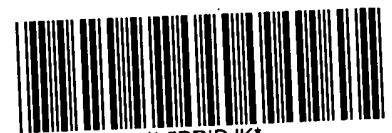


Registered number: 02866315
Charity number: 1035444

ZINC ARTS
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

COMPANIES HOUSE

FRIDAY



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ZINC ARTS
(A Company Limited by Guarantee)

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ZINC ARTS
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2015**

Trustees

B Lisicki (resigned 29 October 2015)
K Tait
A Smith
W Murphy
D Hufton-Rees, Chief Executive
A Buckley (appointed 29 October 2015)
M Handford (appointed 29 October 2015)
V Kaye (appointed 29 October 2015)

Company registered number

02866315

Charity registered number

1035444

Registered office

Great Stony, Ongar Arts & Education Centre, High Street, Ongar, Essex, CM5 0AD

Company secretary

D Burman

Chief executive officer

D Hufton-Rees

Independent auditors

Wilder Coe LLP, 233-237 Old Marylebone Road, London, NW1 5QT

Bankers

National Westminster Bank PLC, 279 High Street, Epping, Essex, CM16 4BT

Solicitors

Holmes & Hills, Trinity Street, Halstead, Essex, CO9 1JE

ZINC ARTS
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) have pleasure in submitting their annual report together with the audited financial statements of Zinc Arts (the company) for the year ended 31 March 2015. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Directors/Trustees

The Trustees, who are also Directors of the company, and acted throughout the year except where indicated, are:

B Lisicki (Co-Chair)
K Tait
A Smith (Co-Chair)
W Murphy
D Hufton-Rees

On 29 October 2015, B Lisicki resigned as a Trustee and Director.

On 29 October 2015, A Buckley, M Handford and V Kaye were appointed as Trustees and Directors.

Structure, governance and management

a. CONSTITUTION

Zinc Arts (Company number 02866315) was incorporated on 27 October 1993 and is a charitable company limited by the guarantees of the members to a maximum of £1 each. The company is a registered charity (number 1035444). The company gained charitable status on 22 March 1994. It changed its name from Theatre Resource to Zinc Arts with The Charity Commission and Companies House on 22 November 2012.

b. SPECIFIC INSTRUCTIONS

There are no specific instructions relating to the operation of the charity, nor are there any specific investment powers.

c. GOVERNANCE

In 2014-2015 the Charity comprised a membership of 3 individuals committed to supporting the aspirations of the organisation. The constitution stipulates that Members are automatically elected to a Board of Directors/Trustees to run the affairs of the organisation. When an individual resigns their position on the Board of Directors/Trustees their membership of the organisation ceases. In 2014-2015 the Directors/Trustees were as detailed above.

The Trustees are responsible for formulating the strategy and policies for Zinc Arts as a whole and may meet at such times and regulate its meetings as it sees fit. In 2014-15, The Trustees met regularly both formally and informally, in order to steer the organisation through the tough financial climate and support the CEO and the organisation through a difficult time.

ZINC ARTS
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

d. RECRUITMENT, APPOINTMENT AND ELECTION OF TRUSTEES

The Board identifies and regularly reviews the skills of existing Board Members and any needs of the Board which are not being met by the current membership

Recruitment is through:

- Targeting individuals known to Zinc Arts;
- Advertising for applicants through the media and other sources; and
- Utilising board 'banks', etc. maintained by support bodies.

Recruitment is not limited to within the arts, education or social care field, but reflects the varied needs of the organisation. Whilst specific skills may be sought (for example in relation to regular skills audits undertaken by the Board) enthusiasm and vision may also be considered equally valuable.

