**	190,787	-	-	190,787	290,847
Total resources expended		190,787	-	-	190,787	290,847
Net Income		111,363	759,052	-	870,415	2,197,265
Transfers between funds	**15**	240,327	(240,327)	-	-	-
Net movement in funds for the year		351,690	518,725	-	870,415	2,197,265
Reconciliation of funds						
Fund balances brought forward		21,903,552	465,007	9,050,541	31,419,100	29,221,835
Fund balances carried forward		22,255,242	983,732	9,050,541	32,289,515	31,419,100

There are no recognised gains and losses other than those passing through the Statement of Financial Activities.

The Zurbarán Trust
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	£	2025 £	£	2024 £
Fixed assets					
Heritage assets	**11**		31,261,376		30,960,289
Investments	**12**		-		-
Current assets					
Debtors	**13**	54,777		45,827	
Cash at bank and in hand		994,607		421,967	
		1,049,384		467,794	
Creditors: amounts falling due within one year	**14**	(21,249)		(8,983)	
Net current assets			1,028,135		458,811
Net assets			32,289,511		31,419,100
Funds					
Unrestricted funds			44,404		46,451
Designated funds			22,210,838		21,857,101
Restricted funds			983,732		465,007
Endowment funds			9,050,541		9,050,541
Total charity funds	**15**		32,289,515		31,419,100

The financial statements were approved by the trustees on 23 September 2025 and signed on their behalf, by

.....
Mr J G Ruffer
Chair

Company number: 07846779

The notes on pages 13 to 25 form part of these financial statements.

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2025

	Notes	2025 £	2024 £
Net cash flow from operating activities			
Net cash provided by operating activities	**18**	829,164	2,070,359
Cash flow from investing activities			
Purchase of fixed assets		(256,524)	(1,696,380)
Net cash used in investing activities		(256,524)	(1,696,380)
Change in cash and cash equivalents in the reporting period		572,640	(373,979)
Cash and cash equivalents at the beginning of the year		421,967	47,988
Cash and cash equivalents at the end of the year		994,607	421,967
Cash and cash equivalents consist of:			
Cash at bank and in hand		994,607	421,967

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The Zurbarán Trust meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The principal accounting policies are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Fund accounting

General funds are unrestricted funds which are available for the use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for any other purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated funds is set out in the notes to the financial statements.

Restricted funds are funds that can only be used for a particular purpose specified by the donor.

The Endowment fund is a form of restricted fund and represents those assets which must be retained for the benefit of the Trust.

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

1.5 Donated services and facilities

Donated services and facilities are received on an ad hoc basis from The Auckland Project. These services are considered immaterial to the function of the charity and no provision has been made in the financial statements for these services.

Donated assets are recognised in the Statement of Financial Activities when a reliable valuation can be obtained.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants and donations payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

All irrecoverable VAT is included within the Statement of Financial Activities.

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

1.8 Heritage assets

Heritage assets are recognised on the balance sheet at cost when purchased or if donated, their valuation. Assets are subsequently held at cost less accumulated impairment losses. All heritage assets are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Acquisitions only arise if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public. Heritage assets are to be held for the foreseeable future.

Expenditure incurred to preserve or prevent deterioration of the paintings is recognised in the Statement of Financial Activities when it is incurred.

1.9 Debtors

Trade and other debtors are recognised at the settlement account due after any trade discount offered. Prepayments are valued at the amounts prepaid net of any trade discounts.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments.

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.14 Judgements and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation is not charged on heritage assets and an assessment of impairment is made on an annual basis. The Trustees believe that the residual value of the assets is greater than the cost, and also an indeterminate useful life therefore no depreciation charged is deemed appropriate.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2025

2. Legal status

The Zurbarán Trust is a company limited by guarantee, registered in England and Wales, (No 07846779) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Comparative Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £	Total 2023 £
Incoming resources						
Donations	4	109,895	2,105,909	-	2,215,804	3,230,850
Other income	5	268,695	3,613	-	272,308	271,276
Total income		378,590	2,109,522	-	2,488,112	3,502,126
Resources expended						
Charitable activities	6	290,847	-	-	290,847	307,120
Total resources expended		290,847	-	-	290,847	307,120
Net Income		87,743	2,109,522	-	2,197,265	3,195,006
Transfers between funds	15	1,757,294	(1,757,294)	-	-	-
Net movement in funds for the year		1,845,037	352,228	-	2,197,265	3,195,006
Reconciliation of funds						
Fund balances brought forward		20,058,515	112,779	9,050,541	29,221,835	26,026,829
Fund balances carried forward		21,903,552	465,007	9,050,541	31,419,100	29,221,835

4. Donations

	2025	2024
Donations	871,223	2,105,949
Donations in kind	44,567	109,855
Grants	1,000	-
	916,790	2,215,804
Donations		
Mr J G Ruffer	55,000	674,210
Mrs J Ruffer	19,750	-
Gift Aid	58,535	134,665
Lempriere Pringle 2015	-	950,000
Tapestry Donations	621,279	347,035
Other	117,659	39
Donations in kind		
Other donated assets	44,567	109,855
	916,790	2,215,804

5. Other income

	2025	2024
	£	£
The Auckland Project – Barter arrangement	134,375	268,476
The Auckland Project – MAG contribution	4,488	3,613
Other	5,549	219
	144,412	272,308

6. Charitable activities expenditure

	2025	2024
	£	£
Bank charges	9	68
Legal fees	17,108	7,769
Audit fees	4,700	4,150
Insurance	1,441	1,809
Professional fees	32,954	8,433
The Auckland Project- Barter arrangement	134,575	268,476
Other	-	142
	190,787	290,847

7. Support costs

Included in the above direct costs are support costs as follows:

	2025	2024
	£	£
Governance costs (note 8)	16,884	12,583
	16,884	12,583

8. Governance

	2025	2024
	£	£
Audit fees	4,700	4,150
Other	12,184	8,433
	16,884	12,583

9. Analysis of trustee remuneration and expenses and the cost of key management personnel

No Trustees (or any other persons connected with them) received any remuneration during the period (2024: £nil).

The Trust pays the travelling expenses and accommodation costs for Trustees to attend general trustee meetings and may on occasion pay other travelling costs. The total amounts paid in the year are £nil (2024: £nil).

10. Auditors remuneration

	2025	2024
	£	£
Auditors' remuneration		
- Audit of these financial statements	4,250	4,150
- Non-audit services	450	450

11. Heritage assets

Heritage assets are defined as tangible property with historical, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. The Trustees consider its assets held fall within this definition. These assets are included in the charity's balance sheet at cost or valuation.

There is no set acquisition policy. However, any purchases would have to be in accordance with the principal objects of the charity set out within the Trustees Report.

	Zurbarán Collection	Other artwork	Total assets
	£	£	£
Cost			
At 1 April 2024	9,050,541	21,909,748	30,960,289
Additions	-	301,090	301,090
At 31 March 2025	9,050,541	22,210,838	31,261,379

Heritage assets held are the Zurbarán Collection, valuable paintings and other historic items. The Zurbarán Collection comprises twelve paintings by Francisco de Zurbarán and one by Arthur Pond. As part of the agreement with the Church Commissioners an overage clause was included in the contract which allows for further payment to the Church Commissioners in the event of a sale of the paintings in excess of £15m. As security for the overage the Trust entered a Chattel Mortgage in favour of the Church Commissioners which represents a fixed charge over the paintings. The Trustees have considered the values included within the accounts and do not consider there to be any issues with assets being impaired.

11. Heritage assets *(Continued)*

Summary analysis

Purchased additions	Purchased additions at cost £	Donated assets £	Total assets £
2013 purchases	9,079,131	-	9,079,131
2014 purchases	-	-	-
2015 purchases	500,090	-	500,090
2016 purchases	3,267,275	-	3,267,275
2017 purchases	3,134,046	-	3,134,046
2018 purchases and donations	2,093,060	3,081,119	5,174,179
2019 purchases and donations	337,377	89,158	426,535
2020 purchases	1,115,147	-	1,115,147
2021 purchases and donations	2,090,504	136,200	2,226,704
2022 purchases and donations	829,047	2,700	831,747
2023 purchases and donations	380,300	3,018,350	3,398,650
2024 purchases and donations	1,696,930	109,855	1,806,785
2025 purchases and donations	256,523	44,567	301,090
			31,261,379

In the year ended 31 March 2025 the following items were acquired:

Mr Jonathan Ruffer kindly donated funds to allow the purchase of various pieces, significant purchases include;

- Francisco Collantes, San Juan Bautista: £120,759
- Master of Villamediana: £45,500

Artwork purchases through the MAG restricted funds include;

- Miners Strike - Vane Tempest Colliery: £500

12. Investments

	£
Cost	
Balance at 1 April 2024 and 31 March 2025	1,000,000
Impairment	
Balance at 1 April 2024 and 31 March 2025	(1,000,000)
Carrying Amount	
At 31 March 2025	-
At 31 March 2024	-

During 2023 the charity was gifted shares in Datafree Limited, a company incorporated in the United Kingdom, by Lempriere Pringle 2015. These had a cost to Lempriere Pringle 2015 of £1,000,000 and therefore were recognised in these financial statements as a donation for this value with the corresponding entry to investments. The investment was impaired to £nil to reflect the difficulty in obtaining a meaningful valuation of tech start-up companies, and also to reflect the uncertainty in the company at this stage of its life cycle. Until sufficient profits are generated, the value is very hard to quantify in the absence of an open market for Datafree's shares. As at 31 March 2025, the value of nil is deemed to remain appropriate.

13. Debtors

	2025	2024
	£	£
The Auckland Project	33,266	28,779
VAT refund due	2,823	16,848
Other debtors	18,688	200
	54,777	45,827

14. Creditors: amounts falling due within one year

	2025	2024
Trade creditors	15,459	2,802
Accruals	5,790	6,181
	21,249	8,983

15. Statement of funds

Year ended 31 March 2025

	Balance at 1 April 2024	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 March 2025
Unrestricted funds	46,451	302,150	(190,787)	(113,410)	-	44,404
Designated funds						
Capital fund	21,857,101	-	-	353,737	-	22,210,838
Total unrestricted funds	21,903,552	302,150	(190,787)	240,327	-	22,255,242
Restricted funds						
Mr J G Ruffer	-	55,000	-	(55,000)	-	-
Mrs J Ruffer -	-	19,750	-	(19,750)	-	-
Gift aid	5,142	58,535	-	(63,677)	-	-
Art and Artefacts fund	101,400	-	-	(101,400)	-	-
MAG Contribution fund	11,430	4,488	-	(500)	-	15,418
Tapestry	347,035	621,279	-	-	-	968,314
	465,007	759,052	-	(240,327)	-	983,732
Endowment fund						
Zurbarán paintings	9,050,541	-	-	-	-	9,050,541
Total funds	31,419,100	1,061,202	(190,787)	-	-	32,289,515

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2025

15. Statement of funds *(continued)*

Year ended 31 March 2024

	Balance at 1 April 2023	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 March 2024
Unrestricted funds	56,952	378,590	(290,847)	(98,244)	-	46,451
Designated funds						
Capital fund	20,001,563	-	-	1,855,538	-	21,857,101
Total unrestricted funds	20,058,515	378,590	(290,847)	1,757,294	-	21,903,552
Restricted funds						
Mr J G Ruffer	-	674,210	-	(674,210)	-	-
Gift aid	-	134,665	-	(129,523)	-	5,142
Art and Artefacts fund	101,400	-	-	-	-	101,400
MAG Contribution fund	11,379	3,612	-	(3,561)	-	11,430
Tapestry	-	347,035	-	-	-	347,035
Lempriere Pringle 2015	-	950,000	-	(950,000)	-	-
	112,779	2,109,522	-	(1,757,294)	-	465,007
Endowment fund						
Zurbarán paintings	9,050,541	-	-	-	-	9,050,541
Total funds	29,221,835	2,488,112	(290,847)	-	-	31,419,100

Designated fund

The trustees have designated an amount equal to the other heritage assets as shown in note 11.

Restricted funds

The Mr J G Ruffer fund relates to funds received for specific pieces of artwork, once acquired the restriction lifts and the funds capital asset is transferred into the designated fund. The gift aid fund relates to the gift aid claimed on these donations which were to be used towards the specific asset purchases.

The Art and Artefacts fund relates to gifted assets which contain restrictions on their use in order for the Trust to continue to keep displaying the pieces.

The MAG Contribution fund relates to amounts received from The Auckland Project for sales made in connection to the Mining Art Gallery, these funds are to be reinvested within the Mining Art Gallery collection.

Endowment fund

The fund was set up as an amount equal to the value of the Zurbarán Collection purchased together with the associated legal costs.

