

REGISTERED CHARITY NUMBER: 1169698

**GROUP REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023
FOR
COUNTY HALL ARTS**

COUNTY HALL ARTS

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FOR THE YEAR ENDED 31ST DECEMBER 2023

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COUNTY HALL ARTS

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2023

TRUSTEES	K Okamoto M Okamoto I Martinez M Takaori
PRINCIPAL ADDRESS	Riverside Building County Hall Westminster Bridge Road London SE1 7PB
REGISTERED CHARITY NUMBER	1169698
AUDITORS	Johnsons Chartered Accountant Statutory Auditor 1-2 Craven Road Ealing London W5 2UA

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

The trustees present their report with the financial statements of the charitable group for the year ended 31 December 2023. The trustees confirm that the annual report and financial statements comply with the current statutory requirements, the requirements of the governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Objectives and aims

County Hall Arts has been established for the benefit of the public for the following purposes:

To advance the education of people in the arts for the public benefit in particular the arts of drama, dance, music, motion pictures and the culinary arts, primarily but not exclusively, through the provision of financial assistance in the education, access and creation of arts and culture and, to establish and maintain an art gallery and/or museum and/or culinary art school for the public benefit.

Public benefit

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

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

This public benefit statement forms the basis for all judgements regarding operational reports to the Board meetings, in order to be reassured that the facilities and services currently managed by the charity continue to meet these criteria.

ACHIEVEMENT AND PERFORMANCE

County Hall Arts achieves the charities aims and objectives by:

- Providing sponsorship to individual artists by providing funding and facilities to develop their craft.
- Funding the production of short form & feature length films exploring artistic themes.
- Holding regular competitions (concours) to inspire the creation of art works.
- Establishing schools to provide education and training in the art.
- Developing areas within County Hall for creative arts purposes.

Charitable activities

Sponsorship of emerging artistic talent

The number of individual sponsorships provided by the Charity in 2023 was ten, totalling £325k (2022: six, totalling £148k) which spanned the fine arts of filmmaking and animation, acting, painting, ceramics as well as music composition and performance. The emerging artists currently receiving sponsorship were selected by various means including the reviewing film graduate work, musical auditions and past concours entries. As a result of these sponsorships over 60 informative, educational and inspiring short films were produced and distributed for the public to view on the County Hall Arts website (www.countyhallarts.com). In 2023 the short films funded by County Hall Arts were viewed online more than 66,000 times.

County Hall Arts hosted a multimedia exhibition by various sponsored artists which included a series of Kyoto inspired paintings in April, a workshop for children in creating Paper Lantern lead by a sponsored artist in June, and numerous musical performances (including live online streamed concerts) by sponsored musicians throughout the year.

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

County Hall Arts continued with its support of the art charity 'Picture Hooks' by providing a sponsorship grant of £100k to the charity which assists emerging children's picture book illustrators through a range of mentoring schemes, masterclasses and competitions.

Motion Picture Artwork Funding

60 arts focused short films were produced and distributed in 2023 with charity expenditure of £175k (2022: £102k). County Hall Arts partially funded cinematic release of the feature film "Living" in 2022, which in 2023, was nominated for numerous industry awards including BAFTA & Academy Awards, achieved a worldwide cinema audience of 1.2 million, and was one of the most popular films available on the BFI Player service. The Trustees continued with the goal of creating, promoting and supporting the creation of truly original and independent cinema. This is an art form under 'existential threat' from declining cinema attendance, increasing costs of production/distribution and the deep-pocketed streamers whose motivations are purely commercial. Nevertheless, this art form is by far the most effective in bringing nuanced, intelligent and meaningful stories with important, mature themes to wide audiences. In 2023, the charity funded the treatment of feature length film concept and considered participating in several independently developed feature length film proposals, however after careful consideration by the trustees of County Hall Arts objectives, no suitable projects were approved for full or partial funding in the year.

Art Works Creation

In 2022, the charity began to offer competitions (concours) through its website, open to all and without entry fees, to inspire the creation of artwork. The first was a landscape painting concours with a winning prize of £10k and this year the £10k prize concours was for songwriting.

In 2023, the charity's first classical music composition concours, titled "Symphony Kyoto" with a prize pool available of €100k (£84.3k), offered composers the opportunity to create a symphony inspired by and reflect the Japanese region of Kyoto's history and culture. This concours attracted 97 entries from composers worldwide and based on their submitted "pitch document" six shortlisted composers were commissioned to deliver their symphony. The completed works were assessed, and an emerging composer was selected as winner for her composition titled "Pictures of Kyoto". While a full orchestral performance has not been confirmed a reworking of the symphony for a quartet of musicians was completed by the composer and a number of concerts were scheduled to take place in 2024.

Building on the success of the first symphony concours the charity chose to honour the historic and unique city of San Sebastian, which will be the location of the planned arts & cultural centre to open in the former convent previously acquired by County Hall Arts. "Symphony San Sebastian", offering a prize pool of €200k (circa £173k), opened for entry in August 2023 with the closing deadline in February 2024 with 47 entries received in 2023.

In 2023, the inaugural sculpture concours was introduced with a prize pool of €50k (circa £43k) and the theme of "Peace". This concours attracted over 100 entrants and ultimately two winners were selected - one from Wales and the other from Morocco - who will share the prize money once the fabricated sculptures have been delivered. The charity has commissioned the production of the two sculptures, and they have been delivered subsequently to County Hall in 2024 and 2025, where they will be placed on display to the public. Two runners up prizes of €1.5k (£1.3k) each were also awarded. For the concours, the charity aims to be opened to all and in the case of the "Peace" sculpture concours, it had provided access support funding to one of the entrants.

