

REGISTRAR OF COMPANIES

The Freelands Foundation Limited

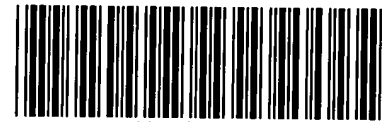
Annual Report and Financial Statements

Period to 31 December 2015

Company Registration Number
09497277 (England and Wales)

1162648 Charity Registration Number

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Reference and administrative information

Trustees	Elisabeth Murdoch Chris Palmer Mark Devereux
Registered office	34 Park Street London, W1K 2JD
Telephone	020 3696 9970
Company registration number	09497277 (England and Wales)
Charity registration number	1162648
Auditor	Buzzacott LLP 130 Wood Street London, EC2V 6DL
Banker	C Hoare & Co 37 Fleet Street London, EC4P 4DQ
Investment manager	JP Morgan International Bank Ltd 1 Knightsbridge London, SW1X 7LX JP Morgan International Bank Ltd 1 Boulevard du Roi Albert II 1210 Brussels, Belgium
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London, WC2A 3LH The Law Offices of Suzanne Reisman 35 Piccadilly London, W1J 0DW

Trustees' report 31 December 2015

The Trustees present their statutory report together with the financial statements of The Freelands Foundation Limited (the Foundation) for the period ended 31 December 2015.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and equates to a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 35 to 37 of the attached financial statements. The statements comply with the charitable company's memorandum and articles of association and with *Accounting and Reporting by Charities: Statement of Recommended Practice*, relevant to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). The statements are effective from accounting periods commencing 1 January 2015 or later.

BACKGROUND

The Freelands Foundation was conceived in 2014 by Founder and Chairperson Elisabeth Murdoch to support the visual arts sector in the UK, encouraging arts engagement and education to help engender a vibrant, creative and innovative future for all members of society.

The Foundation was incorporated as a private company limited by shares at Companies House on 18 March 2015 and was registered as a charity by the Charity Commission for England and Wales on 13 July 2015. The Freelands Foundation is a dual qualified charity that is subject to the United States of America laws regarding "private foundations" as well as UK law. Managing Director Melanie Cassoff was appointed in March 2015 to oversee the day-to-day activities and management of the organisation.

This Trustees' report covers The Freelands Foundation's first financial period as an independent charity.

CHAIRPERSON'S STATEMENT

It has been a pleasure and a privilege to preside over The Freelands Foundation during its inaugural year. The organisation has established its initial funding and activity agenda and we're delighted to have taken our first key steps in what we see as a long-term programme of support for the visual arts.

My passion for the visual arts stretches back many years. I am incredibly fortunate to have enjoyed an upbringing steeped in museums and galleries, exhibitions, theatre and performance. This instilled in me a recognition and understanding of the intrinsic value that the arts bring to all facets of society, provoking thought, stirring imagination and inspiring creativity. Innovation – in every walk of life – occurs only when the mind is stimulated; for centuries, art has proved to be a vital catalyst for progression and positive change.

Yet for something so vital, the visual arts are often consigned to the periphery, viewed as a trivial pursuit rather than a fundamental building block of education and advancement. It is a desire to challenge this thinking that serves as the inspiration and motivation behind The Freelands Foundation. This is not about art for art's sake; our objective is not simply to give a select few artists a helping hand. We aim to support the broad arts ecosystem, over time affording many artists and organisations greater opportunities to create and to inspire, while advancing education from the ground up, enabling young people to actively engage with this creation and inspiration.

This type of change cannot be achieved by traditional philanthropy alone – it requires a hybrid of artistic excellence and deep education expertise, but also business acumen. By design, our Trustees, our senior management and the members of our Advisory Committee combine a love for the visual arts with extensive public, private and third sector experience. We serve The Foundation as we have in the past served successful business ventures, with a strategic approach based around clearly defined objectives.

This allows us to identify the opportunities where our activities will have a disproportionately high impact and genuine longevity. For example by collaborating with the Institute of Education, University College London, in training prospective art and design teachers, we have the potential to impact on all of their students over the next five years. By partnering with key regional organisations to create high-impact arts events and activities within local arts communities, we can tap into their own artist and partner networks and grow our reach exponentially.

We believe that our approach will help to contribute to a necessary and enduring step-change in the UK's perception and enjoyment of the visual arts. We're a young organisation and our success will be predicated on our ability to listen to, learn from and collaborate with the artistic communities we serve. What's most encouraging, however, is that less than 12 months in, we can see the positive impact of the initial programmes we have established, setting the Foundation up for a fruitful and positive year ahead. I am very proud of what we have achieved to date and inspired by the exciting work to come.

MANAGING DIRECTOR'S STATEMENT

It has been a productive first year for the Freelands Foundation. Since being officially registered as a charity we have engaged with more than 100 visual arts organisations, partnered with the Institute of Education to create new visual arts Postgraduate Certificate in Education (PGCE) learning modules, commissioned new research into female artists' career prospects and held our first thought-leadership event, our Laboratory of Ideas Salon.

Alongside this early activity, much of our focus has been on establishing the Foundation and its core structure and partnerships, and in planning for projects and initiatives that will be realised in 2016 and beyond. With many of our initial projects and programmes now starting to take shape following much behind-the-scenes preparation and outreach in the visual arts community, it is worth reflecting upon the state of the sector today.

The visual arts bring £1.9 billion to the UK economy annually¹, employing thousands of full- and part-time employees and contributing to a sizeable multiplier effect, whereby for every £1 of salary paid by the arts and culture industry, an additional £2.01 is generated indirectly for the wider economy². Beyond its economic contribution, there is a wealth of research to suggest that the visual arts make a significant and positive contribution to numerous aspects of everyday society – from education, skills development and employability to health and wellbeing³.

However, there is evidence to suggest that nearly three-quarters of artists are getting just 37 per cent of the average UK salary from their practice. At £10,000 a year, this would mean artists are receiving only 66 per cent of the living wage⁴. According to the Paying Artists campaign, many artists are producing and exhibiting work without payment, threatening the stability and creativity of the sector⁵.

¹ Paying Artists Campaign: Visual arts bring £1.9 billion to the UK economy

² Arts Council England, The value of arts and culture to people and society: an evidence review, March 2014

³ Arts Council England, Great art and culture for everyone: 2010–2020

⁴ The Guardian, Artists' low income and status are international issues, 2015

⁵ Paying Artists Campaign

MANAGING DIRECTOR'S STATEMENT (continued)

There is also an imbalance in terms of the funding for and focus on public arts in London versus the rest of the UK⁶, with almost two thirds of people claiming that too much arts funding is focused on London⁷. In many ways this is indicative of a broader disparity in the level of arts and cultural opportunities and engagement across the country. As Arts Council England puts it, "Those who are most actively involved with the arts and culture that we invest in tend to be from the most privileged parts of society; engagement is heavily influenced by levels of education, by socio-economic background, and by where people live⁸."

