

**HAMPSHIRE CULTURAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

**Charity number: 1158583
Company number: 08986225**

Hampshire Cultural Trust
Company number: 08986225

Contents

Trustees' report (incorporating the Directors' report)	1
Independent auditors' report to the members and trustees	16
Consolidated Statement of financial activities	20
Consolidated Balance sheet	21
Trust Balance sheet	22
Consolidated Cashflow statement	23
Notes to financial statements	24

Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

Reference and Administrative details

Company registered number	08986225
Charity registered number	1158583
Registered office and principal address	Chilcomb House, Chilcomb Lane, Winchester SO23 8RD
Contact number	01962 678140
Website	www.hampshireculture.org.uk
Directors and trustees	Alan Lovell (Chairman) Emma Back Rachel Bebb Robert Boyle Peter Cardy OBE Yinnon Ezra MBE Roy Perry Michael Southgate James Winkworth Anna Blackman (appointed 25 Sept 2020) Paula Ferguson (appointed 25 Sept 2020, resigned 19 May 2021) Lucille Thompson (appointed 30 July 2021) Helene West (appointed 25 Sept 2020)
Company Secretary	Victoria Donkin (appointed 25 Sept 2020)
Chief Executive	Paul Sapwell
Auditors	Azets Audit Services Carnac Place, Cams Hall Estate, Fareham PO16 8UY
Principal Bankers	Natwest Bank 105 High Street, Winchester SO23 9AW
Solicitors	Paris Smith LLP 11 London Road, Southampton SO15 2AE

Trustees' Report

Report of the trustees (incorporating the Directors' report) for the year ending 31 March 2021

The trustees are pleased to present their annual report together with the consolidated financial statements of Hampshire Cultural Trust ("the trust") and its one subsidiary, Hampshire Cultural Trust Trading Limited ("the trading company"), for the year ending 31 March 2021.

The trustees (who are also directors of Hampshire Cultural Trust for the purposes of company law) are responsible for preparing the Trustees' Annual 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent; 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 adequate 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Chairman's report

At the start of 2020-21, I could not have envisaged how the year would unfold. The impact of the COVID-19 pandemic has been devastating on so many levels, especially in the cultural sector. Yet during this tumultuous period, arts and heritage organisations have responded in an inspirational way. I firmly believe that culture plays a crucial role in uplifting our spirits and sustaining our wellbeing: this has never been so evident as in the past 12 months.

Our venues were closed for 37 weeks during the year, opening at the very first opportunity after each lockdown. We adapted rapidly to welcome visitors, putting in place carefully planned and managed safeguards such as advance booking, capacity limits, one-way systems, new signage and protective equipment to help ensure the safety of our staff, volunteers and visitors.

Trustees' Report

At a time of great isolation for many, we were determined to bring culture directly into people's homes. Soon after closing our doors in the spring, we moved many of our activities online, providing both live and pre-recorded classes in diverse subjects such as dance, drama, meditation, visual art and even ceramics. More than one thousand people took part in online courses throughout the year. We were also still able to deliver a limited range of social impact programmes, working with over 300 vulnerable people online, and over 200 face to face.

We launched Culture on Call, our digital publication, just nine working days after the first lockdown began, so that we could continue to deliver first-class cultural experiences, all online. With regular and frequent articles – all written by our team – it features 'archive dives', online exhibitions, artist profiles, spotlights on collections, and activities to support families. The magazine's rich depth of content will continue to engage audiences as we move forward.

Despite the pandemic, work continued on major projects, including the creation of Mr Simpson's Teddy Bear Museum, a home for the legacy of more than 250 teddy bears left by Bill Simpson, and a new rejuvenated Pier attraction, both at Milestones Museum. At Gosport Old Grammar School, plans are in place for redevelopment to begin in October 2021, with the new Gosport Museum and Art Gallery opening to the public in late May 2022. We are delighted to have strengthened our partnership with Hampshire County Council at Winchester Discovery Centre, where we will take over full responsibility for both cultural programming and operations from early 2022.

During the year, we received two grants from the government's Culture Recovery Fund: we are extremely grateful to DCMS and Arts Council England for making this essential support available. The financial impact of the crisis has been significant, and we face an extraordinarily challenging year ahead. However, our past success in building up financial reserves, combined with the government support we have received, will help us to mitigate the losses that we will inevitably make in 2021-22.

This year has pushed us all to our limits. The team of staff and volunteers at Hampshire Cultural Trust has been our most valuable resource and I am immensely proud of the commitment and agility they have demonstrated. I want to acknowledge their achievements in such uncertain times: their continuing resilience and creativity will carry us forward into the coming year. I would also like to thank our partners, funders, donors and visitors for supporting our work during 2020-21, and look forward, as we all do, to a gradual return to normality in our venues, communities and society as a whole. Without a doubt, culture will be at the very heart of this recovery.

STRATEGIC REPORT

Achievements and performance

Highlights of our achievements and performance are explained in relation to our strategic goals.

GOAL ONE

To provide high-quality programmes and venues that engage diverse audiences and inspire local pride

- With our venues closed for a total of 37 weeks, and audiences unable to visit our venues, the team was determined to take as much work as possible online. Culture on Call, our online magazine, was launched just nine working days after the first lockdown began in response to the urgent need to keep connected with our audiences. We published creative, engaging multi-media content showcasing the

Trustees' Report

scope and diversity of our physical offer. From editorial on our collections and exhibitions, to initiatives aimed at the most vulnerable people in our communities, we repurposed our programme on a digital platform

- Despite the closure of our venues, we welcomed 63,754 visitors through our doors and our total digital engagement, which includes a combination of website sessions and social media impressions, was 8.5 million
- Throughout the year, we answered 632 public enquiries about our collections and helped to protect the archaeology of Hampshire, recording over 400 metal detecting finds. We also transferred 120,000 digital images of our historic collections to a digital asset management system where they are backed up and stored for the long-term future
- Our PR programme secured 413 pieces of positive publicity. Media coverage included BBC South, ITV Meridian, *The Times*, *The Telegraph* and *The Sunday Times*
- Our physical programme opened with *Wildlife Photographer of the Year 2019* in The Gallery, Winchester Discovery Centre. With lockdown, *The Sunday Times* Watercolour Competition Exhibition at the Willis Museum was only open to the public for three weeks. In response, the team developed our first 360-degree virtual tour of the exhibition and sold prints of high-resolution photography via a successful online shop
- October saw the opening of the exhibition *Bodies: Inner/Outer Worlds* at The Gallery, Winchester Discovery Centre. Andy Singleton, a leading UK artist, was commissioned to create breath-taking paper-cut installations specifically for the venue. The exhibition was complemented with rich digital content tracking the artist's creative process during lockdown
- The exhibitions previously planned for City Space at Winchester Discovery Centre in the spring were moved online. *The Mayor's Choice Exhibition 2020*, and the annual Winchester Photographic Society Exhibition of 200 photographs were both serialised in three and six episodes respectively
- City Space also hosted Andrew Carnie's *The Winter Tree*, an installation portraying his recent scientific research into the human brain, and later in the year, *The Construction of Truth* by award-winning conceptual photographer Alexandra Lethbridge
- The exhibition *Microsculpture* toured to the Willis Museum and Gosport Gallery, presenting the trust's insect specimen collection alongside stunning and vivid macro-photography of a range of insect species
- At Milestones Museum, careful restrictions and social distancing allowed planned ticketed events to go ahead, including the annual Christmas Market weekend, a vintage market to celebrate VJ Day and a steampunk extravaganza
- Two new permanent exhibitions were installed at Milestones Museum. A Victorian seaside pier has been recreated with an interactive Penny Arcade, a collection of vintage arcade machines from across the twentieth century, and Mr Simpson's Teddy Bear Museum, featuring more than 250 teddy bears bequeathed by the late Bill Simpson. This significant restoration project was shortlisted in the Restoration or Conservation Project of the Year category in the Museum and Heritage Awards for 2021
- With most events at Basing House either cancelled or postponed, new initiatives such as outdoor cinema screenings and a bank holiday market proved popular. Our new adventure assault course at

Trustees' Report

Aldershot Military Museum opened in July, boosting admissions income by 100% from the previous year

- Our three arts centres continued to provide high-quality cultural experiences whilst ensuring that as many people as possible could still access our programme safely. Online live and pre-recorded classes were popular all year, with over a thousand people taking part. Highlights included a Wellbeing Day at Forest Arts, and the underground music and arts event, Westival was livestreamed from the West End Centre with approximately 2,000 views
- In the late summer, we took our arts programme outdoors, hosting Shakespeare from the Handlebards and live music at Rockbourne Roman Villa. In partnership with The Land Trust, Blackwater Valley Countryside Partnership and the Conservation Volunteers, the Handlebards also performed at Wellesley Woodlands in Aldershot
- Our schools programme had to adapt to an environment where visits to museums were not possible, so providing digital resources to schools became a key focus. Our SEARCH educational service in Gosport, although not able to welcome school visits onsite for much of the year, continued to offer loans boxes for hire throughout lockdowns and piloted some virtual school sessions. The team at Milestones Museum created videos, downloadable lesson plans and provided information about online collections, all made freely available to schools and those educating at home. The team also participated in the Hampshire Cultural Education Partnership, a collaboration of 13 Basingstoke organisations providing virtual cultural experiences and opportunities to children and young people

GOAL TWO

To improve wellbeing, health and happiness through cultural experiences

Horizon 20:20

Funding from the Paul Hamlyn Foundation (£111,000) and Garfield Weston Foundation (£20,000) enabled this programme to continue to support some of Hampshire's most disadvantaged young people in non-mainstream education. Working closely with artists and teachers, the team developed the programme to provide ongoing access to arts engagement, focused wellbeing sessions and support for young people to achieve qualifications during the year. With a new focus on Continuing Professional Development for teachers, the team provided creative wellbeing sessions for staff and trained artists to work effectively with students impacted by trauma.