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

Culinary Arts

The MOM Culinary Institute in Madrid, established by the charity in 2021, continued to provide education in the culinary arts to 60 students studying to complete 2-year Diplomas at the central Madrid school (Serrano) and 37 students at the El Pardo school. In addition, the Serrano school hosted 20 students from the MACC University (Madrid Culinary Campus). MOM Culinary Institute also worked with private gastronomy brands to provide individual sponsorships to reduce student fees, in 2023 there were 70 sponsored students. 44 Students graduated in 2023 and the quality training they received enabled them all to obtain working contracts, including for some of the most highly regarded restaurants in Spain.

During the year, €3m (£2.6m) loan funding & €575k (£501k) grant funding was released for the completion of the building refurbishment works at the El Pardo school along with loan funding of €440k (£382k) & €626k (£557k) grant funding for refurbishment, classroom expansion and operational expenditure for the Serrano school.

Creative Art Presentation

This year the charity continued to build its collection of art works on display to the general public within County Hall with the purchase of two paintings and the commissioning of a large sculpture titled “Doves of Peace” by an artist who was previously sponsored by the charity.

In 2023 the charity began its development of the spaces within County Hall by creating two outdoor performance and events camellia gardens, located within the buildings lightwells. These gardens hosted several musical performances in late 2023.

TRADING SUBSIDIARIES

County Hall Arts as a CIO operates commercial activities through its trading subsidiaries which directly support the charitable activities. County Hall Arts provides funding to Zen Arts Ltd to produce creative content and distribution services. County Hall Arts also provides funding to Agricooking Global SL, a company incorporated in Spain, which operates and manages the culinary arts education programme in Spain. La Tora Agroturismo SL was acquired in 2023 to expand the curriculum provision in the culinary arts.

The culinary arts school also operates a restaurant providing the students with practical training in a working environment, during the year the restaurant income contributed €877k (circa £763k) of surplus revenue to the school.

EXPANSION & INVESTMENT

County Hall Arts spent £105k in 2023 refurbishing two vacant lightwells to provide outdoor performance & event space in a garden setting within County Hall.

In 2023, County Hall Arts advanced £2.98m (€3.44m) to the Spanish culinary art education facilities located at Serrano Madrid and El Pardo Madrid for the completion of the refurbishment works. This work is expected to be completed during financial year 2024.

La Tora Agroturismo SL which owns a 512ha forest estate, located in Spain’s Caceres region, was acquired by the charity towards the end of 2023 for £3,816,794 (€4.4m), which will further extend the culinary arts training provided by the charity by integrating agricultural elements to the curriculum. The charity hopes to also begin R&D projects on agriculture & forestry technology in the coming years at this estate and it will benefit with income from cork harvesting in 2029 -2030.

COUNTY HALL ARTS**GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2023****FINANCIAL REVIEW****Results for the year 31st December 2023**

Incoming resources for the group in the year were £10,654,744 (2022: £8,060,306): comprising £9,154,826 (2022: £6,344,496) of investment income and £1,499,918 (2022: £1,715,810) of trading income. None of the income resources were restricted.

A surplus of £2,767,525 (2022: £4,932,355) was made during the year. As at 31 December 2023, total consolidated funds were £52,307,135 (2022: £49,528,933) of which (£387,292) (2022: (£244,585)) is in relation to the non-controlling interests. All of the £52,694,427 (2022: £49,773,518) attributable to the charity relates to general unrestricted funds.

Investment powers, policy and objectives

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

Reserves policy

The Trustees regularly review County Hall Arts Reserves policy. The Trustees have approved a reserves policy in line with the guidance issued by the Charity Commission. The purpose of these reserves is to safeguard both against significant loss in income and any unforeseen adverse circumstances and to facilitate the continuance of the deliverance of the charitable company's stated objectives.

The Trustees are committed to maintaining a level of unrestricted funds as free reserves. The charity's income is predominantly through rental and is subject to property market conditions which are reviewed by the Trustees at each board meeting. A prudent estimation of reserve cover, to allow the charity to fulfil its charitable objectives, is estimated to be the equivalent of approximately three years rental income. The reserves are maintained to allow the charity to take advantage of project opportunities and to continue to operate at its forecasted expenditure level for a period of three years, should a substantial fall in income occur. It is anticipated three years would allow sufficient time for market recovery.

At the end of the year the charity held reserves in the amount of £52,694,427 and there are no restricted funds.

The Trustees have earmarked future expenditure for the following projects over the next 3 years:

Providing sponsorship of individual artists to develop their craft and arts events.	£1,650,000
Funding the production of short form & feature length films exploring artistic themes.	£11,025,000
Holding regularly competitions (concours) to inspire the creation of art works.	£1,500,000
Establishing & operating schools to provide education and training in the arts.	£3,820,000
Establishing Arts & Culture Centre and Live Classic Music Concert Hall.	£5,000,000
Developing areas within County Hall for creative arts purposes.	£2,135,000
Total Expenditure	£25,130,000

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

Risks

The major risks to which the Charity could be exposed to have been reviewed and systems established to mitigate these risks, this includes developing a risk register which includes consideration of impact and remedial actions. The risk register is reviewed, and its appropriateness is reassessed at each board meeting.

The Charity has minimal exposure to currency risks, interest rate risks, price risks and market risks.

At each meeting, the Financial Controller lays the monthly financial statements together with the risk register for the Trustees to consider the past and present financial performance and highlight any financial concerns and any identified risks.

FUTURE PLANS

The charity will continue to work to deliver upon its charitable objectives in order to advance the education of people in the arts for the public benefit in particular the arts of drama, dance, music, motion pictures and the culinary arts, primarily but not exclusively, through the provision of financial assistance in the education, access and creation of arts and culture and, to establish and maintain an art gallery and/or museum and/or culinary art school for the public benefit.