The Freelands Foundation is just one of many not-for-profit organisations looking to support arts and culture in the UK. To realise our individual goals as well as the collective aim of enabling the sector to perform to its true potential, it is more important than ever for organisations such as ours to clearly define our role, purpose and the scope and scale of our activities.

Working with leading academics Charlotte Bonham-Carter and Nicola Sim, we undertook more than two years' extensive research into the visual arts sector before creating The Freelands Foundation to ensure that our efforts would be effective in meeting the real needs of visual arts organisations operating today.

From this research, we identified a requirement for a charity with a genuinely UK-wide focus on the visual arts as a whole, rather than covering only one single audience or art form in one nation. This is why we have launched a new Freelands Artist Award specifically targeting the regions of the UK, with an open brief focused on pushing boundaries.

We also recognised that funding for the visual arts remains piecemeal and complex – one of the reasons why so many artists are struggling to earn the living wage – which is why we have structured the Foundation to be as agile as possible, with a funding process that is swift and straightforward for the visual arts organisations that support them.

Finally, we found that there was a lack of emphasis on supporting and up-skilling teachers within our sector, which is why so much of our initial activity in 2015 – within schools and with the Institute of Education, University College London – has been targeted at trainee teachers, those about to embark on an entire career of educating young people in art. Recent research shows that up to 44 per cent of teachers across all key stages claim that teaching time allocated for art and design has decreased in the last five years⁹. We see an immediate and pronounced requirement to support teachers in finding creative ways to engage students within the narrow time period still allocated for the arts.

⁶ Rebalancing our Cultural Capital, 2013

⁷ King's College London, Culture and major events tracking study, November 2015

⁸ Arts Council England, Great art and culture for everyone: 2010–2020

⁹ The National Society for Education in Art and Design Survey Report 2015–16

MANAGING DIRECTOR'S STATEMENT (continued)

As we embark on the year ahead, we recognise the need to invest time and energy into evaluating and assessing the impact of our work. Justifying the value that the visual arts bring to society will never be as straightforward as many other disciplines, but we know that our sector can do more to provide direct evidence of its intrinsic merit to communities across the UK.

It has been an exciting first year for The Freelands Foundation; we have a clear mission and purpose, and we believe that the groundwork laid in the past twelve months will serve as a catalyst for a productive and impactful 2016.

OBJECTIVES AND ACTIVITIES

Charitable objects

The charitable objects of The Freelands Foundation are set out in its Articles of Association and are to advance education, in particular by encouraging public understanding and enjoyment of the arts; and such other charitable purposes for the benefit of the public as the Trustees may from time to time see fit.

Mission

The objective of The Freelands Foundation is to support the UK arts ecosystem by empowering artists and cultural institutions, while advancing education to broaden public understanding of the visual arts, and enable ALL young people to actively engage with the creation and enjoyment of art.

Values

In all of its endeavours, the organisation strives to uphold the following core values:

- 1) Collaborative and purposeful: *we are more than just a grant-giving organisation; we work in close partnership with organisations to support projects with clear, achievable goals*
- 2) Fair and balanced: *we consider requests from visual arts organisations of all sizes and across all UK regions; every grant considered is assessed on merit alone*
- 3) Committed to sustainable impact: *we support visual arts projects that are designed for the long term and which deliver lasting value and tangible outcomes*
- 4) Open and transparent: *we foster a culture of openness internally, with our partners and with all external stakeholders; we are committed to upholding the highest standards of governance*

Strategic aims

The Foundation has three strategic aims which support its overarching mission:

- 1) **ARTISTS:** To support artists in order to nurture their creativity, enhance their skills, exhibit their work and interact with their local communities
- 2) **EDUCATION:** To encourage young people to engage in the creation and enjoyment of art particularly through support to teachers and teacher training and the exploration of experimental approaches to art education
- 3) **RESEARCH AND PUBLICATION:** To explore and articulate the value that art and culture bring to society

Principal objective for 2015

The principal objective for The Freelands Foundation in 2015 was to set up the organisation as a legal entity and registered charity, establish day-to-day operational processes and begin engagement with the visual arts community, prioritising outreach to arts and educational institutions to form initial partnerships and develop longer-term activity plans.

Principal achievements

- **December 2014–February 2015** – *Melanie Cassoff embarks on a programme to engage with approximately 100 visual arts organisations across England*
- **March** – *An operational milestone is reached as The Freelands Foundation is incorporated at Companies House*
- **April** – *Artist, writer and educationalist Henry Ward joins The Freelands Foundation as Head of Education*
- **May** – *The Foundation extends its engagement with the sector to other regions of the UK, first visiting Scotland in May, followed by trips to Wales and Northern Ireland*
- **June** – *The Foundation's Advisory Committee convenes for the first time to discuss priorities for the Committee, agreement of the Foundation's core values and working processes; Henry Ward works with the Institute of Education to develop plans for The Freelands Foundation project with the PGCE cohort*
- **July** – *The Foundation is registered with the Charity Commission*
- **August** – *Formal interviews held with leading arts sector professionals to gain a wide range of third-party perspectives on how to structure the Foundation's inaugural Freelands Artist Award*

OBJECTIVES AND ACTIVITIES (continued)

Principal achievements (continued)

- **September** – *Henry Ward commences the Foundation's partnership with the Institute of Education; Advisory Committee meetings are held to review the initial wave of funding proposals*
- **October** – *Melanie Cassoff joins part of a panel debate at the Sheffield 'Going Public' conference; Henry Ward delivers lecture as part of Engage day at The Photographers' Gallery, London; Henry Ward delivers a lecture as part of the Arts Council Professional Development day, London*
- **November** – *Initial engagement with West Rise Junior School in Eastbourne around its unique learning project 'The Marsh'*
- **December** – *Tate Modern receives The Freelands Foundation's first ever grant; the Foundation hosts its first ever Laboratory of Ideas Salon*

Grant making policy

The Foundation aims to distribute grants of between £250K and £700K per annum but this may vary from year to year depending on grant-making opportunities, investment returns, and annual top-ups to the investment fund. The Trustees will consider projects for support from UK charities based in any geographical area within the UK. The Foundation's current grant-making policy requires individuals and/or the organisations they represent to submit initial concept papers for consideration ahead of developing a full proposal for consideration by the Board. Currently, the Foundation does not accept unsolicited proposals from individuals or organisations seeking support from the Foundation.

In the future, the Foundation anticipates considering requests from all visual arts organisations and will prioritise those that are aligned with the organisation's strategic aims. During 2015 the Foundation focused predominantly on identifying long-term projects that require close partnership with visual arts organisations, providing funding to help them expand their own remits and explore new territory in line with their own strategic focus. This will remain the core focus for 2016.

OBJECTIVES AND ACTIVITIES (continued)

Public benefit

When setting the objectives and planning the work of the Foundation for the year, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and, where relevant, its supplementary guidance.

