

**Charity number: 1158583**

**Company number: 08986225**

**HAMPSHIRE CULTURAL TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

Compass Accountants Limited  
Chartered Accountants and Registered Auditors  
Venture House  
The Tanneries  
East Street  
Titchfield  
Hampshire  
PO14 4AR

## Hampshire Cultural Trust

Company number: 08986225

### Contents

	<b>Page</b>
Legal and administrative information	1
Trustees' annual report (incorporating the Strategic Report)	2 - 10
Structure, governance & management	
Objectives & activities	
Strategic report	
Achievements & performance	
Financial review	
Plans for future periods	
Principal risks & uncertainties	
Statement of Trustees' responsibilities	11
Auditor's report to the Trustees	12 - 13
Consolidated statement of financial activities	14
Consolidated balance sheet	15
Balance sheet	16
Notes to the financial statements	17 - 29
Statement of financial activities	31

## **Hampshire Cultural Trust**

**Company number: 08986225**

### **Legal and administrative information**

<b>Charity number</b>	1158583
<b>Company number</b>	08986225
<b>Registered office</b>	Chilcomb House Chilcomb Lane Winchester Hampshire SO23 8RD
<b>Principal address</b>	Chilcomb House Chilcomb Lane Winchester Hampshire SO23 8RD
<b>Directors and Trustees</b>	Alan Lovell (Chairman) Rachel Bebb Robert Boyle (appointed July 2015) Douglas Connell (appointed July 2015) Yinnon Ezra Helen Jackson Tracy Osborn (appointed August 2015) Cllr Roy Perry Clare Scheckter (appointed January 2016) Michael Southgate Michael Wright (appointed August 2015)
<b>Auditors</b>	Compass Accountants Limited Venture House The Tanneries East Street, Titchfield Hampshire PO14 4AR
<b>Bankers</b>	NatWest Bank Plc 105 High Street Winchester Hampshire SO23 9AW

## **Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

### **Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

The Trustees present the report and the financial statements for the year ended 31 March 2016. The Trustees, who are directors of company for the purposes of the company law, who served during the year and up to the date of this report are set out on page 1. The Trustees have had due regard to the guidance issued by the Charity Commission on Public Benefit.

#### **Structure, governance and management**

Hampshire Cultural Trust ("the Trust") was founded jointly by Hampshire County Council and Winchester City Council and is incorporated as a company. The Trust is also registered with the Charities Commission (registered charity number 01158583).

The Trust operates 18 museums and galleries, three arts centres, Wessex Dance Academy and Hampshire Wardrobe on behalf of Hampshire County Council and Winchester City Council and is responsible for managing and curating their museum collections.

The Trust also operates a subsidiary trading company, Hampshire Cultural Trust Trading Limited ("the Trading Company"). The Trading Company is a wholly owned subsidiary of the Trust. The objective of the Trading Company is to generate income to support the charitable objectives of the Trust. The Trading Company carries out commercial activities that complement the charitable objectives of the Trust. The Trading Company will donate its taxable profits to the Trust every year under the Gift Aid scheme.

#### **Governance**

The Trust is set up under the governance of its Memorandum and Articles of Association. The Articles of Association were last amended by a special resolution at a meeting on 11 July 2014. Copies of the Articles of Association can be obtained from the Company Secretary at the Trust's registered office, Chilcomb House, Chilcomb Lane, Winchester, SO23 8RD.

#### **Charitable purpose**

The Trust exists to achieve its charitable objects as set out in its Articles of Association, which are:

- a) To promote, maintain and improve the public's understanding and appreciation of the arts, including by:
  - i) Establishing and maintaining museums and art galleries for the benefit of the public;
  - ii) Providing community arts centres and community arts programmes for the benefit of the public; and
  - iii) By such other means as the Trustees may determine; and
- b) To advance the education of the public in the history and heritage of Hampshire and the wider area of the South of England, including by:
  - i) Acquiring, preserving and exhibiting, for the benefit of the public, lands and tenements (including buildings) of beauty or historic interest with a view to educating the public in the historical significance of such lands and tenements in the heritage of the nation and the local area;
  - ii) Preserving, for the benefit of the public, furniture, pictures and chattels of any description having national and local historic or artistic interest with a view to educating the public in the historical significance of such furniture, pictures and chattels in the heritage of the nation and the local area; and
  - iii) By such other means as the Trustees may determine.



## **Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

### **Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

#### **Management**

All members of the Board of Trustees are volunteers and have no beneficial interest in the charity or group.

Members elected to serve on the Board of Trustees have a dual role as a Trustee of the charity and a Director of the company. There can be no fewer than three and no more than twelve Trustees. One Trustee is appointed by Hampshire County Council and one Trustee is appointed by Winchester City Council. The remaining Trustees are appointed by the Board of Trustees and serve for an initial term of four 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 Board of Trustees is responsible for setting the charity's objectives and for ensuring they are achieved. The Board meets on a bi-monthly basis. Three standing committees have been established during 2015/16:

- i) The Finance, Investment and Audit Committee;
- ii) The HR and Remuneration Committee; and
- iii) The Commercial Committee.

These standing committees meet on a regular basis.

Day to day management of the Trading Company subsidiary is carried out by its Board of Directors, which is made up of Trustees, and by the Chief Executive, Chief Operating Officer and senior managers. The Board of Directors of the Trading Company reports to the Board of Trustees.

#### **Objectives and activities**

The charitable objects of the Trust, as defined in the Memorandum and Articles, are set out above.