The charity will continue increasing the number of creative arts sponsorships to provide more opportunities for artists to develop their craft which they otherwise may not have.

The charity will continue to increase the number of varying artistic concours to generate the creation of artwork.

The charity will assist artists in expanding their reach through exhibitions and performances at County Hall, as well as in locations in Spain and Japan.

The charity will continue exploring and assessing motion picture projects through commissioning treatments, screenplays and potential third-party film projects with artistic merit aligned to the charitable objectives of the charity.

As the culinary art schools expand, the charity will continue to fully support the success and development of its culinary art schools, integrating agricultural training as well as expanding to open a new school in Kyoto, providing education & training in traditional Japanese cuisine.

The former convent in San Sebastian, acquired by the charity in 2022, will be developed into a Live Classic Music Concert Hall and multi-purpose Arts & Culture centre to house a sculpture museum, hold exhibitions, artist in residences and masterclasses.

The creation of artist apartments within County Hall to host visiting artists involved in furthering the charity's objectives.

The creation and opening of a County Hall Pottery School will educate & preserve the skill of pottery art. Complimenting the pottery school a pottery Gallery will be opened which will exhibit pottery artwork and hold curated exhibitions for the public.

COUNTY HALL ARTS

GROUP REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

In addition, the trustees will look to further develop the rental space within their property assets in order to generate additional rental income. The object being that future rent yields will continue to positively contribute to the charity's long-term existence and delivery of its charitable objectives for public benefit.

The Trustees expect the overall expenditure to significantly increase year on year as they embark on their ambitious plans to deliver on the charitable objectives and expand the public benefit that County Hall Arts provides.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing documentation being the constitution of a charitable incorporated organisation and the Charitable Incorporated Organisations (General) Regulations 2012.

Organisational structure

County Hall Arts is a charitable incorporated organisation with CIO no. 1169698. Zen Arts Ltd (Company number: 07596404) is a 90% owned subsidiary of the parent organisation, County Hall Arts. Agricooking Global SL (Company number: B42801324) incorporated in Spain is an 82.5% owned subsidiary of the parent organisation, County Hall Arts. La Tora Agroturismo SL (Company number: B10267060) incorporated in Spain is a 100% owned subsidiary of the parent organisation, County Hall Arts. The subsidiaries operate to deliver County Hall Arts charitable objectives.

The charity trustees manage the affairs of the charitable incorporation organisation and may for that purpose exercise all the powers of the CIO.

Recruitment and appointment of new trustees

Every trustee is appointed for an indefinite term by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

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

The Trustees are actively searching for suitable individuals with the right experience, knowledge, empathy and understanding to become trustees to assist in the furthering of the charitable objectives. One such individual with a distinguished music career and long history of involvement in social welfare activities was identified and appointed prior to the reporting date.

The Trustees who served during the year and to the date of this report are:

- a. M Okamoto
- b. K Okamoto
- c. I Martinez
- d. M Takaori (Appointed on 8 October 2024)

Induction and training of new trustees

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

COUNTY HALL ARTS**GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2023****Conflict of Interest**

The Charity maintains a register of each of the trustees' interests and regularly assesses whether there is potential for a conflict of interest. At the Trustee Meetings each trustee is required to declare any interests relating to the items discussed. If there is an item which could result in a potential conflict of interest the Trustee(s) will recuse themselves from voting on that item.

Related parties

The charitable group is related to the group of companies headed by London Sky Garden Ltd (company no. 10480894) and Miso Investments Ltd (company no. 11687530) via the trustees' directorships and / or shareholdings in the aforementioned group, all of which operate out of the Riverside Building at County Hall.

STATEMENT OF TRUSTEES RESPONSIBILITIES


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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those consolidated financial statements, the trustees are required to

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

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

Approved by order of the board of trustees on 21 March 2025 and signed on its behalf by:

Signed by:

880YA32E30F7467.....
 K Okamoto - Trustee

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

Opinion

We have audited the financial statements of County Hall Arts (the 'charity') and its subsidiary (together "the Group") for the year ended 31 December 2023 which comprise Consolidated Statement of Financial Activities, Consolidated and Charity's statement of financial position, the Consolidated Statement of Cash Flows and notes to the consolidated financial statements, including 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) and Charities SORP.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31/12/2023, and of group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 a significant doubt on the charity's ability to continue as a going concern for the period of at least twelve months when the financial statements are authorised for issue.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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.

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 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that 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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identification and assessment of potential risks

In identifying and assessing potential risks related to irregularities in identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we conducted:

- Meetings throughout the year with those charged with governance and who review the charity's internal ethics and compliance reporting summaries, including those concerning investigations;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the charity's material policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance relating to the detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Our reviews of the charity's remuneration policies, and key drivers for remuneration and bonus levels;
- Our assessment of the influence of public officials over the operations of the charity including any material transactions with related parties and key individuals; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes the Audit Director and staff who have extensive experience of working with charities in the same sectors as the charity, and this experience was relevant to the discussion about where fraud risks may arise.

Risks arising from legal and regulatory frameworks

We are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks in which the charity operates, focusing on provisions of those areas that had a direct effect on the determination of material amounts and disclosures in the financial statements.

