

Company no. 06373488
Charity no. 1122964

Luton Cultural Services Trust

Annual Report and Financial Statements

For the year ended 31 March 2024

**LUTON CULTURAL SERVICES TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

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Report of the Board of Trustees for the year ended 31 March 2024

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Chair's Report and Strategic Report

I am delighted to report another year of steady growth as we continue to recover from the impact of COVID, the cost-of-living crisis and energy cost increases. We knew that this would not be a quick fix and that it would take time and concerted effort to secure greater financial stability and to re-grow our reserves. But none of this is possible without the return of visitors and audiences to our Museums, Heritage sites, arts centres and venues. This year an increase in visits from 218K to 250K is very encouraging and has enabled us to grow our programmes, impacts and incomes.

A key focus this year has been devising a new business plan, drawing on expert advice to review our operations, finances, activities and venues, prioritising approaches that will have the greatest impact. We are pleased that this is now launched for delivery from April 2024, and over the next four years we have set out a framework to enable the organisation secure and embed financial and operational resilience. Changes we have made include playing to our strengths by doing more of what we are good at rather than starting new streams of work. An example of this is how we have built progression into our exemplary education and skills programme by providing a 16+ Talent and Alumni training and start up strand, with thanks to funding from Arts Council England. Another example is how we have commercially developed our Hat Factory events and activities to ensure there is something for everyone and to increase our ticket incomes and secondary spend. We still have further work to do to animate the venue during the daytime, but our evening programme is really gathering momentum with many sell-out performances. Wardown remains a well-loved Museum and this year we have been working in the one-mile community living around the Museum to increase co-curation and community partnerships. Stockwood Discovery Centre holiday activities have continued to grow with Illuminated, our winter light show, receiving record visits and incomes in 2023.

We continue to keep ticket prices low and affordable, and our museums continue to be free to enter. We actively support Luton 2040 strategy, by contributing to its vision, ambition, priorities and most importantly, to its successful delivery and long-term outcomes. From removing barriers to cultural engagement, to regenerating the town centre, to increasing skilled employment and enterprise opportunities by attracting small businesses and creative

entrepreneurs to the Hat District. We are delighted this year to welcome Clore Leadership, the cultural sector's foremost provider of leadership development programmes, who are relocating from central London to Luton's Hat District.

We are hugely grateful to our key partners Luton Rising and Luton Council, for their ongoing investment and for their demonstrable commitment to the role of culture and creativity in transforming lives and communities. I am particularly thankful to Luton Council officers and elected members for their unwavering support. I would also like to thank Arts Council England for their funding and expert advice; we are very proud to be part of ACE National Portfolio for the exemplary museum activity at Wardown House Museum.

The Board of Trustees is grateful to everyone in the Culture Trust Team for continuing to deliver to such a high standard, in the face of unprecedented challenge and ongoing financial constraints. My thanks to our CEO and Director of Customer Engagement for steering a sound course and for continually stepping up to challenges and opportunities alike. We are delighted with the recent appointment of a new Finance Director as a key member of the senior leadership team.

In line with our Equality Diversity and Inclusion plan, we have invested in board development and recruitment to ensure that we continue to govern with diligence and skill. I am proud of our more diverse board with a 50% gender split, lowering average age and 35% global majority members as we endeavour to better represent the community we serve. Volunteers are a key agent in our work, from governance to collections support, delivery of projects and deepening engagement with our communities. Our Museum Makers continue to underpin our work with their donation of time and skill, and we are very thankful. We have an incredibly talented team of staff, volunteers, trustees who collectively support our year-round delivery of arts and culture.

Our growing audiences, visitors, participants and partners are indication of our organisation's relevance and impact, and that gives us sense of hope and optimism for the coming year and beyond.

Andrea Stark
Chair of Trustees

Our Purposes and Activities

The objects of the Charity are as follows:

- (a) The Charity has been established for the benefit of the public primarily for the community and visitors to Luton and the wider area of the East of England for not limited to the following objects.
- (b) The advancement and support of education, culture, arts, heritage and history including the provision of museums, galleries, learning and information centres, archives and other related services; and/or
- (c) The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare such facilities being provided to the public at large save that special facilities may be provided to persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities or services; and/or
- (d) Such other charitable purposes beneficial to the public consistent with the objects above as the Directors shall in their absolute discretion determine.

How our activities deliver public benefit

The Trustees confirm that they have had regard to the Charity Commission's guidance on Public Benefit.

The Trustees believe that they meet the two key principles of public benefit as defined by law, being:

- There must be an identifiable benefit or benefits.
- Benefit must be to the public, or a section of the public.

The following examples demonstrate how we deliver to these two key principles of public benefit:

Care for public owned Heritage Museums, collections and heritage sites: As good custodians, we care for heritage, museum collections and historic buildings in Luton. We deliver accredited Museum services and collection care with specialist curatorial expertise and free public access. We invest in the running and operation of our Luton's heritage sites annually contributing to their upkeep and ensuring free public access to safe and inspiring venues. In 2023-4 we welcomed 166,056 visits to Wardown House Museum and Gallery and Stockwood Discovery Centre and a further 75,815 to the Hat Factory Arts Centre. With

support from Luton Borough Council and funding from Luton Rising, we are able to ensure we remove social and poverty barriers by providing free access to museums and heritage sites for all.

We operate from Stockwood Discovery Centre, Wardown House Museum & Gallery, the Hat Factory Arts Centre and connected to this, the Hat District creative cluster (HAT House and Hat Works). All sites have heritage importance, they are Grade II listed or within conservation areas. Within these heritage sites we present year-round cultural activity programmes, exhibitions, events, workshops, projects and displays. Examples of the public programmes we have developed and delivered this year are outlined below.

Stockwood Discovery Centre:

Stockwood Discover Centre is a Historic Museum, gardens and visitor centre with sustainability at its core offering free access to wellbeing walks, woodland and walled gardens and the best collection of Ian Hamilton-Finlay public art in England. The historic courtyard Museum tells local stories through collections and the more modern Mossman Gallery provides stories of life, travel and transportation. Here we promote discovery, togetherness and wellbeing and present a platform for learning about energy, movement, transportation and life's-journeys through museum objects, cultural activities, healthy walks and creative events. Stockwood Discovery Centre is located in the Georgian Grade II listed stable block and walled garden of the former Stockwood House in Luton. It includes interactive displays exploring local history from prehistoric times to the present, a temporary exhibitions programme, an award-winning carriage display, a visitor centre with a shop and café, an outdoor children's discovery area and world, sensory, medicinal, world and wildlife gardens. Stockwood Discovery Centre also encompasses a strong horticultural offer of walled gardens, woodland, historic greenhouses, beautifully designed formal gardens and an array of specialist plants, shrubs and trees. The garden is Grade II listed and has the best collection of public art in England by acclaimed artist Ian Hamilton Finlay. The site is free to access and is very popular with people of all ages throughout the year.

In 2023-4 we welcomed 123,107 visits to Stockwood Discovery Centre. Our year-round free to access programme included.