The Foundation's activities are focused on areas where efforts can deliver maximum impact – in its first year of operation this has meant prioritising activities that support the arts ecosystem as a whole. For example, the organisation's Freelands Artist Award has been conceived as means of both supporting regional organisations, as well as the audiences and individuals engaged through their own outreach programmes, and supporting mid-career female artists.

The Foundation recognises that across the arts ecosystem there is an imbalance in the way funding is provided to the UK regions, which can potentially inhibit the development of regional artists and organisations, limiting their ability to share their work and cultivate a wide audience. Through activities such as the Freelands Artist Award and the Freelands Artists Programme, the Foundation seeks to strengthen regional arts ecosystems by giving artists and organisations greater support in order to stimulate regional expertise.

The Foundation's particular focus on education is designed to equip the next generation of teachers with the skills they need to effectively engage today's young audiences with the visual arts world. By getting involved with teachers working in secondary schools right at the start of their careers, the organisation can have a proportionately higher impact in terms of the number of students reached.

In terms of research into the visual arts, the Foundation is looking to invest in research that helps further public understanding of the sector and identifies addressable and tangible issues facing visual arts organisations and individuals today. In 2015, the Foundation commissioned its first piece of research – focusing on female artists and the under-representation of women artists across all categories within the visual arts sector. This research was published in early 2016 and has served as a key driver behind the organisation's decision to direct its Artist Award towards mid-career female artists, a decision that will benefit female artists and the communities they work in across the UK.

OBJECTIVES AND ACTIVITIES (continued)

Public benefit (continued)

"Working with The Freelands Foundation has been an exciting opportunity that has really enhanced my understanding of what an artist teacher can be. The project I undertook, working in collaboration with a student, has now been transformed into a learning activity at Peckham Platform. This interactive drawing now feels like the start of a project, not the end. I am very interested in gallery education so this was particularly helpful. Collaborating with Henry Ward and The Freelands Foundation has been a highlight of the PGCE and has given me the opportunity to stay engaged with my own artistic practice and see that teaching can now be part of my practice, rather than something I do to support it."

– Ella Harrison, PGCE student

"It has been a real pleasure to be involved in this work during my first school placement. It has directly impacted on my practice in school, and encourages experimental, innovative and thoughtful practice as an artist teacher. The work produced by my colleagues through their work with The Freelands Foundation provides a catalogue of inspirational ideas to take into any teaching opportunities that will arise."

– Rob Bagley, PGCE student

"The Freelands Foundation has enabled us to bring our experiences as student teachers to an audience beyond the Institute and the classroom. Through the publication A Dog in the Playground, we have been given a platform to promote arts education as well as the importance of working as artist teachers. The Freelands Foundation's generosity in facilitating this project is greatly appreciated by all of us, most of all because it gives gravitas to forward-thinking pedagogy, and has enabled us to explore teaching in an artistic manner, bringing our theoretical studies and practical classroom experience together through an ambitious conjuncture."

– Kate Thackara, PGCE student

ACHIEVEMENTS AND PERFORMANCE

UK-wide engagement programme

The purpose of this activity was to identify potential projects that would support artists across the country, as well as road-testing the Foundation's mission and objectives to ensure that these were in line with the needs, issues and concerns of the visual arts community.

Concluding in Summer 2015, Melanie Cassoff, Managing Director of The Freelands Foundation, undertook an extensive UK-wide programme of engagement with visual arts organisations of all sizes.

ACHIEVEMENTS AND PERFORMANCE (continued)

UK-wide engagement programme (continued)

119 meetings with visual arts organisations took place as part of this programme, which comprised in-depth conversations about the challenges faced by organisations following recent Arts Council England funding cuts as well as local authority arts spending cuts, and about ways in which organisations are attempting to adapt to this new funding environment. Through her dialogues, Ms Cassoff captured more than 100 testimonies around the new financial challenges the arts organisations and practitioners face in the current environment.

Freelands Artist Award: preparation and planning

Based on the feedback and testimonials captured during the Foundation's UK-wide programme, the organisation identified a clear need to provide greater career opportunities for mid-career female artists. To provide tangible further quantitative evidence in support of this conclusion, the organisation also commissioned bespoke research, which is outlined on page 17.

The Foundation saw that this comparative lack of support for female artists could be addressed by engaging with regional visual arts organisation and encouraging them to afford greater focus to the issue.

During 2015 the Foundation made a significant commitment of time and resources to developing the Freelands Artist Award. Much of this activity involved holding formal interviews with leading arts sector professionals to gain a wide range of third-party perspectives on how to structure the Foundation's inaugural Artist Award.

The format of the Freelands Artist Award involves giving six regional visual arts organisations – identified in conjunction with the Foundation's Advisory Committee – £1,000 each to submit a proposal on behalf of their own nominated mid-career female artists and submit a proposal. Both the individual artists and the organisations that nominate them will thus benefit from the Foundation's support and profile-raising activities, while the Foundation is looking to achieve the greatest possible impact on the arts ecosystem. As such, each proposal must outline tangible audience development strategies and learning programme initiatives for the wider community.

The annual award of £100,000, which will go to the regional organisation selected by the jury, will include funding for the production of new work. A £25,000 artist fee will be ring fenced from this total amount, which will help address the issue of artists being underpaid for their work.

ACHIEVEMENTS AND PERFORMANCE (continued)

Freelands Artist Award: preparation and planning (continued)

The Foundation defines the term 'mid-career' as an artist whose practice can no longer be described as 'emerging' and who has had significant experience of exhibiting or of fulfilling commissions. The aim of the Award is to support artists who have not yet achieved the acclaim and public recognition their work deserves, while also affording them the opportunity to develop their own artistic practice thanks to enhanced curatorial support. Nominations are sought via regional visual arts organisations based on the quality of the artist's practice and each organisation's plans to share this work with the wider community, with the purpose of stimulating local debate and encouraging the sharing of new ideas.

Institute of Education partnership

One of the most impactful activities undertaken by the Foundation in 2015 was the formation of a partnership with University College London's Institute of Education (IoE), the single biggest trainer of teachers in the UK. Led by Henry Ward, who had a prior working relationship with the IoE, the partnership involved Dr Ward working with and tutoring 45 post-graduate teacher trainees as part of the IoE's Art & Design PGCE course.

Aligning with the Foundation's overarching education objective, the course module, 'Teaching as an Artistic Practice', was formally integrated into the PGCE course from September 2015, and was included as part of the 2015/16 course handbook.

The Foundation's course module has also involved Dr Ward outreaching to all 45 of the student mentors for the course attendees, all of whom are qualified teachers, sharing information on the students' course activities as well as hosting a workshop explaining the course module for 20 mentors in central London.

In December 2015, as the concluding component of the course module, students were set a brief to be carried out within their placement schools, in early 2016. The resulting publication and accompanying exhibition, *A Dog in the Playground*, investigates teaching as a socially-engaged artistic practice. To respond to this brief, each student had to devise a project of their own in which they adopted a particular approach – artist; facilitator; instructor; collaborator; curator or social activist – and developed work in response to this approach.