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

We did not identify any material audit matters related to the potential risk of fraud or non-compliance with laws and regulations from our work:

- Reviewing management override of controls;
- Testing the appropriateness of journal entries and other accounting adjustments;
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated our assessment of the relevant laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



Edmund Cartwright FCCA MAAT (Senior Statutory Auditor)

for and on behalf of Johnsons, Chartered Accountants

Statutory Auditor

Ground Floor

1 - 2 Craven Road

Ealing

London


Date: 21 March 2025

COUNTY HALL ARTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	31/12/2023	31/12/2022 Restated
INCOME AND ENDOWMENTS FROM			
Investment income	3	9,154,826	6,344,496
Trading income	4	1,499,918	1,715,810
TOTAL		10,654,744	8,060,306
EXPENDITURE ON			
Raising Funds	5	563,153	509,798
Charitable activities	6		
Direct charitable expenditure		223,901	1,389,106
Other resources expended		7,067,685	1,223,455
Governance costs		21,500	14,207
		7,876,239	3,136,566
Tax expense/(credit)	7	10,980	(8,615)
Total		7,887,219	3,127,951
NET INCOME		2,767,525	4,932,355
RECONCILIATION OF FUNDS			
Total Funds brought forward		49,528,933	44,596,578
Owners of parent		2,910,232	5,048,534
Non-controlling Interests		(142,707)	(116,179)
Total Funds before translation		52,296,458	49,528,933
Foreign currency translation		10,677	-
TOTAL FUNDS CARRIED FORWARD		52,307,135	49,528,933

The financial statements were approved by the Board of Trustees on 21 March 2025 and were signed on its behalf by:

Signed by:

8801A32E3DF7467.....
 K Okamoto - Trustee

The notes form part of these financial statements


COUNTY HALL ARTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER 2023

	Note	31/12/2023	31/12/2022 Restated
NON-CURRENT ASSETS			
Intangible Assets	13	9,000	3,037,000
Tangible Assets	14	17,191,589	12,958,147
Heritage Assets	15	291,756	167,250
Biological Asset	16	1,250,159	-
		18,742,504	16,162,397
CURRENT ASSETS			
Debtors	18	14,256,395	13,298,107
Cash at bank		23,070,912	23,907,062
		37,327,307	37,205,169
CREDITORS			
Amount falling due within one year	19	(3,762,676)	(3,849,613)
NET CURRENT ASSETS			
		33,564,631	33,355,556
TOTAL ASSETS LESS CURRENT LIABILITIES			
		52,307,135	49,517,953
PROVISION FOR LIABILITIES			
		-	10,980
NET ASSETS			
		52,307,135	49,528,933
FUNDS			
Unrestricted funds	20	52,694,427	49,773,518
Non-controlling Interest	21	(387,292)	(244,585)
TOTAL FUNDS			
		52,307,135	49,528,933

The financial statements were approved by the Board of Trustees on 21 March 2025 and were signed on its behalf by:

Signed by:

8801A32E3DF7467.....

K Okamoto - Trustee

The notes form part of these financial statements


COUNTY HALL ARTS

CHARITY STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2023

	Note	31/12/2023	31/12/2022 Restated
FIXED ASSETS			
Intangible Assets	13	9,000	3,037,000
Tangible Assets	14	10,930,444	10,805,892
Heritage Assets	15	291,756	167,250
Investments	17	4,028,017	211,747
		15,259,217	14,221,889
CURRENT ASSETS			
Debtors	18	18,528,346	14,999,847
Cash at bank		22,955,336	23,855,769
		41,483,682	38,855,616
CREDITORS			
Amount falling due within one year	19	(2,188,756)	(2,219,914)
NET CURRENT ASSETS		39,294,926	36,635,702
TOTAL ASSETS LESS CURRENT LIABILITIES		54,554,143	50,857,591
NET ASSETS		54,554,143	50,857,591
FUNDS			
Unrestricted funds		54,554,143	50,857,591
TOTAL FUNDS		54,554,143	50,857,591

As permitted by Charities Act 2011, the charity has elected not to present its own statement of financial activities for the period. The charity has reported a profit for the financial year ended 31 December 2023 of £ 3,696,552 (2022: £ 5,311,940)

The financial statements were approved by the Board of Trustees on 21 March 2025 and were signed on its behalf by:

Signed by:

8801A32E3DF7467.....
 K Okamoto – Trustee

The notes form part of these financial statements

COUNTY HALL ARTS

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Notes	31/12/23 £	31/12/22 Restated £
Cash flows from operating activities:			
Cash generated from operations	1	5,167,511	6,777,835
Net cash generated by operating activities		5,167,511	6,777,835
		<hr/>	<hr/>
Cash flows from investing activities:			
Purchase of fixed assets		(2,203,450)	(2,709,693)
Purchase of shares in Subsidiary accounted as assets acquisition (Note 14, 16)		(3,853,225)	-
Net cash used in investing activities		(6,056,675)	(2,709,693)
		<hr/>	<hr/>
Cash flows from financing activities		-	-
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(889,164)	4,068,141
Cash and cash equivalents at the beginning of the reporting period		23,907,062	19,838,921
Foreign Exchange gain/loss		53,014	-
Cash and cash equivalents at the end of the reporting period		23,070,912	23,907,062
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

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

	31/12/23	31/12/22
	£	Restated £
Net income for the reporting period (as per the consolidated statement of financial activities)	2,767,525	4,932,355
Adjustments for:		
Decrease/(Increase) in deferred tax provision	10,980	(8,615)
Impairment of Intangible assets	1,545,607	-
Depreciation and amortisation charges	1,888,626	243,861
Provision for bad and doubtful debt	(27,603)	-
Interest received (Notional interest)	(311,048)	(268,066)
Impact of restatement prior to 2022	-	(2,668,654)
(Increase)/Decrease in debtors	(630,619)	3,455,345
(Decrease)/Increase in creditors	(75,957)	1,091,609
	<hr/>	<hr/>
Net cash generated from operating activities	<u><u>5,167,511</u></u>	<u><u>6,777,835</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 31/12/22	Cash flow	At 31/12/23
	£	£	£
Net cash			
Cash at bank	23,907,062	(836,150)	23,070,912
	<hr/>	<hr/>	<hr/>
Total	<u><u>23,907,062</u></u>	<u><u>(836,150)</u></u>	<u><u>23,070,912</u></u>