- Hats Made Me, Stockwood: *Hats Made Me* exhibition was conceived and curated by the Culture Trust Luton and offered a rare chance to see hats that defined an era, headwear that made a scene and favourite pop-culture items such as a tricorne worn by Johnny Depp in *Pirates of the Caribbean*, Michael Keaton's cowl from *Batman*, Flora McLean's acrylic visor worn by Beyoncé and the tiara worn by Madonna in her *Black Ballet* video. *Hats Made Me* showcased more than 200 different hats covering six continents and over 300 years of history. This exhibition was opened by World-renowned milliner Stephen Jones OBE on 20th April. The exhibition attracted national and international press with news segments and articles on the BBC website, radio and TV, ITV Anglia, The Hat Magazine, Luton Today, and through Associated Press including American, Vietnamese and Spanish TV. Stephen Jones OBE gave a compassionate speech about his career to 100+ audience from the industry, local community, volunteers and team and say "I have had the greatest pleasure of having the opportunity to challenge people's perception of what a hat should look like in the 21st century. I make

hats because I love hats. It's an enigmatic object that serves the human purpose only of beautification and embellishment, and making one feel good, whether you're the observer of the spectacle or the wearer.' We promoted Luton's Hat Making heritage to the national audience who came to the exhibition and celebrated local pride with the thousands of community visitors, school children and volunteers. We received positive and complimentary feedback:

- *'What a wealth of wonderful cultural and visual detail in there. I really enjoyed it. I'm so pleased to be back again towards the end of the week so I can have another look. So much to absorb. Congratulations on your wonderful exhibition. I'm absolutely delighted to be a little part of it. Thank you for that privilege.* Pip Mayo, Feltmakers Competition Winner
- *'I wanted to congratulate you and your team for such a successful 'Hats Made Me' exhibition. And the smaller 'Showtime for Hats' presentation, which has been just sensational.'* Carole Denford - Secretary of the British Hat Guild
- Stockwood Illuminated: is our annual community light-up event across the walled gardens at Stockwood Discovery Centre has become a firm family favourite now it's fourth year. We adapt the evening event each year taking on board customer feedback and developing the 'magic' as well as the commercial offer too. This year featured an extended route, new light art, additional interactivity and a new food and beverage point part way through the trail. We attracted the biggest audience yet with 7,500 visitors attending between 15 – 23 December 2023. Whilst the majority of tickets are paid for, we donated some tickets to community groups. We received positive feedback from visitors *"Was great fun. Brilliant Value," "Wonderful. Already looking forward to next year."* *"Very pretty and great to have locally."* *"Great Experience. Part of our Christmas Tradition."*
- FebFest: in partnership with Full House Theatre included eight participatory workshops about den building and drama skills and 2 Indian-dance shadow puppetry performances. FebFest engaged 310 attendees and achieving an average 95% capacity across all events; two performances and four workshops sold out. The event also included Full House's creative playground artists and the free daily *Imagination Station* workshops which achieved a record number of people through the door on day one with 469 individuals taking part.
- Black History Month: Stockwood Discovery Centre was home to the majority of our children and families' participatory programmes for October half term which focused on Black History Month. Steel pan, African drumming workshops and carnival Windrush crafts were delivered in partnership with the UK Centre for Carnival Arts. The free participatory activity was balanced with a ticketed performance by Little Angel Theatre of *'Wow said the Owl.'* Over 250 attendees took part in activities at Stockwood across the week. We achieved 93% capacity across the four drumming workshops and *Wow said the Owl* sold out two performances.
- Summer at Stockwood: Our season opened with a weekend of outdoor screenings in partnership with local outdoor cinema provider 'Sundown.' Over 500 people booked tickets and it is a venture we are looking to continue in the future. The season included a range of workshops and family shows which ended in a 3-day garden party, led by two local creatives during the Bank Holiday weekend. An intimate performance of Peter Rabbit proved popular with family audiences with over 150 attendees (across two performances).

- Heritage craft activation at Stockwood: in early June we welcomed a young Blacksmith who trained at The King's Dumfries House Estate to work from the old forge in the Stockwood Courtyard Museum. This is a new activity for customers to see and shows heritage crafts in action.
- Sustainable Stockwood Project: Sustainable Stockwood project achieved £10K funding from the National Lottery Heritage Fund to consider future capital development. We invited Buttress, Stockwood Discovery Centre's original architects, back to Luton to explore how we can update and enhance the site's visitor experience and commercial potential. We examined green-technology, low energy solutions, and decarbonisation to continue the site's sustainability ethos. We also commissioned landscape, literary, and sculptural artist Alec Finlay (son of Ian Hamilton Finlay whose sculptures sit throughout the Gardens) to contribute to this initial scoping. Alec worked with young people, including through the Youth Climate Conference in July, to create a series of nature-based affirmations that can inform future use and engagement with the site's many green spaces. We have achieved RIBA stage 1 plans which we can use for further fundraising towards site improvement.

Hat Factory Arts Centre:

The Hat Factory Arts Centre is one of the region's leading arts venues featuring live music, club nights, theatre, dance, films, comedy, festivals, workshops, talks, networks and events. The Venue comprises a 105-seat studio theatre, a basement bar and venue with capacity for 80, gallery and flat floor music venue accommodating 230, creative workspaces, meeting rooms, café and offices. We focus on fresh, new and relevant stories from both established and emerging touring companies who are making high quality work in the UK, and we specifically target young and diverse audiences to engage and co-curate our programmes. Complementing our own programming, we welcome local and regional promoters to the venue; broadening our music offer and at the same time supporting young promoters and their businesses. Commercial programming has been a growing area of business this year to increase our box office income and secondary sales in the café/bar.

In 2023-4 we welcomed 75,800 visits to the Hat Factory and Hat District venues. Here are some examples of public programmes we have developed this year.

- Peter Pan and Me Theatre production: Over October half term we ran a series of audience development activities which included workshops and events that were free to attend for people who purchased a ticket for the show in December. This community engagement proved successful, and we plan to replicate it moving forward for other projects. Building on feedback from previous years we have worked on improving welcome and customer experience of the venue. For example, this year alongside the Peter Pan and Me production, the Factory Floor was transformed into a Pirate's Cove for the duration of the show. This was open 60 minutes before the show to enhance and enrich the audience experience. In November we launched Tink's in a town, bespoke audio trail created by Full House Theatre as a wraparound activity for Peter Pan and Me. This ran every Saturday in November as part of our marketing and audience development. For the Theatre production itself, we achieved a capacity fill of 94.2% over 13 schools' performances and 90% over 12 public performances averaging 92.1% overall. We will continue to grow and develop our successful

winter season partnership offer with Full House Theatre through the commissioning a new piece of work each year from 2024 to 2026. Key to this is the commitment to casting that is more representative, diverse and inclusive (global majority) and an ambition for the work to tour nationally. The 2024 show currently in development has a working title of 'The King's Polar Bear' and explores themes of climate change.

- Regular programmes: We held a mini comedy fringe season throughout July hosting four double bills in collaboration with national comedy promoter 'Off the Kerb' with a great reception and one sell out show. The bill of comedians included a line-up of emerging talent as well as those already featuring regularly on television shows such as 'Mock the Week' and 'Taskmaster.' Audience Feedback: *"It's great to see more high profile names and shows coming to Luton."* Utter Lutonia celebrated their 10th anniversary. Utter has been with The Trust since its conception and continued this relationship by delivering the festival in September 2023 to mark National literacy Week. It has grown from strength to strength both in artistic content and audience loyalty.
- LGBTQ+ Safe space in the Hat Factory Vaults: funded by Bedfordshire and Luton Community Foundation. October saw over 20 volunteers from the LGBTQ+ community get involved in a painting day as part of the renovation of the Vaults into a new space. The start of 2024 saw the 'The Vaults' basement development project come to fruition following a two-year collaboration with PRIDE in Luton and the LGBTIQ+ community. The new inclusive space opened at the start of LGBTIQ+ History Month and has seen various events take place since inception. The first exhibition in the space is being curated by the monthly Trans Admin group to mark *Transgender Day of Visibility* at the end of March. The exhibition will feature portraits taken of the community at a free photoshoot and will celebrate individuality and the message that everyone is beautiful. We are exploring how the space can be used for mainstream and LGBTIQ+ events and activities - promoting the inclusive ethos of its creation and ensuring that the space can be developed for mainstream income driven ventures such as private hires, DJ sets and workshops whilst also ensuring that it serves as a space for the LGBTIQ+ community to host a regular programme of events providing protected time for the curation and development of creative and social events for the community. The space launched February 2024 as part of the launch of the season.
- Momentous Months: Black History Month in the Hat Factory: In October we marked Black History Month for the second year with a multi-disciplinary programme including music, children and family events, comedy and film. 600 people purchased tickets for events linked to the programme with an additional footfall of 400 on non-ticketed events such as Hat District Lates and the Luton Black Business Market in partnership with Simply Deez Events. We developed and delivered the programme in partnership with UKCCA and the Skill Lab C.I.C. Both partners were key to the successful delivery of the programme and brought with them quality artist performers such as Carl Gabriel. As part of the month, we curated a large factory window display in collaboration with UKCCA and the Igbo Community which consisted of carnival costumes and tradition African dress.
- Momentous Months- South Asian Heritage: We celebrated South Asian Heritage Month (July - August). The multi-disciplinary programme included international companies and work through a mix of ticketed and free events. We partnered with UKCCA to include talks and window displays from Sarah Salim, a local artist with an international portfolio. We have begun making connections within the community to further our understanding and