The Board has established procedures for recruiting and appointing Board members, including initial identification of potential candidates, informal visits or discussions, formal application and interview, consideration by the full Board and, finally, election by a majority of votes.

e. POLICIES AND PROCEDURES FOR THE INDUCTION AND TRAINING OF TRUSTEES

Zinc Arts is committed to full induction and ongoing training of Trustees. A comprehensive induction pack and standing orders are in place and are regularly updated to ensure compliance with company and charity law.

f. RISK MANAGEMENT

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

a. COMPANY OBJECTIVES

The objective of Zinc Arts, as stated in the Memorandum and Articles of Association, is to 'advance education for the public benefit through the promotion of the arts, particularly but not exclusively for disabled and disadvantaged people'.

b. ACHIEVEMENT OF OBJECTIVES

Zinc Arts works to promote the creativity, culture and heritage of disabled people and socially-excluded groups for the benefit of all. In our work we seek to:

- Generate pathways within the arts;
- Stimulate high-quality, diverse and experimental project work;
- Provide lifelong learning, training and employment opportunities;
- Create platforms for the exploration and representation of the cultures and neglected histories of excluded groups;
- Initiate informed debate and influence policy-making ;
- Foster enabling environments; and
- Advance inclusiveness, accessibility and equality in the wider arts environment, and in the communities in which we live.

ZINC ARTS
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Zinc Arts manages a strategic programme of 'First Stage' outreach and centre-based projects, which bring together individuals, schools, community groups, social care providers and arts funding bodies. Longer-term 'Developmental Programmes' offer further opportunities to experience high quality cutting-edge arts practice and a comprehensive range of training and CPD (Continuing Professional Development) opportunities to support individuals in gaining employment, both with Zinc Arts and elsewhere. Volunteering, employment and supported employment opportunities include administration and fundraising, reception and building management, workshop leading/teaching, creating and touring professional arts product (e.g. theatre performances).

The charity's work takes place in a variety of venues in Essex, East London, Hertfordshire, Cambridge, Norfolk, Suffolk, Bedfordshire and the Unitary Authorities of Southend-on-Sea and Thurrock and at its own fully-accessible premises in Chipping Ongar, Essex where the company works to develop the highest standards in accessible venue management and residential breaks. Zinc also undertakes regional and national projects, or projects of national significance, and works with a number of regional and national partners and consortia to deliver these.

c. PUBLIC BENEFIT AND SOCIAL AUDIT

During 2014/15 Zinc Arts with the support of Make It Happen undertook a social impact report which will enable clear evidence of the impact Zinc Arts has.

In line with its social responsibility, during 2015/16 Zinc review and update where necessary the following policies: Child and Vulnerable Adult Safeguarding and Protection Policy, Complaints Policy, Data Protection and Confidentiality Policy, Equal Opportunities and Anti-Discrimination Policy, Health and Safety Policy and Risk Management Policy.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. Whilst Zinc undertakes work funded by grants and commissions from funding agencies, fees are charged to individual beneficiaries to help cover operating costs. Where fees are charged, in setting the level of fees, charges and concessions, the trustees always give careful consideration to accessibility of activities for those on low incomes and living on benefits.

d. PROJECT WORK

During 2014/15 Zinc Arts continued with and completed its Enhance programme which built on its current activities with core participatory groups, including D/deaf people, participants with mental health needs, physical and/or sensory impairments, multiple and profound learning difficulties and/or with experience of other forms of social exclusion.

Enhance was at the heart of Zinc Arts work defining its ambition for the next three years to evolve into a national Centre of excellence for inclusive arts and cultural wellbeing. As part of the legacy of the Paralympics and Cultural Olympiad, Zinc Arts wishes to support Disabled and D/deaf artists to create the best work possible, continuously developing inclusive practice and skills within the sector.

Zinc Arts completed its delivery of ArtZone, a three-year programme, supported by Comic Relief and Essex County Council, working with young people in secure units, in hospitals and in the community, focused on improving mental health of participants, while working with Anglia Ruskin University's Childhood and Youth Research Institute to research the benefits of arts practice to people's mental health. With additional support from Lankelly Chase Foundation, the programme was extended to include adults within secure units, enabling Zinc to continue its ongoing relationship with Brockfield House, Wickford.

"I just wanted to say a massive thank you for all the workshops you did with us, and all the support you gave me in setting this up. It has been a great success thanks to you guys and Artspace is now a permanent thing at Epping Forest College!"

Harriet – tutor at Epping Forest College

ZINC ARTS
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

"It made me smile. Being able to see everyone, work together, making everyone else smile. I liked meeting friendly new people and being able to express myself through art."