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023****1. STATUTORY INFORMATION**

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

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

The financial statements of the charitable incorporated organisation, which is a public benefit entity, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Going Concern

The trustees have assessed that the use of the going concern basis is appropriate. As part of their assessment, no possible events or conditions have been identified that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements, with the trustees, in particular, taking into consideration the latest available cash flow forecasts for the charity for the period to 31 March 2026 and any pressures on income. The charity has cash funds on deposit of £23,046,412 and unrestricted fund balance of 52,694,427 attributable to charity as at 31 December 2023. After making enquiries, and taking into account all other considerations, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. As such the charity is expected to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts. On this basis, the trustees have concluded that the charity is a going concern.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Charity and the entities controlled by the group (its subsidiaries) as at 31 December 2023. Control is achieved when the Charity:

- has the power over the investee;
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Charity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023**

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When the company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Charity considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the Charity's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Charity, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Charity has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Profit or loss and each component of other comprehensive income are attributed to the Charity and to the non-controlling interests.

Total comprehensive income of the subsidiaries is attributed to the Charity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the noncontrolling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023**

adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the group.

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting, the costs on initial recognition of an investment in an associate or a joint venture.

Business combinations

The Group classify acquisition as a business combination if it involves the acquisition of an integrated set of activities and assets capable of generating outputs. If the acquisition does not meet the definition of a business, it is treated as an asset acquisition. The Group perform optional concentration test where required to assess whether substantially all the fair value of the acquired assets is concentrated in a single asset or group of similar assets.

Under asset acquisition accounting, the asset is recognised as sum of the consideration transferred and costs directly attributable to the acquisition. The cost of acquisition is allocated to individual identifiable assets and liabilities based on their relative fair values on the acquisition date. No goodwill is recognised on acquisition. The assets acquired is depreciated over the useful life estimated on the date of acquisition.

Income

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

- Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are taken to the statement of financial activities in the year in which they are incurred.

Rental income invoiced in advance of the period to which it relates and is shown as deferred income within liabilities on the statement of financial position until the revenue recognition criteria is satisfied.

- Interest income

Interest income is recognised when it is probable that the economic benefit will flow to the entity and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023**

interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- Trading income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure. The prize money announced for the competition is recognised as expense on payment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. No depreciation is charged on freehold land.

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

Biological Asset

Biological assets comprise of bearer plants related to Cork Oak and Cork. These assets have long life and takes 9-10 years for harvesting. As per FRS 102, the group has selected to apply cost model to determine the value of biological assets and its related agricultural produce.

Since these assets have long lives and takes longer for harvesting, trustees have estimated the economic useful life has been assessed as 20 years which is equals to two harvesting seasons and has been amortised over straight line basis.

Heritage assets

The heritage assets held by the charity relate to various pieces of artwork. Heritage assets have been recognised at cost. No depreciation is provided on heritage assets due to the indefinite useful life of the assets. These assets are regularly inspected for any sign of impairment due to deterioration, physical damage, other factors.

Intangible Assets:

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023**

accumulated impairment losses, if any. The intangible asset comprises of Film production costs, distribution and related rights. The cost of film production is amortised based on sales in graded manner.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The management have assessed the estimated useful life of film rights based on the pattern of the expected future economic benefits and accordingly, cost of such rights is amortized the over a period over which film is expected to generate revenue.

Fixed asset investments

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

Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Tax

The charity is exempt from tax on its charitable activities.

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

Current or deferred tax assets and liabilities are not discounted.

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

Deferred tax

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

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

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

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023****Fund accounting**

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

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

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

All funds are unrestricted as at the period end date.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

Financial Instruments

County Hall Arts only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The charity does not acquire, or use put options, derivatives or other complex financial instruments.

Basic financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction where it is recognised at the present value of the future payments discounted at market rate of interest for a similar debt instrument

If there is objective evidence of impairment, an impairment loss is recognised in the profit or loss immediately. Any reversals of impairment are recognised in the SOFA immediately, to the extent that the reversals do not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

COUNTY HALL ARTS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023**

Judgements in applying accounting policies and key estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise its judgement in the process of applying the group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The critical accounting estimates or judgements relevant to the financial statements are disclosed below and relevant notes to the financial statements:

Useful Economic Lives of Tangible Fixed Assets and Biological Assets:

The useful economic lives used by the group in respect of tangible fixed assets and biological assets are set out in the respective section of accounting policies. These estimates are the best estimate based on past experience and expected performance and are regularly reviewed to ensure they remain appropriate.

Valuation of Investment:

Trustees determines whether an impairment provision is required against the investment in subsidiaries. Management's assessment is based on the financial position and performance of the entities, including the ability of the subsidiaries to generate profits. Basis their assessment, they are satisfied that there is no impairment required in relation to investment in subsidiaries.

Valuation of amount owned by group undertakings:

Trustees determines whether impairment provision is required against amounts due from group companies based on their ability to generate profits and cash. The trustees are satisfied that there is no impairment required in relation to amounts due from group companies.

Accounting treatment for purchase of La Tora Agroturismo SL

During the year, the charity acquired La Tora Agrotuismo SL ("La Tora") for a total consideration of £3.8m (Euro 4.4m). This entity owns a 512ha estate located in Spain's Caceres region which has cork mineral assets. The trustees have accounted for the purchase of La Tora as an acquisition of assets rather than as a business combination on the basis that the purchase of La Tora does not represent a business under the requirements of IFRS3. In substance, La Tora represented an entity with biological assets, land and buildings and other assets at the time of acquisition. The acquisition has been recognised as asset addition within tangible fixed assets of £2.5m (note 14) and biological assets of £1.3m (Note 16).