Create and Connect

This arts intervention programme supported by the Youth Endowment Fund targeted young people at risk of becoming involved in violent crime during lockdown. Collaborating with support workers, the team delivered 'creative boxes' full of arts resources and activities to young people at home to provide a series of online, artist-led sessions. The project reached 143 vulnerable young people, with participants showing evidence of increased confidence, improved skills and positive relationships with peers and trusted adults.

Basingstoke Peace Project

In the summer, the team collaborated with the Police and Crime Commissioner's Youth Commission on a sculpture project with the subject of knife crime. With support from the Youth Offending Team, Ashwood Academy and Basingstoke YMCA, young people in Basingstoke worked with professional sculptor Jono

Trustees' Report

Retallick, learning new skills and working on a sculpture, *Reveal/Conceal*. The work will be installed in central Hampshire locations, and will be used as the basis for knife crime workshops in schools across the country.

Brighter Futures

Funded by Hampshire County Council's Adult Community Learning, Brighter Futures partners with local health and community providers and Recovery Colleges to support adults with mental health needs, helping them to grow in confidence, develop emotional resilience and combat isolation. Participants either self-refer or are referred by Wellbeing Centres and social prescribing networks. They can attend courses such as poetry for wellbeing, needle-felting and arts journalling. In April 2020, the programme was taken online to reach people during lockdown, and the team have worked with just under 300 participants on 30 courses over the year.

Creative Wellbeing: Military Heritage

Aimed at veterans who have received clinical treatment for PTSD, the programme at Aldershot Military Museum offers a safe, non-clinical community space for continued recovery once participants have been discharged. Veterans handle objects from the museum's collection to explore memories, past experiences and hopes for recovery. Following the COVID-19 outbreak, the team moved the programme online, welcoming regular participants as well as newcomers. The online sessions were funded by the Ministry of Defence Covenant Fund Forces Communities Together Programme.

Still Strolling

Following lockdown and with funding from the National Lottery Heritage Fund, the team at the Red House Museum developed a new digital app to continue engagement with people living with dementia and their carers. With physical dementia-friendly health walks not possible, the team developed a downloadable weekly activity pack giving local people the opportunity to enjoy these accessible, heritage-based walks in their own time within their household or bubble.

Investing in Communities

In September 2020, a new online programme started in partnership with the charity Energise Me, with funding from Sport England, to support adults with mental health issues. Through our existing partnership with the North East Hampshire Recovery College, we ran online courses in seated yoga and dance for people referred through the college.

Reaching Out!

Completing its fifth year, Reaching Out! is a North Hampshire Museum Education Partnership between four of our museums, two external partners and The Science Museum. The project, funded by Arts Council England and the Department for Education, continues to reach out to schools in North Hampshire that have above average indices of deprivation. Despite venue and school closures, the project reached 205 students from three target schools with a 10% Pupil Premium or higher, plus 33 schools from areas of low engagement with culture. Arts Award Discover was completed by 68 young people.

Trustees' Report

GOAL THREE

To deliver a sustainable future for culture in Hampshire, contributing to the local economy and building stronger communities

- COVID-19 has significantly changed the fundraising landscape. In response to this, the trust developed an interim fundraising strategy with the following themes for investment: connecting communities through culture; helping Hampshire get back on its feet; aiding regeneration; and working with disadvantaged and vulnerable groups impacted by the COVID-19 crisis
- We secured £2,231,515 in grants and donations, including £480,000 from the Culture Recovery Fund. With the addition of Gift Aid, a total of £2,276,857 in fundraised income was secured
- Contactless donation units have been installed at all of our venues and successful community fundraising campaigns have taken place at Bursledon Windmill and the Allen Gallery
- We made progress on the redevelopment of Gosport Old Grammar School, with the majority of funding now confirmed. A planning application has been submitted, and plans are in place for redevelopment to start in October 2021
- The trust was appointed as lead partner for the Gosport Cultural Consortium. This group of six local organisations worked alongside Gosport Borough Council to prepare a pilot programme of cultural activity to complement the High Street Heritage Action Zone (HSHAZ) scheme
- We successfully introduced admission charges at City Museum and Westgate Museum in Winchester. The first year of ticketed admission has provided valuable data and insight into visitor behaviour which will inform our future plans
- Hampshire County Council and Hampshire Cultural Trust agreed in principle to implement a new operational model for the Winchester Discovery Centre from February 2022. All cultural aspects and operational management of the building will transfer to the trust to create an expanded, culturally led venue for Winchester's community
- We are committed to reducing our environmental impact and have formed an Environmental Steering Group that has developed an action plan to help realise a zero-carbon strategy through reducing our energy consumption. We have embedded the need to promote climate action and engagement as part of our programming strategy
- A community consultation took place for the Allen Gallery in Alton and findings will feed into our plans for a potential redevelopment of the gallery in the future
- We undertook an options appraisal for the potential redevelopment of Eastleigh Museum. Funded by South Western Railway and working with Oxford Cultural Associates, this included a full community consultation programme to gather feedback and ideas for the future of the museum within the town
- In 2020-21 the team completed *Culture: Impact*, an organisational development project funded by the National Lottery Heritage Fund. This project focused on the creation of easy-to-use tools to help staff plan, measure and articulate our organisational impact so we can better prioritise our work, invest our resources, fundraise for further support and advocate for the change we help create

Trustees' Report

GOAL FOUR

To create fulfilling employment and volunteering opportunities through culture

- Our most valuable resource is our team of 214 staff and 400 volunteers. Throughout a year of uncertainty, we have supported our employees by enhancing the salaries of furloughed employees to 100%, maintaining regular and frequent communication and supporting remote and flexible working. We have given guidance and training about returning to the workplace as well as workshops about personal resilience for staff and volunteers
- We took part in the Best Companies employee survey for the first time and achieved positive results, particularly in the areas of Wellbeing, Fair Deal and My Company
- Despite the uncertainty created by the pandemic, we continued to recruit during lockdown and successfully onboarded 22 new employees remotely
- We selected and populated a new people management software system that will enhance our employee experience, modernise our processes and improve data quality and reporting capabilities

Our Supporters

Hampshire Cultural Trust is very grateful to all of our supporters who have contributed to our activities during the year. This includes a number of other Trusts, Foundations and statutory bodies in addition to individual donors and friends groups.

Financial review

Due to the closure of our venues, income from charitable activities has reduced by 80% from £1,645,581 to £321,785. However, when we were able to open during 2020-21 trading income has been strong. Admissions yield outperformed previous years due to a higher percentage mix of new visitors and despite restrictions our retail and catering spend per head has increased.

This trading performance is in part due to investments made last year to the retail and catering areas in Milestones. The board had committed to continue this investment in our venues and this year work was completed on the new Teddy Bear Museum and Pier attractions at Milestones. These new attractions will contribute to our continued financial resilience.

Hampshire Cultural Trust Trading Limited is showing a profit for the year of £79,989. The available taxable profits of the trading company will be Gift Aided to the trust during the next financial year.

The principal source of funding remains with our founding members Hampshire County Council and Winchester City Council, contributing 44% to income (41% in 2019-20). Other local authority income contributed 7.4%.

During 2020-21, the trust has benefitted from government support through business grants and the CJRS Furlough scheme. Alongside this, the trust was successful in securing funding through both rounds of the government's Culture Recovery Fund. In total this support has totalled £1,614,270.

Other grant income relating to funded projects has reduced in comparison to prior years. This is due to delays to some of our social impact projects as a result of COVID-19 restrictions. Information on the projects and government support received can be read in note 20 to the financial statements.