"Zinc has changed me for the better"

Zinc began its third of delivering Personal and Community Development activities across Hertfordshire, funded by Hertfordshire Adult and Family Learning Service. And was chosen as HAFLS provider of the year.

Zinc Arts launched its range of AQA accredited courses offering all its learners an opportunity to demonstrate their capabilities both in terms of practical and theory accomplishments.

2014/15 saw the continued support to the service users of Tolpuddle House, the housing and associated employment and training programme for vulnerable adults living on site in accommodation managed by East Thames Group. Nine adults received supported living and associated education, training and volunteering opportunities. The excellent partnership with East Thames continues with a robust operational steering group.

Feedback on the building's facilities and the service provided by staff at Zinc Arts has been excellent, so although the first year of operation was a considerable challenge. Organisations are now returning for their second and third visits.

"Zinc Arts was fantastic and proved to be exactly what the students needed to appreciate the benefits of a residential. I would highly recommend them to other special schools. Staff were very friendly and showed no hesitation over trying to meet our particular needs. I certainly hope to return to Zinc Arts in the future."
Julia Garling, Teacher / PMLD Manager, Tuke School

"Thank you for all your help with the organisation of the successful residential last week. The staff at the centre were so helpful and made the organisation of the residential much easier for us. The students gained a lot from their experience even though it was only a few hours and were very complimentary about the centre and the food which is sometime not the case with fussy teenagers."
Phil Jones, The Stanway Federation Centre

Zinc ran its second residential short break for young people with multiple and complex impairments from the London Borough of Newham, enabling disabled young people to have an independent break away from home and parents/carers to have a rest from their caring responsibilities.

Zinc maintained a commitment to ArtSpace, the visual arts drop-in for those with Mental Health Needs and The Biz, the weekly training scheme for people with learning disabilities. Zinc continued to guest lecture on East-15 Acting School's Degree in Community Theatre.

e. OTHER ACTIVITIES AT ZINC'S ARTS CENTRE BASE

Zinc continues to support its regular hirers to use the centre's facilities, including a number of local community groups such as Ongar Flower Club, Ongar Millennium History Society, Ongar Wildlife Society as well as groups such as Zumba, Circle Dance, Pilates, West Essex Mind and Yoga.

Additionally, it was a delight to welcome residential hirers, many for a second time including Alderman Blaxhill School, the Back-Up Trust, Extra 21 and Tuke School.

f. SIGNIFICANT CHANGES IN ACTIVITIES

There have been no significant changes in the charity's activities during the year.

g. STAFFING

During 2014/15, Zinc Arts employed 13 staff on its permanent payroll, including 2 permanent staff with disabilities, and supported a further 8 freelance and casual artists, including 3 disabled artists.

ZINC ARTS
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Achievements and performance

a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. REVIEW OF ACTIVITIES

All income received by the organisation was committed to achieving its charitable objectives.

During the year a total of £4,529 was granted by revenue funder Epping Forest District Council towards the core work of the organisation in Essex and the Epping Forest District which is the same amount as granted in the prior year.

Zinc Art's own fundraising and income generation activities in respect of its programme of arts in health, arts in social care and disability-related arts raised an additional £146,872 during the year. Major project funding partners included Arts Council England, BBC, ERDF, Comic Relief, Music Net, Royal Opera House, Essex County Council and Hertfordshire Adult and Family Learning Service.

The total raised from hiring facilities at Zinc's arts and education centre in Chipping Ongar was £119,378.

Salary and wage expenses for both project and core/building staff (including social security costs) accounted for £351,718 in total. The direct external costs of undertaking the charity's project work, i.e. external artists' fees, venue hire, transport and access/facilitation, amounted to £25,746.

There was a total deficit on the year of £215,850 (2014: £198,569 restated deficit).

Following the organisational restructure in March 2012, the team continued, limited to one CEO, throughout 2014/2015 and it was agreed during this year, as there was still a degree of financial instability the organisation still needed to operate as lightly as possible. Therefore, the freelance contracts agreed with individuals to support financial management and fundraising, enabling the organisation to work as efficiently as possible were continued, whilst at the same time monitoring the staffing needs of the organisation in the future. Additionally, Zinc Arts hosted its second of two Essex Unite work placements, in partnership with ECDP, which provided additional support to the organisation.