depth of knowledge in terms of programming. Integrated with South Asian Heritage Month was NGYT's annual end of term resident company shows. The performances were a resounding success playing to three sold out audiences.

- PRIDE 2024: The end of June, saw Luton PRIDE return to The Hat District for its second year. Approximately 4500 people attended throughout the event and over £5,000 was taken at the bar which supported our trading income. The Culture Trust Luton made a three-year commitment to support the visibility and growth of the LGBTQ+ community by publicly signing an MOU at the PRIDE vigil and launch. This partnership shows dedication and public alliance in taking further steps in becoming an exemplar of what an inclusive space and venue looks like.
- Luton Matters Programme funded by the Steele Trust: The project funding enables us to establish our 'Factory Associate' artist development programme. We successfully recruited a freelance Project Producer in February to launch an open call for Factory Associates and the first of two public artwork commissions with the first focussing on celebrating Black Culture and Heritage in the Luton area. The programme is being delivered in Hat District and has an overarching thematic connection to one of our Momentous Months.
- Being Black in Luton: We commissioned three creatives to deliver our panel discussion on 'Being Black in Luton', local company Simply Deez Events to deliver the Luton Black Business Market and a community film night. We also supported For my Books (diversity in story telling) with the launch of their new children's literacy publication and commissioning Bute Street Festival to deliver an industry discussion celebrating Black Women in the Film industry. As part of Black History Month, partners Bute Street Festival hosted an intimate industry talk in collaboration with *The:Nublk Film Collective* and the *British Blacklist* which was hosted in the social space at Hat Works.
- Bute Street Film festival: We collaborated with Bute Street Festival to enable a 3-day Hat Factory Take Over - filling the café, Factory Floor, Beacon Lounge, Hatch Spaces, and Studio Theatre with a curated programme of film, animation, visual art, music, Q&As, networking, and professional development opportunities. Highlights included a workshop with renowned script editor *Gabriella Apicella*, and a seminar and panel discussion with internationally recognised companies *The Nu Black* and *The British Blacklist*. To an audience of students, creative professionals, and young filmmakers, panellists shared their experiences of going from YouTube creators to BBC commissioners and multi-award winners. One of the panellists commented *"I had the best time. These guys know how to curate a film night that will leave you inspired and motivated. I had the opportunity to answer some amazing questions about writing, directing, and the importance of social impact in film."*
- The Young People's Puppet Theatre's (YPPT): was launched in December. Cohort 1 has seen a core group of 17 volunteers who attended regular puppet making sessions. The volunteers gave over 300 hours of their time. The group was diverse in terms of age (19+), demographics, abilities (one SEND and carer attending) and backgrounds (one asylum seeker). The volunteers started to meet together in the museum café every Monday and formed a WhatsApp group which was an unexpected social outcome. At the end of April, the group created new puppets, backdrops and props for the "Luton Story", based on the script that was developed by local artist Debra Knight and YPPT Puppet Theatre script writer Rebecca White. All of this work will form part of a new schools' Black History Month and Windrush resources for the Culture Trust and YPPT in Beds, Bucks, Herts and beyond.

Schools, Skills & Learning:

We work with education and non-education providers on developing and delivering a cultural programme that engage young people with culture, creativity, our Museum collections and local histories. Our exemplary schools work has grown to develop greater communication about creative skills and careers, at each workshop we ensure every child and young person we work with understands more about creative and cultural careers and how they can develop their creative talent. We provide a platform for creative people to perform, practice and nurture their talents in professional venues and in front of live audiences to develop their confidence and communication skills.

We enabled 14,050 young people (0-25 years) to participate in cultural skills workshops. This year we engaged with Schools in Luton, supported teachers and students with curriculum delivery and out of school activities in the following ways.

- SEN art Installation: In March we hosted *Eye Music Trust's* unique Colour/Music Sensory Installation which enables participants to create whole orchestras of sound through movement. Eye Music Trust create new environments using public spaces, linking music, colour, light, space and movement resulting in new perceptions and understanding of contemporary music and performing arts for members of the public. The installation will open with a performance by students from Woodlands (SEN) Secondary School in Marsh Farm, who in the week preceding will have engaged in interactive workshops at the school to support their sense of self-esteem, visibility and pride and encourage their wider community to attend the performance (on 16th March) in order to support community engagement with the Hat Factory.
- Royal Opera House Commission Teachers CPD and festival: We have been commissioned by the Royal Opera House (ROH) to collaboratively develop and deliver their Pioneer Create Day events in Luton for 2024, as part of a new initiative for the area. On the 6th March we supported a teachers' focus group to shape the event which will be followed by a teachers' CPD day on 25th March, followed by 4 festival days (in July), which will target up to 16 schools, 450 primary age children (yrs 5 & 6) at the Hat Factory. The £12,000 contract is set to generate income for both commercial and learning teams over a 6-month period.
- Virtual SchoolsPerformance: Belonging. On 8 March we partnered with Tangled Feet supported a dedicated performance of 'Belongings' in collaboration with The Virtual School, who support children with a social worker. Belongings shines a light on children in the care system, displaced or growing up with insecure housing and home lives whilst exploring the individual need to belong. The experience will be complimented by an interactive activity following the performance (attended by 64 individuals from 5 schools across Luton); 43 were children in care alongside approximately 10 invited guests from Music24, LBC and other local organisations.

- Creative Industry Exchange: For a 5-day period in February we supported NGYT Alumni Company Chalk Line Theatre in an R&D period to develop the piece 'LU2' (working title) based on lived experiences of growing up in Luton in the 90s/00s as a 16/17-year-old male. Workshops were undertaken with local schools and NGYT. We are pleased to see that R&D period has resulted in the show being programmed at the Edinburgh Fringe in Summer Hall. Chalk Line are now fundraising to support production costs and discussions are taking place about premiering the work at The Hat Factory in the Summer ahead of the Fringe.
- UOB Level Trust: Smash Summer School 2023. We used the opportunity to pilot a new workshop for schools and groups working with The Uptown Yardie in order to promote the offer to schools in the autumn term 2023. The Level Trust work with children between the age of 8 – 12 years old, all students must qualify for FSM to participate. This year we supported 2 cohorts (56 and 53 students per week) visited Stockwood Discovery Centre to visit the Hat's Made me exhibition, have workshops with one of the exhibitors, Rohan the Uptown Yardie, they designed their own Bucket Hat and took part in a craft activity to design their Super hero car of the future. The demographics of the group were a mix of African, Pakistani, Bangladeshi, White and Asian families, 43 from LU1 postcodes and 11 from LU2 postcodes all of whom, when asked had little or no engagement with the trust before apart from via school visits.
 - *"The SMASH Summer school is a unique community outreach programme which brings together multi agencies and centrally places organisations such as Cultural Trust, The Level Trust and the University of Bedfordshire to support children living in poverty in our town. The summer school is an opportunity to for the children to make friends, have fun and inspire them in their next steps in education.*
 - *This year, partnering up with Cultural Trust has allowed children to experience museum, art and heritage spaces, take part in creative activities and understand the connections between history and building a new future for the town. Thank you for being a part of this"* Roisin Kendall-Access and Outreach Manager