Trustees' Report

This year the board approved the use of accumulated reserves for capital investment projects across our venues. We have invested in the Teddy Bear Museum and Pier attractions at Milestones and the Gosport Old Grammar School development project. At the start of the pandemic the board also agreed to set funds aside to support the reopening of our venues, in total a capital investment in excess of £300,000.

The trust achieved a consolidated surplus for the year to 31 March 2021 of £419,810 (2020: £293,179). The trust's total reserves at 31 March 2021 were £2,346,613 (2020: £1,926,803).

Due to the surplus achieved in the year, our closing cash position has increased to £2,068,150 (2020: £1,832,115), an increase of £236,035. The increase in cash in the year is largely derived from an increase in restricted funds held.

Unrestricted net assets are £1,757,715 (2020: £1,470,305). £1,505,754 is held as net current assets and available for immediate use as free cash reserves.

The trustees consider that the trust and its trading subsidiary continue to be a going concern.

Committed funds from our founding local authorities through to 31 March 2023 provides reassurance as to the basis of going concern, even through this time of difficult trading. Management have produced cash flow forecasts for these periods, which demonstrate that there are adequate reserves to continue to operate for the foreseeable future, and for at least 12 months from the date of this report.

The trustees are pleased to report that with income committed from core funders, and trading income on reopening, our reserves remain sufficient to support activities going forward.

Reserves Policy

The trust holds reserves primarily to protect itself from the impact of unexpected variations in income and expenditure. Significant variations in income may arise, for example, from a major incident at the trust's main income-generating venue, or through delays in receipt of project grants, or a global pandemic, such as the one we have experienced through FY2020-21. In addition, an incident such as a fire may result in additional costs being incurred, which the trust may have to finance from its own funds before any recovery from third parties.

The trustees have reviewed the trust's reserves policy to reflect the maturity of the trust. Under the reserves policy:

- The trust's reserves comprise the unrestricted funds excluding fixed assets at the financial year-end
- The trust does not hold reserves to protect it from the impact of non-payment of local authority grant income as the amounts and receipt are notified well in advance, and risk of non-payment is considered low
- The trust does hold reserves to guard it against the impact of an unexpected decline in non-local authority income, or of having to incur a level of expenditure which exceeds the amounts budgeted or planned
- The target level of reserves for the trust is based on one quarter of the amount by which annual budgeted expenditure exceeds the core local authority grant funding

Under this policy, bearing in mind Charity Commission guidance, the trustees consider an appropriate level of reserves to be approximately £1,000,000, although significant variations may arise year to year. As at 31 March 2021, the group's total unrestricted funds were £1,757,715 which after fixed assets (£251,959)

Trustees' Report

equates to reserves of £1,505,754. The trust also held £588,898 restricted reserve of which £128,450 relates to restricted tangible fixed assets. As above, the free cash reserves are £1,505,754; the accumulation of this level of reserves reflects the prudent financial management of the trust and has protected the trust from the effects of closure due to COVID-19. This has enabled the trust to adapt and respond to the current pandemic, and to continue to invest for the future.

The trust is continuing to invest in its portfolio, its infrastructure and its people. These investments will continue to enhance the revenue generation of the venues and activities of the trust; to ensure a more diverse and resilient portfolio of funding sources; and to maintain the level of reserves in line with the trust's reserves policy. During the year, the trustees have agreed to designate some of the unrestricted funds for projects, as shown in note 21 to the financial statements. A total of £405,000 is designated for committed projects, leaving unrestricted funds available for the core operating activities. The designated funds at 31 March 2021 relate to future income generating projects.

The trust's reserves policy will continue to be reviewed on an annual basis.

Principal Risks

The trust continues to develop its framework for risk management. Risk management is focused on identifying significant risks, which are inherent within the trust's activities, structure, and funding; and mitigating the potential impact of these risks through the trust's operating and investment programme, management actions, and conventional risk mitigation such as insurance. A full risk register is regularly reviewed and discussed by the Leadership Team and with the Finance, Investment and Audit Committee. An abridged risk register is reviewed by the board on an annual basis.

The principal strategic, financial and operational risks which are inherent in the trust's activities, structure and funding relate to the impact of:

- reductions in the level of ongoing funding from local authorities, and the trust's ability to secure adequate and sustainable alternative sources of funding
- failure to control costs leading to lack of cash or inability to support operational needs
- inadequate safeguarding arrangements leading to young/ vulnerable persons being harmed while taking part in HCT Programmes
- impact of unexpected variations of income and expenditure, such as fire, flood, global health pandemic or other significant event

These risks are mitigated or managed through the design and implementation of the trust's work programme. This includes:

- delivering an ambitious programme of events, activities and projects to include active strategic and operational engagement and partnership-working with local authority representatives at both operational and financial levels
- continual improvement in operations and financial management, enabling the trust to deliver its operational programme within approved financial budgets, whilst maintaining the planned level of reserves
- ongoing development of staff and employment policies to meet current requirements and best practices

Trustees' Report

- safeguarding policies to be reviewed and issued, DBS checks for all staff involved in regulated, unsupervised activity as highlighted in the safer recruitment policy
- holding the appropriate level of reserves as detailed in the reserves policy
- continual development of the operational risk register with a wider scope and frequent monitoring

The trust will continue to develop its risk management framework and regularly review its related policies and procedures.

Plans for future periods

- 2021-22 will be a period of rebuilding and recovery for everyone. We remain committed to our ambition to place culture at the heart of social and economic change and aim to demonstrate the positive impact that our programmes, projects and partnerships have on people's wellbeing, health and happiness. Our organisational goals will continue to focus on social impact, the quality of our offer, achieving financial resilience, and our people
- With travel restrictions expected to be in place for some time, we are optimistic that visitor numbers will return quickly, and we will focus on activity to encourage audiences back to our venues
- Milestones Museum will launch the newly installed Teddy Bear Museum and Milestones Pier, which will be officially opened by Caroline Dinenage, Minister of State for Digital and Culture
- Our exhibition programme will include *Raymond Briggs: A Retrospective* at The Gallery, Winchester Discovery Centre. On tour from House of Illustration, it is the first ever show dedicated to Briggs, who has created some of the most popular and influential children's books and graphic novels ever published
- Photographer Paul Joyce will celebrate his long and illustrious career spent in the company of stars such as David Hockney, Dennis Hopper and Sophia Loren when he returns to his home city for a retrospective show at The Gallery, Winchester Discovery Centre
- The British Museum touring exhibition *Living with Art: Picasso to Celmins* will showcase highlights from the Alexander Walker Bequest. The show will feature works by Matisse, Freud, Hockney and Picasso
- *A Ravilious Alphabet* will explore the career of Eric Ravilious, arranging a diverse selection of key watercolours, prints and books according to themes dear to this enigmatic artist and designer
- Exhibitions in the Sainsbury Gallery at the Willis Museum, Basingstoke will include *Matisse: Drawing with Scissors* and *Tolkien: The Magic of Middle-earth*
- In 2022, we intend to launch a cutting-edge project, working in partnership with leading virtual and augmented reality specialists. Combining real-world locations in Winchester and recreations of the past, this exhibition, the first of its kind in the UK, will create extraordinary immersive experiences. By attracting residents and visitors to Winchester city centre, the exhibition will also contribute to regeneration plans and bring wider benefits to the local economy
- Our work within the Criminal Justice System will recommence in early 2021-22 with our programme in HMP Winchester and our work with women and men on probation

Trustees' Report

- Following the community consultation and options appraisal process at the Allen Gallery in Alton and Eastleigh Museum, redevelopment plans will be finalised for both sites and fundraising campaigns started
- We will continue our community fundraising campaign to repair the sails at Bursledon Windmill, and our social impact work based in our community museums, will restart. Projects such as the Resilience Garden and Veterans' Hub at Aldershot Military Museum and The Industrious Minds project, funded by the National Lottery Heritage Fund, will work with young people in Eastleigh to explore the future of Eastleigh Museum and the role of industry in the town
- We will launch a programme enabling donors to make regular gifts via direct debit, and later in the year will introduce a membership scheme offering discounts on admission, café and retail products
- We will take on responsibility for the management and cultural programming of the Winchester Discovery Centre in early 2022
- Our work on the transformation of Gosport Old Grammar School into Gosport Museum and Art Gallery will continue, with the redeveloped venue opening to the public in May 2022
- We will work towards joining Arts Council England's new National Portfolio group of regularly funded arts organisations, museums and libraries with the application process starting in January 2022
- We will develop an equity, diversity and inclusion strategy for our workforce and our audiences, making our work more relevant and accessible to the communities we serve
- We will continue promoting climate action and engagement through our cultural programme and working with the charity Julie's Bicycle to carry out energy audits at our venues. We will track our energy consumption with a view to achieving a quantifiable reduction in our carbon footprint
- We will embed our values throughout the employee lifecycle by enhancing our benefits, family-friendly policies and terms and conditions of employment
- We will build on the positive results of the Best Companies employee survey and take part in their formal accreditation process in late 2021
- We will continue to lay the foundations and make progress towards accreditation of our volunteering experience through *Investors in Volunteers*

Structure, governance and management

Hampshire Cultural Trust was founded jointly by Hampshire County Council (HCC) and Winchester City Council (WCC) and is incorporated as a company limited by guarantee, and is registered with the Charity Commission.