The Trust has responsibility for the direct operation of 23 arts and museums venues by Hampshire County Council and Winchester City Council, along with a number of arts and heritage educational and learning programmes, which are delivered throughout the county both within and outside of venues. It also supports delivery of museum activities at three further venues in partnership with other organisations. Primary activities include:

- Operation of 18 museums and associated historical venues across Hampshire and East Dorset, providing access to local history for residents and visitors
- Working in partnership with external partner organisations to deliver community museum services at three further venues in Hampshire
- Operation of three arts centres in Hampshire, bringing opportunities for the performing arts to local communities
- Delivery of a flagship gallery programme, bringing major regional and national touring exhibitions to three government-indemnified galleries in Hampshire at Winchester, Gosport and Basingstoke.
- Delivery of a youth arts engagement programme across Hampshire, and particularly at the Wessex Dance Academy where dance specialists work with troubled young people and offenders from across Hampshire
- Delivery of a schools and adult education programme creating learning opportunities inspired by local histories, artists and creatives
- Stewardship of over 2.5 million objects relating to Hampshire's internationally significant cultural heritage
- Operation of Hampshire Wardrobe which provides costume and loans material for schools and other local users to support their interest in history and the arts

## **Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

### **Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

- Hosting of museum development advice for the wider museums sector in the Hampshire and Isle of Wight area via the Arts Council England funded Museum Development programme

The Trust employs over 100 full-time equivalent personnel and relies on the support of over 400 volunteers across Hampshire. Volunteers provide a customer welcome and technical support at the venues, bring their expertise and enthusiasm to the collections, support the exhibition and learning programmes, and help look after the young people who take part in the youth activities, particularly at Wessex Dance Academy.

As a subsidiary, the Trading Company undertakes retail and catering activities across the charity's arts and museum venues. The primary catering and retail outlet is located at Milestones Museum in Basingstoke. Arts centres and a number of other museums also undertake retail and catering activity by providing related shops, cafes and bars.

#### **Public benefit**

*This statement complies with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.*

The Trustees have recognised the two principles of public benefit and consider that the Trust meets them, as set out below.

1. That there must be an identifiable benefit or benefits and they must be clear, related to the aims of the Trust and must be balanced against any detriment or harm:

The objects of the Trust are, as stated earlier, to promote, maintain and improve the public's understanding and appreciation of the arts and to advance the education of the public in the history and heritage of Hampshire and the wider area of the South of England. The Trust is the main provider of museums, art gallery and community arts services across Hampshire, and provides stewardship of the county's primary museum artefact collection, which is a major resource in understanding the history of this area.

2. That the benefit must be to the public or to a section of the public; that the beneficiaries must be appropriate to the aims and, if to a section of the public, must not be unreasonably restricted and that those in poverty must not be excluded from the opportunity to benefit:

The Trust's work at its venues and within communities delivers entertaining and educational activities centred on local history and artistic excellence that encourage participation from diverse audiences resident in Hampshire and those visiting the county. The majority of our venues provide free admission, and those that do charge provide opportunities for discount or 'without charge' arrangements, including through our Better Life Chances outreach programme. This programme particularly targets vulnerable young and older people on low incomes and at risk of isolation.

The Trustees have taken account of the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

## **Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

### **Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

#### **Strategic report**

##### **Achievements and performance of objectives in 2015/16**

2015/16 saw the Trust successfully established with strong leadership and a bold ambition for the future of arts and museums in Hampshire. In July 2015, the Trust published its vision and strategic plan, 2015-25, entitled *Transforming Culture in Hampshire: creating a world-class county by 2025*. This clearly sets out the Trust's goals and objectives, and a framework for how these objectives will be achieved.

During 2015/16, the Trust made good progress towards achieving its objectives:

- In total, the Trust has directly engaged with over 800,000 people (a 5% increase on 2014/15)
- The number of users of the Trust's digital offer is approximately 1,000,000
- Museum visitor figures increased 0.5% on the same period last year to more than 690,000 visitors
- Arts centres welcomed more than 125,000 customers during 2015/16
- Milestones Museum, our largest venue, welcomed more than 112,000 visitors, its best performance since the year it opened in 2000
- The Trust's Better Life Chances team supported 16,000 people who benefitted from more than 28,000 learning hours

During 2015/16, the Trust also introduced a new organisational structure with the Executive Leadership team brought up to full strength and five new Trustees appointed to the Board. The Trust also introduced new independent finance, IT and HR systems and transitioned out from its temporary support from Hampshire County Council in these areas.

Highlights of the Trust's achievements during 2015/16 in line with its four key objectives are summarised below:

#### **1. *Hampshire Cultural Trust will change the lives of over one million people per annum by 2025***

Good progress was made on this objective primarily due to:

- a) The 2015 Hampshire Big Theme, DinoFest, saw a dynamic programme of exhibitions and events being delivered across the county. As well as providing an opportunity to exhibit natural science collections from Hampshire, the exhibitions attracted loans from other museums including the Natural History Museum, National Museum of Wales, Manchester Museum and Oxford University Museum of Natural History. The exhibitions attracted over 100,000 visitors and achieved a reach through social media and PR of over 1.2 million people.
- b) The Milestones annual LEGO event (which inspires visitors to engage with collections and history through play) saw the Trust's most successful LEGO event ever, attracting 38,000 visitors.
- c) Happenings is a dynamic programme of outdoor and indoor arts activities that create new opportunities for arts centres and museums to engage with new audiences. 2015/16 saw Happenings in seven different locations across the county which involved approximately 5000 people and an indirect engagement, including social media and 'passers-by', of approximately 90,000.
- d) Improved marketing and the development of an independent website have contributed to raised awareness of the Trust's museums, galleries and arts programmes during 2015/16.
- e) Continued development of the Trust's volunteer programme. Over 400 volunteers generously contributed 44,000 hours of support during 2015/16.