The partnership with the IoE is already proving successful in equipping the next generation of teachers with the skills they need to effectively engage today's young audiences with the visual arts world. With the 2015 Institute of Education activity, the Foundation has already engaged and worked with 45 trainee teachers. The impact of this activity is set to be upwards of 50,000 school students indirectly reached by the Foundation per annum over the next five years.

ACHIEVEMENTS AND PERFORMANCE (continued)

Institute of Education partnership (continued)

Lesley Burgess, PGCE Art & Design Course Leader, Institute of Education:

"Through a series of practical workshops and seminars Henry challenged the Artist/Teachers to consider how they could reconceptualise the role of art in secondary school by adopting an approach to pedagogy aligned with one of the following: artist as facilitator, social activist, instructor, collaborator or curator.

"The project encouraged the Artist/Teachers to recognise that they can have agency and can be a powerful force for developing practices in secondary education. I was particularly impressed by the way, under Henry's guidance, they developed their pedagogical practice in line with both the concerns of contemporary artists and the interests of young people in school.

"Through this collaboration between UCL IoE and The Freelands Foundation we were able to introduce different 'voices', challenge the taken-for-granted and make risk-taking an obligation!"

Laboratory of Ideas Salon

The Laboratory of Ideas Salon was established towards the end of 2015 as the first of a series of evening discussion events organised by the Foundation to reach visual arts and education audiences – from A-level students and academic professors and lecturers, to gallery and museum staff and art technicians.

The Foundation issued 60 tickets via ballot for the free event – which supports both the organisation's commitment to nurturing artists as well as improving education provision – to ensure that the Salon was open to everyone. The event was oversubscribed and attendees' feedback received via email and social media has been universally positive, while the event was also captured on video and published on The Freelands Foundation website for a wider audience to enjoy.

"It was as if people were particularly open to talk about stuff and it felt very intense, in a positive way, and very physical and present. The ancient Greeks got it right with the symposium" – Curator

"It was like sitting in a living room ... so inviting and open. Thank you for The Laboratory of Ideas with Mr Wentworth" – Art technician

"I enjoyed the first Salon – very thought-provoking and a great space to trade ideas" – Art teacher

"A great event. It really did feel like being at a Salon! I met so many lovely interesting people and already a couple of exciting ideas have come out of conversations" – Head of Art (secondary school)

ACHIEVEMENTS AND PERFORMANCE (continued)

Tate Modern partnership: learning at the Tate Modern

The Freelands Foundation is an official partner of Tate Modern, which attracts an average of five million visitors each year, including more than 630,000 learners in 2015. To provide for growing audiences, Tate Modern has embarked on an extensive redevelopment programme to become more open, engaging and international, providing a new environment for an increasingly diverse range of visitors to meet, learn, debate and enjoy art from around the world. One of the most important elements of the new building is the creation of an entire floor dedicated to learning and engagement.

The Freelands Foundation has supported the creation of this learning space – aligning with its objectives of improving interaction between artists and the community, as well as creating new educative approaches to the visual arts – with a grant of £150,000 delivered in December 2015. The grant has enabled Tate's Learning team to continue the research and development work to deliver this innovative project and ensure it has the specialised staff and Tate programming in place to make learning activities effective and successful. Once open in Summer 2016, the space will enable Tate to further its ambitions as a leading organisation for research and innovation within the field of gallery education, providing facilities for programmed activities such as talks, screenings and workshops, as well as being open for visitors to undertake individual study, or use social spaces for art-making or discussion.

These facilities will also enable the delivery of Tate Exchange – a new annual project that will have a presence both as a series of activities at Tate and as an online digital platform, inviting interaction on a global scale. When launched in 2016, the Tate Exchange programme will run from September to June each year, and will comprise of three phases of activity related to a chosen theme. This theme will be informed by Tate's curatorial programme, and will be used as a base for all aspects of Tate activities, such as exhibitions, special events and public programmes. The Foundation is also one of 50 Tate Associates selected by Tate Modern for the project and will be heavily involved in phase two of the activity, working alongside other Tate Exchange partners to create collaborative projects in which the public can also participate.

Tate Modern partnership: *Art Is...*

In August 2015 the Foundation began developing a conference called *Art Is...*, scheduled for 9 April 2016 at Tate Modern. The event involves collaborating with eight regional organisations as well as inviting a range of speakers and other contributors. 240 tickets were issued for the event, which is primarily aimed at art educators in support of the Foundation's overarching education objectives, and the event was completely sold out in advance. The Foundation committed both time and resources in 2015 to develop the conference programme, which focused on the role of education, play and social purpose within the world of art.

ACHIEVEMENTS AND PERFORMANCE (continued)

Tate Modern partnership: *Art /s...* (continued)

Contributors included Turner Prize winner Mark Wallinger, one of the UK's leading contemporary artists, Michael Craig-Martin, an internationally-renowned artist and influential teacher at Goldsmiths College, and Amila Ramović, Executive Director of Ars Aevi, Museum of Contemporary Art, Sarajevo. Henry Ward also presented at the conference on behalf of the Foundation.

CHALLENGES/LESSONS LEARNED FROM YEAR ONE

Delivering the Laboratory of Ideas Salon proved challenging given the Foundation's current staffing levels, particularly the time commitment required to secure an impactful speaker. To address this challenge, the Foundation agreed a one-day-a-week secondment for an employee at Oxford-based charity The Art Room to help arrange the Salon. This was limited in its impact due to the irregular and inconsistent nature of the project work, and the Foundation has now moved to a freelance support model for the development of the *Art /s...* conference, which is proving a more effective way of tapping into required resources on an ad hoc basis.

In addition to making significant headway in 2015 addressing its objectives around supporting artists and supporting visual arts education, the Foundation has made some initial progress towards the organisation's research and publication goals within the field of the visual arts. The organisation is currently gathering evidence to establish where research is needed within the sector, and as more projects go live, greater emphasis will be placed on supporting these projects with qualitative and quantitative research. The upcoming Artist Award, for example, is being supported by research the Foundation commissioned into the representation of female artists in the visual arts world. Going forward, the Foundation will look to explore new and pertinent visual arts topics in order to inform activities such as the Artist Award and Laboratory of Ideas Salons.

PLANS FOR FUTURE PERIODS

The Foundation is greatly expanding the number of live project and programme commitments in 2016, selecting strategic partnerships with visual arts organisations that clearly align with its core objectives of supporting artists, improving visual arts education and improving research into the visual arts sector. A number of key activities already agreed are outlined below.