The trust is governed in accordance with its Articles of Association for a Charitable company (the Articles of Association were last amended by a special resolution on 25 September 2020). Copies can be obtained from the trust's registered address.

The trustees' liability is limited by guarantee. The trust pays for indemnity insurance on behalf of the trustees.

The trust has one wholly-owned trading subsidiary, Hampshire Cultural Trust Trading Limited ("the trading company"). The objective of the trading company is to generate income to support the charitable objectives

Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

of the trust. It carries out commercial activities that complement the charitable objectives of the trust. The trading company will pay an amount equal to its distributable reserves each year to the trust under the Gift Aid scheme.

Appointment of trustees

Members elected to serve on the board of trustees have a dual role as a trustee of the charity and as a director of the company. There can be no fewer than three, and no more than sixteen trustees. One trustee is appointed by HCC and one trustee is appointed by WCC. The remaining trustees are appointed by the board of trustees and serve for an initial term of up to four years, and a maximum if reappointed, of eight years. To ensure that the board is sufficiently skilled to carry out its responsibilities, it carries out a skills analysis of existing members before new ones are appointed.

The trustee recruitment, selection and induction process is guided by Charity Commission guidance. As a matter of course, all trustees are provided with relevant publications, such as *The essential trustee: what you need to know, what you need to do (CC3)*, in addition to the charity and trading subsidiary's governing documents, trustee role description, policies and procedures relevant to the role. Due diligence is completed and declarations of eligibility confirmed, as required.

The HR and Remuneration Committee oversees the recruitment process for trustees and the induction process is led by the Company Secretary, in consultation with the Chair of the board, Chair of the HR and Remuneration Committee, Chief Executive and Head of People.

Management and decision making

The board of trustees is the strategic decision-making body of the charity and is responsible for ensuring the charity's objective are achieved and its plans are implemented. Day to day management of the trust and the trading company is delegated to the Chief Executive in accordance with the trust's Scheme of Delegation.

The board generally meets six times per year to review strategy, operational plans and performance, and to endorse key management decisions. It is helped in its work by trustee-led standing committees – the Finance, Investment and Audit Committee, HR and Remuneration Committee and the Collections Committee.

Remuneration policies

In examining and awarding executive pay, the trust uses as benchmarks a variety of data sources including publicly advertised vacancies and disclosed information for similar positions within the sector and region. Recruitment to Executive Leadership Team positions is led by the Chief Executive in consultation with the Chairman, in accordance with the trust's Scheme of Delegation. The HR and Remuneration Committee oversees the development of employment related policies across the trust.

All members of the board of trustees are volunteers and have no beneficial interest in the charity or group. Any trustee expenses reclaimed from the charity are set out in the notes to the financial statements.

Funds held as custodian trustee on behalf of others

In accordance with the trust's governing document, the Management and Funding Agreement with both of our founder local authorities (Hampshire County Council and Winchester City Council), the trust is the

Trustees' Report

custodian of historic assets and properties on their behalf. These assets are held separately from those of the trust and are recorded on Modes, a catalogue system. These are detailed in note 27 to the financial statements.

Fundraising standards information

The trustees are committed to an ethical approach to our fundraising activity and have an ethical fundraising policy in place. The trustees are grateful to receive voluntary donations from supporters either via our website or at our venues or via other giving platforms. The trust carefully monitors preferences of our donors and subscribers to ensure that there are no unsolicited fundraising campaigns. The trust is registered with the Fundraising Regulator and abides by the Code of Fundraising Practice. Our fundraising activity is overseen by the Director of Marketing and Fundraising.

Statement of trustees' responsibilities

The board of trustees (who are also directors of Hampshire Cultural Trust for the purposes of company law) is responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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 company and of the incoming resources and application of resources, including the income and expenditure, of the 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 method and principles of the Charities SORP
- make judgements and estimates on a reasonable and prudent basis
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

Auditors

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small Companies Disclosure

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime in Part 15 of the Companies Act 2006. The trustees confirm that this Report and Financial Statements complies with current statutory requirements, the Statement of Recommended Practice: applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (as amended for accounting periods commencing 1 January 2016) and with the trust's Articles of Association for a Charitable Company.

Approved by the trustees and signed on their behalf by:


.....

Alan Lovell
Chairman

Date: 30 July 2021.....

Independent Auditor's Report to the members and trustees of Hampshire Cultural Trust

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the

Independent Auditor's Report to the members and trustees of Hampshire Cultural Trust

other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the members and trustees of Hampshire Cultural Trust

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- reviewing minutes of meetings of those charged with governance;
- assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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

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

Hampshire Cultural Trust
Company number: 08986225

Independent Auditor's Report to the members and trustees of Hampshire Cultural Trust

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Zara Hogg FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services (Statutory Auditors)
Carnac Place
Cams Hall Estate
Fareham
PO16 8UY

Date: *18 November 2021*

**Consolidated Statement of financial activities
(incorporating the income and expenditure account)**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income from:							
Grants and donations	2	4,630,887	513,602	5,144,489	3,440,802	669,424	4,110,226
Income from charitable activities	3	321,785	0	321,785	1,645,581	0	1,645,581
Income from other trading activities:							
- income of trading company	4	314,692	0	314,692	838,362	0	838,362
Investment income	5	6,474	0	6,474	11,897	0	11,897
Other income	6	174,694	3,333	178,027	273,967	527	274,494
Total income		<u>5,448,531</u>	<u>516,935</u>	<u>5,965,467</u>	<u>6,210,609</u>	<u>669,951</u>	<u>6,880,560</u>
Expenditure on:							
Cost of raising funds:							
Fundraising and publicity	7	95,425	0	95,425	156,346	0	156,346
Expenses of Trading Company	4	234,702	0	234,702	502,043	0	502,043
Expenditure on charitable activities	8	4,748,855	466,675	5,215,530	5,328,548	600,444	5,928,992
Total expenditure		<u>5,078,982</u>	<u>466,675</u>	<u>5,545,657</u>	<u>5,986,937</u>	<u>600,444</u>	<u>6,587,381</u>
Net income / (expenditure)		369,549	50,261	419,810	223,672	69,507	293,179
Transfer between funds		(82,139)	82,139	0	(25,320)	25,320	0
Net movement in funds		<u>287,410</u>	<u>132,400</u>	<u>419,810</u>	<u>198,352</u>	<u>94,827</u>	<u>293,179</u>
Reconciliation of funds:							
Total funds brought forward		<u>1,470,305</u>	<u>456,498</u>	<u>1,926,803</u>	<u>1,271,953</u>	<u>361,671</u>	<u>1,633,624</u>
Total funds carried forward		<u>1,757,715</u>	<u>588,898</u>	<u>2,346,613</u>	<u>1,470,305</u>	<u>456,498</u>	<u>1,926,803</u>

All recognised gains and losses are included in the statement of financial activities.

All transactions are derived from continuing activities.