The Board of Trustees are extremely grateful to the commitment and hard work of the staff team throughout this year, which began in an incredibly challenging environment and ended in a far better position than had initially been anticipated. Future years will undoubtedly continue to be tough for Zinc Arts, as it is for many within the charitable and arts sectors. However, there has been fantastic and significant support from funders, participants, partners, volunteers and staff, demonstrating the value of the organisation's work and the huge opportunities and potential for its future development.

The loan and interest repayment holiday on the investment received for the capital programme, agreed with Futurebuilders in 2011/12 and managed by the Social Investment Business (SIB), was extended throughout to March 2017, with additional support being provided through officer time and advice. NatWest Bank also agreed to extend its overdraft facility throughout 2014/15, to support the organisation to rebuild its financial position and build income from the new centre. Following the sale of Highfields, an informal overdraft facility has been in place to continue to support the organisation.

This support and associated activities have been vital to the gradual move back into financial health. Zinc Arts is in the middle of what is likely to be a 5-year period of establishing the centre, maximising the income potential of its facilities, and moving towards realising a resilient and sustainable future. The Board is satisfied that the organisation has achieved significantly more than could have been expected at the year's beginning, and is confident that Zinc Arts is on the way to becoming financially strong again.

ZINC ARTS
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Financial review

a. RESTRICTED FUNDS

As well as receiving a number of individual donations and income from individual fundraising activities, all of which were very gratefully received, fundraising for specific activities continued and success included receiving notification of funding from Arts Council England's Grants for the Arts Scheme and starting the first year of a three-year programme, funded by Comic Relief's Young People and Mental Health programme. Other funds were also received, and utilised, on specific project activities during the year.

b. DESIGNATED FUNDS

Capital Repairs and Renewals Fund

Zinc holds a COIF (Charities Official Investment Fund) Charities Fixed Interest Fund with CCLA Investment Management Ltd. the purpose of which is to cover the cost of ongoing capital repairs and renewals to Zinc's premises. It is anticipated that up to 40% of this fund be drawn upon every five years for periodic cyclical repairs / maintenance as necessary (above and beyond annual maintenance) with a higher proportion of up to 70% being drawn upon at 15 yearly intervals for major works during the term of the lease. However, during 2013-14, it was necessary to withdraw £5,000 from the fund to support cash flow of the organisation. Because of recent centre improvements and the current financial climate, further monies have been withdrawn in 2014/2015 of £5,000 and the investment fund balance at end March 2015 was £969.

c. UNRESTRICTED FUNDS

Unrestricted funds are required for the following purposes:

- (a) to provide funds, which can be designated to specific projects to enable these projects to be undertaken at short notice;
- (b) to cover administration, fundraising, staff and support costs without which the charity could not function; and
- (c) to enable the charity to benefit from fundraising opportunities where a proportion of 'partnership funding' is required which cannot be raised from elsewhere.

The Directors/Trustees consider it prudent that unrestricted reserves should be sufficient:

- (a) to avoid the necessity of releasing fixed assets held for the charity's use; and
- (b) to cover four months' administration, fundraising, staff and support costs

Unrestricted funds currently stand at £1,195,351. The Board of Trustees intend to re-build this fund over the next three years, to ensure that it gets back to the required level of four month's costs.

The reserves policy and the level of reserves is monitored and reviewed by the directors / trustees regularly and may be called upon as and when necessary for the uses identified above (a, b or c) or to meet other unforeseen circumstances.

ZINC ARTS
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Plans for the future

a. FUTURE PLANS

Zinc Arts continue to develop its accredited courses, with the introduction of 3 new subjects during the next financial year. A review of the current business plan will be undertaken and new areas of potential income are being researched. Zinc Arts will continue to develop the community programme in the centre, build the number of external hirers and our project team will continue its excellent programme of work.

To achieve these plans, Zinc is aware of the need for widespread marketing of the new accredited programme and centre, in order to attract external business and encourage service users and hires from a range of groups and organisations including:

- local and regional businesses;
- social services;
- national and regional training organisations;
- national, regional and local charities;
- schools and education organisations; and
- Arts and creative organisations.