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

3. INVESTMENT INCOME

	31/12/2023	31/12/2022
	£	£
		Restated
Rent received*	6,239,379	6,076,430
Interest Received	311,048	268,066
Investment Income **	2,604,399	-
	9,154,826	6,344,496

*Rental income represents rental earned from sub-leasing agreements with the tenants by charity.

**Investment income represents the revenue earned from the charity's investment in "Living" Film.

No goods or services were donated to the charity during the year.

4. TRADING INCOME

	31/12/2023	31/12/2022
	£	£
		Restated
Income generated from trading activities of subsidiaries in Spain	1,499,918	1,715,810
	1,499,918	1,715,810

The trading income of the Spanish subsidiaries is generated from three main sources:

i. revenue from the Culinary School through courses and workshops, ii. Restaurant Income from food and beverage sales, and iii. Events Income from hosting festivals, private functions, and corporate events.

5. RAISING FUNDS

	31/12/2023	31/12/2022
	£	£
		Restated
Rents payable	429,130	244,656
Rates	12,821	-
Legal fees	1,012	83,233
Consultancy and Design Fees	120,190	181,909
	563,153	509,798

The charity is not the owner of the properties. The charity has entered into the rental agreements with the landlord and has agreed to pay 4% of the global turnover computed in accordance with the agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See Note 8)	Support Costs (See Note 9)	31/12/2023	31/12/2022 Restated
	£	£	£	£	£
Direct charitable expenditure	11,440	198,713	13,748	223,901	1,389,106
Other resources expended	-	-	7,067,685	7,067,685	1,223,455
Governance costs	-	-	21,500	21,500	14,207
	11,440	198,713	7,102,933	7,313,086	2,626,768

7. TAXATION

	31/12/2023 £	31/12/2022 £
Current Tax	-	-
Deferred tax		
- Recognition of deferred tax assets		(8,615)
- Reversal of deferred tax asset	10,980	
Total Deferred Tax	10,980	(8,615)
Tax expense included in the profit or loss	10,980	(8,615)
Deferred tax asset		
	31/12/2023 £	31/12/2022 £
Deferred tax		
Accelerated capital allowances	-	324
Tax losses carried forward	-	(11,304)
		31/12/2023 £
At 1st January 2023		10,980
Reversal during the year		(10,980)
Balance at 31 December 2023		-

The charity is exempt from corporation tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

8. GRANTS PAYABLE

	Year Ended 31/12/23	Year Ended 31/12/22
	£	£
Direct charitable expenditure (refer note 6)	<u>198,713</u>	<u>175,795</u>

The total grants awarded during the year was as follows:

	Year Ended 31/12/23	Year Ended 31/12/22
	£	£
NFTS	-	14,613
Picture Hooks	100,000	-
Agricooking S.L.	-	149,182
Concours Prizes	<u>98,713</u>	<u>12,000</u>
	<u>198,713</u>	<u>175,795</u>

9. SUPPORT COSTS

	Management	Finance	Other*	Governance Costs	Totals
	£	£	£	£	£
Direct charitable expenditure (Refer Note 6)	-	-	13,478	-	13,748
Other resources expended	1,635,780	14,412	5,417,493	-	7,067,685
Governance costs	-	-	-	21,500	21,500
	<u>1,635,780</u>	<u>14,412</u>	<u>5,430,971</u>	<u>21,500</u>	<u>7,102,933</u>

* Other resources expended include the following: depreciation, amortisation and impairment loss totalling £3,434,230.

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or expenses paid for the year ended 31st December 2023 (2022: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

11. STAFF COSTS

	Year ended 31/12/2023	Year ended 31/12/2022
	£	£
Wages	1,326,912	930,238
Social Security	301,776	225,654
Pension	7,092	3,008
	1,635,780	1,158,900

No employees received emoluments in excess of £60,000 (2022: £60,000)

The average number of employees during the year was 73 (2022: 32)

12. IMPACT OF RESTATEMENT
Group

	Note	31/12/2022 Previously presented £	Adjustment £	31/12/2022 As restated £
Statement of Financial Activities				
Investment Income	3	10,481	257,585	268,066
Trading Income	4	1,804,480	(88,670)	1,715,810
Charitable Costs	6	2,670,679	(43,911)	2,626,768
Total Funds brought forward		47,265,232	(2,668,654)	44,596,578
Non-controlling Interest		(108,314)	(7,865)	(116,179)
Statement of financial position				
Intangible assets	13	-	3,037,000	3,037,000
Heritage Assets	15	176,250	(9,000)	167,250
Tangible Assets	14	12,891,626	66,521	12,958,147
Inventory		3,028,000	(3,028,000)	-
Debtors	18	15,398,033	(2,099,926)	13,298,107
Creditors	19	3,427,010	422,603	3,849,613
Unrestricted Funds	19	51,984,941	(2,456,008)	49,528,933

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

Charity

	Note	31/12/2022 Previously presented £	Adjustment £	31/12/2022 As restated £
Statement of financial position				
Intangible assets	13	-	3,037,000	3,037,000
Heritage Assets	15	176,250	(9,000)	167,250
Inventory		3,028,000	(3,028,000)	-
Debtors	18	17,206,729	(2,206,882)	14,999,847
Unrestricted Funds		53,064,473	(2,206,882)	50,857,591

Explanation of changes to previously reported account balances and equity are primary due to:

- i. Debtors; Investment income and total funds brought forward: Adjustment was made to account for the financing element in receivable balance from Ozu Limited in financial year ended 31 December 2020 as per provision of FRS 102.
- ii. Intangible assets and Inventory: The charity has produced a film during 2021 and has right of share in revenue generated from the film indicating that the film is an intangible asset. In prior year, the film was incorrectly classified as inventory, which has been corrected.
- iii. Adjustment in other accounts primarily relate to impact of those transactions that were not recorded by the group's subsidiaries in Spain during the year ended 31 December 2022 and 2021.