15. Statement of funds *(continued)*

The Tapestry fund relates to donations received for the procurement of the Henry VIII Burning of the Books tapestry. The donations together with additional funding will allow the tapestry to be imported from Spain. The donations are specifically for the repatriation of the tapestry.

16. Analysis of net assets between funds

Year ended 31 March 2025	**Restricted Funds**	**Unrestricted Funds**	**Endowment Funds**	**Total**
	£	**£**	**£**	**£**
Heritage assets	-	22,210,838	9,050,541	31,261,379
Other Assets	-	-	-	-
Current Assets	984,231	65,154	-	1,049,385
Creditors: amounts due within one year	-	(21,249)	-	(21,249)
	984,321	22,254,743	9,050,541	32,289,515

Year ended 31 March 2024	**Restricted Funds**	**Unrestricted Funds**	**Endowment Funds**	**Total**
	£	**£**	**£**	**£**
Heritage assets	101,400	21,808,348	9,050,541	30,960,289
Other Assets	-	-	-	-
Current Assets	363,607	104,187	-	467,794
Creditors: amounts due within one year	-	(8,983)	-	(8,983)
	465,007	21,903,552	9,050,541	31,419,100

17. Related party transactions

During the year, donations of £55,000 (2024: £674,210) were received from Mr J G Ruffer, a Trustee of The Zurbarán Trust.

During the year, donations of £19,750 (2024: nil) were received from Mrs J M Ruffer, a Trustee of The Zurbarán Trust.

Certain costs relating to The Trust (such as insurance and governance costs) are paid by The Auckland Project and are recharged to The Zurbarán Trust.

During the year, heritage assets and services were paid for by The Auckland Project under a loan agreement on the Trust's behalf. At the year end, there was a debtor of £33,266 (2024: £28,779) included in the accounts, due from The Auckland Project.

18. Reconciliation of the net income/(expenditure) to net cash flow

	2025	2024
	£	£
Net income for the year	870,415	2,197,265
(Decrease) / increase in debtors	(8,950)	(19,562)
Increase in creditors	12,266	3,061
Donated assets	(44,567)	(110,405)
Net cash flow from operating activities	829,164	2,070,359

THE ZURBARAN TRUST

England & Wales - Charity number 1146437

Accounts

Company number: 07846779 (England and Wales)
Charity number: 1146437

The Zurbarán Trust

(A Company Limited by Guarantee)

Report and Financial Statements

For the Year Ended 31 March 2024

The Zurbarán Trust
(A Company Limited by Guarantee)

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The Zurbarán Trust
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also directors of the charity for the purpose of company law) present their annual accounts and audited financial statements of The Zurbarán Trust (the Trust) for the year ended 31 March 2024.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Trust was set up to benefit the public and in particular the people of North East England and:

- To advance art, culture and heritage by acquiring and holding in perpetuity the thirteen paintings of "Jacob and his sons" (the Paintings, the Zurbarán Collection or the Zurbaráns) to be housed at Auckland Castle;
- To advance education;
- To relieve poverty and suffering, in particular by providing financial or other assistance to organisations and individuals; and
- For such other purposes as are exclusively charitable under the laws of England and Wales.

This requires the following:

- That pictures are kept in good condition, and are attractively and appropriately displayed
- That further acquisitions be identified, valued and acquired at competitive prices.
- That identification of assets be primarily centred around the contextualisation of the Zurbarán Collection;
- That the curatorial aspects of the Auckland Castle (the Castle) be advised by the Trust;
- That the loan of heritage assets be approved by the Trust; and
- That scholarship, publicity and liaisons with other learned societies, museums and galleries, be under the responsibility of the Trust.

Public Benefit

The Trustees have due regard to the guidance published by the Charity Commission on public benefit. The Trust's activities encompass a number of charitable purposes which are referred to in the Charities Act 2011, in particular the advancement of the arts, culture and heritage.

ACHIEVEMENTS AND PERFORMANCE

Auckland Castle and the galleries were open through 2023/24. The newly opened Spanish Gallery has attracted many enthusiastic visitors. The opening of the Faith Gallery completed in October 2023.

The trust has continued to acquire new works, including paintings by Bogianni. Salgado and Viterbo. The Mining Art Gallery has benefitted from donations and acquisitions. Several significant works have also been on loan to The Spanish Gallery on a rotating basis.

Negotiations continue to acquire a tapestry with significant links to the Henrician Reformation.

FINANCIAL REVIEW

Financial Summary

Full details of the Trust's financial position can be found in the accompanying financial statements attached to this report.

Reserves Policy

The level of endowment and designated funds maintained should equal the value of the heritage assets held. Due to the nature of other expenditure and the relationship with The Auckland Project and Lempriere Pringle 2015 other reserves are usually held at a low level.

Principal Funding

The principal funding was as set out in the financial statements attached.

Plans for the Future

In the year ending 31 March 2025, the Trust will continue providing appropriate art works for the The Spanish Gallery and Faith Museum. The long-term ambition is to see Bishop Auckland as a major European study centre for Spanish Peninsular art.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number:	1146437
Company number:	07846779
Registered office:	58, Kingsway, Bishop Auckland, Co Durham, DL14 7JF

Advisors

Auditors	CLA Evelyn Partners Limited	17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers	Barclays Bank Plc	6 Market Place, Durham, DH1 3ND

Directors and Trustees

The Directors of the Trust are the Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees:	Mr J G Ruffer
	Mr A S W Mould
	Mrs J M Ruffer
	Dr L R C Stainton
	Don Jose Luis Colomer
	Mr B G E Finucane
Company secretary:	Mrs Jane Henderson

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Trust was registered as a company limited by guarantee and was set up by a Memorandum of Association on 14 November 2011. The Trust is constituted under its Memorandum of Association and is a registered charity (number 1146437). The Articles of Association have been approved by the Charity Commission.

The principal objects of the Trust as stated in the Articles of Association are to advance art, culture and heritage by:

- Acquiring and holding the thirteen paintings of "*Jacob and his sons*" (the paintings) to be housed at Auckland Castle;
- Providing and facilitating the preservation of and exhibition of the paintings; and

Other objects are:

- Advancing education;
- Relieving poverty and suffering in particular by providing financial or other assistance (including the making of grants) to individuals and organisations.

Appointment of Trustees
The management of the Trust is the responsibility of the Trustees. New trustees are selected by existing Trustees and are appointed Members of the Trust.

Induction and Training of Trustees
Each of the Trustees is experienced in the nature of trustee responsibilities and brings a distinctive set of relevant skills and experience to the board; therefore, no specific training is given to the Trustees.

Organisational Structure
The Trust in its current formation has responsibility in ownership of fine art. The Board of Trustees is responsible for the preservation and maintenance of assets, and for handling the grants received from Lempriere Pringle 2015 and gifts or loans from Jonathan Ruffer. Jane Henderson, Company Secretary, is responsible for the administration. There are no employees, with support being provided by The Auckland Project.

The Trustees will continue to review the organisational structure as the Trust's activities develop.

Risk assessment
The Trust, along with The Auckland Project, has installed a collections management system which will be maintained as new acquisitions are made. Reports on risk assessment are made to the Trustees at their formal meetings as they arise.

The holding of the pictures is deemed low risk. The Trustees continue to acquaint themselves with the conditions in which the Paintings are housed, with the help of the Curatorial Team at The Auckland Project.

Related parties
Lempriere Pringle 2015 (LP2015) was registered with the Charity Commission on 1 May 2015. The Trust and LP2015 have a close working relationship. The Trust has received significant financial support from LP2015. Mr Jonathan Ruffer and Mrs Jane Ruffer are Trustees of both the Trust and LP2015.

The Trust also has a close working relationship with The Auckland Project. Certain costs relating to the Trust (such as insurance and security costs) are borne by The Auckland Project, and other transactions of the Trust are administered by The Auckland Project and reimbursed from time to time. Mr Jonathan Ruffer and Mr Brendan Finucane are Trustees of The Auckland Project.

A Collections Management Agreement (CMA) between the Trust and The Auckland Project has been in place since June 2015. Under the CMA, the Trust will own the paintings and other artefacts and The Auckland Project manages them and will display them to visitors.

Auditors
In accordance with the Companies Act 2006, a resolution proposing the re-appointment of CLA Evelyn Partners Limited as auditors for the year ending 31 March 2025 will be put to the members.

Statement of Trustees responsibilities

The Trustees (who are also directors of the Trust for the purpose of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditors are unaware and
- the Trustees have taken all the steps that we ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on October 22 2024 ~~2024~~ and signed on their behalf, by

.....
Mr J G Ruffer
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ZURBARAN TRUST
FOR THE YEAR ENDED 31 MARCH 2024

Opinion
We have audited the financial statements of The Zurbaran Trust (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

Conclusions relating to going concern
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 charitable company'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.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 5, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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

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 both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- confirmation received from the banks to verify the balance as on the last day of the accounting year; and
- reviewing minutes of meetings of those charged with governance.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 auditor's report.

Use of this report

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

C. Henderson

29 October 2024

Craig Henderson (Senior Statutory Auditor)
for and on behalf of CLA Evelyn Partners Limited

Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £	Total 2023 £
Incoming resources						
Donations	**4**	109,895	2,105,909	-	2,215,804	3,230,850
Other income	**5**	268,695	3,613	-	272,308	271,276
Total income		378,590	2,109,522	-	2,488,112	3,502,126
Resources expended						
Charitable activities	**6**	290,847	-	-	290,847	307,120
Total resources expended		290,847	-	-	290,847	307,120
Net Income		87,743	2,109,522	-	2,197,265	3,195,006
Transfers between funds	**15**	1,757,294	(1,757,294)	-	-	-
Net movement in funds for the year		1,845,037	352,228	-	2,197,265	3,195,006
Reconciliation of funds						
Fund balances brought forward		20,058,515	112,779	9,050,541	29,221,835	26,026,829
Fund balances carried forward		21,903,552	465,007	9,050,541	31,419,100	29,221,835

There are no recognised gains and losses other than those passing through the Statement of Financial Activities.

The Zurbarán Trust
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
Fixed assets					
Heritage assets	**11**		30,960,289		29,153,504
Investments	**12**		-		-
Current assets					
Debtors	**13**	45,827		26,264	
Cash at bank and in hand		421,967		47,988	
		467,794		74,252	
Creditors: amounts falling due within one year	**14**	(8,983)		(5,921)	
Net current assets			458,811		68,331
Net assets			31,419,100		29,221,835
Funds					
Unrestricted funds			378,590		56,952
Designated funds			21,524,962		20,001,563
Restricted funds			465,007		112,779
Endowment funds			9,050,541		9,050,541
Total charity funds	**15**		31,419,100		29,221,835

The financial statements were approved by the trustees on 22nd October 2024 and signed on their behalf, by

Mr J G Ruffer
Chair

Company number: 07846779

The notes on pages 13 to 25 form part of these financial statements.

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
Net cash flow from operating activities			
Net cash provided by operating activities	**18**	2,070,359	202,595
Cash flow from investing activities			
Purchase of fixed assets		(1,696,380)	(380,300)
Net cash used in operating activities		(1,696,380)	(380,300)
Change in cash and cash equivalents in the reporting period		373,979	(177,705)
Cash and cash equivalents at the beginning of the year		47,988	225,693
Cash and cash equivalents at the end of the year		421,967	47,988
Cash and cash equivalents consist of:			
Cash at bank and in hand		421,967	47,988

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The Zurbarán Trust meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The principal accounting policies are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Fund accounting

General funds are unrestricted funds which are available for the use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for any other purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated funds is set out in the notes to the financial statements.

Restricted funds are funds that can only be used for a particular purpose specified by the donor.

The Endowment fund is a form of restricted fund and represents those assets which must be retained for the benefit of the Trust.

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

1.5 Donated services and facilities

Donated services and facilities are received on an ad hoc basis from The Auckland Project. These services are considered immaterial to the function of the charity and no provision has been made in the financial statements for these services.

Donated assets are recognised in the Statement of Financial Activities when a reliable valuation can be obtained.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants and donations payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

All irrecoverable VAT is included within the Statement of Financial Activities.

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

1.8 Heritage assets

Heritage assets are recognised on the balance sheet at cost when purchased or if donated, their valuation. Assets are subsequently held at cost less accumulated impairment losses. All heritage assets are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Acquisitions only arise if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public. Heritage assets are to be held for the foreseeable future.

Expenditure incurred to preserve or prevent deterioration of the paintings is recognised in the Statement of Financial Activities when it is incurred.

1.9 Debtors

Trade and other debtors are recognised at the settlement account due after any trade discount offered. Prepayments are valued at the amounts prepaid net of any trade discounts.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments.

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.14 Judgements and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation is not charged on heritage assets and an assessment of impairment is made on an annual basis. The Trustees believe that the residual value of the assets is greater than the cost, and also an indeterminate useful life therefore no depreciation charged is deemed appropriate.