Getting messages out about our fantastic facilities and resources, and that those hiring our spaces will also be supporting the charitable work of Zinc, will help attract income to support ongoing viability and in the long-term will ensure a diverse and healthier income base.

The staff and Board continue to be passionate about the impact of Zinc's work with disabled children, young people and adults, and the need for our services. A key priority over the coming years will be to develop and strengthen the evidence of this impact and outcomes achieved.

b. STRATEGIC PLANNING

In April 2015, Zinc Arts launched its new four year Business Plan, which will guide the work of the organisation through to March 2019. This plan is based on consultations, a review of its Vision, Aims and Objectives and reflecting the needs of the organisation as it settles into its newly refurbished Residential and Arts Centre, as well as the continuing challenging financial climate.

The overarching organisational objective of Zinc Arts, which provides the umbrella for all Zinc Arts activity, is:

To develop Zinc Arts into a nationally recognised arts organisation of excellence, specialising in the fields of Disability, wellbeing and inclusion, providing world class facilities and services that:

- promote equality;
- support great art in all its forms;
- engage diverse communities;
- bring disabled and non-disabled artists and communities together, supporting and developing artists and audiences;
- Enable people to develop personally and professionally through a holistic programme of lifelong learning, training and employment opportunities; and
- Model inclusiveness and wellbeing through every internal and external function of the organisation.

ZINC ARTS
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS


Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Wilder Coe LLP will be proposed for reappointment at the forthcoming Annual General Meeting.

This report was approved by the Trustees on 22 July 2016 and signed on their behalf by:


.....
A Buckley (Treasurer)
Trustee

ZINC ARTS
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZINC ARTS

We have audited the financial statements of Zinc Arts for the year ended 31 March 2015 set out on pages 12 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2015 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.

ZINC ARTS
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZINC ARTS

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made within the accounting policies concerning the charitable company's ability to continue as a going concern.

The charitable company incurred a net deficit of £215,850 in the current year ended 31 March 2015 (2014 - as restated: deficit of £198,569) and had net current liabilities of £69,574 (2014 as restated: £312,299). These conditions, along with other matters explained in the notes to the accounts indicate the existence of a material uncertainty which may cast significant doubt about the charitable company's ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

.....
Mark Saunders BA FCA (Senior Statutory Auditor)
for and on behalf of



Wilder Coe LLP
Chartered Accountants & Statutory Auditors
233-237 Old Marylebone Road
London
NW1 5QT
Date: 22ND JULY 2016

ZINC ARTS
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>As restated Total funds 2014 £</i>
INCOMING RESOURCES					
Incoming resources from generated funds:					
Donations	3	1,330	-	1,330	285
Grants	3, 4	8,547	184,492	193,039	311,315
Building income	3	141,378	-	141,378	125,874
Activities for generating funds	5	146,872	-	146,872	160,771
Investment income	6	41	-	41	4
Other incoming resources	7	3,812	-	3,812	4,218
TOTAL INCOMING RESOURCES		301,980	184,492	486,472	602,467
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising expenses and other costs	5	392	51	443	767
Charitable activities	8	503,364	184,441	687,805	790,216
Governance costs	9	14,235	-	14,235	10,010
TOTAL RESOURCES EXPENDED		517,991	184,492	702,483	800,993
NET RESOURCES EXPENDED BEFORE REVALUATIONS		(216,011)	-	(216,011)	(198,526)
Gains and (losses) on revaluations of investment assets		161	-	161	(43)
NET MOVEMENT IN FUNDS FOR THE YEAR		(215,850)	-	(215,850)	(198,569)
<i>Total funds at 1 April 2014</i>		<i>1,412,170</i>	<i>-</i>	<i>1,412,170</i>	<i>1,610,739</i>
TOTAL FUNDS AT 31 MARCH 2015		1,196,320	-	1,196,320	1,412,170

All activities relate to continuing operations.

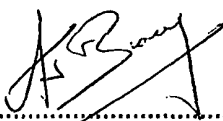
The notes on pages 14 to 24 form part of these financial statements.