## **Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

### **Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

#### ***2. Hampshire Cultural Trust will deliver vibrant world-class cultural experiences by 2025***

The Trust has significant plans for 2016/17 and beyond including:

- a) The Trust's three flagship galleries are government indemnity standard exhibition spaces, which allows them to receive works and artefacts of high significance. Highlights have included Hiroshima prints from the Ashmolean Museum, the loan of Jane Austen's portable writing desk and spectacles from the British Library, Dinosaurs in our Garden exhibition involving national loans and Defining Movements exhibition that saw major works from Southampton's nationally significant art collection on display in Gosport and Basingstoke for the first time.
- b) During 2015/16, the Trust has also been working closely with Southampton City Council and Hampshire County Council on a long-term project to develop proposals for a Hampshire Flagship Galleries Network, which has the potential to transform the art gallery infrastructure, and programming in Hampshire and Southampton by 2025.
- c) The Trust has made small improvements to a number of the community museums in its portfolio, and developed plans for more significant interventions at Winchester City Museum and Westbury Manor Museum.
- d) The Trust has also established and chairs the Winchester Royal City project steering group, which is developing a long-term programme of activity centred on placing Winchester firmly on the international map as a world heritage city. Emerging aspirations include the creation of a new museum celebrating the national Anglo-Saxon story and the development of a dynamic seminar, conference, learning and research program.
- e) A strategic review for the future of combined arts in Hampshire was undertaken in order to inform future long-term investment and engagement in the arts centre, theatre and off-stage sector. The results of this work will be reviewed and acted on during 2016/17.
- f) The Trust secured re-accreditation by Arts Council England during 2015/16 and submitted a Stage 1 application to secure designation of Hampshire's archaeology collection. In support of this work, the Trust approved a new Collections Development Policy 2015-20, which is available as a public document on the Trust's website.

#### ***3. Hampshire Cultural Trust will improve its ability every year to inspire better life chances***

A Better Life Chances team has been established by the Trust to provide high-quality arts and cultural provision to vulnerable people that improves, enhances and changes their lives for the better. The priority areas identified for the programme are young people, older people at risk of isolation, schools and community participation. The programme is delivered against the following strategic outcomes:

- i) Raising confidence & self-esteem;
- ii) Increasing skills and participation;
- iii) Broadening horizons and raising aspirations;
- iv) Improving quality of life and connectedness to community; and
- v) Improving health & well-being.

#### ***4. Hampshire Cultural Trust will deliver a surplus for reinvestment every year, 2015-25***

The Trust has achieved a surplus for reinvestment during 2015/16, through a combination of:

- Improved trading activity via the Trading Company
- Increased admissions and gift aid receipts from charging venues
- Increased donations, including philanthropic support from the Trust's Ambassadors and Corporate Partners.

## **Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

### **Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

The Trust also secured one-off project funding from a number of grant-giving organisations, the most notable being a grant from the Paul Hamlyn Foundation for £350,000 over four years to engage and improve the lives of young people for whom traditional education methods are not working. In addition the team at West End Centre successfully bid to Arts Council England for £40,000 to raise artistic aspiration and attainment in Rushmoor with several partners, and began the project in December 2015. The Trust's Heritage Lottery Funded project, Inspiring a Culture of Philanthropy, has successfully secured an extension grant to run into a fourth year, enabling it to continue supporting museums in the Hampshire Solent area to become more financially resilient through fundraising activities.

#### **Financial Review**

##### **Results for the Year Ended 31 March 2016**

The results for the period ended 31 March 2016 are set out on pages 14 to 16. The group achieved a modest surplus of £20,097 for the year to 31 March 2016 and retained a surplus of £725,408 (£627,574 for the charity) at the year end. This cumulative surplus from the Trust's first 17 months of operations has been achieved during a period of transition and complexity. The opening period surplus arose to a significant extent out of the terms of the transfer of the Trust's activities from the respective authorities. Subsequently material expenditure has been incurred in establishing the Trust's operations. This has distorted the financial results during the five months to 31 March 2015 and for the year to 31 March 2016.

The Trust received annual grants from both Hampshire County Council and Winchester City Council at the start of the financial year. In addition to these main grants the Trust also receives funding from other District and Borough Councils. The Trust also received various grants and funding from other organisations such as the Heritage Lottery Fund and the Arts Council.

The Group's total income from grants and funding during the year was £4,596,815. The Trust generated other income from its charitable activities of £1,262,282, investment income of £15,494, other incoming resources of £130,947 and income from the Trading Company of £728,897. Total income for the year was £6,734,435.

Total resources expended during the year amounted to £6,714,338, comprising £6,004,510 on the Trust's charitable activities and £709,828 within the Trading Company.

The properties and collections remain in the ownership of Hampshire County Council and Winchester City Council, which retain the responsibility for their structural and external repairs and maintenance. These local authorities also retain the responsibility to keep the buildings insured with the exception of Bursledon Windmill and Milestones Museum, which are insured by the Trust as a condition of previous funding from the Heritage Lottery Fund. The local authorities are also responsible for keeping the collections insured. The Trust does insure some items in the collections that are on loan from other organisations. The value of these items is £954,000.

The Trading Company has generated a net trading profit of £131,662. An amount of £112,593 was gifted to the Trust during the year to leave a retained profit within the Trading Company of £19,069. A further sum will be gifted to the Trust before 31 December 2016 under the Gift Aid provisions such that the Trading Company will have no liability to corporation tax. The Trading Company profits have been generated from a mixture of sources including café and bar sales, retail sales and the hire of rooms and other spaces.

During the period Hampshire County Council provided an interim finance and central support services solution to the Trust. The Trust has been operating its own finance system since 1 August 2015. Hampshire County Council also provided other central support services to the Trust in the form of IT, payroll and box office booking but the transfer of these services was completed by 31 March 2016.

Treasury management services were also delivered for the Trust by Hampshire County Council in accordance with the Trust's treasury strategy. The service was transferred to the Trust's own management in September 2015.