Wardown Museum & Gallery:

Wardown Museum & Gallery is an enthralling Museum set in a historic Victorian manor house in Wardown Park offering free exhibitions of locally relevant and nationally important collections, co curated with our one-mile community and Museum Maker volunteers to reflect contemporary Luton Including the biggest hat & headwear collection outside London. Situated in the beautiful landscaped Wardown Park on the outskirts of Luton town centre entry is free, and the House provides inspiring, eclectic and beautifully curated collections for people of all ages. Here we co-curate local stories about travel, exploration, migration, family, fashion and the home and provide a platform for sharing objects, family stories and histories. Wardown House gives visitors an insight into a family home during the Victorian period as the original use of each room is communicated through the collections including the Billiard Room, Smoking Room, Library and Kitchen. With an exemplary hat collection, local and social historical collections, the displays chart the development of Luton and celebrate

its diverse communities. We bring this right up to date by co-curating local stories around migration, travel, exploration and home representative of our diverse neighbouring cultures. The Museum also provides a gallery space for emerging and contemporary artists as we seek to find new creative ways to engage with the local community.

We are a National Portfolio Organisation (NPO) which provides three-year funding from Arts Council England that is particularly focussed on Wardown House Museum excellence, collections development and audience diversification. As part of this programme, this year we delivered.

- Noor Ali Chagani An exhibition: Pakistani artist *Noor Ali Chagani* will be presenting his new work imaginatively installed across the Morning Room. We have been working with Noor to develop connections with the Bury Park business community, where he has been visiting cafes and shops as inspiration for these works. Noor has been inspired by the brick and plasterwork of local buildings and has used this as a way to start conversations about the built environment in villages and towns in Pakistan and India. The free exhibition opened 23 July 2023 at Wardown and became part of our South Asian Heritage month programme. Pakistan born Chagani is a multi-award-winning artist, and his exhibition revolves around the concept of absence of home; the desire to search of a personal space that he, and others, can call their own. This new work has been informed and inspired by the stories and experiences of communities from the local area. It has generated a lot of interest, with visitors particularly coming to see the exhibition, including a potential new collaboration with a Pakistani heritage frame maker. The NPO programme producer also spoke to Luton based Abu Yahya calligraphic artist about the possibility of him showcasing some of his work. Abu had come to see Noor's exhibition and expressed an interest in exhibiting his work in the museum alongside the possibility of offering a workshop programme. (2024/25 + 25/26).
- Luton in 50 Objects exhibition: Curated by Sarfraz Manzoor with the community of Luton bringing their objects reflecting their stories of Luton in the last 50 years. We are receiving submissions for consideration via email and in person at collecting days. Three collecting days have been held in the museum, along with community-based outreach including across Bury Park. To date, over 60 objects have been put forward for consideration by Sarfraz, with a number of additional items promised for inclusion. Luton in 50 objects is due to open on 16 May 2024. *'I am very impressed with the Sarfraz Manzoor idea at Wardown. Well done, it is an outstanding curatorial initiative'* Matthew Shaul, *Contemporary art curator, London*.
- NPO Curate a Case: Luton Artist Sophie Gresswell has the second part of her work *On the Wings of a Wire Bird* on exhibition at the Higgins in Bedford. This builds on the work undertaken and displayed at Wardown as it features pieces made by our local Bushmead primary students and a loan of one of our historic straw policemen's helmets. Her display *The Earth, The Cracks, The Hats, The Flax* at Wardown explored her interconnected heritage and 'Britishness' from her visit to the island of her ancestors, Saint Helena. Over 2020-2021 NPO Artist in Residence Teresa Whitfield completed a highly detailed life size drawing of a nylon lace slip in our collection, as part of her artistic practice. We displayed the finished drawing and the slip in our *Lace in Fashion* exhibition in 2022. We are now lending the slip to Teresa to display, alongside the drawing as part of her upcoming exhibition at *Making as Learning*, Salts Mill, Saltaire, West Yorkshire.

- Museum Makers Matter Volunteering: We have a total of 958 museum makers registered with us. Work to build a diverse pool of museum makers is still ongoing; over the past year we have recruited 22 Museum Makers from underrepresented communities. There have been 25 new museum maker sign ups this quarter, with four from underrepresented communities. Working with Desi Arts Development and Nadeem Plaza we held a successful Museum Makers recruitment drive in Bury Park on February 29th, at the same time we also encouraged people to submit objects to our upcoming exhibition *Luton in 50 Objects*.
- The Regiment Museum at Wardown: We have successfully delivery partnership work with the Regiment gallery again this year with new schools taking up the offer of a full day of workshops with both the museum team and talks/tours from regiment volunteers. This is most popular during September - November as part of “festivals” season which looks at Remembrance and WW2 in the curriculum. The Regiment Trustees have contacted Luton Borough Council (LBC) to highlight the upcoming renewal of the agreement between LBC and the Regiment, as they are keen to continue to host the Regiments Collection at Wardown. The Culture Trust will be involved in part of the negotiations as they progress.
- Music in the Museum: We are continuing to develop our music Programme at Wardown, and this year we focussed on diversifying our classical music offer, working with Sinfonia Verdi. In July, for South Asian Heritage Month – a Journey in South Asian Classical Music with Violin virtuoso Sithamparanathan Jalatharan “Isaignasudar” and then Elizabeth Green, Harpist in September
- AR Hat Trail: We have piloted the first Augmented Reality (AR) presentations of our collection in collaboration with *Virtually There Studios*. 10 hats from our collection were 3D scanned and rendered into digital objects. We have loaded these digital hats onto the Culture Trust Snapchat where they can be used by anyone worldwide as filters. After the first week our Straw Policeman’s Hat had a mind-blowing 50,000 uses. We are working with *Virtually There Studios* to understand what other possibilities exist for our digital collection, and how we can ensure maximum playability and functionality for our planned AR Hat Trail.

Hat District Creative Industries cluster:

The Hat District is a dynamic Creative Industry Cluster of three former industrial hat factory buildings transformed into workspaces and performance venues in the heart of Luton. The Hat District consists of the Hat Factory Arts Centre on Bute Street, and Hat Works and Hat House on Guildford Street and the wider public realm that connects these three former hat factories as outdoor performance space. The Hat District buildings are within the Plaiters Lea Conservation Area, which is a key location for the future development of Luton. The success and growth of the Hat District cluster plays a key role sustaining the Trust’s long-term position as we seek to ensure income generated from the cluster is channelled back into arts, culture, heritage opportunities, promotion and infrastructure. We recognise that growing the Hat District has the greatest growth potential, doing what we do well whilst boosting provision, supporting sector growth, and generating sustainable income for the Trust. The Hat District promotes creativity, performance and participation and provides a platform

for creative industry ingenuity, skills development, collaboration and a platform for sharing talent, inspiring arts, theatre, music, film, exhibitions, festival and comedy.

In 2023-5 we nurtured 74 creative industry micro-businesses. We invest in skills, develop talent, commission research and collaborate in order to foster growth. We provide 16,500sqft of creative workspace. Developing historic former hat industry buildings that have been neglected or abandoned. We invest in high quality heritage conservation and improve the high street creating community pride and tourism to Luton Town centre. In 2023-4, Hat District provided the following public opportunities, activities and engagements.