PLANS FOR FUTURE PERIODS (continued)

Peckham Platform IoE launch

Following on from the IoE course module brief set in December 2015, the work of the trainee teachers was presented at a publication launch event on 31 March 2016 at Peckham Platform gallery to more than 200 education sector attendees, before being displayed to approximately 300 attendees during a four-day exhibition at the gallery. 37 students contributed to the publication, with six of them acting as the editorial team, and one student working with Peckham Platform on an additional public engagement learning activity during the three days of the exhibition. The publication will now be included on the PGCE reading list and will be recommended to future students and available for sale through both Peckham Platform and the IoE/UCL. The Foundation is currently assessing the impact of its activities with the IoE and the launch itself, in order to determine how to take the partnership forward for the 2016/17 academic year. The IoE/UCL are keen to continue the partnership.

Laboratory of Ideas 2016

Based on the positive response to the Foundation's first Laboratory of Ideas Salon, as well as the organisational challenges it posed, the organisation aims to hold ad hoc sessions throughout 2016, interrogating some of the most pertinent issues facing the arts ecosystem. These will be responsive to the needs of the audience and based around the availability of the best contributors. The Foundation expects to hold three sessions during the year, with an emphasis on providing genuine insight and learnings for attendees and those observing the Salons online, with the intention of moving to quarterly Salons in 2017.

Representation of Female Artists in Britain

To coincide with The Freelands Foundation's inaugural Artist Award, the Foundation has commissioned new research into female artists in Britain.

This report began with a question: are female artists under-represented in Britain? Evidence from the Great East London Art Audit – a year-long campaign launched by East London Fawcett (ELF) to assess the representation of women in London's art world – showed that in 2012–13 inequality still persisted. It highlighted that despite the many advances made by women in the art world over the years, concerns remained about attitudes towards female artists, the lack of support for childcare and maternity leave and the obstacles that confront women at various stages in their careers.

The Foundation's report contributes to the existing evidence base around the representation of women in the art world by bringing some aspects of the Great East London Art Audit up to date. In addition, it looks at the representation of female artists outside London and provides data on the percentage of female artists achieving significant career milestones (such as representing the UK at the Venice Biennale or having a solo exhibition at a major museum or gallery).

PLANS FOR FUTURE PERIODS (continued)

Representation of Female Artists in Britain (continued)

The report finds that while female art and design graduates outnumber men, men outnumber women in the majority of activities that signify the development of an artist's career, such as having a solo exhibition at a national museum in London, or at a large-scale gallery outside of London. Indeed, in major career highlights, men substantially outnumber women. The representation of female artists has increased over the years, and fairly significantly since the ELF audit in 2012–13, however the data suggests that gender imbalances persist at, and beyond, the mid-career stage.

The report serves as tangible evidence in support of the Foundation's focus on female, mid-career artists for its inaugural Artist Award. The Foundation is also promoting the report through media engagement to raise awareness of this key issue and ensure more emphasis and attention is afforded to mid-career female artists, and female artists in general.

The Freelands Artists Programme

The Foundation is working with contemporary art organisation Gasworks to create the Freelands Artists Programme, which is being supported by an initial grant of £25,000.

The Freelands Artists Programme represents a new and exciting departure for Gasworks. While Gasworks regularly shows the work of UK-based artists, historically the residency programme has always been reserved for international artists. For the first time and exclusively for this programme, Gasworks is offering a promising artist based outside London the opportunity to spend three months in the capital, becoming part of Gasworks' community of artists and making new work that will subsequently be shown and debated in the gallery space. Gasworks and The Freelands Foundation will launch the project in 2016 and continue it for an additional two years.

The selection of the artist is currently being determined by in-depth curatorial research, which includes extensive studio visits around the country and conversations with key advisors (curators, critics, peers etc.). By inviting curators and partner organisations from around the UK to take part in the selection process, Gasworks will help the Foundation to broaden its insight into issues affecting non-London artists, while Gasworks may consider focusing the award on different regions of the country each year. In year one of the programme, Gasworks is looking to team up with the following partners:

- 1) Transmission Gallery in Glasgow
- 2) Spike Island in Bristol
- 3) mima in Middlesbrough

PLANS FOR FUTURE PERIODS (continued)

The Freelands Artists Programme (continued)

The Freelands Artists Programme will provide the artist with a three-month residency at Gasworks in late 2016 followed by an exhibition at the start of 2017. Approximately 3–4 public events will take place at Gasworks during the residency, focusing on initiating discussions based on the artist's research and practice to inform the production and dissemination of their work, with additional events programmed to coincide with the exhibition.

The Cultural Learning Alliance

The Foundation will support The Cultural Learning Alliance (CLA), a collective voice working to ensure that all children and young people have meaningful access to culture. The CLA has recently been at the forefront of a national drive to influence the government's prioritisation of Science, Technology, Engineering and Maths (STEM), pushing for the Arts to be included in the associated resourcing, narrative and infrastructure.

The Foundation will provide a grant of £30,000 to support the CLA's annual running costs and enable it to continue developing as a hub of intelligence gathering and analysis for the arts world. The CLA's reach is continuing to grow, thus giving the Foundation a platform on which to engage more members of the visual arts community in 2016. The CLA website was visited by more than 17,000 unique users in 2015, with 6,986 individuals and 2,462 organisations signed up to the CLA. Its newsletter now has 4,000 subscribers and it has more than 7,000 followers on Twitter.

Groundwork 2016

The Freelands Foundation has pledged £50,000 to support the Cornubian Arts and Science Trust (CAST) on its Groundwork 2016 programme, which will run from 2016 to 2018. After six years of an internationally-renowned programme of conventions and workshops, CAST is expanding its programme of public contemporary art activity in Cornwall. This is part of a long-term project, drawing on the wealth of professional artists living and working in Cornwall, and providing mentoring, support and development opportunities that will act as a driver to increase ambition and profile for arts activity in the region.

The Groundwork programme commences in May with an opening event centred on artist-led field trips. The field trip as a model for commissioning artists has been pioneered in previous CAST events as a thematic or geographic exploration that examines a particular place, history or set of ideas and brings together artists and practitioners from other disciplines. Groundwork will develop this model, which has already attracted international attention.

PLANS FOR FUTURE PERIODS (continued)

Groundwork 2016 (continued)

Following the opening event, a programme of events and exhibitions will provide further opportunities for public engagement and participation. The programme will include sited exhibitions, downloadable audio-guided expeditions, projects with young people, workshops and walks. The programme will also include performance, music, film screenings and hospitality.

West Rise Junior School: The Marsh

The Foundation will be working with West Rise Junior School in Eastbourne, Sussex in 2016 to capture the impact of its unique project, 'The Marsh' – an immersive learning environment that combines art, archaeology, history, ecology and sustainability.

The Marsh is an area of 120 acres of wetland and two lakes and forms part of the school grounds. 3000 years ago the area was the site of the second largest Bronze Age settlement in Europe. The School is currently building a Bronze Age village on-site with the children, and is using the environment as a place in which children can learn about this exciting period in the history of their local area.