13. Intangible assets
Group and Charity

	<u>Intangible Assets</u>
<u>COST</u>	
At 1 January 2023	9,000
Prior year restatement	3,028,000
At 1 January 2023 and 31 December 2023	3,037,000
<u>AMORTISATIONS AND IMPAIRMENT</u>	
At 1 January 2023	-
Charge for year	1,482,393
Impairment for the year	1,545,607
At 31 December 2023	3,028,000
<u>NET BOOK VALUE</u>	
At 31 December 2023	9,000
At 01 January 2023 (Restated)	3,037,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023**

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COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

14.

TANGIBLE FIXED ASSETS

Group

	Freehold £	Long Leasehold £	Office Equipment £	Furniture & Fixtures £	Plant and Machinery £	Vehicles £	Total £
COST							
At 01 January 2023(restated)	10,023,399	2,406,910	60,101	302,912	585,329	-	13,378,651
Prior year restatement	-	9,027	-	8,396	52,554	-	69,977
At 01 January 2023	10,023,399	2,415,937	60,101	311,308	637,883	-	13,448,628
Forex impact	-	(31,197)	-	(5,837)	(11,576)	-	(48,610)
Additions	-	1,652,397	72,135	125,672	228,740	-	2,078,944
Purchase of La Tora Assets	216,863	2,279,371	-	-	26,316	64,911	2,587,460
Disposals	-	-	-	-	-	-	-
At 31 December 2023	10,240,262	6,316,508	132,236	431,143	881,363	64,911	18,066,423
DEPRECIATION							
At 01 January 2023(restated)	-	304,782	58,395	30,646	93,202	-	487,026
Prior year restatement	-	-	-	707	2,749	-	3,456
At 01 January 2023	-	304,782	58,395	31,353	95,951	-	490,481
Forex impact	-	(3,977)	-	(454)	(1,843)	-	(6,274)
Charge for the year	-	268,438	4,192	32,446	83,950	1,601	390,627
At 31 December 2023	-	569,243	62,587	63,345	178,058	1,601	874,834
NET BOOK VALUE							
At 31 December 2023	10,240,262	5,747,265	69,649	367,798	703,305	63,310	17,191,589
At 01 January 2023	10,023,399	2,111,155	1,706	279,955	541,932	-	12,958,147

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

14. TANGIBLE FIXED ASSETS - continued

Charity

	Freehold £	Leasehold £	Music Equipment £	Total £
COST				
At 01 January 2023	10,023,399	886,197	-	10,909,596
Additions	-	104,998	44,278	149,276
At 31 December 2023	10,023,399	991,195	44,278	11,058,872
DEPRECIATION				
At 01 January 2023	-	103,704		103,704
Charge for the year	-	24,724		24,724
At 31 December 2023	-	128,428	-	128,428
NET BOOK VALUE				
At 31 December 2023	10,023,399	862,767	44,278	10,930,444
At 01 January 2023	10,023,399	782,493	-	10,805,892

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

15. HERITAGE ASSETS

Group and Charity

	Total £
COST	
At 01 January 2023	167,250
Additions	124,506
Disposals	-
At 31 December 2023	<u>291,756</u>
DEPRECIATION	
At 01 January 2023	-
Charge for the year	-
At 31 December 2023	<u>-</u>
NET BOOK VALUE	
At 31 December 2023	<u>291,756</u>
At 01 January 2023	<u>167,250</u>

Heritage assets include Sculpture and paintings available for public display.

16. BIOLOGICAL ASSETS

Group

	Total £
COST	
At 01 January 2023	-
Additions	-
Purchase of La Tora Assets	1,265,765
Disposals	-
At 31 December 2023	<u>1,265,765</u>
DEPRECIATION	
At 01 January 2023	-
Charge for the year	15,606
At 31 December 2023	<u>15,606</u>
NET BOOK VALUE	
At 31 December 2023	<u>1,250,159</u>
At 01 January 2023	<u>-</u>

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

17. FIXED ASSET INVESTMENTS**Charity****Investment in subsidiaries****£****Market value**

At 01st January 2023	211,747
Foreign Exchange revaluations	(524)
Additions	3,816,794
At 31st December 2023	4,028,017

Net book value

At 31st December 2023	4,028,017
At 01st January 2023	211,747

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

Subsidiaries	Nature of business	Share capital
Zen Arts Ltd Registered office: County Hall, Riverside Buildings, Westminster Bridge, London, SE1 7PB Company number: 07596404	Specialised design activities	Class of shares: Holding Ordinary: 90.00% (2022: 90%)
Agricooking Global SL Registered office: Calle Serrano, 95, Madrid 28006 Company number: B42801324	Cookery school	Class of shares: Holding Ordinary: 82.50% (2022: 82.50%)
Agricooking SL Registered office: Calle Serrano, 95, Madrid 28006 Company number: B42801324	Cookery school	Class of shares: Holding Ordinary: 82.50% (2022: 82.50%)
Agricooking El Pardo SL Registered office: Calle Serrano, 95, Madrid 28006 Company number: B44594224	Cookery school	Class of shares: Holding Ordinary: 82.50% (2022: 82.50%)
La Tora Agroturismo SL La Tora, Valencia De Alcantara	Agriculture related activities	Class of shares: Holding Ordinary: 100.00% (2022: Nil)

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

18. DEBTORS

	Group		Charity	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	£	£	£	£
		Restated		Restated
Trade Debtors	13,029,284	11,411,688	11,207,647	11,257,298
Deferred tax	-	10,980	-	-
Other Debtors	1,227,111	1,875,439	1,469,087	1,094,921
Amounts due from group undertakings	-	-	5,851,612	2,647,628
	14,256,395	13,298,107	18,528,346	14,999,847

Amounts receivable from group undertakings are unsecured and interest free.
Trade Debtors include receivable from Ozu Limited (related party) £10,544,527 (2022: £10,280,322) which is unsecured and interest free and is repayable by 2030.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	£	£	£	£
		Restated		
Trade Creditors	387,663	843,899	19,321	27,677
Taxation and social security	65,557	35,412	262,493	299,047
Accruals and Deferred Income	950,011	992,364	1,906,942	1,893,190
Deferred Income	2,359,444	1,977,938	-	-
	3,762,676	3,849,613	2,188,756	2,219,914

Deferred income pertains to rental income received in advance from tenants as per agreement and student fee received for the diploma courses by subsidiaries.