- Hat District Lates: From September to November 2023 on the first Thursday of the month The Culture Trust Luton hosted its Autumn season of *Hat District Lates*, tied into Heritage Open Days, Black History Month and the start of our winter programme. This programme of partnerships form part of our Creative Plan to promote Momentous Months with co-commissioners across the town. Embryonic in nature, we are growing partnerships, audiences and profile in Luton Town Centre. Luton Bid helped support this initiative and we are very grateful. This evaluation provides an overview of what was delivered, the highlights, learning points and the KPIs enabled by sponsorship. Luton BID provided cash sponsorship of £2000 to enhance the outdoor visibility of the events as these are crucial for driving footfall and promoting audiences and passers-by to the Venues. BID sponsorship enabled us to implement additional evening promotions to engage passers-by and hand out literature about the events and exhibitions across *the Hat District Lates* venues. Being able to have someone engage on an individual basis with passers-by was really effective and a great way of gaining feedback. We learned how vital this resource is in directly marketing to Luton Town Centre visitors, businesses and residents. We discovered many people had walked past the arts centre daily but never been in as they could not visibly see what is on. We have since introduced outdoor posters and more info on our digital screen. As a result, we attracted new audiences to enter one or both of the buildings for *Hat District Lates* and engage in the programme and free exhibitions. We also found that on *Lates* nights our box office benefited from ticket sales.
- Talent Alumni & Progression: Funded by Arts Council England. With project funding, we successfully appointed a new TAP Coordinator who joined the team in February 2024. We worked with 30 creative alumni from or having a connection with Luton and filmed their career story across filming sessions in Luton and London. We commissioned local company Clearhead Media to film five short films which we curated for sharing with schools, universities and colleges to promote creative and cultural careers. TAP also includes the development of a physical and digital resource for the creative industries in Luton which is being centred around the Hat District. We have connected with young creatives through partners TOKKO youth network, LBC adult learning Job Fair, WOW Wednesday talk for students from UOB.
- #creative careers Luton: Through 2023, we led an advisory panel of meetings with Luton Council careers, Adult Learning, Schools, Local Education Partnership, Revoluton, UKCCA, the University of Bedfordshire and Tangled Feet. Through the advice and work of this group we were able to map

provision and opportunities and how these are currently marketed and promoted to young people. This informed our TAP creative start up traineeship and start-up training programme which was designed to complement rather than duplicate provision in Luton.

- Cultural Careers Work placements: We have successfully supported a range of work placements over the past few months with the following opportunities provided to local school children: Work Experience for a Year 11 student from Hitchin Boys School working (1 week); Culture and Heritage work experience for 2 Year 10 students from the Chiltern Academy (1 week); Culture and Heritage work experience for 1 year 10 student Maia from Manshead Academy (1wk); Manage internship for 1 student from Central Beds College in the gardens at Stockwood (3 days per week during the summer term); 2 Duke of Edinburgh Students, joined the Sunday Front of House team via the Museum Makers.
- Artist Exhibitions: In May, when we presented *Panacea*, a photography exhibition by three alumni of University of Bedfordshire, we offered an artist tour and Q&A to Hat Works and Hat District members. Following Luton Carnival, we are currently confirming a masterclass with artist *Carl Gabriel*, a world-renowned Carnival technician working with traditional wire bending techniques and papier mache. We continued our collaborations with the University of Bedfordshire's School of Arts & Creative Industries. As part of their wider Degree Show in May we hosted Film and Performance Student showcases in the Hat Factory Studio Theatre, with tutors, parents and industry professional in attendance. We have created new relationships with the tutors that lead these courses and are discussing how we can embed more curriculum-based teaching into our dedicated performance spaces.
- Hat District Pop-up Exhibitions in Luton Town Centre: We have curated the ground floor of Hat Works with funky and innovative hat and fashion exhibitions to animate the Town Centre. We have introduced work from around the world in the heart of Luton and these shows have proved popular with visitors to Hat works Stumbling across really engaging exhibits. Another objective was to signposting people to the Hats Made me Exhibition. The two shows.
 - Showtime for Hats Exhibition: curated by Claire Strickland at Hat Works was free to visit during September and October 2023. It was the first display dedicated solely to theatrical millinery and is now on display in Hat Works in partnership with Theatrical milliner Claire Strickland from the British Hat Guild. Showtime features prestigious pieces both in terms of milliners and actors who wore the hats such as Ian McKellen, Eddie Redmayne and Michelle Pfeiffer. With help from milliner Bee Smith, Claire has already achieved considerable marketing, including pieces for BBC 3 Counties radio, The Hat Magazine, Selvedge Magazine, Field Magazine, Hat Talk, an international football broadcast, Broadway World, Events for London, Step Forward Luton, Heritage Open Days, Hat Academy, Crew Chats and Crafts Council as well as a wonderful article in The Stage, the world's longest running theatre publication. This was complimented by a Milliner's Panel Discussion in The Hat Factory Arts Centre which achieved an 86% capacity fill. The exhibition was sponsored by the British Hat Guild and Petersham's Millinery Supplies and underpinned with funding from Arts Council and Luton Rising. On 14th October, a panel discussion was held with three leading costume designers and chaired by an internally renowned milliner. The event sold out with 106 attendees, which attracted milliners and costume designers from across the country, including from Luton and a significant number from London. As a result, we have been approached by The British Hat Guild to use Hat Works on a regular basis for more displays, workshops and activity.

- The Hat Antics: hat artworks by artist Felicity Shillingford was on display from November 2023 until 20 January 2024 and engaged the many users of Hat Works and specific visitors seeking free and high-quality art exhibitions in Luton Town Centre. The artist also led several free workshops, a children's party hat workshop, a Bag Hat Bag workshop for University of Bedfordshire students and a fascinator workshop for adults. The show also helped to build further relations with Hat Works Museum in Stockport where the display toured to after Luton.
- The Hat Man of London (Momentous Months): *LGBTQ+ History Month*; We have continued to curate the ground floor of Hat Works with another hat inspired exhibition to animate the Town Centre, this time linked to LGBTQ+ History Month and our Momentous Months cultural programming. 'The Hat Man of London' exhibition by proud LGBTQ+ artist and milliner Chito Salarza-Grant showcased amazing sculptural pieces made to celebrate national events from Royal Weddings and Wimbledon to Halloween. He has become well known as the Hat Man of London for appearing at these events in his creations. Chito is in the process of donating 50 of his iconic pieces to our collection.
- Heritage Network Trust: We applied to the Architectural Heritage Fund for the *Heritage Network Trust's programme 2023-25 and we were awarded £210K from January 2024 for three years*. This funding is to support us build capacity and undertake research and development into growth the Hat District and putting more underused heritage buildings into community use.
- Town Centre creative animation of shop-fronts: We successfully used lighting, display and animation across the Hat District area through our digital screen and window displays to promote interest, engagement and intrigue in digital media contents. We will commission more arts in windows and projections to animate the streetscape in darker days and months. This attracted people into the building and raised conversations and curiosity.
- Heritage Open Days: In September we delivered a programme to celebrate the national initiative *Heritage Open Days* embodying the 2023 theme 'Creativity Unwrapped.' We shone a light on Luton's rich culture by working with five creatives in an evening of film, live music, exhibition displays and performance art. Award-winning "The Pan Man," directed by Michael McKensie including a Q&A that drew attendees locally and further afield including London. We hosted an incredible multimedia Windrush exhibition using sound, light and visual art animated the Factory Floor. In addition, we presented carnival inspired window displays in the café which were the ideal backdrop to our promenade Carnival performer and the café events we hosted. We engaged 460 people across the evening in the programme and events.