The Trust has £112,782 in restricted funds where the donor has restricted the purpose for which the funds can be used. The remainder of the Trust's funds are held in a general unrestricted fund.



## **Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

### **Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

#### **Reserves policy**

By law, charities must spend income they receive within a reasonable period of time unless there is a good reason not to do so. It is appropriate to set aside an amount of income in a general reserve to cover operational risks and in earmarked reserves to save for planned service developments. A log of key financial risks together with mitigating action is included in the appendices to the reserves policy.

This demonstrates that many of the risks can be covered by:

- On-going financial management and planned business and financial re-modelling
- The Management and Funding Agreement with the founding local authorities (for example redundancies and property risks)
- Purchased insurance (with premiums included in the budget)
- Other agreements, for example the Trust is developing a policy of securing maximum notice for grant renewals, thus giving the Trustees time to take action if income falls below expectations.

In addition, major grant applications will incorporate a contingency budget allocation, reducing the risk of unexpected financial pressures in these areas of restricted income and expenditure.

All this suggests that the Trust could operate, at least initially, with a fairly low level of reserves. With annual local authority grant income covering annual salaries, a target level of reserves covering non-pay costs for three months could be considered reasonable.

The risk analysis and target level of reserve will be kept under review and it is proposed that it is re-considered by the Trustee Board as part of each annual budget setting cycle.

#### **Plans for future periods**

During 2016/17, we will continue to deliver on the Trust's vision and strategic plan, 2015-25, as follows:

#### ***Hampshire Cultural Trust will change the lives of over one million people per annum by 2025***

- **Hampshire Big Theme 2016, Royal Blood: Fight for power in Hampshire.**  
The Trust will deliver a successful, dynamic programme involving exhibitions at six community museums and three flagship galleries with important loans from the British Museum and an integrated marketing and communications campaign.
- **Development of Happenings programme.**  
The Trust is working towards developing an international festival for 2020 in line with a European funding application. The first large scale tented events for the Trust took place during the summer of 2016
- **Continued improvements in volunteer engagement.**  
A work stream will be implemented to develop a volunteer strategy, which will identify ways to help volunteers deepen their understanding of the Trust. It will also strengthen the use of their individual skills and experience thereby improving levels of value and engagement.
- **Investigation into new opportunities to support and grow the delivery of arts, museums and galleries activity in Hampshire and southern England.**



## **Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

### **Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

#### ***Hampshire Cultural Trust will deliver vibrant world-class cultural experiences by 2025***

- Continued development of Flagship Galleries programme which will provide exceptional quality and varied exhibitions from the Trust's team as well as exhibitions from national lenders such as the British Library the Tate, and the V&A.
- Continued development of Hampshire Flagship Galleries Network project, including funding applications to Heritage Lottery Fund and Arts Council England.
- Completion of major improvements to Winchester City Museum and Westbury Manor Museum, and further programme of small-scale improvements to other community museum venues.
- Continued development of Winchester Royal City project, including delivery of 2016 seminar, development of education programme, and scoping of new museum.
- Submission of Stage 2 application to Arts Council England for designation of Hampshire's archaeology collections.
- Development of a strategy for the long-term future of combined arts in Hampshire, including the option of developing a performing arts network.
- Exploration of opportunities to improve the cultural experience at Milestones Museum, with particular reference to science and innovation - past, present and future.
- Exploration of the idea of a Hampshire cultural partnership, which works collectively to champion Hampshire as a creative county.

#### ***Hampshire Cultural Trust will improve its ability every year to inspire better life chances***

The Trust will continue with its participation programme, delivering a huge variety of projects, workshops, classes and events to schools, communities with disadvantaged young and older people.

#### ***Hampshire Cultural Trust will deliver a surplus for reinvestment every year, 2015-25***

- The Trading Company will continue to increase revenue streams in retail and catering through phased improvements in retail infrastructure and training as well as developing a trust buying and pricing policy. Catering improvements will continue with enhanced café provision at community museums.
- Admissions and gift aid will continue to provide our largest earned income stream. This revenue will increase in line with visitor numbers.
- The Trust will continue to implement a fundraising strategy for restricted and non-restricted funds, which includes the acquisition and retention of ambassadors (individual supporters) and corporate partners.
- Teams across the Trust will continue to apply for one off grants from statutory sources and Trusts and Trust Foundations.

**Hampshire Cultural Trust (a company limited by guarantee)**

**Company number: 08986225**

**Report of the Trustees (incorporating the directors' report) for the year ended 31 March 2016**

**Principal risks and uncertainties**

The top risks being managed in the current year relate to delivering financial resilience in anticipation of scheduled reductions in local authority funding over the next five years, and gaining a reputation for quality, collaboration and ambition for culture. A transitional risk register identifying key risks and mitigating actions has been established by the Executive Leadership Team and the risks arising and actions taken are regularly monitored by the Finance, Investment and Audit Committee with reports to the Board of Trustees submitted every six months.

**Auditors**

The accounts have been audited by Compass Accountants Limited. A resolution to reappoint the auditors will be put to the members at the Annual General Meeting.

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.

The report of the Trustees has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.



.....  
AC Lovell

On behalf of the Board

Date: 28 November 2016

## Hampshire Cultural Trust

Company number: 08986225

### Statement of Trustees' responsibilities for the year ended 31 March 2016

The Trustees (who are also directors of Hampshire Cultural Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on 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.



AC Lovell

On behalf of the Board

Date: 28 November 2016



## **Hampshire Cultural Trust**

### **Independent auditor's report to the Trustees of Hampshire Cultural Trust**

We have audited the financial statements of Hampshire Cultural Trust for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 regulations made under section 154 of the Charities Act 2011. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also directors 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.