Consolidated Balance Sheet
as at 31 March 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		<u>380,409</u>		<u>279,829</u>
			380,411		279,831
Current assets					
Stock	14	110,123		97,525	
Debtors	15	397,813		467,072	
Cash at bank and in hand		<u>2,068,150</u>		<u>1,832,115</u>	
		2,576,086		2,396,712	
Creditors: amounts falling due within one year	16	<u>(609,884)</u>		<u>(749,740)</u>	
Net current assets			<u>1,966,202</u>		<u>1,646,972</u>
Net assets	17		<u><u>2,346,613</u></u>		<u><u>1,926,803</u></u>
Funds					
Unrestricted funds:					
General unrestricted funds		1,352,715		1,140,305	
Designated funds	18	<u>405,000</u>		<u>330,000</u>	
			1,757,715		1,470,305
Restricted funds	18		<u>588,898</u>		<u>456,498</u>
Total funds			<u><u>2,346,613</u></u>		<u><u>1,926,803</u></u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the board on 30 July 2021 and signed on its behalf by:



AC Lovell
On behalf of the board of trustees

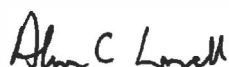
Trust Balance Sheet
as at 31 March 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		303,294		176,185
Investments	13		<u>1,000</u>		<u>1,000</u>
			304,296		177,187
Current assets					
Stock	14	0		0	
Debtors	15	473,657		451,015	
Cash at bank and in hand		<u>2,066,377</u>		<u>1,779,159</u>	
		2,540,034		2,230,174	
Creditors: amounts falling due within one year	16	<u>(588,382)</u>		<u>(827,301)</u>	
Net current assets			<u>1,951,653</u>		<u>1,402,873</u>
Net assets	17		<u>2,255,949</u>		<u>1,580,060</u>
Funds					
Unrestricted funds:					
General unrestricted funds		1,262,051		793,562	
Designated funds	18	<u>405,000</u>		<u>330,000</u>	
			1,667,051		1,123,562
Restricted funds	18		<u>588,898</u>		<u>456,498</u>
Total funds			<u>2,255,949</u>		<u>1,580,060</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

As permitted by s408 of the Companies Act 2006, the Trust has not presented its own statement of financial activities (incorporating the income and expenditure account) and related notes. The Trust's surplus for the year was £675,889 (2020 – surplus of £209,070).

The financial statements were approved by the board on 30 July 2021 and signed on its behalf by:



AC Lovell
On behalf of the board of trustees

**Consolidated cashflow statement
for the year ended 31 March 2021**

	Group 2021 £	Group 2020 £
Cash flows from operating activities:		
Net cashflow from operating activities	458,662	633,121
Cash flows from investing activities		
Bank interest received	6,474	11,897
Purchase of fixed assets	<u>(233,508)</u>	<u>(334,441)</u>
Cash used in investing activities	<u>(227,034)</u>	<u>(322,544)</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>236,034</u>	<u>310,575</u>
Cash and cash equivalents at the beginning of the year	<u>1,832,115</u>	<u>1,521,540</u>
Total cash and cash equivalents at the end of the year	<u><u>2,068,150</u></u>	<u><u>1,832,115</u></u>

Reconciliation of Changes in Resources to Net Cashflow From Operating Activities

Net income for the year		419,810	293,179
Depreciation	12	128,521	81,689
Investment income and interest received	5	(6,474)	(11,897)
(Increase)/decrease in stock	14	(12,598)	(20,241)
(Increase)/decrease in debtors	15	69,258	427,138
Increase/(decrease) in creditors	16	<u>(139,856)</u>	<u>(136,749)</u>
Net cashflow from operating activities		<u><u>458,662</u></u>	<u><u>633,121</u></u>

Notes to the financial statements
for the year ended 31 March 2021

1 Accounting policies

1.1 Charity information

Hampshire Cultural Trust is a private company limited by guarantee and incorporated in England and Wales. The registered office is Chilcomb House, Chilcomb Lane, Winchester, Hampshire, SO23 8RD.

Hampshire Cultural Trust meets the definition of a public benefit entity under section 34 of FRS102. Assets and liabilities are initially recognised at historical cost of transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Trustees' Report.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016 and bulletin 2 published 5 October 2018), the Charities Act 2011, the Companies Act 2006 and UK generally accepted practice as it applies from 1 January 2015.

Consolidated financial statements have been prepared in respect of the charitable company and its wholly owned subsidiary, Hampshire Cultural Trust Trading Limited. The Consolidated Statement of Financial Activities includes the results of Hampshire Cultural Trust Trading Limited as single line items. The consolidated balance sheet includes the net assets of Hampshire Cultural Trust Trading Limited on a line by line basis.

1.3 Income

All incoming resources are included in the statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy and it is probable that the income will be received.

Voluntary income and donations are accounted for on receipt.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made, or property transferred, and the amount involved can be quantified.

Income from the sale of tickets for courses and tuition, performances and events are recognised in the period in which the event occurs. Associated booking fee income is recognised at the time of the booking.

Admissions and membership income is recognised on receipt.

Income from lettings and room hire is recognised on date of invoice and in advance of date of hire. Deposits are non refundable recognised on receipt.

Notes to the financial statements
for the year ended 31 March 2021

1.4 Grants receivable

Revenue grants are accounted for on receipt, or where they are certain to be received.

1.5 Expenditure

Expenditure is recognised on an accruals basis, as a liability is incurred. Expenditure includes any VAT which is not fully recoverable.

1.6 Basis of allocation

Costs of raising funds relate to those costs incurred in encouraging people and organisations to contribute financially to the trust's work and the expenditure relating to the trading company.

Charitable expenditure includes expenditure associated with Public programmes, Collections, Venues, Business Development and Projects.

1.7 Tangible fixed assets

Depreciation is provided on a straight line basis, at the following annual rates in order to write off each asset over its estimated useful life.

Plant and Machinery	25%
Fixtures and Fittings	25%
Leasehold improvements	10%
Computer Equipment	33.3%

A full year's depreciation is charged in the year of acquisition.

1.8 Stock

Stock relates to items held for resale and is valued at the lower of cost and net realisable value.

1.9 Funds

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

Designated funds are determined by the trustees as being unrestricted funds held for specific purposes, and are committed to future spend as agreed at board level.

Restricted funds are to be used for those specified purposes as laid down by the donor. Direct expenditure and associated overheads which meets the criteria is charged to the fund.

Restricted funds for the purchase of fixed assets are credited to restricted income when receivable. Depreciation on the fixed assets purchased with such grants is charged against the related restricted fund.

1.10 Leased assets

Rentals applicable to operating leases are charged to the Statement of Financial Activities as incurred.

Notes to the financial statements
for the year ended 31 March 2021

1.11 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of Financial Assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows, discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit and loss.

Derecognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the trust after deducting all of its liabilities.

Notes to the financial statements
for the year ended 31 March 2021

Basic Financial Liabilities

Basic financial Liabilities including creditors, that are classified as debt, are initially recognised at transactions price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Termination benefits

The Trust recognises a liability for termination benefits at the point where it is committed to making the payments in return for employee redundancy.

1.13 Pension costs

Contributions are made to a defined contribution scheme for those employees who were not employed at the time the trust was formed. These pension costs are charged to the Statement of Financial Activities in the period to which they relate.

Recruitment benefits to employees of the trust, who transferred from Hampshire County Council and Winchester City Council, are provided by the Hampshire County Council administered Local Government Pension Scheme (LGPS). This is a contributory defined benefits scheme.

The 'Commercial Transfer Agreement' (CTA) between Hampshire County Council and Hampshire Cultural Trust states that the Council shall remain liable for the deficit in the fund in respect of benefits accrued up to the transfer date of 1 November 2014. No responsibility for those contributions subsequent to 1 November 2014 has been transferred to the trust, and therefore there is no liability to the trust in respect of this defined benefit pension scheme.

1.14 Judgements and key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into consideration. Residual value assessments consider issues such as future market conditions the remaining life of the asset and projected disposal values. The carrying amount is £380,409 (2020: £279,829).

The trustees consider that there are no other material areas of judgement or estimation uncertainty.

Notes to the financial statements
for the year ended 31 March 2021

1.15 Going concern

The trustees adopt the going concern basis in preparing the Trustees' Report and financial statements. This is based on the reasonable expectation, based on forecasts and projections, and taking into account reasonably foreseeable changes in income and expenditure, that the charitable company has adequate resources to continue to operate for the foreseeable future.

The estimates and associated assumptions used are based on historical experience, including that gained during the lockdown easement during 2020, applied with appropriate caution, and any other factors that are considered to be relevant.