Financial Review

During the year, turnover increased by 7% to £3m (2022/23, £2.8m) due to an increase in trading income and other donations. The principal funding sources of income to the Trust itself is grants of £2.1m (2022/23, £1.9m) for arts and culture. We also generate income from ticketed events, donations and rents/hire of spaces.

The total resources expended decreased by 18% to £3.5m (2023/23, £4.3m) predominantly due to the lower in-year pension cost (before actuarial movements) of £263k (2022/23 £772k). This is due to the FRS102 requirement to provide for benefits accrued and the net interest cost of the defined benefit pension scheme in the Trust's SOFA. Net resources expended in year therefore totalled £526k (2022/23 £1.47k).

The trust also incurred unrealised impairment losses on investment property of £386k (2022/23 £137k) and a realised loss on the sale of the Hat Studios land of £48k.

The defined benefit pension deficit was Nil at the balance sheet date (2022/23 £nil) in accordance with the actuarial valuation report for FRS 102 purposes, and it remains in a position of surplus which is not required to be recognised on the balance sheet under FRS17. The overall actuarial gains from the pension scheme were £263k (2022/23 £8.1m). This has produced a consolidated net liabilities position of £18.9m (2022/23 £18.8m).

Pricing Policy

Our pricing policy reflects our strategy of enabling free access to Museums at Wardown House Museum and Gallery and Stockwood Discovery Centre. We also provide an annual programme of free and subsidised arts and cultural activities and events where ticketed event prices range from £5 to £20 in the Hat Factory Arts Centre. All of our museum exhibitions, collections and public art commissions are accessed freely.

Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of running the business, keep available funds in interest-bearing deposit accounts and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index. Due to the increasing interest rates the trust was able to produce a modest amount of investment income in the year although the ability to generate a higher return was depressed due to the reduced cash balances.

Reserves Policy and Going Concern

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency expenditure or reductions in funding. The Trustees note that at the year-end, a total of £4.896m (2022/23 £5.553m) is held in the general fund reserves, which includes fixed assets and investment properties, and £222k (2022/23) as restricted funds. The restricted funds are not available for general purposes at the end of the reporting period and the general funds are held in fixed assets properties and can only be realised through the disposal of these assets.

The Trustees consider that the ideal level of reserves as at 31st March 2024 would be £600,000 representing two months operational expenditure. The Trust has fallen below the level identified in the reserves policy during the period. The Trust 5-year plan includes a gradual restoration of the Trust reserves.

In accordance with their responsibilities, the Trustees have considered and concluded upon the appropriateness of the going concern basis, which has been used in the preparation of these financial statements. In making this going concern assessment, the Trustees have had regard to the matters highlighted in Note 1 section b in the accounts. After considering the uncertainties described in the note, the Trustees have a reasonable expectation that the charitable company will have sufficient resources to continue in operational existence for the foreseeable future. For these reasons, the Trust has continued to adopt the going concern basis in preparing the financial statements.

Plans for Future Periods

We have developed a new Trust-wide Business Plan which will come into action from April 2024. It is being built out of a series of workshops and activities with board, staff and the leadership team and external advice and challenge.

Reference and Administrative Details

Charity number: 1122964

Company number: 06373488 (England and Wales)

Registered Office: The Hat Factory Arts Centre 65-67 Bute Street Luton LU1 2EY

Our Advisers

Auditors: Moore Kingston Smith LLP
9 Appold Street
London EC2A 2AP

Bankers: Co-operative Bank plc
2 Alma Street
Luton LU1 2PL

Solicitors: Freeths LLP
Routeo Office Park
Davy Avenue
Knowlhill
Milton Keynes MK5 8HJ

Directors and Trustees

The Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mr Nicholas Gibson (resigned 14 May 2024)
Mr Geoffrey Mulgan (resigned 14 December 2023)
Ms Andrea Stark
Mr Safeer Ahmed
Ms Joanne Prior
Mr Bilal Hussain
Mr Sufian Sadiq
Mr Robert Smalley
Mr Andrew Strange
Dr Carlota Larrea
Ms Julma Begum
Ms Nadine Cotton (appointed 11 July 2024)
Ms Julia Luddington (appointed 11 July 2024)
Mr Nigel Marshall (appointed 11 July 2024)
Ms Pritesh Mistry (appointed 11 July 2024)
Ms Amy Nicholls (appointed 11 July 2024)

Key Management Personnel

Ms Marie Kirbyshaw	Chief Executive
Mr Samuel Javid	Creative Director (resigned 16 August 2023)
Mr Ashley Bishop	Director of Customer Experience
Ms Vanessa Penzo	Director of Finance & Resources/Company Secretary (resigned 8 October 2023)
Ms Tracey Sage	Interim Creative Director (appointed 31 August 2023)
Ms Gillian McKay	Interim Finance Director (appointed 7 September 2023)

Structure, Governance and Management

Governing document

Luton Cultural Services Trust is a registered charity and a company limited by guarantee. Its governing document is the Memorandum and Articles of Association. The Board of Trustees comprises the Directors of the company.

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2024 was 12.

Appointment of Trustees

As stated above, the Board of Trustees are also Directors of the Company. Directors are recruited through public advertisement, contacts of the current Board members and through business contacts of the charity. They are assessed for suitability using a skills and interests matrix and are interviewed by the Chair and Chief Executive. In normal circumstances one third of the Directors retire at each Annual General Meeting and are eligible for reappointment.

Trustee induction and training

Trustees have an induction programme comprising governance, the Trust vision and priorities, analysis of the charity's business plan, activity programme, staffing and resources. They also take part in a programme of visits to operational sites of the Trust where they learn more about our operation and meet staff and volunteers. Trustees are able to undertake training specific to their role and an annual strategy workshop to review progress and consider future plans. Trustees attend look and see visits and participate in an in-depth away-day each year with the Chief Executive and Leadership Team to experience best practice, meet counterparts nationally, to learn about new approaches and to review and to expand on experiences and grow knowledge in areas relevant to the business plan.

Organisation

The organisation was established under a Memorandum of Association which established the objects and powers of the organisation and is governed under its Articles of Association. The Trustees who have served during the period and those appointed before the date of this report are listed on page 10. No member of the Board or sub-committees receives any remuneration for their services as Trustees. The Board meets four times a year with additional extraordinary meetings if required. Sub-committees report quarterly to the Board and comprise the Finance sub-committee and Human Resources sub-committee. The Nominations Committee and task and finish groups are established to consider relevant issues from time to time and report back to the Board. The Leadership (which comprises the Chief Executive and the senior staff reporting to the Chief Executive) meet every month to monitor performance, activity and operations and to review finances, policy and practice. The organisation is a charitable company limited by guarantee, incorporated on 17 September 2007 and registered as a charity on 27 February 2008.

Related Parties and Co-operation with other Organisations

Any connection between a trustee and senior manager of the charity with a production company, contracted actor, performer or exhibitor must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. Details of related party transactions are shown in note nineteen to the accounts.

Luton Cultural Services Trust is a member of the Museums Association, The Association of Independent Museums and The English Civic Museums Network. The Trust takes part in networking, advice, funding and strategic planning with Arts Council England, Heritage Lottery, Museums Association, Historic England, South East Midlands Local Enterprise Partnership and the Museums East of England Group.

Pay policy for senior staff

The directors consist of the Board of directors, who are the Trust's Trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All directors give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 7 to the accounts.

The Trust adopts the NJC for Local Government pay scales for all staff, including the Chief Executive and leadership team. All posts are evaluated to align with the Local Authority job evaluation scheme to ensure fairness across the Trust and parity with similar Local Authority jobs. Staff pensions are provided through the Local Government Pension Scheme.