We have been appointed as auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Basis for qualified opinion on financial statements**

With respect to stock having a brought forward amount of £103,935 (restated), the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2015, since that date was prior to our appointment as auditor of the Group. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

## **Hampshire Cultural Trust**

### **Opinion on financial statements**

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

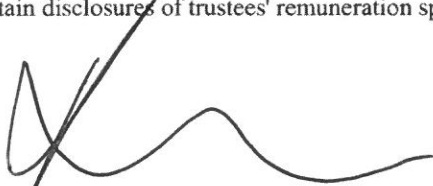
### **Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.



**Kerry Lawrance ACA (Senior Statutory Auditor)**  
**For and on behalf of Compass Accountants Limited, Statutory Auditor**  
**Chartered Accountants and Registered Auditors**

**The Tanneries**  
**East Street**  
**Titchfield**  
**PO14 4AR**

**Date: 23 DECEMBER 2016**

## Hampshire Cultural Trust

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

For the year ended 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	Year ended 31/03/16 Total £	Restated Period ended 31/03/15 Total £
<b>Incoming resources</b>					
<b>Incoming resources from generating funds:</b>					
Donations and grants	3	4,596,815	-	4,596,815	2,573,362
Investment income	4	15,494	-	15,494	10,080
Income of Trading Company	2	728,897	-	728,897	267,472
<b>Incoming resources from charitable activities:</b>					
Charitable activities	5	1,262,282	-	1,262,282	580,372
Other incoming resources	6	130,947	-	130,947	22,094
<b>Total incoming resources</b>		<u>6,734,435</u>	<u>-</u>	<u>6,734,435</u>	<u>3,453,380</u>
<b>Resources expended</b>					
<b>Costs of generating funds:</b>					
Expenses of Trading Company	2	709,828	-	709,828	188,707
<b>Charitable expenditure:</b>					
Charitable activities	7	5,918,828	85,682	6,004,510	2,559,362
<b>Total resources expended</b>		<u>6,628,656</u>	<u>85,682</u>	<u>6,714,338</u>	<u>2,748,069</u>
<b>Net incoming/outgoing resources</b>		105,779	(85,682)	20,097	705,311
Total funds brought forward		540,656	198,464	739,120	-
Prior year adjustment		(33,809)	-	(33,809)	-
Restated total funds brought forward		506,847	198,464	705,311	-
<b>Total funds carried forward</b>		<u>612,626</u>	<u>112,782</u>	<u>725,408</u>	<u>705,311</u>

All recognised gains and losses are included in the statement of financial activities  
All transactions are derived from continuing activities.

The notes on pages 17 to 29 form an integral part of these financial statements.



## Hampshire Cultural Trust

### Balance Sheet Consolidated as at 31 March 2016

Company number: 08986225

	Notes	31/03/16		<i>Restated</i> 31/03/15	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		2		2
Tangible assets	11		89,069		10,311
			<u>89,071</u>		<u>10,313</u>
<b>Current assets</b>					
Stocks	13	81,749		103,935	
Debtors	14	395,119		259,004	
Cash at bank and in hand		3,743,892		602,550	
		<u>4,220,760</u>		<u>965,489</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(3,584,423)</u>		<u>(270,491)</u>	
<b>Net current assets</b>			<u>636,337</u>		<u>694,998</u>
<b>Total assets less current liabilities</b>			<u>725,408</u>		<u>705,311</u>
<b>Net assets</b>			<u>725,408</u>		<u>705,311</u>
<b>Funds</b>					
Unrestricted income funds			514,792		428,082
Restricted income funds	17		112,782		198,464
Non Charitable Trading funds			97,834		78,765
<b>Total funds</b>			<u>725,408</u>		<u>705,311</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board on 28 November 2016 and signed on its behalf by



AC Lovell  
On behalf of the Board of Trustees

The notes on pages 17 to 29 form an integral part of these financial statements.

# Hampshire Cultural Trust

## Balance Sheet

as at 31 March 2016

Company number: 08986225

	Notes	31/03/16		31/03/15	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		2		2
Tangible assets	11		59,163		10,311
Investments	12		1,000		1,000
			<u>60,165</u>		<u>11,313</u>
<b>Current assets</b>					
Debtors	14	352,970		244,505	
Cash at bank and in hand		3,738,627		602,053	
		<u>4,091,597</u>		<u>846,558</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(3,524,188)</u>		<u>(231,325)</u>	
<b>Net current assets</b>			<u>567,409</u>		<u>615,233</u>
<b>Net assets</b>			<u>627,574</u>		<u>626,546</u>
<b>Funds</b>					
Unrestricted income funds			514,792		428,082
Restricted income funds	17		112,782		198,464
			<u>627,574</u>		<u>626,546</u>
<b>Total funds</b>			<u>627,574</u>		<u>626,546</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board on 28 November 2016 and signed on its behalf by



AC Lovell

On behalf of the Board of Trustees

The notes on pages 17 to 29 form an integral part of these financial statements.

## **Hampshire Cultural Trust**

### **Notes to financial statements for the year ended 31 March 2016**

#### **1. Accounting policies**

##### **1.1. Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Companies Act 2006 and the Charities Act 2011.

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.

##### **1.2. Incoming resources**

Voluntary income and donations are accounted for as receivable by the Trust. No permanent endowments have been received in the year.

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

##### **1.3. Grants receivable**

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Included in these figures is deferred grant income from Hampshire County Council of £2,898,623. This grant is specifically for the 2016/17 year.

##### **1.4. Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered.

##### **1.5. Basis of allocation**

Costs of generating funds comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work.

Governance costs include those costs incurred in the governance of the Trust and its assets and are primarily associated with constitutional and statutory requirements.

Charitable expenditure includes expenditure associated with Public Programmes, Collection, Venues, Business Development, and Projects, and includes costs directly attributable to each activity.