ZINC ARTS
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02866315

BALANCE SHEET
AS AT 31 MARCH 2015

		2015		As restated 2014	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	12		4,324,265		4,752,840
CURRENT ASSETS					
Debtors	13	49,991		60,149	
Investments	14	969		5,808	
Cash at bank		1,224		388	
		52,184		66,345	
CREDITORS: amounts falling due within one year	15	(121,758)		(378,644)	
NET CURRENT LIABILITIES			(69,574)		(312,299)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,254,691		4,440,541
CREDITORS: amounts falling due after more than one year	16		(3,058,371)		(3,028,371)
NET ASSETS			1,196,320		1,412,170
CHARITY FUNDS					
Unrestricted funds	17		1,196,320		1,412,170
TOTAL FUNDS			1,196,320		1,412,170

The financial statements were approved by the Trustees on 22 July 2016 and signed on their behalf, by:



A Buckley

The notes on pages 14 to 24 form part of these financial statements.

ZINC ARTS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular future purpose or project. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donations, grants and funds received for specific projects and subject to specific wishes of the donors are credited to the relevant restricted fund. When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods. The capital element of grants received towards the cost of acquiring fixed assets are released to the unrestricted reserves over a four year period in line with the depreciation policy of the fixed assets capitalised. Other income received for the general purpose of the company is credited to the general fund.

Building income is included in the period to which it relates and includes the renting of accommodation provided, hiring of facilities and other services available within the building to the general public and project participants.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

ZINC ARTS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Charitable activity costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at the registered office. These costs are those which have not been directly allocated to an activity but nevertheless support those activities. These costs are allocated on an actual basis where possible and where general expenses, allocated on a time per room basis.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 Going concern

The financial statements have been prepared on a going concern basis which assumes that the charitable company will continue in operational existence for the foreseeable future and reflects the Trustees' belief that the charitable company will continue to generate sufficient cash flows to meet its liabilities as they fall due.

The Trustees are disappointed with the deficit continued to be suffered in the year and recognise the uncertainty which arises however, the Trustees have continued to take appropriate action since the year end to reduce the ongoing deficit and minimise any adverse effects on cashflow.

The Trustees are confident that appropriate arrangements can be made with Futurebuilders in regards to the repayment of capital and interest, beginning in March 2017, that will not adversely affect the charity's options for the foreseeable future. It is therefore deemed appropriate by the Trustees to prepare these financial statements on a going concern basis.

1.7 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small charitable company.

1.8 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.9 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	not depreciated
Long term leasehold property	-	over the life of the lease
Fixtures & fittings	-	25% straight line

No depreciation is provided on Freehold land and buildings. This policy represents a departure from the rules set out in the Companies Act 2006 which requires all fixed assets to be depreciated over their expected useful lives. The trustees consider that systematic annual depreciation would be inappropriate and would not represent a true and fair view.

1.10 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.11 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.12 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The company's activities fall under the exemption given by HMRC to charities, consequently no liability to UK Corporation tax has arisen on the ordinary activity of the company, neither for the year ended 31 March 2015 nor for the year ended 31 March 2014.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.13 Prior year adjustment

The Trustees have reassessed the classification of funds held by the charity as at 31 March 2014. The Trustees have identified that restricted funds of £2,009,143 should have been held as unrestricted funds. This reclassification has resulted in a decrease in restricted funds by £2,009,143 to £Nil and an increase in unrestricted funds by the same amount.

The Trustees have also reassessed the reasonableness of the deferred income totalling £45,273 carried forward at 31 March 2014 and consider this to be inappropriate. A prior year adjustment has therefore been made reverse this adjustment in 2014 so that this is not carried forward into 2015. This has increased donations to £311,315 of which restricted donations has increased from £261,513 to £306,786. Expenditure against restricted funds has also increased by £45,273 as the projects funded did not carry into the next year.

The total charity funds reported in the year to 31 March 2014 has increased by £45,273.

Following the prior year adjustments, the total charity funds as at 31 March have increased to £1,412,170 of which all amounts are unrestricted.

2. TURNOVER

The whole of the turnover is attributable to charitable activities as detailed in the trustees report.

All turnover arose within the United Kingdom.

3. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>As restated Total funds 2014 £</i>
Donations	1,330	-	1,330	285
Grants	8,547	184,492	193,039	311,315
Building income	141,378	-	141,378	125,874
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	151,255	184,492	335,747	437,474
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ZINC ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

4. SOURCES OF REVENUE GRANTS

	Unrestricted funds £	Restricted funds £	2015 £	<i>As restated</i> 2014 £
Essex County Council	-	42,000	42,000	32,599
Arts Council England	-	45,407	45,407	93,276
Children in Need	-	-	-	16,000
ERDF	-	10,945	10,945	-
Epping Forest District Council	4,529	-	4,529	4,529
Herts. Adult Family Learning Support	4,018	31,585	35,603	21,576
Lankelly Chase Foundation	-	-	-	20,000
Comic Relief	-	30,000	30,000	70,000
LSIS	-	-	-	3,250
Royal Opera House	-	1,826	1,826	10,000
Music Net	-	22,729	22,729	34,812
Capital Grant	-	-	-	5,273
	<u>8,547</u>	<u>184,492</u>	<u>193,039</u>	<u>311,315</u>

5. TRADING ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total</i> <i>funds</i> 2014 £
Contracts and fees	<u>146,872</u>	-	<u>146,872</u>	<u>160,771</u>
Fundraising trading expenses				
Recruitment	392	51	443	767
	<u>146,480</u>	<u>(51)</u>	<u>146,429</u>	<u>160,004</u>

6. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total</i> <i>funds</i> 2014 £
Investment income	<u>41</u>	-	<u>41</u>	<u>4</u>

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total</i> <i>funds</i> 2014 £
Sundry income	<u>3,812</u>	-	<u>3,812</u>	<u>4,218</u>

ZINC ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

8. CHARITABLE ACTIVITY COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>As restated Total funds 2014 £</i>
Staff costs	205,644	146,074	351,718	396,706
Insurance	9,377	1,217	10,594	12,134
Direct project expenses	4,571	21,175	25,746	45,868
Marketing and communications	5,483	1,842	7,325	14,987
Irrecoverable VAT	7,444	-	7,444	14,628
Other costs	8,187	985	9,172	6,408
Interest payable	7,547	980	8,527	7,334
Office and supplies	44,267	4,213	48,480	81,694
Legal and professional	1,503	195	1,698	8,252
Premises costs	85,931	7,760	93,691	81,166
Loss on disposal of fixed assets	8,157	-	8,157	988
Depreciation	115,253	-	115,253	120,051
	<u>503,364</u>	<u>184,441</u>	<u>687,805</u>	<u>790,216</u>

Premises costs incorporate a notional charge of £22,000 in respect of rent. This has been brought in to reflect the difference between the estimated commercial rent due for the premises. This has been reflected as a donation within Building income.

9. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Auditors remuneration	14,235	-	14,235	10,000
Other costs	-	-	-	10
	<u>14,235</u>	<u>-</u>	<u>14,235</u>	<u>10,010</u>

ZINC ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

10. NET RESOURCES EXPENDED

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	115,252	383,578
- held under finance leases	-	88,288
Auditors' remuneration	14,235	10,000
	115,252	481,866

During the year, no Trustees received any remuneration (2014 - £Nil).

During the year, no Trustees received any benefits in kind (2014 - £Nil).

During the year, no Trustees received any reimbursement of expenses (2014 - £Nil).

11. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2015	2014
Administration and project workers	15	16
	15	16

The cost of employing staff which are included within Charitable activities in note 8 were:

	2015	2014
	£	£
Wages and salaries	331,018	270,106
Social security costs	18,266	22,694
	349,284	292,800

No employee received remuneration amounting to more than £60,000 in either year.