Risk management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to evaluate and manage these risks. The Trust's risk register is reviewed on a regular basis by the Leadership team, Finance Sub-committee and at each Board meeting.

The key risk faced by the charity remains the impact of reductions from its major funder(s), the increase in costs resulting from high inflation and the impact of reduced income resulting from lower footfall due to the challenges in the economic environment. As a cultural charity, the Trust is able to take advantage of opportunities in the wider cultural environment and actively apply for funds from call on other funders such as the National Lottery, Trusts and Foundations to go alongside core funding from Arts Council England (NPO) and the annual donation from Luton Rising.

The Company's operations expose it to limited financial risks that include employee costs, price risk, credit risk, liquidity risk and interest rate risk. Given the size of the Company, the Directors have delegated the responsibility of monitoring financial risk to a sub-committee of the Board. The policies set by the Finance sub-committee are implemented by the Company's finance department.

Employee Costs Risk: The Trust spends 59% (2022/23 62.5%) of its budget on staff salaries and on-costs. There is a risk that these costs will rise in line with inflation and above that included in our medium-term financial plans. The Trust salary pay scales and annual pay award are in line with the National Local Government Green book terms and conditions, which are subject to the government's public sector pay constraints.

Price Risk: The Company has exposure to commodity prices particularly for utility costs, building maintenance and office costs. Strong working relationships with its principal suppliers and framework agreements have aided the Trust to alleviate part of this risk.

Credit Risk: The Company has limited exposure to credit risks. Most of its fees and charges are not subject to credit and those that are, are short term. Credit checks are not normally carried out on customers.

Liquidity Risk: The Trust is primarily funded through grants and donations which are usually received in advance of expenditure.

Interest Rate and Cash Flow Risk: The Charity has £1,483k of borrowing and therefore exposure to interest rate risks. The Trust has fixed the interest rate for these loans for five years in order to reduce the interest rate risk.

Statement of responsibilities of the Trustees of Luton Cultural Services Trust in respect of the Trustees' annual report and the financial statements: The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

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.

Volunteer support

Luton Cultural Services Trust benefits from the time dedicated by volunteers, including Trustees. These donated services have not been evaluated for inclusion in the financial statements. Volunteers support the Trust by working in venues, fundraising, helping with events, documentation and curatorial work.

LCST Trading Ltd

Funds are contributed to the charity through its subsidiary, LCST Trading Limited and in 2023/24, arose from the sale of merchandise at our various locations, room hire, events management, weddings, café and bar sales. LCST Trading had income of £691k (2022/23 £641k) and there was a trading surplus of £98k (2022/23 £97k) therefore a donation of that surplus was made to the Trust.

Our key performance indicators are summarised in the table below (number of customers engaging with the Trust's activities during 2023/24 as compared to the previous year): For activities, please refer to the activities outlined in the Chair's report.

Service	2022-23 Actual (k)	2023-24 (k)									
		Q1 Target	Q1 Output	Q2 Target	Q2 Output	Q3 Target	Q3 Output	Q4 Target	Q4 Output	Full Year Target	Full Year Output
Arts*	69,247	7,676	19,617	9,014	15,480	12,963	20,252	2,442	20,466	32,095	75,815
Museums**	149,639	54,872	49,217	63,881	53,798	48,283	30,421	10,890	32,620	177,926	166,056
Total	218,886	62,548	68,834	72,895	69,278	61,246	50,673	13,332	53,086	150,831	241,871

Auditors

A resolution to re-appoint Moore Kingston Smith LLP as the charity's auditors was proposed at the AGM meeting held on 26 September 2024.

Approved by the Board of Trustees on 26 September 2024 and signed on its behalf by



Andrea Stark
Chair of Trustees
31/10/24

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUTON CULTURAL SERVICES TRUST

Opinion

We have audited the financial statements of Luton Cultural Services Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow 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 the parent charitable company's affairs as at 31 March 2024 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.

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 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 and parent charitable company's ability to continue as a going concern for a period of at least twelve 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 there is 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group 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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material

misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date 13 November 2024

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold St
London
EC2A 2AP

Luton Cultural Services Trust
Consolidated Statement of Financial Activities
(including an income and expenditure account)
For the year ended 31 March 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Income from:					
Donations and legacies	3	1,663,886	448,026	2,111,912	1,913,232
Charitable activities	2	209,865	-	209,865	276,407
Other trading activities	11	692,326	-	692,326	641,625
Investments	4	2,159	-	2,159	821
Total Incoming Resources		2,568,236	448,026	3,016,262	2,832,085
Expenditure on:					
Raising funds	11	594,160	-	594,160	543,356
Charitable activities	5	2,609,331	338,907	2,948,238	3,727,762
Other costs	5	-	-	-	32,454
Total Resources Expended		3,203,491	338,907	3,542,398	4,303,572
Net incoming/(outgoing) resources before transfers		(635,255)	109,119	(526,136)	(1,471,487)
Transfers between funds	17	(984)	984	-	-
Net income/(expenditure)		(636,239)	110,103	(526,136)	(1,471,487)
Other gains/(losses)					
Investment property impairment	10	(386,262)	-	(386,262)	(137,859)
Realised loss on investment property		(48,121)	-	(48,121)	
Actuarial gains/(losses) on defined benefit pension scheme	18	263,000	-	263,000	8,123,000
Net movement in funds		(807,622)	110,103	(697,519)	6,513,654
Total funds brought forward		5,703,159	112,204	5,815,363	(698,291)
Total funds carried forward		4,895,537	222,307	5,117,845	5,815,363

Luton Cultural Services Trust
Consolidated Statement of Financial Activities
For the year ended 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Income from:				
Donations and legacies	3	1,550,919	362,313	1,913,232
Charitable activities	2	276,107	300	276,407
Other trading activities	11	641,625	-	641,625
Investments	4	821	-	821
Total Incoming Resources		2,469,472	362,613	2,832,085
Expenditure on:				
Raising funds	11	543,356	-	543,356
Charitable activities	5	3,430,353	297,409	3,727,762
Other	5	32,454	-	32,454
Total Resources Expended		4,006,163	297,409	4,303,572
Net (outgoing)/incoming resources before transfers		(1,536,691)	65,204	(1,471,487)
Transfers between funds	17	(7,200)	7,200	-
Net income/(expenditure)		(1,543,891)	72,404	(1,471,487)
Investment property impairment	10	(137,859)	-	(137,859)
Actuarial gains on defined benefit pension scheme	18	8,123,000	-	8,123,000
Net movement in funds		6,441,250	72,404	6,513,654
Total funds brought forward		(738,091)	39,800	(698,291)
Total funds carried forward		5,703,159	112,204	5,815,363

Luton Cultural Services Trust
Consolidated Balance Sheet
As at 31 March 2024

	Note	The Group 2024 £	2023 £	The Charity 2024 £	2023 £
Fixed assets					
Tangible fixed assets	9	4,523,237	4,637,561	4,506,062	4,637,561
Investment property	10	1,799,999	2,967,501	1,799,999	2,967,501
		<u>6,323,236</u>	<u>7,605,062</u>	<u>6,306,061</u>	<u>7,605,062</u>
Current assets					
Stock	12	27,461	14,120	-	-
Debtors	13	206,454	184,599	217,255	64,136
Cash at bank and in hand		656,820	82,120	364,553	-
		<u>890,735</u>	<u>280,839</u>	<u>581,808</u>	<u>64,136</u>
Creditors: Amounts falling due within one year	14	(716,776)	(595,616)	(655,861)	(528,561)
Net current assets/(liabilities)		173,959	(314,777)	(74,053)	(464,425)
Creditors: amounts due after one year	15	(1,379,350)	(1,474,922)	(1,379,350)	(1,474,922)
Net assets excluding pension scheme liabilities		5,117,845	5,815,363	4,852,658	5,665,715
Defined benefit pension scheme asset		-	-	-	-
Net Assets including pension scheme liabilities		<u>5,117,845</u>	<u>5,815,363</u>	<u>4,852,658</u>	<u>5,665,715</u>
Funds					
Restricted funds	17	222,308	112,204	222,308	112,204
Unrestricted funds					
General funds	17	4,895,537	5,703,159	4,630,350	5,553,511
Pension reserve	17	-	-	-	-
Total funds		<u>5,117,845</u>	<u>5,815,363</u>	<u>4,852,658</u>	<u>5,665,716</u>