## **Hampshire Cultural Trust**

### **Notes to financial statements for the year ended 31 March 2016**

#### **1.6. Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings and equipment - 25% reducing balance

#### **1.7. Restricted funds**

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

#### **1.8. Leased assets**

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

#### **1.9. Investments**

Investments are revalued at the market value at the balance sheet date and the gain or loss taken to the Statement of financial activities.

#### **1.10. Stocks**

Stocks are valued at the lower of cost (or at net current replacement cost, if materially different) and net realisable value after making due allowance for obsolescence and slow moving items.

#### **1.11. Intellectual property**

Intellectual property is valued at cost.

## **Hampshire Cultural Trust**

### **Notes to financial statements for the year ended 31 March 2016**

#### **1.12. Pensions**

Retirement 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 benefit scheme. The Trust joined the Fund on 1 November 2014 and is pooled with other employers for funding purposes. At the triennial actuarial funding valuation the assets of the Fund are notionally allocated, and are not attributed to the individual employers within the Group.

The 'Commercial Transfer Agreement' (CTA) between Hampshire County Council and the 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, therefore, no responsibility for those contributions has been transferred to the Trust.

In addition to this, subject to a number of specific terms and conditions, the CTA states that the Council shall fund or reimburse the Trust for any contributions made and deficit paid by the Trust, in respect of those employees transferred at 1 November 2014, which relate to the Council liability period. The liability period is defined in the agreement as being the earlier of:

- a) twenty five years from 1 November 2014; or
- b) the date the Council ceases to provide funding under the 'Management and Funding Agreement'; or
- c) the date upon which the 'Management and Funding Agreement' is terminated.

The Trust's share of the Fund's assets are measured at fair value at the balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net liability has not been recognised as a liability on the balance sheet as, legally, it is not a liability of the Trust during the Council liability period.

The LGPS is valued every three years by an independent actuary using a market led approach, the rates of contribution payable being determined by the actuary. The next valuation date is 31 March 2016 with revised contributions being payable from 1 April 2017.

#### **1.13 Restatement of comparatives**

The accounts for the subsidiary, Hampshire Cultural Trust Trading Limited, for the year ended 31 March 2015 included an overstatement of closing stock in the sum of £33,809. A prior year adjustment has been made to include the closing stock at the correct value of £103,935.

## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 2. Income and expenses from trading activities of subsidiaries

The charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom. Hampshire Cultural Trust Limited operates the retail and catering activities of the Trust.

The company transfers its taxable profits to the Hampshire Cultural Trust by way of Gift Aid. A summary of its trading results for the period from 1 April 2015 to 31 March 2016 is shown below. Audited accounts have been filed with Registrar of Companies.

<b>Profit and loss account</b>	<b>31/03/16</b>	<b><i>Restated</i></b>
<b>Year ended 31 March 2016</b>	<b>£</b>	<b>31/03/15</b>
		<b>£</b>
Turnover	635,928	267,472
Cost of sales	(356,311)	(99,282)
Gross profit	279,617	168,190
Administrative expenses	(234,943)	(92,217)
	44,674	75,973
Other operating income	92,969	2,792
Net profit before tax	137,643	78,765
Tax on ordinary activities	(5,981)	-
Net profit after tax	131,662	78,765
Amount gifted to Hampshire Cultural Trust	(112,593)	-
Retained profit for the period	19,069	78,765
Retained profit brought forward	78,765	-
Retained profit carried forward	97,834	78,765
<b>Balance sheet</b>		
Assets	228,627	119,932
Liabilities	129,793	40,167
Net assets	98,834	79,765
Called up Ordinary Share Capital	1,000	1,000
Profit and loss account	97,834	78,765
Capital and reserves	98,834	79,765



## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 3. 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 £	31/03/16 Total £	31/03/15 Total £
Hampshire County Council	2,867,838	-	2,867,838	1,998,192
Winchester City Council	400,492	-	400,492	152,826
	<u>3,268,330</u>	<u>-</u>	<u>3,268,330</u>	<u>2,151,018</u>
<b>Other grants:</b>				
Basingstoke & Deane Borough Council	216,745	-	216,745	146,231
Christchurch Borough Council	50,000	-	50,000	-
Dorset County Council	50,064	-	50,064	-
Gosport Borough Council	72,712	-	72,712	-
Eastleigh Borough Council	56,342	-	56,342	-
Fareham Borough Council	100,525	-	100,525	-
Heritage Lottery Fund	85,432	-	85,432	70,074
Rushmoor Borough Council	66,026	-	66,026	32,351
Arts Council funding	213,919	-	213,919	-
Lymington Museum Trust	36,815	-	36,815	31,337
East Hampshire District Council	11,000	-	11,000	11,000
Hampshire Learning grant	19,099	-	19,099	-
Ambassador Scheme	43,352	-	43,352	-
Corporate Partner	10,000	-	10,000	-
Hampshire Futures	53,498	-	53,498	-
Dinosaurs digital platform	15,000	-	15,000	-
One Community	5,000	-	5,000	-
Wolfson Bid	7,218	-	7,218	-
Brighton & Hove Borough Council	18,139	-	18,139	-
The British Museum	28,778	-	28,778	-
Other grants	14,579	-	14,581	55,195
	<u>4,442,573</u>	<u>-</u>	<u>4,442,573</u>	<u>2,497,206</u>
<b>Other donations:</b>				
Hampshire Wardrobe funds	-	-	-	59,523
Contribution towards AEA Performing Arts study	15,000	-	15,000	-
Contribution towards feasibility study	1,000	-	1,000	-
Miscellaneous donations	138,242	-	138,242	16,633
	<u>4,596,815</u>	<u>-</u>	<u>4,596,815</u>	<u>2,573,362</u>

## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 4. Investment income

	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Investment income	15,494	-	15,494	10,080
	<u>15,494</u>	<u>-</u>	<u>15,494</u>	<u>10,080</u>