2. Legal status

The Zurbarán Trust is a company limited by guarantee, registered in England and Wales, (No 07846779) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Comparative Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Incoming resources						
Donations	**4**	3,060,850	170,000	-	3,230,850	1,518,401
Other income	**5**	268,476	2,800	-	271,276	269,580
Total income		3,329,326	172,800	-	3,502,126	1,787,981
Resources expended						
Charitable activities	**6**	307,120	-	-	307,120	276,672
Total resources expended		307,120	-	-	307,120	276,672
Net Income/(expenditure)		3,022,206	172,800	-	3,195,006	1,511,309
Transfers between funds	**15**	173,850	(173,850)	-	-	-
Net (loss)/gain on investments	**12**	-	-	-		-(1,000,000)
Net movement in funds for the year		3,196,056	(1,050)	-	3,195,006	511,309
Reconciliation of funds						
Fund balances brought forward		16,862,459	113,829	9,050,541	26,026,829	25,515,520
Fund balances carried forward		20,058,515	112,779	9,050,541	29,221,835	26,026,829

4. Donations

	2024	2023
	£	£
Donations	2,105,949	212,500
Donations in kind	109,855	3,018,350
	2,215,804	3,230,850
Donations		
Mr J G Ruffer	674,210	170,000
Gift Aid	134,665	42,000
Lempriere Pringle 2015	950,000	-
Tapestry Donations	347,035	-
Other	39	-
Donations in kind		
Other donated assets	109,855	18,350
LP15 Donation physical donations	-	3,000,000
	2,215,804	3,230,850

5. Other income

	2024	2023
	£	£
The Auckland Project – Barter arrangement	268,476	268,476
The Auckland Project – MAG contribution	3,613	2,800
Other	219	-
	272,308	271,276

6. Charitable activities expenditure

	2024	2023
	£	£
Bank charges	68	289
Legal fees	7,769	-
Audit fees	4,150	5,640
Insurance	1,809	1,659
Professional fees	8,433	5,485
The Auckland Project- Barter arrangement	268,476	268,476
Other	142	26,148
	290,847	307,120

7. Support costs

Included in the above direct costs are support costs as follows:

	2024	2023
	£	£
Governance costs (note 8)	12,583	11,125
	12,583	11,125

8. Governance

	2024	2023
	£	£
Audit fees	4,150	5,640
Other	8,433	5,485
	12,583	11,125

9. Analysis of trustee remuneration and expenses and the cost of key management personnel

No Trustees (or any other persons connected with them) received any remuneration during the period (2023: £nil).

The Trust pays the travelling expenses and accommodation costs for Trustees to attend general trustee meetings and may on occasion pay other travelling costs. The total amounts paid in the year are £nil (2023: £nil).

10. Auditors remuneration

	2024	2023
	£	£
Auditors' remuneration		
- Audit of these financial statements	4,150	5,640
- Non-audit services	450	-

11. Heritage assets

Heritage assets are defined as tangible property with historical, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. The Trustees consider its assets held fall within this definition. These assets are included in the charity's balance sheet at cost or valuation.

There is no set acquisition policy. However, any purchases would have to be in accordance with the principal objects of the charity set out within the Trustees Report.

		Zurbarán Collection	Other artwork	Total assets
		£	£	£
78	**Cost**			
78	At 1 April 2023	9,050,541	20,102,963	29,153,504
	Additions	-	1,806,785	1,806,785
	At 31 March 2024	9,050,541	21,909,748	30,960,289

Heritage assets held are the Zurbarán Collection, valuable paintings and other historic items. The Zurbarán Collection comprises twelve paintings by Francisco de Zurbarán and one by Arthur Pond. As part of the agreement with the Church Commissioners an overage clause was included in the contract which allows for further payment to the Church Commissioners in the event of a sale of the paintings in excess of £15m. As security for the overage the Trust entered a Chattel Mortgage in favour of the Church Commissioners which represents a fixed charge over the paintings. The Trustees have considered the values included within the accounts and do not consider there to be any issues with assets being impaired.

11. Heritage assets *(Continued)*

Summary analysis

Purchased additions	**Purchased additions at cost** £	**Donated assets** £	**Total assets** £
2013 purchases	9,079,131	-	9,079,131
2014 purchases	-	-	-
2015 purchases	500,090	-	500,090
2016 purchases	3,267,275	-	3,267,275
2017 purchases	3,134,046	-	3,134,046
2018 purchases and donations	2,093,060	3,081,119	5,174,179
2019 purchases and donations	337,377	89,158	426,535
2020 purchases	1,115,147	-	1,115,147
2021 purchases and donations	2,090,504	136,200	2,226,704
2022 purchases and donations	829,047	2,700	831,747
2023 purchases and donations	380,300	3,018,350	3,398,650
2024 purchases and donations	1,696,930	109,855	1,806,785
			30,960,289

In the year ended 31 March 2024 the following items were acquired:

Mr Jonathan Ruffer kindly donated funds to allow the purchase of various pieces, significant purchases include;

- Orazio Bogianni – Portrait of a Woman; £127,919
- Antonio de Pereda Salgado, Saint Jerome: £75,000

Artwork purchases through the MAG restricted funds include;

- Untitled oil painting (Jack Harrison); £1,711
- All the Weight of the World / Propping up bar: £1,500

Lempriere Pringle 2015 kindly donated funds to allow the acquisition of:

- Bartolomeo Cavarozzi Viterbo – Rome Holy Family with St John the Baptist, Oil on Canvas; £950,000

12. Investments

	£
Cost	
Balance at 1 April 2023 and 31 March 2024	1,000,000
Impairment	
Balance at 1 April 2023 and 31 March 2024	(1,000,000)
Carrying Amount	
At 31 March 2024	-
At 31 March 2023	-

During the prior year the charity was gifted shares in Datafree Limited, a company incorporated in the United Kingdom, by Lempriere Pringle 2015. These had a cost to Lempriere Pringle 2015 of £1,000,000 and therefore were recognised in these financial statements as a donation for this value with the corresponding entry to investments. The investment was impaired to £nil to reflect the difficulty in obtaining a meaningful valuation of tech start-up companies, and also to reflect the uncertainty in the company at this stage of its life cycle. Until sufficient profits are generated, the value is very hard to quantify in the absence of an open market for Datafree's shares. As at 31 March 2024, the value of nil is deemed to remain appropriate.

13. Debtors

	2024	2023
	£	£
The Auckland Project	28,779	25,166
VAT refund due	16,848	90
Other debtors	200	1,008
	45,827	26,264

14. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	2,802	540
Accruals	6,181	5,381
	8,983	5,921

15. Statement of funds

Year ended 31 March 2024

	Balance at 1 April 2023	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 March 2024
Unrestricted funds	56,952	378,590	(290,847)	(98,244)	-	46,451
Designated funds						
Capital fund	20,001,563	-	-	1,855,538	-	21,857,101
Total unrestricted funds	20,058,515	378,590	(290,847)	1,757,294	-	21,903,552
Restricted funds						
Mr J G Ruffer	-	674,210	-	(674,210)	-	-
Gift aid	-	134,665	-	(129,523)	-	5,142
Art and Artefacts fund	101,400	-	-	-	-	101,400
MAG Contribution fund	11,379	3,612	-	(3,561)	-	11,430
Tapestry	-	347,035	-	-	-	347,035
Lempriere Pringle 2015	-	950,000	-	(950,000)	-	-
	112,779	2,109,522	-	(1,757,294)	-	465,007
Endowment fund						
Zurbarán paintings	9,050,541	-	-	-	-	9,050,541
Total funds	29,221,835	2,488,112	(290,847)	-	-	31,419,100

15. Statement of funds *(continued)*

Year ended 31 March 2023

	Balance at 1 April 2022	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 March 2023
Unrestricted funds	158,146	3,329,326	(307,120)	(3,123,400)	-	56,952
Designated funds						
Capital fund	16,704,313	-	-	3,297,250	-	20,001,563
Total unrestricted funds	16,862,459	310,976	(307,120)	173,850	-	20,058,515
Restricted funds						
Mr J G Ruffer	-	170,000	-	(170,000)	-	-
Art and Artefacts fund	101,400	-	-	-	-	101,400
MAG Contribution fund	12,429	2,800	-	(3,850)	-	11,379
	113,829	172,800	-	(173,850)	-	112,779
Endowment fund						
Zurbarán paintings	9,050,541	-	-	-	-	9,050,541
Total funds	26,026,829	3,502,126	(307,120)	-	-	29,221,835

Designated fund

The trustees have designated an amount equal to the other heritage assets as shown in note 11.

Restricted funds

The Mr J G Ruffer fund relates to funds received for specific pieces of artwork, once acquired the restriction lifts and the funds capital asset is transferred into the designated fund. The gift aid fund relates to the gift aid claimed on these donations which were to be used towards the specific asset purchases.

The Art and Artefacts fund relates to gifted assets which contain restrictions on their use in order for the Trust to continue to keep displaying the pieces.

The MAG Contribution fund relates to amounts received from The Auckland Project for sales made in connection to the Mining Art Gallery, these funds are to be reinvested within the Mining Art Gallery collection.

Endowment fund

The fund was set up as an amount equal to the value of the Zurbarán Collection purchased together with the associated legal costs.

15. Statement of funds *(continued)*

The donation received from Lempriere Pringle was specifically for the purchase of "Bartolomeo Cavarozzi Viterbo 1587 – 1625 Rome Holy Family with St. John the Baptist, Oil on Canvas". This was purchased in September 2023 and the restriction on funds lifted at that point in time.

The Tapestry fund relates to donations received for the procurement of the Henry VIII Burning of the Books tapestry. The donations together with additional funding will allow the tapestry to be imported from Spain. The donations are specifically for the repatriation of the tapestry.

16. Analysis of net assets between funds

Year ended 31 March 2024	**Restricted Funds**	**Unrestricted Funds**	**Endowment Funds**	**Total**
	£	**£**	**£**	**£**
Heritage assets	101,400	21,808,348	9,050,541	30,960,289
Other Assets	-	-	-	-
Current Assets	363,607	104,187	-	467,794
Creditors: amounts due within one year	-	(8,983)	-	(8,983)
	465,007	21,903,552	9,050,541	31,419,100

Year ended 31 March 2023	**Restricted Funds**	**Unrestricted Funds**	**Endowment Funds**	**Total**
	£	**£**	**£**	**£**
Heritage assets	101,400	20,001,563	9,050,541	29,142,125
Other Assets	-	-	-	-
Current Assets	11,379	62,873	-	74,252
Creditors: amounts due within one year	-	(5,921)	-	(5,921)
	112,779	20,058,515	9,050,541	29,221,835

17. Related party transactions

During the year, donations of £808,875 including gift aid (2023: £212,500 including gift aid) were received from Mr J G Ruffer, a Trustee of The Zurbarán Trust.

Grants of £950,000 (2023: £nil) were received from Lempriere Pringle 2015, a charity which Mr J G Ruffer is also a trustee. Assets were donated by Lempriere Pringle 2015 during the year with a value of £nil (2023: £3,000,000).

Certain costs relating to The Trust (such as insurance and governance costs) are paid by The Auckland Project and are recharged to The Zurbarán Trust.

During the year, heritage assets and services were paid for by The Auckland Project under a loan agreement on the Trust's behalf. At the year end, there was a debtor of £28,779 (2023: £25,166) included in the accounts, due from The Auckland Project.

18. Reconciliation of the net income/(expenditure) to net cash flow

	2024	2023
	£	£
Net income for the year	2,197,265	3,195,006
(Decrease) / increase in debtors	(19,562)	23,647
Increase in creditors	3,061	2,292
Donated assets	(110,405)	(3,018,350)
Net cash flow from operating activities	2,070,359	202,595

THE ZURBARAN TRUST

England & Wales - Charity number 1146437

Accounts

Company number: 07846779 (England and Wales)
Charity number: 1146437

The Zurbarán Trust

(A Company Limited by Guarantee)

Report and Financial Statements

For the Year Ended 31 March 2023

The Zurbarán Trust
(A Company Limited by Guarantee)

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The Zurbarán Trust
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also directors of the charity for the purpose of company law) present their annual accounts and audited financial statements of The Zurbarán Trust (the Trust) for the year ended 31 March 2023.

OBJECTIVES AND ACTIVITIES

Policies and objectives
The Trust was set up to benefit the public and in particular the people of North East England and:

- To advance art, culture and heritage by acquiring and holding in perpetuity the thirteen paintings of "Jacob and his sons" (the Paintings, the Zurbarán Collection or the Zurbaráns) to be housed at Auckland Castle;
- To advance education;
- To relieve poverty and suffering, in particular by providing financial or other assistance to organisations and individuals; and
- For such other purposes as are exclusively charitable under the laws of England and Wales.