Having visited the project in November 2015, the Foundation invited West Rise Junior School to participate in the *Art /s...* event in April 2016, and is producing a film to capture the learnings from the project, to be used as a case study for other organisations about the advantages of creating immersive environments for engagement with arts and culture. This film is envisaged to be the first in a potential series of research films into progressive arts and educational projects.

The Trustees' perspective of the future direction of the charity

Much of the Foundation's 2015 activity has centred around trialling different approaches in partnership with a variety of visual arts organisations, before assessing and evaluating their impact in order to formulate next steps. As this report demonstrates, the organisation has a clear focus and direction for 2016 and beyond, with the short-term goal of building on its initial successes and expanding its influence within the visual arts world – reaching more artists, organisations and educators in the process. In doing so, the organisation also aims to reach more young people and enable them to experience and enjoy the visual arts, thus creating potential future audiences within the sector.

One of the Foundation's key priorities for 2016 will be doing more to support artists directly. Having commissioned a report on female artists and the extent to which they are represented within the visual arts, as well as initiating new partnerships with organisations such as Gasworks and CAST, the Foundation will be able to directly engage more artists from across the whole of the UK in 2016.

PLANS FOR FUTURE PERIODS (continued)

The Trustees' perspective of the future direction of the charity (continued)

Alongside the ongoing work with the Institute of Education, the Foundation is considering how it may be able to work with other teacher training providers outside London. Key to this will be establishing relationships with academic organisations in a number of UK cities and the Foundation's ability to demonstrate the success of the IoE project to these organisations. Such activity is likely therefore to be undertaken from Summer 2016 onwards once the IoE course year has reached its conclusion.

The Foundation's longer-term ambition is to establish a dedicated creative environment for teachers – for example a bespoke studio or workshop – that allows them to grow and learn as artists in an immersive space surrounded by peers, in order to improve the standard of teaching they are then able to deliver.

Finally, there is great scope for the Foundation to enhance its online presence in 2016, offering visitors a wider range of multimedia content relating to ongoing projects in order to disseminate ideas and stimulate debate.

FINANCIAL REVIEW

Review of the year

The income and expenditure of the Foundation for the period ended 31 December 2015 are disclosed on page 33.

Total income for the period totalled £4,090,483. Expenditure in the period totalled £525,140, which included a grant of £150,000.

Total net assets at 31 December 2015 amounted to £3,565,344. These net assets were represented by unrestricted funds only.

The Foundation awarded an individual grant of £150,000 to Tate Modern to support the research and development of its Tate Exchange project, as detailed on page 15.

Reserves policy

The free reserves of the Foundation at 31 December 2015 were £3,565,343. The Foundation will retain 5 per cent of the funds in cash at all times in the investment account as a reserves policy and will have a minimum of £100,000 in cash available in the banking account to meet the planned charitable expenditure of the Foundation. The remaining funds are to be invested, as detailed in the investment policy below, to set up an enduring and self-sustaining charity in the longer term.

FINANCIAL REVIEW (continued)

Investment policy

The Foundation received its initial core funding in December 2015, which is currently held in cash. The organisation is working with JP Morgan with a view to establishing a diversified global portfolio of investments across a range of asset classes, with the objective of balancing capital growth with income and principal stability. The policy will aim to provide for funding and anticipated withdrawals on a continuing basis, minimising principal fluctuations over the investment cycle (three to five years) and achieving a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in the policy.

The Foundation's investment management account will have an average level of risk and may experience moderate levels of volatility in the short term. The Foundation will retain 5 per cent of the funds in cash at all times in the investment account and will have a minimum of £100,000 in cash available in the banking account. The Foundation will adopt a total return strategy, while assets are diversified in order to minimise the impact of large losses in individual investments.

The Trustees meet at least quarterly to review the investment portfolio.

Risk management

The Foundation is not reliant on funding from either the private sector or from Government, and is thus well-insulated against cuts to Government spending/private sector investment in the arts.

With the organisation's full-time members of staff permanently contracted and required to give notice of three months, the Foundation is also relatively protected against the impact of personnel changes.

One risk identified by the Trustees is the financial viability of the visual arts organisations supported by the Foundation. The Trustees undertake due diligence on all organisations that submit proposals prior to approving any funding requests to ensure that they are well-managed, sustainable organisations, as this is key to determining whether specific projects funded by the Foundation are fully realised and deliver the intended impact.

Operationally, the charity is likely to work with children in the future and as a consequence has taken pre-emptive steps to ensure the protection and safety of all those the charity serves. All staff and volunteers must obtain clearance from the Disclosure and Barring Service (DBS).

FINANCIAL REVIEW (continued)

Risk management (continued)

To ensure the organisation maintains adequate funds to cover grant commitments and operating expenses, the Foundation works with JP Morgan and is currently implementing a balanced portfolio mandate in order to minimise any losses during periods of market turmoil. In the UK the organisation has taken out employer and third-party liability insurance and travel insurance. In the US, the Foundation is currently going through the selection process of appropriate insurers to determine an appropriate level of coverage for the organisation. This will be finalised in Q2 2016.

The Freelands Foundation is a dual-qualified charity that is subject to the US laws regarding "private foundations" as well as UK law. To ensure there are no unintentional breaches in requirements, which could result in fines, loss of status or reputational issues, the Foundation is working closely with specialist UK and US legal counsel. The organisation is also working with an accounting and audit firm specialising in dual-jurisdiction entities, to help identify and mitigate structure-specific risks.

The Foundation does not offer grants to individuals at present and undertakes detailed due diligence on all grantee organisations prior to considering new grants.

To ensure the continued strong governance of the Foundation, the organisation's Managing Director is responsible for regular reporting to all Trustees, with quarterly Trustees' meetings ensuring that all decision-makers are fully up to speed on the Foundation's activities. Outside of regular Trustee meetings, the MD meets with the Chairperson on a weekly basis and with one of the Trustees on a monthly basis for further strategic input and to uphold governance standards in day-to-day activity.

Furthermore, the Foundation has established a conflicts of interest register and policy against which it monitors all ongoing activities and grantee engagement.

Principal or key funding sources

The Foundation's principal funding source during the year was charitable donations from Elisabeth Murdoch.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and management reporting

The Trustees who have served during the year (who are also the Foundation's first Trustees and company law Directors) are set out on page 1. Additional or replacement Trustees may be appointed by the Foundation in general meeting.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure and management reporting (continued)

The Trustees are also the Foundation's company law Directors and hold ultimate responsibility for all recruitment decisions pertaining to the charity. The Freelands Foundation has two full-time employees, Melanie Cassoff (Managing Director) and Henry Ward (Head of Education).

Melanie Cassoff was appointed by the Trustees in March 2015 to establish the organisation and assume responsibility for its day-to-day operations, with a particular emphasis on ensuring strong governance and ongoing compliance with both UK and US regulatory requirements.