Notes to the financial statements
for the year ended 31 March 2021

2 Grants and donations

In accordance with the Management and Funding Agreements in place, the trust receives annual revenue grants from Hampshire County Council and Winchester City Council to support the delivery of an arts and museums service across Hampshire. During the year the following grants and donations were received:

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Hampshire County Council (HCC)	2,309,486	0	2,309,486	2,464,361
Winchester City Council (WCC)	313,835	0	313,835	330,353
	<u>2,623,321</u>	<u>0</u>	<u>2,623,321</u>	<u>2,794,714</u>
Other Local Authority grants:				
Basingstoke and Deane Borough Council	183,600	0	183,600	183,600
Gosport Borough Council	60,000	0	60,000	60,000
Eastleigh Borough Council	39,096	0	39,096	39,136
Dorset, Christchurch and Poole Council	100,000	0	100,000	100,000
Rushmoor Borough Council	44,224	0	44,224	44,240
New Forest District Council	15,000	0	15,000	17,000
Bursledon Parish Council	2,200	0	2,200	2,400
	<u>444,120</u>	<u>0</u>	<u>444,120</u>	<u>446,376</u>
Other grants:				
Arts Council England	480,000	64,800	544,800	92,472
National Lottery Heritage Fund	41,700	9,200	50,900	39,600
Job Retention Scheme	638,317	0	638,317	0
Government Business Grants	341,486	0	341,486	0
Farnborough Airport Community Environmental Fund	0	0	0	15,000
HCC - Wessex Dance Academy	16,800	0	16,800	91,325
HCC - Non Core Grants	0	0	0	47,817
WCC - Non Core Grants	0	0	0	7,277
Brighton and Hove Borough Council - transferred to Royal Pavilion and Museums Trust (October 2020)	0	67,219	67,219	76,198
Paul Hamlyn Foundation	0	111,000	111,000	87,500
Gosport Borough Council Non Core	0	30,000	30,000	0
Garfield Weston Foundation	0	20,000	20,000	0
South Western Railway	0	10,000	10,000	0
British Museum - Portable Antiquities Scheme	0	29,828	29,828	35,444
Artsworld Ltd	0	0	0	38,500
Sussex Partnership NHS Foundation Trust	0	0	0	25,000
Police and Crime Commissioner	0	0	0	20,000
Hampshire Futures	0	35,833	35,833	10,000
Hampshire & IOW CRC	0	0	0	7,400
Historic England	0	30,855	30,855	26,930
Esmee Fairbairn Collections Fund (Museums Association)	0	30,737	30,737	23,952
Armed Forces Covenant Fund Trust	0	0	0	18,100
HMP YO1 Winchester	0	0	0	10,000
Youth Endowment Fund	0	28,250	28,250	0
Other grants (less than £5,000)	6,085	20,247	26,332	11,702
	<u>1,524,388</u>	<u>487,970</u>	<u>2,012,357</u>	<u>684,217</u>
Total grants	<u>4,591,829</u>	<u>487,970</u>	<u>5,079,798</u>	<u>3,925,307</u>

Notes to the financial statements
for the year ended 31 March 2021

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Other donations:				
Friends of Gosport Museum	0	0	0	50,000
Miscellaneous donations (£5,000 and below)	27,982	25,633	53,615	128,173
Regular Donations	11,076	0	11,076	6,746
Total donations	39,058	25,633	64,691	184,919
Total grants and donations	4,630,887	513,602	5,144,489	4,110,226

In respect of the Grants and Donations of £5,144,489 which were received in 2020-21, £4,630,887 related to unrestricted funds and £513,602 related to restricted funds.

In addition £154,467 of grants have been received by the trading subsidiary and recognised within trading subsidiary income

3 Income from charitable activities

	2021 £	2020 £
Admissions	269,971	1,029,525
Workshops and classes	51,179	206,544
Box office	12,684	312,181
Booking fees	(12,049)	18,284
Room hire	0	79,047
	321,785	1,645,581

All income from charitable activities in both 2021 and 2020 are unrestricted.

Notes to the financial statements
for the year ended 31 March 2021

4 Income and expenditure from trading activities of subsidiaries

The trust has a wholly owned trading subsidiary which is incorporated in the UK. Hampshire Cultural Trust Trading Ltd operates the retail and catering activities of the trust.

The trading company transfers its taxable profits to the trust by way of Gift Aid. A summary of its trading results for the year ended 31 March 2021 are shown below. Financial statements have been filed with Companies House.

	2021	2020
	£	£
<u>Profit and loss account</u>		
Turnover	160,225	825,967
Cost of sales	(97,695)	(318,329)
Gross Profit	<u>62,530</u>	<u>507,638</u>
Administrative expenses	(137,007)	(183,714)
Other operating income	154,467	12,393
Operating profit and profit before taxation	<u>79,989</u>	<u>336,317</u>
Tax on profit	0	0
Profit for the financial year	<u>79,989</u>	<u>336,317</u>
Amount gifted to Hampshire Cultural Trust	(336,071)	(252,205)
Retained profit for the period	<u>(256,082)</u>	<u>84,112</u>
Retained profit brought forward	<u>346,746</u>	<u>262,634</u>
Retained profit carried forward	<u>90,665</u>	<u>346,746</u>
<u>Balance sheet</u>		
Assets	196,758	389,392
Liabilities	(105,093)	(37,260)
Net assets	<u>91,665</u>	<u>352,132</u>
Called up ordinary share capital	1,000	1,000
Profit and loss account	90,665	346,746
Capital and reserves	<u>91,665</u>	<u>347,746</u>

Notes to the financial statements
for the year ended 31 March 2021

5 Investment income

	2021 £	2020 £
Investment income	<u>6,474</u>	<u>11,550</u>

All investment income in both 2021 and 2020 is unrestricted.

6 Other income

	2021 £	2020 £
Collections and conservation income	7,722	15,723
Penny arcade	0	22,671
Trails	14,500	0
Events and hire	8,564	41,364
Gift Aid and other tax reliefs	136,937	188,459
Other	<u>10,303</u>	<u>6,277</u>
	<u>178,027</u>	<u>274,494</u>

Included within Gift Aid and other tax relief, is £3,333 which relates to restricted income from gift aid. £527 of other income in 2020 was restricted.

7 Fundraising and publicity

	2021 Total £	2020 Total £
	<u>95,425</u>	<u>156,346</u>

Fundraising and publicity costs are wholly unrestricted in both the current and prior year, and include the cost of marketing the programme of events across the venues.

8 Costs of charitable activities

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Public programmes	79,862	0	79,862	261,593	0	261,593
Collections	466,943	0	466,943	461,208	0	461,208
Venues	2,526,196	0	2,526,196	3,055,262	0	3,055,262
Business development	1,596,932	0	1,596,932	1,474,102	0	1,474,102
Projects	<u>78,922</u>	<u>466,675</u>	<u>545,597</u>	<u>76,383</u>	<u>600,444</u>	<u>676,827</u>
	<u>4,748,855</u>	<u>466,675</u>	<u>5,215,530</u>	<u>5,328,548</u>	<u>600,444</u>	<u>5,928,992</u>

Business Development includes the costs of central functions such as marketing, finance, HR and IT, in addition to the senior management team and grant-funded Museums Development Programme.

Projects include the costs of the trust's social impact programmes, major museum refurbishment and planning for future cultural investments.

Notes to the financial statements
for the year ended 31 March 2021

9 Auditors' remuneration

	2021	2020
	£	£
Audit fees - Trust	<u>10,800</u>	<u>11,000</u>
Audit fees - Trading subsidiary	<u>3,550</u>	<u>3,250</u>

10 Employees

	2021	2020
	£	£
Employment costs		
Wages and salaries	3,314,801	3,276,745
Redundancy payments	7,505	26,467
Social security costs	266,606	273,751
Pension costs	<u>323,983</u>	<u>316,454</u>
	<u>3,912,896</u>	<u>3,893,417</u>

Key management personnel

Employee benefits received by key management personnel during the year totalled £612,367 (2020: £621,278).

The management team includes the Chief Executive, Head of Finance, Head of People, Director of Marketing and Fundraising, Head of Programming, Head of Destination Winchester, Head of Community, Head of Culture Hubs and Museum Director.

Higher paid employees

The number of employees who earned more than £60,000 (excluding employer pension costs) were as follows:

	2021	2020
£60,001 to £70,000	0	0
£70,001 to £80,000	1	3
£80,001 to £90,000	0	0
£90,001 to £100,000	0	0
£100,001 to £110,000	<u>1</u>	<u>1</u>

There are no higher paid employees accruing defined pension benefits during the year.

Employer contributions to a defined contribution scheme for employees who earned over £60,000 was £13,596 (2020: £18,374).

Number of employees

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

	2021	2020
Cost of generating funds	3	2
Charitable expenditure	<u>211</u>	<u>201</u>
	<u>214</u>	<u>203</u>

Trustees' Remuneration

No trustees have received any remuneration in either year for their services to the trust.