This requires the following:

- That pictures are kept in good condition, and are attractively and appropriately displayed
- That further acquisitions be identified, valued and acquired at competitive prices.
- That identification of assets be primarily centred around the contextualisation of the Zurbarán Collection;
- That the curatorial aspects of the Auckland Castle (the Castle) be advised by the Trust;
- That the loan of heritage assets be approved by the Trust; and
- That scholarship, publicity and liaisons with other learned societies, museums and galleries, be under the responsibility of the Trust.

Public Benefit
The Trustees have due regard to the guidance published by the Charity Commission on public benefit. The Trust's activities encompass a number of charitable purposes which are referred to in the Charities Act 2011, in particular the advancement of the arts, culture and heritage.

ACHIEVEMENTS AND PERFORMANCE

Auckland Castle and the galleries were open through 2022/23. The newly opened Spanish Gallery has attracted many enthusiastic visitors. The opening of the Faith Gallery is planned for October 2023.

The trust has continued to acquire new works, including paintings by Espinosa and Ribalta and a Neapolitan Presepe. The Mining Art Gallery has benefitted from donations and acquisitions. Several significant works have also been on loan to The Spanish Gallery on a rotating basis.

Negotiations continue to acquire a tapestry with significant links to the Henrician Reformation.

FINANCIAL REVIEW

Financial Summary

Full details of the Trust's financial position can be found in the accompanying financial statements attached to this report.

Reserves Policy

The level of endowment and designated funds maintained should equal the value of the heritage assets held. Due to the nature of other expenditure and the relationship with The Auckland Project and Lempriere Pringle 2015 other reserves are usually held at a low level.

Principal Funding

The principal funding was as set out in the financial statements attached.

Plans for the Future

In the year ending 31 March 2024, the Trust will continue providing appropriate art works for the The Spanish Gallery and Faith Museum. The long-term ambition is to see Bishop Auckland as a major European study centre for Spanish Peninsular art.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number:	1146437
Company number:	07846779
Registered office:	58, Kingsway, Bishop Auckland, Co Durham, DL14 7JF

Advisors

Auditors	Haines Watts North East Audit LLP	17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers	Barclays Bank Plc	6 Market Place, Durham, DH1 3ND

Directors and Trustees

The Directors of the Trust are the Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees:	Mr J G Ruffer
	Mr A S W Mould
	Mrs J M Ruffer
	Dr L R C Stainton
	Don Jose Luis Colomer
	Sir S Wright (resigned 12 April 2022)
	Mr B Finucane (appointed 4 May 2022)
Company secretary:	Mrs Jane Henderson

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Trust was registered as a company limited by guarantee and was set up by a Memorandum of Association on 14 November 2011. The Trust is constituted under its Memorandum of Association and is a registered charity (number 1146437). The Articles of Association have been approved by the Charity Commission.

The principal objects of the Trust as stated in the Articles of Association are to advance art, culture and heritage by:

- Acquiring and holding the thirteen paintings of "*Jacob and his sons*" (the paintings) to be housed at Auckland Castle;
- Providing and facilitating the preservation of and exhibition of the paintings; and

Other objects are:

- Advancing education;
- Relieving poverty and suffering in particular by providing financial or other assistance (including the making of grants) to individuals and organisations.

Appointment of Trustees
The management of the Trust is the responsibility of the Trustees. New trustees are selected by existing Trustees and are appointed Members of the Trust.

Sir Stephen Wright resigned on 12 April 2022 and Mr Brendan Finucane was appointed on 4 May 2022.

Induction and Training of Trustees
Each of the Trustees is experienced in the nature of trustee responsibilities and brings a distinctive set of relevant skills and experience to the board; therefore, no specific training is given to the Trustees.

Organisational Structure
The Trust in its current formation has responsibility in ownership of fine art. The Board of Trustees is responsible for the preservation and maintenance of assets, and for handling the grants received from Lempriere Pringle 2015 and gifts or loans from Jonathan Ruffer. Jane Henderson, Company Secretary, is responsible for the administration. There are no employees, with support being provided by The Auckland Project.

The Trustees will continue to review the organisational structure as the Trust's activities develop.

Risk assessment
The Trust, along with The Auckland Project, has installed a collections management system which will be maintained as new acquisitions are made. Reports on risk assessment are made to the Trustees at their formal meetings as they arise.

The holding of the pictures is deemed low risk. The Trustees continue to acquaint themselves with the conditions in which the Paintings are housed, with the help of the Curatorial Team at The Auckland Project.

Related parties
Lempriere Pringle 2015 (LP2015) was registered with the Charity Commission on 1 May 2015. The Trust and LP2015 have a close working relationship. The Trust has received significant financial support from LP2015. Mr Jonathan Ruffer and Mrs Jane Ruffer are Trustees of both the Trust and LP2015.

The Trust also has a close working relationship with The Auckland Project. Certain costs relating to the Trust (such as insurance and security costs) are borne by The Auckland Project, and other transactions of the Trust are administered by The Auckland Project and reimbursed from time to time. Mr Jonathan Ruffer and Mr Brendan Finucane are Trustees of The Auckland Project.

A Collections Management Agreement (CMA) between the Trust and The Auckland Project has been in place since June 2015. Under the CMA, the Trust will own the paintings and other artefacts and The Auckland Project manages them and will display them to visitors.

Auditors
In accordance with the Companies Act 2006, a resolution proposing the re-appointment of Haines Watts as auditors for the year ending 31 March 2024 will be put to the members.

Statement of Trustees responsibilities

The Trustees (who are also directors of the Trust for the purpose of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

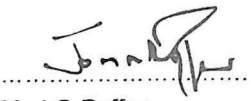
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditors are unaware and
- the Trustees have taken all the steps that we ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on 20 September 2023 and signed on their behalf, by



Mr J G Ruffer
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ZURBARAN TRUST
FOR THE YEAR ENDED 31 MARCH 2023

Opinion
We have audited the financial statements of The Zurbaran Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

Conclusions relating to going concern
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 charitable company'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.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 5, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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

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 both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- confirmation received from the banks to verify the balance as on the last day of the accounting year; and
- reviewing minutes of meetings of those charged with governance.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ZURBARAN TRUST *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2023

Use of this report

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

C. Henderson

Craig Henderson (Senior Statutory Auditor)
for and on behalf of Haines Watts North East Audit LLP

26 September 2023

Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Incoming resources						
Donations	4	3,060,850	170,000	-	3,230,850	1,518,401
Other income	5	268,476	2,800	-	271,276	269,580
Total income		3,329,326	172,800	-	3,502,126	1,787,981
Resources expended						
Charitable activities	6	307,120	-	-	307,120	276,672
Total resources expended		307,120	-	-	307,120	276,672
Net Income/(expenditure)		3,022,206	172,800	-	3,195,006	1,511,309
Transfers between funds	15	173,850	(173,850)	-	-	-
Net (loss)/gain on investments	12	-	-	-		-(1,000,000)
Net movement in funds for the year		3,196,056	(1,050)	-	3,195,006	511,309
Reconciliation of funds						
Fund balances brought forward		16,862,459	113,829	9,050,541	26,026,829	25,515,520
Fund balances carried forward		20,058,515	112,779	9,050,541	29,221,835	26,026,829

There are no recognised gains and losses other than those passing through the Statement of Financial Activities.

The Zurbarán Trust
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Heritage assets	**11**		29,153,504		25,754,854
Investments	**12**		-		-
Current assets					
Debtors	**13**	26,264		49,911	
Cash at bank and in hand		47,988		225,693	
		74,252		275,604	
Creditors: amounts falling due within one year	**14**	(5,921)		(3,629)	
Net current assets			68,331		271,975
Net assets			29,221,835		26,026,829
Funds					
Unrestricted funds			56,952		158,146
Designated funds			20,001,563		16,704,313
Restricted funds			112,779		113,829
Endowment funds			9,050,541		9,050,541
Total charity funds	**15**		29,221,835		26,026,829

The financial statements were approved by the trustees on 20 S eptember 2023 and signed on their behalf, by

.....
Mr J G Ruffer

Chair

Company number: 07846779

The notes on pages 12 to 24 form part of these financial statements.

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Net cash flow from operating activities			
Net cash provided by operating activities	18	202,595	983,339
Cash flow from investing activities			
Purchase of fixed assets		(380,300)	(829,047)
Net cash used in operating activities		(380,300)	(829,047)
Change in cash and cash equivalents in the reporting period		(177,705)	154,292
Cash and cash equivalents at the beginning of the year		225,693	71,401
Cash and cash equivalents at the end of the year		47,988	225,693
Cash and cash equivalents consist of:			
Cash at bank and in hand		47,988	225,693

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The Zurbarán Trust meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The principal accounting policies are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Fund accounting

General funds are unrestricted funds which are available for the use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for any other purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated funds is set out in the notes to the financial statements.

Restricted funds are funds that can only be used for a particular purpose specified by the donor.

The Endowment fund is a form of restricted fund and represents those assets which must be retained for the benefit of the Trust.

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

1.5 Donated services and facilities

Donated services and facilities are received on an ad hoc basis from The Auckland Project. These services are considered immaterial to the function of the charity and no provision has been made in the financial statements for these services.

Donated assets are recognised in the Statement of Financial Activities when a reliable valuation can be obtained.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants and donations payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

All irrecoverable VAT is included within the Statement of Financial Activities.

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

1.8 Heritage assets

Heritage assets are recognised on the balance sheet at cost when purchased or if donated, their valuation. Assets are subsequently held at cost less accumulated impairment losses. All heritage assets are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Acquisitions only arise if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public. Heritage assets are to be held for the foreseeable future.

Expenditure incurred to preserve or prevent deterioration of the paintings is recognised in the Statement of Financial Activities when it is incurred.

1.9 Debtors

Trade and other debtors are recognised at the settlement account due after any trade discount offered. Prepayments are valued at the amounts prepaid net of any trade discounts.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments.

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.14 Judgements and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation is not charged on heritage assets and an assessment of impairment is made on an annual basis. The Trustees believe that the residual value of the assets is greater than the cost, and also an indeterminate useful life therefore no depreciation charged is deemed appropriate.

2. Legal status

The Zurbarán Trust is a company limited by guarantee, registered in England and Wales, (No 07846779) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Comparative Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Incoming resources						
Donations	4	1,440,000	78,401	-	1,518,401	2,714,570
Other income	5	268,476	1,104	-	269,580	275,226
Total income		1,708,476	79,505	-	1,787,981	2,989,796
Resources expended						
Charitable activities	6	276,672	-	-	276,672	292,015
Total resources expended		276,672	-	-	276,672	292,015
Net Income/(expenditure)		1,431,804	79,505	-	1,511,309	2,697,781
Transfers between funds	15	251,451	(251,451)	-	-	-
Net (loss)/gain on investments	12	(1,000,000)	-	-	(1,000,000)	-
Net movement in funds for the year		683,255	(171,946)	-	511,309	2,697,781
Reconciliation of funds						
Fund balances brought forward		16,179,204	285,775	9,050,541	25,515,520	22,817,739
Fund balances carried forward		16,862,459	113,829	9,050,541	26,026,829	25,515,520

4. Donations

	2023	2022
	£	£
Donations	212,500	1,515,701
Donations in kind	3,018,350	2,700
Grants	-	-
	3,230,850	1,518,401
Donations		
Mr J G Ruffer	170,000	-
Gift Aid on Mr J G Ruffer donations	42,000	-
Lempriere Pringle 2015	-	1,515,701
Donations in kind		
Secretary of State	-	2,700
Other donated assets	18,350	-
LP15 Donation physical donations	3,000,000	-
	3,230,850	1,518,401

5. Other income

	2023	2022
	£	£
The Auckland Project – Barter arrangement	268,476	268,476
The Auckland Project – MAG contribution	2,800	1,104
	271,276	269,580

6. Charitable activities expenditure

	2023	2022
	£	£
Bank charges	289	160
Audit fees	5,640	3,630
Insurance	1,659	1,124
Professional fees	5,485	3,282
The Auckland Project- Barter arrangement	268,476	268,476
Other	26,148	-
	307,120	276,672

7. Support costs

Included in the above direct costs are support costs as follows:

	2023	2022
	£	£
Professional fees	-	-
Governance costs (note 8)	11,125	6,912
	11,125	6,912

8. Governance

	2023	2022
	£	£
Audit fees	5,640	3,100
Other	5,485	3,812
	11,125	6,912

9. Analysis of trustee remuneration and expenses and the cost of key management personnel

No Trustees (or any other persons connected with them) received any remuneration during the period (2022: £nil).

The Trust pays the travelling expenses and accommodation costs for Trustees to attend general trustee meetings and may on occasion pay other travelling costs. The total amounts paid in the year are £nil (2022: £nil).