Prior to joining Freelands Foundation Melanie was a Private Banker, having held senior positions at Deutsche Bank Private Wealth Management and UBS Wealth Management. Melanie began her career as a Management Consultant at Marakon Associates. She is on the Board of Directors for PAIAM – Professional Advisors to the International Art Market. Melanie holds an MBA from INSEAD in France, a Masters Degree from the London School of Economics and a Bachelor's degree (Hons) from McGill University in Montreal, Canada, which is where she is from. She speaks five languages – English, French, Hebrew, Italian and Spanish.

Teresa Gleadowe, Advisory Committee, Freelands Foundation:

"Melanie is fair-minded and committed to transparency. She interrogates everything, is detail-focused, very balanced and highly professional. The complex dual legal structure between US and UK means there is a requirement for management to have significant experience of corporate governance, legal systems and accountancy. Every single grant must be subject to both US and UK tax law and thus Melanie's background has proved extremely advantageous in overseeing the Foundation's activities to date."

Trustees' background and experience

Elisabeth Murdoch, Founder and Chairperson of Board of Trustees, was the founder and former Chair of Shine Group, steering it to become a leading independent film and television production company internationally over her 14-year tenure. Prior to starting Shine, Elisabeth was the Managing Director of Sky Networks, the programming and marketing division of BSKYB plc. As well as extensive experience running her own businesses, Elisabeth has been involved in the world of arts and culture for many years. She was appointed a Tate Trustee by the Prime Minister in 2008, and has been Chairman of the Tate Modern Advisory Council since 2009. She is responsible for the strategic direction of the Foundation and, along with the other Trustees, has full oversight of all of its ongoing activities and operations.

Mark Devereux and Chris Palmer were appointed by Elisabeth Murdoch in March 2015 to serve alongside her on the board of Trustees. There are no current plans to recruit further Trustees to the board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees' background and experience (continued)

Mark Devereux is the founding member and Senior Partner of the law firm Olswang, and specialises in providing strategic advice to global media companies and their leaders. He has spent his entire career dealing with the creative industries and is currently a Deputy Chairman of the British Screen Advisory Council, having previously held the role of Deputy Chairman of the UK Film Council. He is also one of the founder members of the Global Digital Media and Entertainment Alliance, created to foster active trading relationships between the key media organisations in China and the UK. Mark is ideally placed to support the Foundation in ensuring it continues to operate to the most robust standards of governance and operational excellence.

Chris Palmer was the CEO of the Hesketh Family Office and Trustee on a number of the Family Trusts. In 2009 he joined Ladbroke's Executive team as Corporate Development Director before then joining the Elisabeth Murdoch to run Freeland's Group and associated companies.

Decision-making and how it occurs

The Foundation operates a number of regular reporting processes to ensure that all parties are kept fully informed of the organisation's activities as they progress.

Elisabeth Murdoch and Melanie Cassoff meet on a weekly basis to discuss ongoing programme delivery and funding plans, and to ensure their continued alignment with the overarching organisational strategy. In addition to the above, Ms Cassoff holds formal monthly meetings with Trustee Chris Palmer for a detailed discussion on the day-to-day management, operations and governance of the organisation.

Trustee board meetings occur on a quarterly basis to allow the Trustees to regularly review the progress of the organisation's programmes and its funding; these meetings are formally documented. Additional Trustee board meetings were scheduled in 2015 when required to enable faster decision-making around key project and funding requirements, bringing the total number of board meetings held in 2015 to six.

Policies and procedures for the induction and training of Trustees

Appointed Trustees are provided with background briefing about their responsibilities and the objectives, operations, governance, funding and achievements of the charity. All Trustees are encouraged to take up relevant training, briefings and conferences.

Ms Cassoff has delivered bespoke training sessions for the board of Trustees, with supporting materials provided, outlining both the strategic aims of the Foundation as well as the governance, legal and regulatory standards the Foundation is required to uphold.

Pay and remuneration of key management

Senior management pay is agreed by the board of Trustees and reviewed annually. The core Managing Director role is considered by the Trustees to be comparable with equivalent roles at similar large and more complex grant-makers. In addition to general management responsibilities, the Managing Director is responsible for: (a) managing US and UK compliance and coordinating the Foundation's US and UK boards of Trustees; and (b) using her investment management experience and expertise to advise and support the Trustees in relation to investment management. Remuneration is therefore benchmarked against equivalent Chief Executive roles and adjusted to reflect these additional responsibilities.

Key appointments

Henry Ward joined The Freelands Foundation in April 2015 as Head of Education, following an extensive interview process. Henry Ward is an artist, writer and educationalist and was previously Head of Education at Southbank Centre, before which he was Deputy Head Teacher at Welling School, a Specialist Visual Arts School in south-east London. He founded the alTURNERTive Prize in 2002 and the journal 'æ' in 2011, which focuses on issues in art and education. Henry has been a consultant for BBC Learning and the South London Gallery Teachers' Forum, while in 2013 Henry completed his PhD at Middlesex University. He is currently a Trustee of AccessArt.

Relationships with related parties

The Freelands Foundation's current premises at 34 Park Street, London, W1K 2JD are provided to the organisation as gifts in kind from The Freelands Family Investment Group Ltd, which is owned by a family trust established by Elisabeth Murdoch.

Relationships with related parties (continued)

The Freelands Family Investment Group's operations remain separate and distinct at all times from those of The Freelands Foundation, with no impact on the charity's operating policies.

Elisabeth Murdoch is a Trustee of the Tate, to which the Foundation granted £150,000 during 2015.

Ethical considerations

The Foundation currently only distributes funds to charitable organisations rather than individuals. These organisations are required to serve the public benefit, and it is a requirement of the Foundation that each of these organisations has in place its own ethics policy and equal opportunities policy.

REFERENCE AND ADMINISTRATIVE DETAILS

Day-to-day management and external guidance

To ensure the Foundation draws upon a broad range of expert guidance whilst remaining nimble in its decision making, during 2015 the organisation also employed the consultancy services of five key Advisors who form an Advisory Committee.

These Advisors operate to an agreed job description requiring them to attend quarterly Advisors' meetings, advise on the development of strategy or specific projects, represent The Freelands Foundation at external events or events organised by Freelands Foundation, and evaluate the work of The Freelands Foundation as a 'critical friend'.

Advisors are split into two sub-groups – sector professionals and strategic partners. All Advisor terms are offered on a one-year basis and reviewed annually.

The selection of all of the Foundation's Advisors has been based on the depth of their expertise and the quality of their strategic thinking; in some instances, this relates specifically to their work within the arts sector while in others it relates to general leadership and/or not-for-profit sector experience.

In addition to the above, the Foundation employs the services of law firms Farrer & Co. and The Law Offices of Suzanne Reisman to support the organisation in adhering to its governance and regulatory requirements in the UK and US. The organisation also employs accountancy firm Buzzacott LLP to provide auditing services and ongoing financial consultancy.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and 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 which 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.