No expenses have been reimbursed to any trustees in the year

Notes to the financial statements
for the year ended 31 March 2021

11 Intangible fixed assets

	2021	2020
	£	£
Cost at 1 April and 31 March	<u>2</u>	<u>2</u>

12 Tangible fixed assets

<u>Group</u>	Plant & machinery	Computer equipment	Fixtures & fittings	Leasehold improve- ments	Total
	£	£	£	£	£
Cost					
At 1 April 2020	25,289	62,939	273,965	165,018	527,210
Additions	1,553	7,118	217,926	6,911	233,508
Disposals	(4,300)	(18,695)	(137,878)	(5,067)	(165,940)
At 31 March 2021	<u>22,542</u>	<u>51,362</u>	<u>354,013</u>	<u>166,862</u>	<u>594,778</u>
Depreciation					
At 1 April 2020	9,548	32,701	188,632	16,501	247,381
Charge for the year	6,023	17,121	88,691	16,686	128,521
Eliminated on disposal	(4,300)	(18,607)	(137,882)	(745)	(161,534)
At 31 March 2021	<u>11,271</u>	<u>31,215</u>	<u>139,441</u>	<u>32,442</u>	<u>214,369</u>
Net book value					
At 31 March 2021	<u>11,270</u>	<u>20,147</u>	<u>214,572</u>	<u>134,420</u>	<u>380,409</u>
At 31 March 2020	<u>15,741</u>	<u>30,238</u>	<u>85,333</u>	<u>148,517</u>	<u>279,829</u>
Trust					
Cost					
At 1 April 2020	6,108	43,633	236,202	77,804	363,746
Additions	1,553	7,118	217,926	6,911	233,508
Disposals	0	(978)	(137,878)	(264)	(139,120)
At 31 March 2021	<u>7,661</u>	<u>49,773</u>	<u>316,250</u>	<u>84,451</u>	<u>458,134</u>
Depreciation					
At 1 April 2020	1,527	14,544	163,711	7,779	187,561
Charge for the year	2,303	16,591	79,062	8,445	106,402
Eliminated on disposal	0	(979)	(137,880)	(264)	(139,123)
At 31 March 2021	<u>3,830</u>	<u>30,156</u>	<u>104,893</u>	<u>15,960</u>	<u>154,840</u>
Net book value					
At 31 March 2021	<u>3,830</u>	<u>19,616</u>	<u>211,357</u>	<u>68,491</u>	<u>303,294</u>
At 31 March 2020	<u>4,581</u>	<u>29,089</u>	<u>72,491</u>	<u>70,024</u>	<u>176,185</u>

Notes to the financial statements
for the year ended 31 March 2021

13 Fixed asset investments

<u>Trust</u>	Total £
Market value or cost at 1 April 2020 and 31 March 2021	<u>1,000</u>
Historical cost at 1 April 2020 and 31 March 2021	<u>1,000</u>

Fixed asset investments are unlisted investments, representing 100% of the issued share capital of Hampshire Cultural Trust Trading Limited, a company registered in England and Wales. The company registration number is 09257219.

14 Stock

	Trust £	2021 Group £	Trust £	2020 Group £
Goods for resale	<u>0</u>	<u>110,123</u>	<u>0</u>	<u>97,525</u>

15 Debtors

	Trust £	2021 Group £	Trust £	2020 Group £
Amounts due within 1 year:				
Trade debtors	37,776	42,521	165,532	181,751
Prepayments and accrued income	352,790	354,357	266,318	266,156
Other debtors	0	934	19,165	19,165
Intercompany account	83,092	0	0	0
	<u>473,657</u>	<u>397,813</u>	<u>451,015</u>	<u>467,072</u>

16 Creditors (amounts falling due within one year)

	Trust £	2021 Group £	Trust £	2020 Group £
Trade creditors	106,135	116,896	167,989	184,100
Tax and social security	77,547	77,547	88,283	88,283
Other creditors	250,009	254,995	280,943	292,567
Accruals and deferred income	154,691	160,446	171,040	184,790
Intercompany account	0	0	119,046	0
	<u>588,382</u>	<u>609,884</u>	<u>827,301</u>	<u>749,740</u>

Notes to the financial statements
for the year ended 31 March 2021

17 Deferred income reconciliation

	Trust £	2021 Group £	Trust £	2020 Group £
Balance brought forward	60,474	60,474	67,485	67,485
Amount released to the SoFA	(26,174)	(26,174)	(67,485)	(67,485)
Amount deferred in the year	25,947	25,947	60,474	60,474
Balance carried forward	<u>60,247</u>	<u>60,247</u>	<u>60,474</u>	<u>60,474</u>

Deferred income includes sales of tickets, prior to the balance sheet date, for events due to take place after the balance sheet date, and vouchers, sold prior to the balance sheet date, which remain unredeemed at that date.

Exceptionally, due to the closures necessitated by COVID-19, some tickets have a life extended beyond 12 months, and therefore £34,300 of brought forward deferred income remains deferred. It is expected that this will all be redeemed during 2021-22.

18 Analysis of changes in net debt

	2021	Cashflow	2020
Group			
Cash	2,068,150	236,034	1,832,115
Total	<u>2,068,150</u>	<u>236,034</u>	<u>1,832,115</u>

19 Analysis of net assets between funds

Group

Fund balances at 31 March are represented by:

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Intangible fixed assets	2	0	2	2	0	2
Tangible fixed assets	251,959	128,450	380,409	229,055	50,774	279,829
Current assets	2,115,638	460,448	2,576,086	1,990,988	405,724	2,396,712
Current liabilities	(609,884)	0	(609,884)	(749,740)	0	(749,740)
	<u>1,757,715</u>	<u>588,898</u>	<u>2,346,613</u>	<u>1,470,305</u>	<u>456,498</u>	<u>1,926,803</u>

Trust

Fund balances at 31 March are represented by:

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Intangible fixed assets	2	0	2	2	0	2
Tangible fixed assets	174,844	128,450	303,294	125,411	50,774	176,185
Investment assets	1,000	0	1,000	1,000	0	1,000
Current assets	2,079,586	460,448	2,540,034	1,824,450	405,724	2,230,174
Current liabilities	(588,382)	0	(588,382)	(827,301)	0	(827,301)
	<u>1,667,050</u>	<u>588,898</u>	<u>2,255,949</u>	<u>1,123,562</u>	<u>456,498</u>	<u>1,580,060</u>

Included within Unrestricted funds above, are Designated funds of £405,000 held as current assets (see note 21).

Hampshire Cultural Trust
Company number: 08986225

Notes to the financial statements
for the year ended 31 March 2021

20 Funds

Restricted Funds	1st April 2020	Incoming YTD	Outgoing YTD	Transfers	31-Mar-21
	£	£	£	£	£
Arts Council England					
Arts Council England - Reaching Out	27,760	64,800	56,129	0	36,430
Arts Council England - Connecting Conversations	4,047	0	400	0	3,647
Arts Council England - SEMDP via BHBC now Royal Pavilion and Museums Trust	(4)	67,219	67,346	0	(131)
National Heritage Lottery Fund					
NLHF - Still Curious	21,879	2,500	17,813	0	6,565
NLHF - Culture: Impact	28,600	0	19,496	0	9,104
NLHF - Industrious Minds	17,100	0	438	0	16,662
Other Grant Funding					
Simpson Teddy Bear Legacy	90,000	0	36,877	35,793	88,916
WDC Lighting Grant	22,782	0	15,264	0	7,518
Paul Hamlyn Foundation	73,038	111,000	44,320	0	139,718
Garfield Weston Foundation	0	20,000	20,000	0	0
British Museum - Portable Antiquities Scheme	1,082	29,828	23,915	0	6,995
This Girl Can Community Fund	0	6,700	0	0	6,700
Youth Endowment Fund	0	28,250	26,968	0	1,282
Armed Forces Covenant Fund	18,100	3,435	4,096	2,500	19,939
South Western Railway	0	10,000	6,113	0	3,887
Artwork Ltd	5,002	0	5,002	0	0
Winchester City Council	7,277	0	0	0	7,277
Museums Association - Esmee Fairbairn Collections Fund	13,690	30,737	19,687	0	24,740
Historic England	4,452	30,855	28,482	0	6,825
Hampshire Futures	3,240	37,300	22,982	0	17,558
Friends of Gosport Museum	29,014	0	4,744	0	24,271
Gosport Borough Council	0	30,000	0	20,000	50,000
Friends of Aldershot Military Museum/TAG Rushmoor	15,000	0	1,458	0	13,542
HCC Contribution to toilet refurbishment	20,536	0	3,530	0	17,006
Hampshire and IOW CRC	9,095	0	5,556	2,500	6,039
HMP YO1 Winchester	10,000	0	5,000	0	5,000
Other funding (below £5,000)	13,493	18,679	12,993	0	19,179
Donations	21,315	25,633	18,065	21,346	50,229
Total	456,498	516,936	466,674	82,139	588,898

The transfer relates to the contribution to restricted projects by the trust, these projects are detailed in the funder schedule

Hampshire Cultural Trust
Company number: 08986225

Notes to the financial statements
for the year ended 31 March 2021

Comparative information for restrictive funds:

Restricted Funds	1st April 2019	Incoming YTD	Outgoing YTD	Transfers	31-Mar-20
	£	£	£	£	£
Arts Council England					
Reaching Out	25,715	64,800	62,755	0	27,760
Connecting Conversations	0	27,672	25,625	2,000	4,047
SEMDP via BHBC	0	76,198	76,202	0	(4)
National Heritage Lottery Fund					0
Still Curious	23,006	22,500	23,627	0	21,879
Asking Andover	8,000	0	9,366	1,366	0
Culture Impact	35,800	0	7,200	0	28,600
Industrious Minds	0	17,100	0	0	17,100
Other Grant Funding					0
Childhood Legacy Collection	90,000	0	0	0	90,000
WDC Lighting Grant	22,782	0	0	0	22,782
Paul Hamlyn Foundation	69,125	87,500	98,587	15,000	73,038
British Museum - Portable Antiquities Scheme	0	35,444	34,362	0	1,082
Armed Forces Covenant Fund	0	18,100	0	0	18,100
NHS Sussex Partners	18,586	25,000	43,773	187	0
Artswork	0	38,500	33,498	0	5,002
Winchester City Council	0	7,277	0	0	7,277
Esmee Fairbairn Collections Fund via Museums Association	0	23,952	10,262	0	13,690
Historic England	27,139	26,930	49,617	0	4,452
Hampshire Futures/Brighter Futures	(6,500)	10,000	6,760	6,500	3,240
Hampshire Police and Crime Commissioner	0	20,000	20,000	0	0
Hampshire and Isle of Wight Community Rehabilitation Company	4,835	7,400	4,140	1,000	9,095
Hampshire and Isle of Wight Community Rehabilitation Company	5,000	0	5,000	0	0
HMP Winchester	0	10,000	2,500	2,500	10,000
Friends of Gosport Museum	0	50,000	20,986	0	29,014
Farnborough Airport Community Environmental Fund	0	15,000	0	0	15,000
HCC Contribution to toilet refurbishment	0	22,817	2,281	0	20,536
Other Grants (below £5,000)	18,855	11,703	12,708	(4,357)	13,493
Donations	19,328	52,058	51,195	1,124	21,315
Total	361,671	669,951	600,444	25,320	456,498

Hampshire Cultural Trust
Company number: 08986225

Notes to the financial statements
for the year ended 31 March 2021

Funder	Project	Details
Arts Council England	Reaching Out!	Project working with North Hampshire schools to increase museum engagement
Arts Council England	Connecting Conversations	Research project on cultural engagement in Rushmoor
Arts Council England	SEMDP	South East Museum Development Programme
National Heritage Lottery Fund	Still Curious	NLHF funded dementia friendly heritage programme at Red House Museum
National Heritage Lottery Fund	Culture: Impact	NLHF funded project developing impact framework and community development toolkit
National Heritage Lottery Fund	Industrious Minds	Industrious Minds is an 18-month project working with young people, from the Eastleigh Borough, to engage them with the industrial heritage of the town.
Childhood Legacy Collections	Simpson Teddy Bear Legacy	To care for the Teddy Bear collection - legacy from Mr Simpson
WDC Lighting Grant		Transfer from HCC - Partly Wolfson bid for lighting
Paul Hamlyn Foundation	Horizon 20:20	Funded programme working with 7 Education Centres across Hampshire
Garfield Weston Foundation	Horizon 20:20	Funded programme working with 7 Education Centres across Hampshire
British Museum	Portable Antiquities Scheme	Identification and recording of metal detecting finds made in Hampshire
This Girl Can Community Fund	Still Going	Project to engage women in the Christchurch area in well-being and physical activities
Youth Endowment Fund	Create and Connect	Working with partners to offer young people a way to be creative, stay connected and improve mental health and emotional resilience.
Armed Forces Covenant Fund	The Resilience Garden	‘The Resilience Garden’ project will engage men from both the Armed Forces and civilian communities to design, create and maintain a community garden at Aldershot Military Museum. The project will bring participants together to support their own mental health recovery, developing personal and social resilience through collaborative, supported activity.
South Western Railway	Eastleigh Connection	Options appraisal to look at the future potential of Eastleigh Museum
Artsworld Ltd	The ICE Project	Arts intervention programme working in partnership with Hampshire CAMHS
Winchester City Council	WCC Object Acquisitions	This is a new restricted reserve for WCC object acquisitions
Museum Association - Esmee Fairbairn Collections Fund	On The Move!	Supporting volunteers to help better manage the industrial heritage collections
Historic England - inc WCC Publication reserve	Winchester Publication Series	Publish the archaeological investigations of the WCC Unit in 1970s and 1980s
Hampshire Futures	Brighter Futures	Programme of courses for adults with mental health issues
Friends of Gosport Museum	Gosport Venue Investment	Minimal project costs in 19-20
Gosport Borough Council	Gosport Capital Project	Redevelopment of Gosport Site
Friends of Aldershot Military Museum/TAG Rushmoor	Aldershot Venue Investment	TAG funding towards the play trail at Aldershot Military Museum - Capital Asset
Hampshire County Council	Milestones Venue Investment	Support received to support the refurbishment of the toilets at Milestones Museum. Capital Asset
Hampshire and IOW CRC	Creating Change	Programme working with women on probation
HMP Winchester	HMP Winchester	At HMP Winchester HCT work with BearFace Theatre CIC, to deliver creative, active and participatory workshop programmes to positively affect prisoner’s attitudes, thinking and behaviour.

Notes to the financial statements
for the year ended 31 March 2021

21	<u>Designated Funds</u>	2021	2020
		£	£
	Gosport venue investment	80,000	100,000
	WDC Capital Works	50,000	0
	Winchester Anglo-Saxon experience	275,000	0
	Teddy Bear Museum	0	20,000
	Milestones Pier	0	110,000
	Opening up fund	0	100,000
		405,000	330,000

Where the trustees have agreed at board level to commit to expenditure from unrestricted funds, these monies have been designated so as to distinguish from funds held for core operating activities.

The trustees have designated £80,000 of funds towards the redevelopment of Gosport Old Grammar School. The venue will close during 2021-22 for the works to commence.

The board have committed to invest in the refurbishment of the Winchester Discovery Centre as HCT take on all cultural aspects and operational management of the building later in 2021-22.

The board has committed to invest in the development of a new exhibition in Winchester. Working in partnership with virtual and augmented reality specialists, the new attraction is due to open in 2022.

22 **Commitments and contingent liabilities**

Neither the trust nor the group had any capital commitments or contingent liabilities at 31 March 2021 (2020: nil).

23 **Operating leases**

The trust has operating lease commitments in respect of the properties it manages and operates from.

The museum and arts centres, and also the central office spaces are leased from the founding members and other local authorities, as agreed in the Management Funding Agreement. The lease terms are for 35 years and a peppercorn rent is payable. There are 29 years remaining at the balance sheet date.

24 **Related party transactions**

Grant funding received from Hampshire Country Council and Winchester City Council has been detailed in note 2 and note 20.

Other transactions with the Local Authorities are deemed to be normal business transactions and no separate disclosure is required.

Notes to the financial statements
for the year ended 31 March 2021

25 Taxation

All of the trust's income is applied for charitable purposes and is therefore exempt from corporation tax. The trust's trading subsidiary had a corporation tax liability of £nil at 31 March 2021 (2020: nil).

26 Ultimate controlling party

The ultimate controlling party is the board of trustees.

27 Funds held as custodian Trustee on behalf of others

The trust is the custodian of a number of properties (museums and arts centres) and historic assets which are held on behalf of our founding members, Hampshire County Council and Winchester City Council. These assets are held separately from the trust's assets and are fully catalogued with Modes.

Hampshire County Council Collections

In 2020-21, a total of 30 acquisitions, either individual objects or associated groups of objects, were made to the Hampshire County Council museum collections as follows:

- 18x Social History, Childhood and Community – including cameras and toys for the newly refurbished displays at Milestones
- 6x Photographs – including a 1931 photograph by the Thornycroft Entertainment Committee, Basingstoke
- 2x Historic Costume – including a Courage's of Alton's uniform
- 1x Decorative Art – a set of commemorative china from Alton
- 3x Archaeology – including a collection of 59 Roman coins from Overton

The majority of acquisitions were made as gifts to the Council at no cost. Only three items were acquired by purchase, worth £118.25 in total.

We disposed of a collection of shop fittings from Cooper & Field store, Oakley, Hampshire from the accessioned collections.

Winchester City Council Collections

In 2020-21, a total of six acquisitions were made to the Winchester City Council museum collections as follows:

- 1x Local Art – a 19th century watercolour of Winchester cathedral
- 4x Local History – including items associated with Conder Ltd of Winchester and a souvenir knife
- 1x Archaeology – two late Roman coins from Meonstoke

The only acquisition purchased was the two gold coins at a cost of £1,350.

No objects were disposed from the collection during the year.

In addition, the collection accepted the archaeological archives of 22 archaeological excavations into the collection in accordance with the planning process. All of these were paper records only.