10. Auditors remuneration

	2023	2022
	£	£
Auditors' remuneration		
- Audit of these financial statements	5,640	3,700

11. Heritage assets

Heritage assets are defined as tangible property with historical, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. The Trustees consider its assets held fall within this definition. These assets are included in the charity's balance sheet at cost or valuation.

There is no set acquisition policy. However, any purchases would have to be in accordance with the principal objects of the charity set out within the Trustees Report.

	Zurbarán Collection	Other artwork	Total assets
	£	£	£
Cost			
At 1 April 2022	9,050,541	16,704,313	25,754,854
Additions	-	3,398,650	3,398,650
At 31 March 2023	9,050,541	20,102,963	29,153,504

Heritage assets held are the Zurbarán Collection, valuable paintings and other historic items. The Zurbarán Collection comprises twelve paintings by Francisco de Zurbarán and one by Arthur Pond. As part of the agreement with the Church Commissioners an overage clause was included in the contract which allows for further payment to the Church Commissioners in the event of a sale of the paintings in excess of £15m. As security for the overage the Trust entered a Chattel Mortgage in favour of the Church Commissioners which represents a fixed charge over the paintings. The Trustees have considered the values included within the accounts and do not consider there to be any issues with assets being impaired.

11. Heritage assets ***(Continued)***

Summary analysis

Purchased additions	**Purchased additions at cost** £	**Donated assets** £	**Total assets** £
2013 purchases	9,079,131	-	9,079,131
2014 purchases	-	-	-
2015 purchases	500,090	-	500,090
2016 purchases	3,267,275	-	3,267,275
2017 purchases	3,134,046	-	3,134,046
2018 purchases and donations	2,093,060	3,081,119	5,174,179
2019 purchases and donations	337,377	89,158	426,535
2020 purchases	1,115,147	-	1,115,147
2021 purchases and donations	2,090,504	136,200	2,226,704
2022 purchases and donations	829,047	2,700	831,747
2023 purchases and donations	380,300	3,018,350	3,398,650
			29,153,504

In the year ended 31 March 2023 the following items were acquired:

Mr Jonathan Ruffer kindly donated funds to allow the purchase of various pieces, significant purchases include;

- Francisco Rizzi Annunciation, Oil on Canvas (€160,000); £141,542
- Juan Ribalta; £170,000
- Jeronimo Jacinto Espinosa; £51,325

Artwork purchases through the MAG restricted funds include;

- First Fag by David Noble Artwork; £2,850
- Various sketch drawings by A Fleischmann; £1,000

Lempriere Pringle 2015 kindly donated;

- Neapolitan Nativity; £3,000,000

12. Investments

	£
Cost	
Balance at 1 April 2022 and 31 March 2023	1,000,000
Impairment	
Balance at 1 April 2022 and 31 March 2023	(1,000,000)
Carrying Amount	
At 31 March 2023	-
At 31 March 2022	-

During the prior year the charity was gifted shares in Datafree Limited, a company incorporated in the United Kingdom, by Lempriere Pringle 2015. These had a cost to Lempriere Pringle 2015 of £1,000,000 and therefore were recognised in these financial statements as a donation for this value with the corresponding entry to investments. The investment was impaired to £nil to reflect the difficulty in obtaining a meaningful valuation of tech start-up companies, and also to reflect the uncertainty in the company at this stage of its life cycle. Until sufficient profits are generated, the value is very hard to quantify in the absence of an open market for Datafree's shares. As at 31 March 2023, the value of nil is deemed to remain appropriate.

13. Debtors

	2023	2022
	£	£
The Auckland Project	25,166	22,366
VAT refund due	90	721
Other debtors	1,008	676
Deposit on acquisition	-	26,148
	26,264	49,911

14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	540	-
Accruals	5,381	3,629
	5,921	3,629

15. Statement of funds

Year ended 31 March 2023

	Balance at 1 April 2022	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 March 2023
Unrestricted funds	158,146	3,329,326	(307,120)	(3,123,400)	-	56,952
Designated funds						
Capital fund	16,704,313	-	-	3,297,250	-	20,001,563
Total unrestricted funds	16,862,459	310,976	(307,120)	173,850	-	20,058,515
Restricted funds						
Mr J G Ruffer	-	170,000	-	(170,000)	-	-
Art and Artefacts fund	101,400	-	-	-	-	101,400
MAG Contribution fund	12,429	2,800	-	(3,850)	-	11,379
	113,829	172,800	-	(173,850)	-	112,779
Endowment fund						
Zurbarán paintings	9,050,541	-	-	-	-	9,050,541
Total funds	26,026,829	3,502,126	(307,120)	-	-	29,221,835

15. Statement of funds *(continued)*

Year ended 31 March 2022

	Balance at 1 April 2021	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 March 2022
Unrestricted funds	398,588	1,708,476	(276,672)	(672,246)	(1,000,000)	158,146
Designated funds						
Capital fund	15,780,616	-	-	923,697	-	16,704,313
Total unrestricted funds	16,179,204	1,708,476	(276,672)	251,451	(1,000,000)	16,862,459
Restricted funds						
Mr J G Ruffer	171,435	75,701	-	(247,136)	-	-
Art and Artefacts fund	98,700	2,700	-	-	-	101,400
MAG Contribution fund	15,640	1,104	-	(4,315)	-	12,429
	285,775	79,505	-	(251,451)	-	113,829
Endowment fund						
Zurbarán paintings	9,050,541	-	-	-	-	9,050,541
Total funds	25,515,520	1,787,981	(276,672)	-	(1,000,000)	26,026,829

Designated fund

The trustees have designated an amount equal to the other heritage assets as shown in note 11.

Restricted funds

The Mr J G Ruffer fund relates to funds received for specific pieces of artwork, once acquired the restriction lifts and the funds capital asset is transferred into the designated fund.

The Art and Artefacts fund relates to gifted assets which contain restrictions on their use in order for the Trust to continue to keep displaying the pieces.

The MAG Contribution fund relates to amounts received from The Auckland Project for sales made in connection to the Mining Art Gallery, these funds are to be reinvested within the Mining Art Gallery collection.

Endowment fund

The fund was set up as an amount equal to the value of the Zurbarán Collection purchased together with the associated legal costs.

16. Analysis of net assets between funds

Year ended 31 March 2023	Restricted Funds	Unrestricted Funds	Endowment Funds	Total
	£	£	£	£
Heritage assets	101,400	20,001,563	9,050,541	29,142,125
Other Assets	-	-	-	-
Current Assets	11,379	62,873	-	74,252
Creditors: amounts due within one year	-	(5,921)	-	(5,921)
	112,779	20,058,515	9,050,541	29,221,835

Year ended 31 March 2022	Restricted Funds	Unrestricted Funds	Endowment Funds	Total
	£	£	£	£
Heritage assets	101,400	16,602,913	9,050,541	25,754,854
Current assets	12,429	263,175	-	275,604
Creditors: amounts due within one year	-	(3,629)	-	(3,629)
	113,829	16,862,459	9,050,541	26,026,829

17. Related party transactions

During the year, donations of £212,500 including gift aid (2022: £nil including gift aid) were received from Mr J G Ruffer, a Trustee of The Zurbarán Trust.

Grants of £0 (2022: £515,701) were received from Lempriere Pringle 2015, a charity which Mr J G Ruffer is also a trustee. Assets were donated by Lempriere Pringle 2015 during the year with a value of £3,000,000 (2022: £nil).

Certain costs relating to The Trust (such as insurance and governance costs) are paid by The Auckland Project and are recharged to The Zurbarán Trust.

During the year, heritage assets and services were paid for by The Auckland Project under a loan agreement on the Trust's behalf. At the year end, there was a creditor of £nil (2022 :£nil) included in the accounts, due to The Auckland Project.

18. Reconciliation of the net income/(expenditure) to net cash flow

	2023	2022
	£	£
Net income for the year	3,195,006	511,309
Decrease in debtors	23,647	476,204
Increase/(Decrease) in creditors	2,292	(1,474)
Donated assets	(3,018,350)	(2,700)
Net cash flow from operating activities	202,595	983,339

THE ZURBARAN TRUST

England & Wales - Charity number 1146437

Accounts

Company number: 07846779 (England and Wales)
Charity number: 1146437

The Zurbarán Trust

(A Company Limited by Guarantee)

Report and Financial Statements

For the Year Ended 31 March 2022

The Zurbarán Trust
(A Company Limited by Guarantee)

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The Zurbarán Trust
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also directors of the charity for the purpose of company law) present their annual accounts and audited financial statements of The Zurbarán Trust (the Trust) for the year ended 31 March 2022.

OBJECTIVES AND ACTIVITIES

Policies and objectives
The Trust was set up to benefit the public and in particular the people of North East England and:

- To advance art, culture and heritage by acquiring and holding in perpetuity the thirteen paintings of "Jacob and his sons" (the Paintings, the Zurbarán Collection or the Zurbaráns) to be housed at Auckland Castle;
- To advance education;
- To relieve poverty and suffering, in particular by providing financial or other assistance to organisations and individuals; and
- For such other purposes as are exclusively charitable under the laws of England and Wales.

This requires the following:

- That pictures are kept in good condition, and are attractively and appropriately displayed
- That further acquisitions be identified, valued and acquired at competitive prices.
- That identification of assets be primarily centred around the contextualisation of the Zurbarán Collection;
- That the curatorial aspects of the Auckland Castle (the Castle) be advised by the Trust;
- That the loan of heritage assets be approved by the Trust; and
- That scholarship, publicity and liaisons with other learned societies, museums and galleries, be under the responsibility of the Trust.

Public Benefit
The Trustees have due regard to the guidance published by the Charity Commission on public benefit. The Trust's activities encompass a number of charitable purposes which are referred to in the Charities Act 2011, in particular the advancement of the arts, culture and heritage.

ACHIEVEMENTS AND PERFORMANCE

The year ended 31 March 2022 saw the re-opening of Auckland Castle and the galleries following the pandemic. The Spanish Gallery's official opening on 5 April 2022 was attended by HRH Prince Charles and Queen Letizia of Spain. It is hoped that The Faith Museum will open in late 2023.

The trust has continued to acquire new works, including a significant landscape by Collantes and two paintings by Bartolome Bermejo. A number of significant works have also been on loan to The Spanish Gallery on a rotating basis.

FINANCIAL REVIEW

Financial Summary

Full details of the Trust's financial position can be found in the accompanying financial statements attached to this report.

Reserves Policy

The level of endowment and designated funds maintained should equal the value of the heritage assets held. Due to the nature of other expenditure and the relationship with The Auckland Project and Lempriere Pringle 2015 other reserves are usually held at a low level.

Principal Funding

The principal funding was as set out in the financial statements attached.

Plans for the Future

In the year ending 31 March 2023, the Trust plans to continue providing appropriate art works for the The Spanish Gallery and Faith Museum. The long-term ambition is to see Bishop Auckland as a major European study centre for Spanish Peninsular art.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number:	1146437
Company number:	07846779
Registered office:	58, Kingsway, Bishop Auckland, Co Durham, DL14 7JF

Advisors

Auditors	Haines Watts	17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers	Barclays Bank Plc	6 Market Place, Durham, DH1 3ND

Directors and Trustees

The Directors of the Trust are the Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees:	Mr J G Ruffer
	Mr A S W Mould
	Mrs J M Ruffer
	Dr L R C Stainton
	Don Jose Luis Colomer
	Sir S Wright (resigned 12 April 2022)
	Mr B Finucane (appointed 4 May 2022)
Company secretary:	Mr Nicholas Eldred (resigned 13 December 2021)
	Mrs Jane Henderson (appointed 13 December 2021)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Trust was registered as a company limited by guarantee and was set up by a Memorandum of Association on 14 November 2011. The Trust is constituted under its Memorandum of Association and is a registered charity (number 1146437). The Articles of Association have been approved by the Charity Commission.

The principal objects of the Trust as stated in the Articles of Association are to advance art, culture and heritage by:

- Acquiring and holding the thirteen paintings of "*Jacob and his sons*" (the paintings) to be housed at Auckland Castle;
- Providing and facilitating the preservation of and exhibition of the paintings; and

Other objects are:

- Advancing education;
- Relieving poverty and suffering in particular by providing financial or other assistance (including the making of grants) to individuals and organisations.

Appointment of Trustees
The management of the Trust is the responsibility of the Trustees. New trustees are selected by existing Trustees and are appointed Members of the Trust.

Sir Stephen Wright resigned on 12 April 2022 and Mr Brendan Finucane was appointed on 4 May 2022.

Induction and Training of Trustees
Each of the Trustees is experienced in the nature of trustee responsibilities and brings a distinctive set of relevant skills and experience to the board; therefore, no specific training is given to the Trustees.

Organisational Structure
The Trust in its current formation has responsibility in ownership of fine art. The Board of Trustees is responsible for the preservation and maintenance of assets, and for handling the grants received from Lempriere Pringle 2015 and gifts or loans from Jonathan Ruffer. Jane Henderson, Company Secretary, is responsible for the administration. There are no employees, with support being provided by The Auckland Project.