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Trustees' responsibilities in relation to the financial statements (continued)

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 *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that 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.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:



Trustee ELISABETH MURDOCH

Approved on: 9 May 2016

Independent auditor's report to the shareholder of The Freelands Foundation Limited

We have audited the financial statements of The Freelands Foundation Limited for the period ended 31 December 2015 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. 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), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charitable company's shareholder, 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 shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's shareholder, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

The Trustees are also the Directors of the charitable company for the purposes of company law. As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' report, the Trustees 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 (APB'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 charitable 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 December 2015 and of its income and expenditure for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial period 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.



Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

10 May 2016

Statement of financial activities Period to 31 December 2015

	Notes	Unrestricted funds 18 March to 31 December 2015 £
Income and expenditure		
Income from:		
Donations and legacies	1	4,090,380
Investments		103
Total income		4,090,483
Expenditure on:		
Charitable activities	2	525,140
Total expenditure		525,140
Net income and net movement in funds	6	3,565,343
Reconciliation of funds:		
Fund balance brought forward at 18 March 2015		—
Fund balance carried forward at 31 December 2015		3,565,343

There were no gains or losses in the period other than those included in the statement above.

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All the Foundation's activities derived from continuing operations during the above financial period.

Balance sheet 31 December 2015

	Notes	2015 £
Current assets		
Cash at bank and in hand		3,855,761
Liabilities		
Creditors: amounts falling due within one year	9	(290,417)
Net current assets		<u>3,565,344</u>
Total net assets		<u>3,565,344</u>
The funds of the charity:		
Capital and funds		
Called up share capital	10	1
Income funds		
Unrestricted funds		
• General fund		3,565,343
Total charity funds		<u>3,565,344</u>

Approved by the Trustees of The Freelands Foundation Limited, Company Registration Number 09497277 (England and Wales) and signed on their behalf by:



Trustee: ELISABETH MURDOCH

Approved on: 9 May 2016

Statement of cash flows 31 December 2015

	Notes	18 March to 31 December 2015 £
Cash inflow from operating activities:		
Net cash provided by operating activities	A	<u>3,855,656</u>
Cash inflow from investing activities:		
Dividends and interest from investments		<u>104</u>
Net cash provided by investing activities		<u>104</u>
Cash inflow from financial activities:		
Issuing of share capital		<u>1</u>
Net cash provided by financial activities		<u>1</u>
Change in cash and cash equivalents in the period		3,855,761
Cash and cash equivalents at 18 March 2015		—
Cash and cash equivalents at 31 December 2015	B	<u>3,855,761</u>

Notes to the statement of cash flows for the period to 31 December 2015

A Reconciliation of net movement in funds to net cash flow from operating activities

	2015 £
Net movement in funds (as per the statement of financial activities)	3,565,343
Adjustments for:	
Dividends and interest from investments	(104)
Increase in creditors	<u>290,417</u>
Net cash provided by operating activities	<u>3,855,656</u>

B Analysis of cash and cash equivalents

	2015 £
Cash at bank and in hand	5,688
Cash held by investment managers	<u>3,850,073</u>
Total cash and cash equivalents	<u>3,855,761</u>

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the period to 31 December 2015.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

No critical estimates or areas of judgement have been noted by the Trustees or management.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises the direct costs of charitable activities and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants, and direct and support costs in respect to the charity's aims on art education and governance costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure including donated services and facilities. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Fund accounting

Unrestricted general funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charitable objectives.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. They include amounts held by the investment manager not yet held for re-investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Notes to the financial statements 31 December 2015

1 Donations and legacies

	18 March to 31 December 2015 Total funds £
Donations	4,000,000
Donated services and facilities (note 3)	90,380
	<u>4,090,380</u>

2 Charitable activities

	18 March to 31 December 2015 Total funds £
<i>Art education</i>	
Grant – The Tate	150,000
Direct costs	99,684
Support costs (note 3)	228,095
Governance costs (note 4)	47,361
	<u>525,140</u>

Direct costs comprise staff salaries, consultant costs and other directly attributable costs.

3 Support costs

	18 March to 31 December 2015 Total funds £
Staff costs	130,240
Office and accounting costs (donated services and facilities (note1))	90,380
Insurance	1,147
Travel and subsistence	1,376
Printing and postage	1,069
Other	3,883
	<u>228,095</u>

4 Governance costs

	18 March to 31 December 2015 Total funds £
Auditor's remuneration	5,400
Legal and professional fees	41,961
	<u>47,361</u>

Legal and professional fees incurred in the period relate to the costs of setting up the Foundation.

5 Staff costs

	18 March to 31 December 2015 Total funds £
Wages and salaries	162,292
Social security costs	20,904
Defined contribution pension costs	4,285
Other employee benefits	585
	<u>188,066</u>

The average number of employees during the period was two.

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the period was as follows:

	2015 Number
£110,000 - £120,000	<u>1</u>

Total employer contribution to defined contribution schemes in respect of employees who earned £60,000 or more during the period amounted to £2,917.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprises the Trustees and the Managing Director. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £117,252.

6 Net income

This is stated after charging:

	18 March to 31 December 2015 £
Auditor's remuneration (including VAT)	
• Statutory audit	3,600
• Non-audit services	1,800

7 Trustees' expenses and remuneration

None of the Trustees received any remuneration in respect of their services, nor reimbursement of expenses during the period.

8 Taxation

The Freelands Foundation Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

9 Creditors: amounts falling due within one year

	2015 £
Accruals	28,427
Trade creditors	898
Short term loan	260,000
Other creditors	1,092
	<u>290,417</u>

The £260,000 loan from a Trustee is interest free and repayable on demand (see note 13).

10 Called up share capital

	Allotted, called up and fully paid 2015 £
Ordinary shares of £1 each	<u>1</u>

11 Reconciliation of movements in shareholder's funds

	2015 £
Net movement in funds in the financial period	3,565,342
New share capital subscribed	1
Opening shareholder's funds at 18 March 2015	—
Closing shareholder's funds at 31 December 2015	<u>3,565,343</u>

12 Ultimate holding company and control

The charitable company is wholly owned by The Freelands Foundation, a US tax-exempt charitable organisation, and was founded to carry out the work of that entity in the UK.

The activities of the Foundation are controlled by the Trustees of the Foundation.

There were no transactions with the holding company during the period.

13 Related party transactions

One of the Trustees of the Foundation during the year was also Director of The Freelands Family Investment Group which has provided donated services and facilities to the Foundation. These include the provision of office space and the services of an accountant.

These services have been valued not at market value to the charity but instead at what the Foundation would pay in an open market for a reasonable alternative.

	2015 £
Use of office building	24,000
Use of accountant	11,000
Direct costs incurred on behalf of the charity	55,380
	<u>90,380</u>

During the year, Elisabeth Murdoch, one of the Trustees, donated £4 million to the Foundation to be used in line with the Foundation's aims and objectives. An initial loan of working capital of £260,000 was also due to her at 31 December 2015.

Elisabeth Murdoch is a Trustee of the Tate to which the Foundation granted £150,000 in the period.