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

20. CONSOLIDATED MOVEMENT IN FUNDS

	At 1.1.2023 £	Net movement in funds £	Transfer between funds £	Foreign exchange translation reserve £	At 31.12.2023 £
UNRESTRICTED FUNDS	Restated				
General fund	35,273,518	2,910,232	(10,630,000)	10,677	27,564,427
Designated funds	14,500,000	-	10,630,000		25,130,000
Sub-total	49,773,518	2,910,232	-	10,677	52,694,427
Non-controlling interest	(244,585)	(142,707)	-	-	(387,292)
Total Funds	49,528,933	2,767,525	-	10,677	52,307,135

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	10,159,502	7,249,270	2,910,232
Non-controlling interests	495,242	637,949	(142,707)
Total Funds	10,654,744	7,887,219	2,767,525

Purpose of funds

Designated funds are earmarked as such by the recommendation of the trustees for use in performing future charitable activities. As of 31 December 2023, funds have been designated for future charitable activities including various film projects, sponsorships & concours prizes to be made by the charity and for the establishment of an arts & culture centre and new culinary art schools. The trustees believe these earmarked funds to total £25,130,000.

21. NON-CONTROLLING INTERESTS

	31/12/2023 £	31/12/2022 £
		Restated
On acquisition	23,257	23,257
Share of results	(410,549)	(267,842)
Closing non-controlling interests	(387,292)	(244,585)

COUNTY HALL ARTS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023****22. RELATED PARTY DISCLOSURES****Group :**

At the financial reporting date an amount of £10,544,528 (2022: £10,280,322) was receivable from Ozu Ltd, a company connected to County Hall Arts through the trustees' involvement in the company.

The benefit of the repayment of the loan was donated to the charity by a third party via a deed of assignment in 2020. The loan was originally provided as interest free and unsecured by the third party to its subsidiary company, OZU Ltd at the time.

During the year, the transactions with Ozu Limited amounted to £229,665 (2022: 225,641), a company connected to County Hall Arts through the trustee's involvement in the company towards payment of rental charges. The charity also made advance payments towards the rent amounting to £175,160 (2022: Nil) which is outstanding as at year end.

During the year County Hall Arts received no donations from related parties (2022: nil).

Charity:

At the financial reporting date an amount of £3,164,731 (2022: £2,647,628) was receivable from Agricooking SL and £2,686,881 was receivable from Agricooking El Pardo, a company forming part of the group. The loan was provided at the market rate of interest.

At the financial reporting date an amount of £10,544,528 (2022: £10,280,322) was receivable from Ozu Ltd, a company connected to County Hall Arts through the trustees' involvement in the company.

The charity has given sponsorship to the subsidiaries during the year as follows:

Agricooking SL: £544,585 (2022: nil)

Agricooking El Pardo: £562,455 (2022: nil)

During the year, the charity has not received any donations from related parties (2022: nil).

Charity has taken exemption from disclosing the transactions with wholly owned subsidiaries as per provisions of para 33.1A of FRS 102.

23. LEASING AGREEMENTS

The charity has a rental commitment to Shirayama Shokusan Company Limited, the landlord of the property allocated to County Hall Arts. Under the agreement, the charity is obligated to pay 4% of the global turnover which is £429,130 (2022: £318,750) and contingent upon the revenue generated by the group.

COUNTY HALL ARTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2023

24. CAPITAL COMMITMENTS

Below are other commitments related to art works for which the company has not created any provision as at 31 December 2023:

	31/12/2023
	£
Art work creation prizes	
Symphony San Sebastian	173,000
Sculpture Concours	43,000
Purchase of Sculpture Concours	18,476

25. CONTINGENT LIABILITY

The Group may be liable for penalties under Spanish law due to the late filing of financial statements of La Tora Agroturismo SL for the past three years, with a potential penalty of £1,040 (€1,200) per year, totalling £3,123 (€3,600).

As of the reporting date, no formal demand has been received from the Spanish authorities. However, based on the applicable regulations, there is a possible obligation that could result in an outflow of economic resources. The final assessment and enforceability of the penalty remain uncertain.

26. EVENTS AFTER REPORTING DATE

A receivable balance of £12m from Ozu Limited was assigned to County Hall Arts in 2020, with repayment originally scheduled for 2030. Under the current terms, the loan is unsecured, interest-free, and not due for repayment until 2030. On 6th December 2024, the term of the agreement is amended the repayment terms to include the annual repayments to £0.5m starting from 31 December 2024.

The charity established a new subsidiary, County Hall Arts Pottery Limited, with its registered office at Riverside Building, County Hall, Westminster Bridge Road, London, England, SE1 7PB, on 17th February 2024. The subsidiary will primarily operate a public gallery and a pottery studio school in line with the charitable objectives of County Hall Arts.

The trustees have approved the conversion of the £3.03m (EUR 3.5m) loan to Agricooking SL and the £2.6m (EUR 3m) loan to Agricooking EL Pardo into equity as an additional investment on 8 October 2024.