The Trustees will continue to review the organisational structure as the Trust's activities develop.

Risk assessment
The Trust, along with The Auckland Project, has installed a collections management system which will be maintained as new acquisitions are made. Reports on risk assessment are made to the Trustees at their formal meetings as they arise.

The holding of the pictures is deemed low risk. The Trustees continue to acquaint themselves with the conditions in which the Paintings are housed, with the help of the Curatorial Team at The Auckland Project.

Related parties
Lempriere Pringle 2015 (LP2015) was registered with the Charity Commission on 1 May 2015. The Trust and LP2015 have a close working relationship. The Trust has received significant financial support from LP2015. Mr Jonathan Ruffer and Mrs Jane Ruffer are Trustees of both the Trust and LP2015.

The Trust also has a close working relationship with The Auckland Project. Certain costs relating to the Trust (such as insurance and security costs) are borne by The Auckland Project, and other transactions of the Trust are administered by The Auckland Project and reimbursed from time to time. Mr Jonathan Ruffer is a Trustee of The Auckland Project.

A Collections Management Agreement (CMA) between the Trust and The Auckland Project has been in place since June 2015. Under the CMA, the Trust will own the paintings and other artefacts and The Auckland Project manages them and will display them to visitors.

Statement of Trustees responsibilities

The Trustees (who are also directors of the Trust for the purpose of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditors are unaware and
- the Trustees have taken all the steps that we ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on ..... 8th November ..... 2022 and signed on their behalf, by

.....

Mr J G Ruffer
Chair

The Zurbarán Trust
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ZURBARAN TRUST
FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The Zurbaran Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 5, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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

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 both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ZURBARAN TRUST ***(Continued)***
FOR THE YEAR ENDED 31 MARCH 2022

Use of this report

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

Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts North East Audit LLP

22 November 2022

Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Incoming resources						
Donations	**4**	1,440,000	78,401	-	1,518,401	2,714,570
Other income	**5**	268,476	1,104	-	269,580	275,226
Total income		1,708,476	79,505	-	1,787,981	2,989,796
Resources expended						
Charitable activities	**6**	276,672	-	-	276,672	292,015
Total resources expended		276,672	-	-	276,672	292,015
Net Income/(expenditure)		1,431,804	79,505	-	1,511,309	2,697,781
Transfers between funds	**14**	251,451	(251,451)	-	-	-
Net (loss)/gain on investments	**12**	(1,000,000)	-	-	(1,000,000)	-
Net movement in funds for the year		683,255	(171,946)	-	511,309	2,697,781
Reconciliation of funds						
Fund balances brought forward		16,179,204	285,775	9,050,541	25,515,520	22,817,739
Fund balances carried forward		16,862,459	113,829	9,050,541	26,026,829	25,515,520

There are no recognised gains and losses other than those passing through the Statement of Financial Activities.

The Zurbarán Trust
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Heritage assets	**11**		25,754,854		24,923,107
Investments	**12**		-		-
Current assets					
Debtors	**13**	49,911		526,115	
Cash at bank and in hand		225,693		71,401	
		275,604		597,516	
Creditors: amounts falling due within one year	**14**	(3,629)		(5,103)	
Net current assets			271,975		592,413
Net assets			26,026,829		25,515,520
Funds					
Unrestricted funds			158,146		398,588
Designated funds			16,704,313		15,780,616
Restricted funds			113,829		285,775
Endowment funds			9,050,541		9,050,541
Total charity funds	**15**		26,026,829		25,515,520

The financial statements were approved by the trustees on 8th November 2022 and signed on their behalf, by

.....
Mr J G Ruffer
Chair

Company number: 07846779

The notes on pages 12 to 24 form part of these financial statements.

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
Net cash flow from operating activities			
Net cash provided by/(used in) operating activities	**17**	983,339	2,083,061
Cash flow from investing activities			
Purchase of fixed assets		(829,047)	(2,090,504)
Net cash provided by/(used in) operating activities		(829,047)	(2,090,504)
Change in cash and cash equivalents in the reporting period		154,292	(7,444)
Cash and cash equivalents at the beginning of the year		71,401	78,845
Cash and cash equivalents at the end of the year		225,693	71,401
Cash and cash equivalents consist of:			
Cash at bank and in hand		225,693	71,401

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The Zurbarán Trust meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The principal accounting policies are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Fund accounting

General funds are unrestricted funds which are available for the use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for any other purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated funds is set out in the notes to the financial statements.

Restricted funds are funds that can only be used for a particular purpose specified by the donor.

The Endowment fund is a form of restricted fund and represents those assets which must be retained for the benefit of the Trust.

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

1.5 Donated services and facilities

Donated services and facilities are received on an ad hoc basis from The Auckland Project. These services are considered immaterial to the function of the charity and no provision has been made in the financial statements for these services.

Donated assets are recognised in the Statement of Financial Activities when a reliable valuation can be obtained.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants and donations payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

All irrecoverable VAT is included within the Statement of Financial Activities.

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

1.8 Heritage assets

Heritage assets are recognised on the balance sheet at cost when purchased or if donated, their valuation. Assets are subsequently held at cost less accumulated impairment losses. All heritage assets are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Acquisitions only arise if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public. Heritage assets are to be held for the foreseeable future.

Expenditure incurred to preserve or prevent deterioration of the paintings is recognised in the Statement of Financial Activities when it is incurred.

1.9 Debtors

Trade and other debtors are recognised at the settlement account due after any trade discount offered. Prepayments are valued at the amounts prepaid net of any trade discounts.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments.

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.14 Judgements and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation is not charged on heritage assets and an assessment of impairment is made on an annual basis.

2. Legal status

The Zurbarán Trust is a company limited by guarantee, registered in England and Wales, (No 07846779) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Comparative Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Incoming resources						
Donations	4	316,431	2,398,139	-	2,714,570	1,208,924
Other income	5	268,476	6,750	-	275,226	275,918
Total income		584,907	2,404,889	-	2,989,796	1,484,842
Resources expended						
Charitable activities	6	292,015	-	-	292,015	287,399
Total resources expended		292,015	-	-	292,015	287,399
Net Income/(expenditure)		292,892	2,404,889	-	2,697,781	1,197,443
Transfers between funds	14	2,136,047	(2,136,047)	-	-	-
Net movement in funds for the year		2,428,939	268,842	-	2,697,781	1,197,443
Reconciliation of funds						
Fund balances brought forward		13,750,265	16,933	9,050,541	22,817,739	21,620,296
Fund balances carried forward		16,179,204	285,775	9,050,541	25,515,520	22,817,739

4. Donations

	2022	2021
	£	£
Donations	1,515,701	2,578,370
Donations in kind	2,700	136,200
Grants	-	6,750
	1,518,401	2,721,320
Donations		
Mr J G Ruffer	-	1,265,725
Gift Aid on Mr J G Ruffer donations	-	316,431
Lempriere Pringle 2015	1,515,701	996,214
	1,515,701	2,578,370
Donations in kind		
Secretary of State	2,700	98,700
Other donated assets	-	37,500
	2,700	136,200
Grants		
Victoria & Albert	-	6,750
	-	6,750

5. Other income

	2022	2021
	£	£
The Auckland Project – Barter arrangement	268,476	268,476
The Auckland Project – MAG contribution	1,104	-

6. Charitable activities expenditure

	2022	2021
	£	£
Bank charges	160	519
Interest paid	-	10,119
Legal fees	-	3,825
Audit fees	3,630	3,100
Consultancy fees	-	2,150
Insurance	1,124	850
Professional fees	3,282	2,976
Other Costs	268,476	268,476
	276,672	292,015

7. Support costs

Included in the above direct costs are support costs as follows:

	2022	2021
	£	£
Professional fees	-	2,150
Governance costs (note 8)	6,912	6,076
	7,512	8,226

8. Governance

	2022	2021
	£	£
Audit fees	3,100	3,100
Other	3,812	2,976
	6,912	6,076

9. Analysis of trustee remuneration and expenses and the cost of key management personnel

No Trustees (or any other persons connected with them) received any remuneration during the period (2021: £nil).

The Trust pays the travelling expenses and accommodation costs for Trustees to attend general trustee meetings and may on occasion pay other travelling costs. The total amounts paid in the year are £nil (2021: £nil).

10. Auditors remuneration

	2022	2021
	£	£
Auditors' remuneration		
- Audit of these financial statements	3,700	3,100

11. Heritage assets

Heritage assets are defined as tangible property with historical, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. The Trustees consider its assets held fall within this definition. These assets are included in the charity's balance sheet at cost or valuation.

There is no set acquisition policy. However, any purchases would have to be in accordance with the principal objects of the charity set out within the Trustees Report.

	Zurbarán Collection	Other artwork	Total assets
	£	£	£
Cost			
At 1 April 2021	9,050,541	15,872,566	24,923,107
Additions	-	831,747	831,747
At 31 March 2022	9,050,541	16,704,313	25,754,854

Heritage assets held are the Zurbarán Collection, valuable paintings and other historic items. The Zurbarán Collection comprises twelve paintings by Francisco de Zurbarán and one by Arthur Pond. As part of the agreement with the Church Commissioners an overage clause was included in the contract which allows for further payment to the Church Commissioners in the event of a sale of the paintings in excess of £15m. As security for the overage the Trust entered a Chattel Mortgage in favour of the Church Commissioners which represents a fixed charge over the paintings. The Trustees have considered the values included within the accounts and do not consider there to be any issues with assets being impaired.

11. Heritage assets ***(Continued)***

Summary analysis

Purchased additions	**Purchased additions at cost £**	**Donated assets £**	**Total assets £**
2013 purchases	9,079,131	-	9,079,131
2014 purchases	-	-	-
2015 purchases	500,090	-	500,090
2016 purchases	3,267,275	-	3,267,275
2017 purchases	3,134,046	-	3,134,046
2018 purchases and donations	2,093,060	3,081,119	5,174,179
2019 purchases and donations	337,377	89,158	426,535
2020 purchases	1,115,147	-	1,115,147
2021 purchases	2,090,504	136,200	2,226,704
2022 purchases	829,047	2,700	831,747
			25,754,854

In the year ended 31 March 2022 the following items were acquired:

Mr Jonathan Ruffer kindly donated funds to allow the purchase of various pieces, significant purchases include;

- Jusepe de Ribera (Xativa 1591-Naples 1652), Saint Francis of Assisi in prayer, Oil on canvas, deposit paid in prior year (€550,000), final balance paid in current financial year (€135,000); £593,835
- Arrtributed to Bartolome Bermejo, Agony in the Garden, Oil on panel and and Road to Calvary, Oil on panel; £118,765.
- Francesco Collantes, Paysage a la Tour, Oil on Canvas; £81,120

Artwork purchases through the MAG restricted funds include;

- George William Bissill, British 1896-1973 No. 57 Miners, c.1935, pen and black ink; £475
- Nick Evans, 'Preparing Top Hole', Oil on Board; £3,840

The Secretary of State kindly donated;

- John 'Warwick' Smith 1749 – 1831 The Park at Auckland; £2,700

12. Investments

	£
Cost	
Balance at 1 April 2021	-
Additions	1,000,000
At 31 March 2022	1,000,000
Impairment	
Balance at 1 April 2021	-
Written off during the year	1,000,000
At 31 March 2022	1,000,000
Carrying Amount	
At 31 March 2022	**-**
At 31 March 2021	-

During the year the charity was gifted shares in Datafree Limited, a company incorporated in the United Kingdom, by Lempriere Pringle 2015. These had a cost to Lempriere Pringle 2015 of £1,000,000 and therefore have been recognised in these financial statements as a donation for this value with the corresponding entry to investments. The investment has been impaired to £nil to reflect the difficulty in obtaining a meaningful valuation of tech start-up companies, and also to reflect the uncertaintiy in the company at this stage of its life cycle. Until sufficient profits are generated, the value is very hard to quantify in the absence of an open market for Datafree's shares.