#### 5. Activities for generating funds

	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Admissions	679,281	-	679,281	161,195
Membership fees	25,115	-	25,115	29,169
Day trips & recreational activities	-	-	-	32,193
Courses & tuition fees	17,563	-	17,563	55,167
Tickets	169,083	-	169,083	61,525
General fees & charges	247,170	-	247,170	201,066
General lettings	124,070	-	124,070	40,057
	<u>1,262,282</u>	<u>-</u>	<u>1,262,282</u>	<u>580,372</u>

#### 6. Other incoming resources

	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Other incoming resources	130,947	-	130,947	22,094
	<u>130,947</u>	<u>-</u>	<u>130,947</u>	<u>22,094</u>

## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 7. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	Year ended 31/03/16 Total £	Period ended 31/03/15 Total £
Public programmes	814,718	-	814,718	228,749
Collections	628,150	-	628,150	314,944
Venues	2,287,017	-	2,287,017	1,225,972
Business development	1,874,146	-	1,874,146	493,071
Projects	314,797	85,682	400,479	266,506
Support costs	-	-	-	30,120
	<u>5,918,828</u>	<u>85,682</u>	<u>6,004,510</u>	<u>2,559,362</u>

#### 8. Auditors' remuneration

	Year ended 31/03/16 £	Period ended 31/03/15 £
Auditors' remuneration - audit of the financial statements	2,500	1,500
Preparation of accounts	3,650	2,750
	<u>6,150</u>	<u>4,250</u>

#### 9. Total resources expended (Trust only)

	Staff costs £	Other costs £	2016 £	2015 £
Charitable expenditure	3,778,314	2,226,196	6,004,510	2,559,362
<b>Total</b>	<u>3,778,314</u>	<u>2,226,196</u>	<u>6,004,510</u>	<u>2,559,362</u>
			2016 £	2015 £
Staff costs:				
Wages and salaries			3,230,479	1,126,723
Social security costs			224,663	107,585
Pension costs			323,172	161,280
			<u>3,778,314</u>	<u>1,395,588</u>

## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### Number of employees

The number of employees who earned more than £60,000 during the year were as follows:

	Company 2016	Company 2015
£70,001 to £80,000	<u>2</u>	<u>2</u>

The number of higher paid employees accruing pension benefit during the year was as follows:

Defined benefits scheme	<u>1</u>	<u>1</u>
-------------------------	----------	----------

The total contributions paid by the charity into the defined benefits scheme for higher paid employees was £10,218

The average number of employees was:

	Company 2016	Company 2015
Cost of generating funds	-	-
Charitable expenditure	<u>113</u>	<u>179</u>
	<u>113</u>	<u>179</u>

No Trustees received remuneration during the period. An amount of £2,237 was paid to Trustees for travelling expenses.

#### 10. Intangible fixed assets

	Intellectual property £	Total £
<b>Cost</b>		
At 1 April 2015 and At 31 March 2016	<u>2</u>	<u>2</u>
<b>Net book values</b>		
At 31 March 2016	<u>2</u>	<u>2</u>
At 31 March 2015	<u>2</u>	<u>2</u>

## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 11. Tangible fixed assets

<u>Group</u>	<b>Plant and Machinery</b> £	<b>Computer Equipment</b> £	<b>Fixtures &amp; Fittings</b> £	<b>Total</b> £
<b>Cost</b>				
At 1 April 2015	-	-	13,748	13,748
Additions	4,300	17,583	86,165	108,048
At 31 March 2016	4,300	17,583	99,913	121,796
<b>Depreciation</b>				
At 1 April 2015	-	-	3,437	3,437
Charge for the year	1,075	5,855	22,360	29,290
At 31 March 2016	1,075	5,855	25,797	32,727
<b>Net book values</b>				
At 31 March 2016	3,225	11,728	74,116	89,069
At 31 March 2015	-	-	10,311	10,311

<u>Trust</u>		<b>Fixtures &amp; Fittings</b> £	<b>Total</b> £
<b>Cost</b>			
At 1 April 2015		13,748	13,748
Additions		68,573	68,573
At 31 March 2016		82,321	82,321
<b>Depreciation</b>			
At 1 April 2015		3,437	3,437
Charge for the year		19,721	19,721
At 31 March 2016		23,158	23,158
<b>Net book values</b>			
At 31 March 2016		59,163	59,163
At 31 March 2015		10,311	10,311

## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 12. Fixed asset investments

<u>Trust and group</u>	Unlisted £	Total £
Market value or cost at 1 April 2015	1,000	1,000
Net unrealised gains / (losses)	-	-
Market value or cost at 31 March 2016	1,000	1,000
Historic cost at 31 March 2016	1,000	1,000
Market value or cost at 31 March 2015	1,000	1,000
Historic cost at 31 March 2015	1,000	1,000

Unlisted investments represents 100% of the issued share capital of Hampshire Cultural Trust Trading Limited.