ZINC ARTS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold property £	Fixtures & fittings £	Total £
Cost				
At 1 April 2014	316,500	4,289,237	653,540	5,259,277
Additions	-	-	3,177	3,177
Disposals	(316,500)	-	-	(316,500)
At 31 March 2015	-	4,289,237	656,717	4,945,954
Depreciation				
At 1 April 2014	-	74,070	432,367	506,437
Charge for the year	-	31,772	83,480	115,252
At 31 March 2015	-	105,842	515,847	621,689
Net book value				
At 31 March 2015	-	4,183,395	140,870	4,324,265
At 31 March 2014	316,500	4,215,167	221,173	4,752,840

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Fixtures & fittings	27,001	69,897

13. DEBTORS

	2015 £	2014 £
Due within one year		
Trade debtors	38,091	29,836
Other debtors	2,273	14
Prepayments and accrued income	9,627	30,299
	49,991	60,149

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

14. CURRENT ASSET INVESTMENTS

	2015	2014
	£	£
COIF fixed interest fund	969	5,808
	<hr/> <hr/>	<hr/> <hr/>
	2015	2014
	£	£
At 1 April	5,808	31,164
Sale of units	-	(25,000)
Realised gain / (loss) on sale of investment	-	(313)
Unrealised gain / (loss) on investment	161	(43)
Transfer received	(5,000)	-
	<hr/> <hr/>	<hr/> <hr/>
At 31 March	969	5,808

Current asset investments are stated at market value and held to provide a return to the charity.

15. CREDITORS:
Amounts falling due within one year

	2015	<i>As restated</i> 2014
	£	£
Bank loans and overdrafts	11,741	215,285
Net obligations under finance leases and hire purchase contracts	-	31,162
Trade creditors	43,112	75,036
Other taxation and social security	18,027	12,046
Other creditors	-	16,002
Accruals and deferred income	48,878	29,113
	<hr/> <hr/>	<hr/> <hr/>
	121,758	378,644

The charity has an agreed overdraft facility secured over the freehold property. The loans are secured by way of a fixed charge over the charity's long leasehold property. Hire purchase liabilities are secured on the assets purchased.

Deferred income

	£
Deferred income at 1 April 2014 (as restated) and 31 March 2015	613
	<hr/> <hr/>

Deferred income is comprised of grants received in advance which the donor has specified must be used in future accounting periods.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

**16. CREDITORS:
Amounts falling due after more than one year**

	2015 £	2014 £
Futurebuilders Loan 1	1,704,011	1,715,366
Futurebuilders Loan 2	1,324,360	1,313,005
Bridging Loan S.I.B.	30,000	-
	3,058,371	3,028,371

The loan agreement provides for the loans to be repaid over a period of 25 years at an interest rate of 6%. However, interest and repayment holidays have been granted until March 2017 and the repayment terms remain under negotiation.

17. SUMMARY OF FUNDS

	Brought Forward <i>As restated</i> £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Designated funds (note 19)	5,808	-	(5,000)	161	969
General funds	1,406,362	301,980	(512,991)	-	1,195,351
	1,412,170	301,980	(517,991)	161	1,196,320
Unrestricted funds	1,412,170	301,980	(517,991)	161	1,196,320
Restricted funds (note 18)	-	184,492	(184,492)	-	-
	1,412,170	486,472	(702,483)	161	1,196,320
Total of funds	1,412,170	486,472	(702,483)	161	1,196,320

18. RESTRICTED FUNDS ANALYSIS

	Opening balance £	Incoming resources £	Utilised £	2015 £
Essex County Council	-	42,000	(42,000)	-
Arts Council England	-	45,407	(45,407)	-
ERDF	-	10,945	(10,945)	-
Herts. Adult Family Learning Support	-	31,585	(31,585)	-
Comic Relief	-	30,000	(30,000)	-
Royal Opera House	-	1,826	(1,826)	-
Music Net	-	22,729	(22,729)	-
	-	184,492	(184,492)	-
	-	184,492	(184,492)	-

19. UNRESTRICTED DESIGNATED FUNDS

	Opening balance £	Release of funds £	Unrealised gain £	2015 £
Capital repairs and renewal fund	5,808	(5,000)	161	969
	5,808	(5,000)	161	969

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

20. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	<i>2014</i>	2015	<i>2014</i>
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	3,700	<i>5,173</i>
After more than 5 years	22,000	<i>22,000</i>	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21. RELATED PARTY TRANSACTIONS

No trustee received reimbursement of expenditure in respect of the charity's activities during the current or previous year.

22. ULTIMATE CONTROLLING PARTY

The company had no controlling party during the current or previous year.