13. Debtors

	2022	2021
	£	£
The Auckland Project	22,366	21,263
VAT refund due	721	187
Other debtors	676	422
Deposit on acquisition	26,148	504,242
	49,911	526,114

14. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	1,403
Accruals	3,629	3,700
	3,629	5,103

15. Statement of funds

Year ended 31 March 2022

	Balance at 1 April 2021	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 March 2022
Unrestricted funds	398,588	1,708,476	(276,672)	(672,246)	(1,000,000)	158,146
Designated funds						
Capital fund	15,780,616	-	-	923,697	-	16,704,313
Total unrestricted funds	16,179,204	1,708,476	(276,672)	251,451	(1,000,000)	16,862,459
Restricted funds						
Mr J G Ruffer	171,435	75,701	-	(247,136)	-	-
Art and Artefacts fund	98,700	2,700	-	-	-	101,400
MAG Contribution fund	15,640	1,104	-	(4,315)	-	12,429
	285,775	79,505	-	(251,451)	-	113,829
Endowment fund						
Zurbarán paintings	9,050,541	-	-	-	-	9,050,541
Total funds	25,515,520	1,787,981	(276,672)	-	(1,000,000)	26,026,829

15. Statement of funds *(continued)*

Year ended 31 March 2021	Brought Forward £	Incoming resources £	Resources Expended £	Transfers £	Carried Forward £
Unrestricted fund	104,403	584,907	(292,015)	1,293	398,588
Designated fund					
Capital fund	13,645,862	-	-	2,134,754	15,780,616
Total unrestricted funds	13,750,265	584,907	(292,015)	2,136,047	16,179,204
Restricted funds					
Mr J G Ruffer	-	1,265,725	-	(1,094,290)	171,435
Lempriere Pringle 2015	-	996,214	-	(996,214)	-
Art and Artefacts fund	-	136,200	-	(37,500)	98,700
MAG Contribution fund	16,933	-	-	(1,293)	15,640
Victoria & Albert	-	6,750	-	(6,750)	-
Endowment fund					
Zurbarán paintings	9,050,541	-	-	-	9,050,541
Total restricted funds	9,067,474	2,404,889	-	(2,136,047)	9,336,316
	22,817,739	2,989,796	(292,015)	-	25,515,520

Designated fund
The trustees have designated an amount equal to the other heritage assets as shown in note 11.

Restricted funds
The Art and Artefacts Fund, Mr J G Ruffer and Lempriere Pringle 2015 relates to funds received for specific pieces of artwork, once acquired the restriction lifts and the funds capital asset is transferred into the designated fund.

The MAG Contribution fund relates to an amounts received from The Auckland Project for sales made in connection to the Mining Art Gallery, these funds are to be reinvested within the Mining Art Gallery collection.

Victoria & Albert relates to a grant received in the year from the Victoria & Albert Museum for 50% of the purchase of a painting.

Endowment fund
The fund was set up as an amount equal to the value of the Zurbarán Collection purchased together with the associated legal costs.

16. Analysis of net assets between funds

Year ended 31 March 2022	Restricted Funds	Unrestricted Funds	Endowment Funds	Total
	£	£	£	£
Heritage assets	101,400	16,602,913	9,050,541	25,754,854
Current assets	12,429	263,175	-	275,604
Creditors: amounts due within one year	-	(3,629)	-	(3,629)
	113,829	16,862,459	9,050,541	26,026,829

Year ended 31 March 2021	Restricted Funds	Unrestricted Funds	Endowment Funds	Total
	£	£	£	£
Heritage assets	98,700	15,773,866	9,050,541	24,923,107
Current assets	187,075	410,441	-	597,516
Creditors: amounts due within one year	-	(5,103)	-	(5,103)
	285,785	16,179,204	9,050,541	25,515,520

17. Related party transactions

During the year, donations of £nil including gift aid (2021: £1,582,156 including gift aid) were received from Mr J G Ruffer, a Trustee of The Zurbarán Trust.

Grants of £515,701 (2021: £996,214) were received from Lempriere Pringle 2015, a charity which Mr J G Ruffer is also a trustee. Assets were donated by Lempriere Pringle 2015 during the year with a value of £nil (2020: £nil).

Certain costs relating to The Trust (such as insurance and governance costs) are paid by The Auckland Project and are recharged to The Zurbarán Trust.

During the year, heritage assets and services were paid for by The Auckland Project under a loan agreement on the Trust's behalf. At the year end, there was a creditor of £nil (2020:£nil) included in the accounts, due to The Auckland Project.

During the year, an amount of £nil (2021: £nil) was due from The Auckland Project in relation to the Deed of Gift of the Gemini Collection during 2017-18, these amounts were included in the amount due from The Auckland Project at the year end of £nil (2021: £21,263).

17. Reconciliation of the net income/(expenditure) to net cash flow

	2022	2021
	£	£
Net income for the year	511,309	2,697,781
Decrease/(Increase) in debtors	476,204	(478,080)
(Decrease)/increase in creditors	(1,474)	(440)
Donated assets	(2,700)	(136,200)
Net cash flow from operating activities	983,339	2,083,061

THE ZURBARAN TRUST

England & Wales - Charity number 1146437

Accounts

Company number: 07846779 (England and Wales)
Charity number: 1146437

The Zurbarán Trust

(A Company Limited by Guarantee)

Report and Financial Statements

For the Year Ended 31 March 2021

The Zurbarán Trust
(A Company Limited by Guarantee)

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The Zurbarán Trust
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also directors of the charity for the purpose of company law) present their annual accounts and audited financial statements of The Zurbarán Trust (the Trust) for the year ended 31 March 2021.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Trust was set up to benefit the public and in particular the people of North East England and:

- To advance art, culture and heritage by acquiring and holding in perpetuity the thirteen paintings of "Jacob and his sons" (the Paintings, the Zurbarán Collection or the Zurbaráns) to be housed at Auckland Castle;
- To advance education;
- To relieve poverty and suffering, in particular by providing financial or other assistance to organisations and individuals; and
- For such other purposes as are exclusively charitable under the laws of England and Wales.

This requires the following:

- That pictures are kept in good condition, and are attractively and appropriately displayed
- That further acquisitions be identified, valued and acquired at competitive prices.
- That identification of assets be primarily centred around the contextualisation of the Zurbarán Collection;
- That the curatorial aspects of the Auckland Castle (the Castle) be advised by the Trust;
- That the loan of heritage assets be approved by the Trust; and
- That scholarship, publicity and liaisons with other learned societies, museums and galleries, be under the responsibility of the Trust.

Public Benefit

The Trustees have due regard to the guidance published by the Charity Commission on public benefit. The Trust's activities encompass a number of charitable purposes which are referred to in the Charities Act 2011, in particular the advancement of the arts, culture and heritage.

ACHIEVEMENTS AND PERFORMANCE

The year just ended has once again been a busy one, with both The Auckland Project's Spanish Gallery and Faith Museum exhibition continue to need to acquire further good things for their respective openings (see Related Parties, page 4 below).

In addition to the paintings reported in last year's financial statements the Trust has continued to add a number of works including:

• St John of the Cross and St Teresa of Avila, each early-mid 18c	20,000
• In this Space We Breath, series 2017-18	13,500
• Portrait of Don Carlos, workshop of Alonso Coello	225,000
• Van der Hamen work	696,213
• St Ferdinand by Murillo	1,094,379

The Trust is in good shape. We look forward to another fruitful year.

FINANCIAL REVIEW

Financial Summary

Full details of the Trust's financial position can be found in the accompanying financial statements attached to this report. The Statement of Financial Activities shows total incoming resources of £2,989,796; donations from Lempriere Pringle 2015 (£996,214), Mr Jonathan Ruffer (£1,265,725), gift aid (£316,431), The Secretary of State (£98,700), and the Victoria & Albert Museum (£6,750). Other income includes donated assets (£37,500) and The Auckland Project (£268,476).

Total resources expended was £292,015 resulting in a surplus for the period of £2,697,781 of which £285,775 relates to restricted funds.

Reserves Policy

The level of endowment and designated funds maintained should equal the value of the heritage assets held. Due to the nature of other expenditure and the relationship with The Auckland Project and Lempriere Pringle 2015 other reserves are usually held at a low level. Unrestricted funds at the year ended 31 March 2021 were £398,588.

Principal Funding

The principal funding was as set out in the financial summary above.

Plans for the Future

In year ending 31 March 2021, the Trust will look to continue to work towards providing appropriate art works for the opening of The Auckland Project's Spanish Gallery and Faith Museum.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number:	1146437
Company number:	07846779
Registered office:	Auckland Castle, Market Place, Bishop Auckland, Co Durham, DL14 7NR

Advisors

Auditors	Haines Watts	17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers	Barclays Bank Plc	6 Market Place, Durham, DH1 3ND

Directors and Trustees

The Directors of the Trust are the Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees:	Mr J G Ruffer
	Mr A S W Mould
	Mrs J M Ruffer
	Dr L R C Stainton
	Don Jose Luis Colomer
	Sir S Wright
Company secretary:	Mr Nicholas Eldred

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Trust was registered as a company limited by guarantee and was set up by a Memorandum of Association on 14 November 2011. The Trust is constituted under its Memorandum of Association and is a registered charity (number 1146437). The Articles of Association have been approved by the Charity Commission.

The principal objects of the Trust as stated in the Articles of Association are to advance art, culture and heritage by:

- Acquiring and holding the thirteen paintings of "*Jacob and his sons*" (the paintings) to be housed at Auckland Castle;
- Providing and facilitating the preservation of and exhibition of the paintings; and

Other objects are:

- Advancing education;
- Relieving poverty and suffering in particular by providing financial or other assistance (including the making of grants) to individuals and organisations.

Appointment of Trustees
The management of the Trust is the responsibility of the Trustees. New trustees are selected by existing Trustees and are appointed Members of the Trust.

There have been no new appointments or resignations in the period.

Induction and Training of Trustees
Each of the Trustees is experienced in the nature of trustee responsibilities and brings a distinctive set of relevant skills and experience to the board; therefore, no specific training is given to the Trustees.

Organisational Structure
The Trust in its current formation has responsibility in ownership of fine art. The Board of Trustees is responsible for the preservation and maintenance of assets, and for handling the grants received from Lempriere Pringle 2015 and gifts or loans from Jonathan Ruffer. Nicholas Eldred, Company Secretary, is responsible for the administration. There are no employees, with support being provided by The Auckland Project.

The Trustees will continue to review the organisational structure as the Trust's activities develop.

Risk assessment
The Trust, along with The Auckland Project, has installed a collections management system which will be maintained as new acquisitions are made. Reports on risk assessment are made to the Trustees at their formal meetings as they arise.

The holding of the pictures is deemed low risk. The Trustees continue to acquaint themselves with the conditions in which the Paintings are housed, with the help of the Curatorial Team at The Auckland Project.

Related parties
Lempriere Pringle 2015 (LP2015) was registered with the Charity Commission on 1 May 2015. The Trust and LP2015 have a close working relationship. The Trust has received significant financial support from LP2015. Mr Jonathan Ruffer and Mrs Jane Ruffer are Trustees of both the Trust and LP2015.

The Trust also has a close working relationship with The Auckland Project. Certain costs relating to the Trust (such as insurance and security costs) are borne by The Auckland Project, and other transactions of the Trust are administered by The Auckland Project and reimbursed from time to time. Mr Jonathan Ruffer is a Trustee of The Auckland Project.

A Collections Management Agreement (CMA) between the Trust and The Auckland Project has been in place since June 2015. Under the CMA, the Trust will own the paintings and other artefacts and The Auckland Project manages them and will display them to visitors.

Statement of Trustees responsibilities

The Trustees (who are also directors of the Trust for the purpose of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditors are unaware and
- the Trustees have taken all the steps that we ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on 26th October 2021 and signed on their behalf, by

.....

Mr J G Ruffer
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ZURBARAN TRUST
FOR THE YEAR ENDED 31 MARCH 2021

Opinion
We have audited the financial statements of The Zurbaran Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

Conclusions relating to going concern
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 charitable company'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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, funders, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed on page 4 and the accounting policies note.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 5, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ZURBARAN TRUST *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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

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 both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 auditor's report.

Use of this report

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

Donna Bulmer BS (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts North East Audit LLP

29 November 2021

Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Incoming resources						
Donations	**4**	316,431	2,398,139	-	2,714,570	1,208,924
Other income	**5**	268,476	6,750	-	275,226	275,918
Total income		584,907	2,404,889	-	2,989,796	1,484,842
Resources expended						
Charitable activities	**6**	292,015	-	-	292,015	287,399
Total resources expended		292,015	-	-	292,015	287,399
Net Income/(expenditure)		292,892	2,404,889	-	2,697,781	1,197,443
Transfers between funds	**14**	2,136,047	(2,136,047)	-	-	-
Net movement in funds for the year		2,428,939	268,842	-	2,697,781	1,197,443
Reconciliation of funds						
Fund balances brought forward		13,750,265	16,933	9,050,541	22,817,739	21,620,296
Fund balances carried forward		16,179,204	285,775	9,050,541	25,515,520	22,817,739

There are no recognised gains and losses other than those passing through the Statement of Financial Activities.