#### 13. Stocks

	2016		2015	
	Charity £	Group £	Charity £	Group £
The amounts attributable to the different categories are as follows:				
Goods for resale	-	81,749	-	103,935
	-	81,749	-	103,935

#### 14. Debtors

	2016		2015	
	Charity £	Group £	Charity £	Group £
<b>Amounts due within 1 year:</b>				
Trade debtors	183,120	225,269	-	-
Accrued income	51,750	51,750	-	-
Other debtors and prepayments	118,100	118,100	244,505	259,004
	352,970	395,119	244,505	259,004



## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 15. Creditors: amounts falling due within one year

	2016		2015	
	Charity £	Group £	Charity £	Group £
Trade creditors	310,259	367,072	-	-
Other taxes and social security	65,920	57,421	12,703	50,869
Other creditors and accruals	123,792	196,771	150,314	152,314
Deferred income	2,963,159	2,963,159	67,308	67,308
Intercompany account	61,058	-	1,000	-
	<u>3,524,188</u>	<u>3,584,423</u>	<u>231,325</u>	<u>270,491</u>

The 2016/17 grant from Hampshire County Council was received in March 2016, this has been deferred to that year in accordance with SORP2015. The grant is in the sum of £2,898,623

#### 16. Analysis of net assets between funds

##### Group

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2016 as represented by:			
Intangible fixed assets	2	-	2
Tangible fixed assets	89,069	-	89,069
Current assets	4,107,978	112,782	4,220,760
Current liabilities	(3,584,423)	-	(3,584,423)
	<u>612,626</u>	<u>112,782</u>	<u>725,408</u>

##### Charity

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2016 as represented by:			
Intangible fixed assets	2	-	2
Tangible fixed assets	59,163	-	59,163
Investment assets	1,000	-	1,000
Current assets	3,978,815	112,782	4,091,597
Current liabilities	(3,524,188)	-	(3,524,188)
	<u>514,792</u>	<u>112,782</u>	<u>627,574</u>

## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 17. Restricted funds

	1 April 2015	Incoming	Outgoing	Transfers	Revaluation	31 March 2016
	£	£	£	£	£	£
Childhood Legacy Collection	90,000	-	-	-	-	90,000
HCC re Wolfson Trust	30,000	-	7,218	-	-	22,782
Curtis Museum P Fund	12,000	-	12,000	-	-	-
OMG! Facebook Grant	25,050	-	25,050	-	-	-
Hampshire Futures	22,060	-	22,060	-	-	-
Heritage Lottery Fund	11,642	-	11,642	-	-	-
Gosport Borough Council	7,712	-	7,712	-	-	-
	<u>198,464</u>		<u>85,682</u>			<u>112,782</u>

The Childhood Legacy Collection represents a bequest from the late Mr William Simpson for the maintenance and upkeep of the childhood collection at Milestones Museum.

The WDC Lighting grant represents a grant from Hampshire County Council to match a grant from the Wolfson Trust for lighting projects.

The Curtis Museum Policy fund represents the balance remaining of a grant from East Hampshire District Council and Alton Town Council towards the Curtis Museum and Art Gallery.

The OMG! Facebook grant represents a grant received for the Heritage Lottery Fund towards working with young people in Fareham and Gosport to explore life as a teenager in the 1970s, 1980s and 1990s, focusing particularly on the way that technology has influenced everyday life.

The Hampshire Futures grant represents the remaining grant from Hampshire County Council towards Adult Learning.

The Heritage Lottery fund represents a grant received from the Heritage Lottery Fund towards the 'Entrenched' project.

The Gosport Borough Council grant represents funds provided by Gosport Borough Council towards ongoing project work carried out by the Ashcroft Arts Centre in Gosport.

#### 18. Commitments and contingent liabilities

Neither the Trust or group had any capital commitments or contingent liabilities at 31 March 2016.

#### 19. Other related party transactions

Grant funding received from Hampshire County Council and Winchester City Council is detailed in note 3 to the accounts.

## Hampshire Cultural Trust

### Notes to financial statements for the year ended 31 March 2016

#### 20. Taxation

All of the Trust's income is applied for charitable purposes and therefore the Trust is exempt from corporation tax. The Trust's trading subsidiary had a corporation tax liability of £nil as at 31 March 2016.

#### 21. Ultimate controlling party

The ultimate controlling party is the Board of Trustees.

#### 22. Prior period adjustment

The accounts for the subsidiary, Hampshire Cultural Trust Trading Ltd, for the year ended 31 March 2015 included an overstatement of closing stock in the sum of £33,809.

The effect of this change on reserves is as follows:

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Funds brought forward as previously stated	540,656	198,464	739,120	-
Prior year adjustment	(33,809)	-	(33,809)	-
Total funds brought forward as restated	506,847	198,464	705,311	-
Net movement in funds	105,779	(85,682)	20,097	705,311
<b>Total funds carried forward</b>	<u>612,626</u>	<u>112,782</u>	<u>725,408</u>	<u>705,311</u>

**Hampshire Cultural Trust**

**The following pages do not form part of the statutory accounts.**

## Hampshire Cultural Trust

### Statement of financial activities (Charity only)

For the year ended 31 March 2016

	Notes	Unrestricted funds £	Restricted grant £	Year ended 31/03/16 Total £	Period ended 31/03/15 Total £
<b>Incoming resources</b>					
<b>Incoming resources from generating funds:</b>					
Donations and grants	3	4,596,815	-	4,596,815	2,573,362
Legacies		-	-	-	-
Investment income	4	15,494	-	15,494	10,080
Gift aid from trading subsidiary		-	-	-	-
<b>Incoming resources from charitable activities:</b>					
Charitable activities	5	1,262,282	-	1,262,282	580,372
Other incoming resources	6	130,947	-	130,947	22,094
<b>Total incoming resources</b>		<u>6,005,538</u>	<u>-</u>	<u>6,005,538</u>	<u>3,185,908</u>
<b>Resources expended</b>					
<b>Charitable expenditure:</b>					
Charitable activities		5,918,828	85,682	6,004,510	2,559,362
<b>Total resources expended</b>		<u>5,918,828</u>	<u>85,682</u>	<u>6,004,510</u>	<u>2,559,362</u>
<b>Net incoming/outgoing resources</b>		86,710	(85,682)	1,028	-
Total funds brought forward		428,082	198,464	626,546	-
<b>Total funds carried forward</b>		<u>514,792</u>	<u>112,782</u>	<u>627,574</u>	<u>626,546</u>

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

All transactions are derived from continuing activities.

The notes on pages 17 to 29 form an integral part of these financial statements.