The Zurbarán Trust
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Heritage assets	**11**		24,923,107		22,696,403
Current assets					
Debtors	**12**	526,115		48,034	
Cash at bank and in hand		71,401		78,845	
		597,516		126,879	
Creditors: amounts falling due within one year	**13**	(5,103)		(5,543)	
Net current assets			592,413		121,336
Net assets			25,515,520		22,817,739
Funds					
Unrestricted funds			398,588		104,403
Designated funds			15,780,616		13,645,862
Restricted funds			285,775		16,933
Endowment funds			9,050,541		9,050,541
Total charity funds	**14**		25,515,520		22,817,739

The financial statements were approved by the trustees on 26th October 2021 and signed on their behalf, by

.....
Mr J G Ruffer
Chair

Company number: 07846779

The notes on pages 12 to 24 form part of these financial statements.

The Zurbarán Trust
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Net cash flow from operating activities			
Net cash provided by/(used in) operating activities	**17**	2,083,061	1,165,298
Cash flow from investing activities			
Purchase of fixed assets		(2,090,504)	(1,115,147)
Net cash provided by/(used in) operating activities		(2,090,504)	(1,115,147)
Change in cash and cash equivalents in the reporting period		(7,444)	50,151
Cash and cash equivalents at the beginning of the year		78,845	28,694
Cash and cash equivalents at the end of the year		71,401	78,845
Cash and cash equivalents consist of:			
Cash at bank and in hand		71,401	78,845

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The Zurbarán Trust meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The principal accounting policies are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Fund accounting

General funds are unrestricted funds which are available for the use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for any other purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated funds is set out in the notes to the financial statements.

Restricted funds are funds that can only be used for a particular purpose specified by the donor.

The Endowment fund is a form of restricted fund and represents those assets which must be retained for the benefit of the Trust.

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

1.5 Donated services and facilities

Donated services and facilities are received on an ad hoc basis from The Auckland Project. These services are considered immaterial to the function of the charity and no provision has been made in the financial statements for these services.

Donated assets are recognised in the Statement of Financial Activities when a reliable valuation can be obtained.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants and donations payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

All irrecoverable VAT is included within the Statement of Financial Activities.

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

1.8 Heritage assets

Heritage assets are recognised on the balance sheet at cost when purchased or if donated, their valuation. Assets are subsequently held at cost less accumulated impairment losses. All heritage assets are deemed to have indeterminate lives and a high residual value, hence the Trustees do not consider it appropriate to charge depreciation.

Acquisitions only arise if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public. Heritage assets are to be held for the foreseeable future.

Expenditure incurred to preserve or prevent deterioration of the paintings is recognised in the Statement of Financial Activities when it is incurred.

1.9 Debtors

Trade and other debtors are recognised at the settlement account due after any trade discount offered. Prepayments are valued at the amounts prepaid net of any trade discounts.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments.

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.14 Judgements and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation is not charged on heritage assets and an assessment of impairment is made on an annual basis.

2. Legal status

The Zurbarán Trust is a company limited by guarantee, registered in England and Wales, (No 07846779) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Comparative Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Incoming resources					
Donations	4	132,333	1,076,591	-	1,208,924
Other income	5	268,476	7,442	-	275,918
Total income		400,809	1,084,033	-	1,484,842
Resources expended					
Charitable activities	6	287,399	-	-	287,399
Total resources expended		287,399	-	-	287,399
Net Income/(expenditure)		113,410	1,084,033	-	1,197,443
Transfers between funds	14	1,067,100	(1,067,100)	-	-
Net movement in funds for the year		1,180,510	16,933	-	1,197,443
Reconciliation of funds					
Fund balances brought forward		12,569,755	-	9,050,541	21,620,296
Fund balances carried forward		13,750,265	16,933	9,050,541	22,817,739

4. Donations

	2021	2020
	£	£
Donations	2,578,370	1,028,924
Donations in kind	136,200	-
Grants	6,750	180,000
	2,721,320	1,208,924
Donations		
Mr J G Ruffer	1,265,725	529,330
Gift Aid on Mr J G Ruffer donations	316,431	132,333
Lempriere Pringle 2015	996,214	367,261
	2,578,370	1,028,924
Donations in kind		
Secretary of State	98,700	-
Other donated assets	37,500	-
	136,200	-
Grants		
The Art Fund	-	180,000
Victoria & Albert	6,750	-
	6,750	180,000

5. Other income

	2021	2020
	£	£
The Auckland Project	268,476	275,918

The income from The Auckland Project relates to the Barter arrangement (£268,476).

6. Charitable activities expenditure

	2021	2020
	£	£
Bank charges	519	378
Interest paid	10,119	-
Legal fees	3,825	-
Audit fees	3,100	3,100
Consultancy fees	2,150	2,325
Insurance	850	572
Professional fees	2,976	11,823
Travel costs	-	338
Hotels	-	387
Other Costs	268,476	268,476
	292,015	287,399

7. Support costs

Included in the above direct costs are support costs as follows:

	2021	2020
	£	£
Professional fees	2,150	2,325
Governance costs (note 8)	6,076	7,423
	8,226	9,748

8. Governance

	2021	2020
	£	£
Audit fees	3,100	3,100
Other	2,976	4,323
	6,076	7,423

9. Analysis of trustee remuneration and expenses and the cost of key management personnel

Trustees (or any other persons connected with them) received any remuneration during the period (2020: £387).

The Trust pays the travelling expenses and accommodation costs for Trustees to attend general trustee meetings and may on occasion pay other travelling costs. The total amounts paid in the year are £nil (2020: £387).

10. Auditors remuneration

	2021	2020
	£	£
Auditors' remuneration		
- Audit work	3,100	3,100

11. Heritage assets

Heritage assets are defined as tangible property with historical, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. The Trustees consider its assets held fall within this definition. These assets are included in the charity's balance sheet at cost or valuation.

There is no set acquisition policy. However, any purchases would have to be in accordance with the principal objects of the charity set out within the Trustees Report.

	Zurbarán Collection	Other artwork	Total assets
	£	£	£
Cost			
At 1 April 2020	9,050,541	13,645,862	22,696,403
Additions	-	2,226,704	2,226,704
At 31 March 2021	9,050,541	15,872,566	24,923,107

Heritage assets held are the Zurbarán Collection, valuable paintings and other historic items. The Zurbarán Collection comprises twelve paintings by Francisco de Zurbarán and one by Arthur Pond. As part of the agreement with the Church Commissioners an overage clause was included in the contract which allows for further payment to the Church Commissioners in the event of a sale of the paintings in excess of £15m. As security for the overage the Trust entered a Chattel Mortgage in favour of the Church Commissioners which represents a fixed charge over the paintings. The Trustees have considered the values included within the accounts and do not consider there to be any issues with assets being impaired.

11. Heritage assets *(Continued)*

Summary analysis

Purchased additions	Purchased additions at cost £	Donated assets £	Total assets £
2013 purchases	9,079,131	-	9,079,131
2014 purchases	-	-	-
2015 purchases	500,090	-	500,090
2016 purchases	3,267,275	-	3,267,275
2017 purchases	3,134,046	-	3,134,046
2018 purchases and donations	2,093,060	3,081,119	5,174,179
2019 purchases and donations	337,377	89,158	426,535
2020 purchases	1,115,147	-	1,115,147
2021 purchases	2,090,504	136,200	2,226,704
			24,923,107

In the year ended 31 March 2021 the following purchases were made;

Jonathan Ruffer made a donation of £1,000,000 which funded the paintings:

- Saint Ferdinand by Murillo Oil on Canvas (€1,250,000)

Jonathan Ruffer donated £225,000 to fund:

- Portrait of Don Carlos by Alonso Sanchez Coello (£225,000)

Jonathan Ruffer also donated to £40,725 fund:

- Spanish School 16th Century Retablo Polyptych depicting the Crucifiction, the Annunciation, St Francis, Mary Magdalene and Saint Clara (£40,725).

Lempriere Pringle 2015 donated €776,000:

- for the purchase of Van De Hamen's The Good Samaritan (£696,214).

The V&A Purchase Grant Fund provided a grant of £6,750 to fund:

- In this space we breathe, a portfolio of nine silkscreen prints by Khadija Saye (£13,500).

12. Debtors

	2021	2020
	£	£
The Auckland Project	21,263	21,263
VAT refund due	187	-
Other debtors	422	623
Deposit on acquisition	504,242	26,148
	526,114	48,034

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,403	1,680
Accruals	3,700	3,863
	5,103	5,543

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

14. Statement of funds

Year ended 31 March 2021	Brought Forward £	Incoming resources £	Resources Expended £	Transfers £	Carried Forward £
Unrestricted fund	104,403	584,907	(292,015)	1,293	398,588
Designated fund					
Capital fund	13,645,862	-	-	2,134,754	15,780,616
Total unrestricted funds	13,750,265	584,907	(292,015)	2,136,047	16,179,204
Restricted funds					
Mr J G Ruffer	-	1,265,725	-	(1,094,290)	171,435
Lempriere Pringle 2015	-	996,214	-	(996,214)	-
Art and Artefacts fund	-	136,200	-	(37,500)	98,700
MAG Contribution fund	16,933	-	-	(1,293)	15,640
Victoria & Albert	-	6,750	-	(6,750)	-
Endowment fund					
Zurbarán paintings	9,050,541	-	-	-	9,050,541
Total restricted funds	9,067,474	2,404,889	-	(2,136,047)	9,336,316
	22,817,739	2,989,796	(292,015)	-	25,515,520

14. Statement of funds *(continued)*

Year ended 31 March 2020	Brought Forward £	Incoming resources £	Resources Expended £	Transfers £	Carried Forward £
Unrestricted fund	39,040	400,809	(287,399)	(48,047)	104,403
Designated fund					
Capital fund	12,530,715	-	-	1,115,147	13,645,862
Total unrestricted funds	12,569,755	400,809	(287,399)	1,067,100	13,750,265
Restricted funds					
Art and Artefacts fund	-	1,076,591	-	(1,076,591)	-
MAG Contribution fund	-	7,442	-	9,491	16,933
Endowment fund					
Zurbarán paintings	9,050,541	-	-	-	9,050,541
	21,620,296	1,484,842	(287,399)	-	22,817,739

Designated fund
The trustees have designated an amount equal to the other heritage assets as shown in note 11.

Restricted funds
The Art and Artefacts Fund, Mr J G Ruffer and Lempriere Pringle 2015 relates to funds received for specific pieces of artwork, once acquired the restriction lifts and the funds capital asset is transferred into the designated fund.

The MAG Contribution fund relates to an amounts received from The Auckland Project for sales made in connection to the Mining Art Gallery, these funds are to be reinvested within the Mining Art Gallery collection.

Victoria & Albert relates to a grant received in the year from the Victoria & Albert Museum for 50% of the purchase of a painting.

Endowment fund
The fund was set up as an amount equal to the value of the Zurbarán Collection purchased together with the associated legal costs.

15. Analysis of net assets between funds

Year ended 31 March 2021	Restricted Funds	Unrestricted Funds	Endowment Funds	Total
	£	£	£	£
Heritage assets	98,700	15,773,866	9,050,541	24,923,107
Current assets	187,075	410,441	-	597,516
Creditors: amounts due within one year	-	(5,103)	-	(5,103)
	285,785	16,179,204	9,050,541	25,515,520

Year ended 31 March 2020	Restricted Funds	Unrestricted Funds	Endowment Funds	Total
	£	£	£	£
Heritage assets	-	13,645,862	9,050,541	22,696,403
Current assets	16,933	109,946	-	126,879
Creditors: amounts due within one year	-	(5,543)	-	(5,543)
	16,933	13,750,265	9,050,541	22,817,739

16. Related party transactions

During the year, donations of £1,582,156 including gift aid (2020: £661,663 including gift aid) were received from Mr J G Ruffer, a Trustee of The Zurbarán Trust.

Grants of £996,214 (2020: £367,261) were received from Lempriere Pringle 2015, a charity which Mr J G Ruffer is also a trustee. Assets were donated by Lempriere Pringle 2015 during the year with a value of £nil (2020: £nil).

Certain costs relating to The Trust (such as insurance and governance costs) are paid by The Auckland Project and are recharged to The Zurbarán Trust.

During the year, heritage assets and services were paid for by The Auckland Project under a loan agreement on the Trust's behalf. At the year end, there was a creditor of £nil (2020:£nil) included in the accounts, due to The Auckland Project.

During the year, an amount of £nil (2020: £7,442) was due from The Auckland Project in relation to the Deed of Gift of the Gemini Collection during 2017-18, these amounts were included in the amount due from The Auckland Project at the year end of £21,263 (2020: £13,820).

Lindsay Stainton and José Colomer made donations in the form of assets during the year of £500 and £12,000 respectively. Both are Trustees of The Zurbarán Trust.

17. Reconciliation of the net income/(expenditure) to net cash flow

	2021	2020
	£	£
Net income for the year	2,697,781	1,197,443
(Increase)/decrease in debtors	(478,080)	(31,743)
(Decrease)/increase in creditors	(440)	(402)
Donated assets	(136,200)	-
Net cash flow from operating activities	2,083,061	1,165,298