These accounts were approved and authorised for issues by the Board on and signed on their behalf by:



Andrea Stark
 Chair

31/10/24

Luton Cultural Services Trust
Consolidated Statement of Cash Flows
For the year ended 31 March 2024

	Note	2024 £	2023 £
Net cash flow from operating activities	(a)	33,177	(182,665)
Cash flows from investing activities			
Interest received		2,159	821
Interest element of finance lease repayments		(3,697)	(7,240)
Interest element of loan		(67,565)	(67,259)
Proceeds from sale of land		733,119	
Expenditure on fixed assets (including investment property)		(41,871)	-
Net cash used in investing activities		<u>622,145</u>	<u>(73,678)</u>
Cash flows from financing activities			
Repayment of capital element of finance leases		(36,575)	(61,619)
Bank loan drawn down		(37,468)	(148,981)
Capital element of ballon payment		(6,579)	-
		<u>(80,622)</u>	<u>(210,600)</u>
Net cash inflow	(b)	574,700	(466,943)
Cash and cash cash equivalents at beginning of the year		82,120	549,063
Cash and cash cash equivalents at the end of the year		<u>656,820</u>	<u>82,120</u>

Notes to the cash flow statement

a) Reconciliation of (outgoing)/incoming resources to net cash flow from operating activities

	2024 £	2023 £
Net (outgoing)/incoming resources before other gains/(losses)	(526,136)	(1,471,487)
Loss on disposal of fixed assets		-
Defined Benefit Scheme movements	263,000	772,000
Increase in stock	(13,341)	1,231
Increase in debtors	(21,855)	265,395
Increase in creditors	106,211	17,531
Depreciation	156,195	158,987
Interest paid on finance leases	3,697	7,240
Interest paid on loans	67,565	67,259
Interest received	(2,159)	(821)
Net cash flow from operating activities	<u>33,177</u>	<u>(182,665)</u>

Analysis of changes in net debt

	At 31 March 2023	Cashflows	New finance leases	At 31 March 2024
Cash and cash equivalents	82,120	574,700	-	656,820
Loans falling due before and after one year	1,496,287	(37,468)		1,458,819
Finance lease obligations	67,147	(43,155)	-	23,992
		-		
Total net debt	<u>1,645,554</u>	<u>494,077</u>	<u>-</u>	<u>2,139,631</u>

Luton Cultural Services Trust
Year end 31 March 2024
Notes to the accounts

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the consolidated financial statements have been prepared in accordance with 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 (The FRS 102 Charity SORP) including Update Bulletin 2, the Companies Act 2006 and the Charities Act 2011.

The results of the subsidiary entities are consolidated on a line by line basis. A summary of the results of the subsidiary entities is shown in Note 11. The functional currency of the charity and its subsidiaries is sterling; amounts are rounded to the nearest pound.

Luton Cultural Services Trust has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual statement of financial activities. The Charity only deficit (net movement in funds) was £815,032 (2023: deficit of £929,749).

The group accounts consolidate the accounts of Luton Cultural Services Trust and its subsidiary undertaking, LCST Trading Limited, made up to 31 March 2024. The acquisition method of accounting has been adopted.

b) Going concern

In accordance with their responsibilities the Directors have considered and concluded upon the appropriateness of the going concern basis, which has been used in the preparation of these financial statements. In making this going concern assessment, the directors have had regard to the following matters:

- Budgets and cash flows to March 2025
- Relationships with the bank
- Impact of Covid-19 on commercial income and future London Luton Airport (LLAL)

The directors have assumed that sufficient funding will be made available to the company in the 12 month period following the approval of these financial statements. The LLAL and Arts Council revenue funding has been confirmed and this provides £1.5m secured income for the Trust in 2024/25.

During COVID-19, an overdraft facility of £100k was put in place to help the Trust manage cash-flow and this remains in place until February 2025. It is anticipated that the facility may still be required beyond this period and so an extension will be sought. The Trust is active in seeking opportunities to fundraise and to date has been very successful.

After making these enquiries, and considering the factors described above, the Directors have a reasonable expectation that the charitable company will have sufficient resources to continue in operational existence for the foreseeable future. For these reasons, the charitable company has continued to adopt the going concern basis in preparing the financial statements.

c) Income

Total incoming resources as shown in the Statement of Financial Activities is the total income of the group. All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, the receipt is probable, and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Luton Cultural Services Trust
Year end 31 March 2024
Notes to the accounts

ci) Voluntary income

Voluntary income is included in the Statement of Financial Activities when receivable.

cii) Grants receivable

Revenue grants are credited to the Statement of Financial Activities when the Charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably.

d) Allocation of costs

Central salary costs are apportioned on the basis of staff time attributable to each activity. Overhead costs are allocated to activities on a headcount basis.

e) Costs of charitable activities

The costs of each category of charitable activity are the costs directly attributable to that activity and allocated central costs.

f) Governance costs

Governance costs include all costs of compliance with constitutional and statutory requirements, including legal and audit fees and the costs of meetings.

g) Depreciation

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Long leasehold property improvements	10 - 50 years
Plant & equipment	5 - 10 years
Office furniture and equipment	5 years
Computer software	3 years

Items of equipment are capitalised where the purchase price exceeds £5,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Freehold property has been capitalised and included in fixed assets at cost. Depreciation has not been provided after taking into account the value of the land, the residual value of the property and the estimated useful life of the asset. The property is reviewed annually for any potential impairment.

h) Stock

Stock is valued at the lower of cost and net realisable value.

i) 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 management and support costs.

j) Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. In accordance with FRS102, a pension reserve is included within unrestricted funds representing the defined benefit pension scheme. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Luton Cultural Services Trust
Year end 31 March 2024
Notes to the accounts

k) Resources expended

Resources expended are recognised in the period in which they are incurred and include attributable VAT which cannot be recovered.

l) Costs of generating funds

The costs of generating funds relate to the costs incurred by the group and charitable company in raising funds for its charitable work.

m) Pension costs

The pension liabilities and assets are recorded in line with FRS102 and relate to the defined benefit scheme set out in note 18. A valuation for accounting purposes is undertaken by an independent actuary. The value of benefits accrued and the net interest costs is used to determine the pension charge in the SOFA. The change in value of assets and liabilities, changes in benefits and changes in actuarial assumptions are recognised in the SOFA within "actuarial gains/(losses) on defined benefit pension scheme".

n) Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost, and subsequent to development works will be adjusted to their fair value at period ends.

o) Accounting estimates and key judgements

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

i. Useful economic life of tangible assets

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are reassessed annually. These are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying value of assets and note 1g for the useful economic lives.

p) Accounting estimates and key judgements

ii. Valuation of investment property

The carrying value of the investment properties at 31 March 2024 is based on a valuation carried out in 2024 by an independent valuer who has the necessary skills and proficiency to undertake the valuation in a competent manner. The valuation was made on an open market basis and in determining the market value the valuer has drawn upon comparable market transactions in the local area. The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2017. The trustees continue to keep the market value of the property under regular review.

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

2 Income from charitable activities

	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Education/ Learning activities	15,848	-	15,848	12,465
Museum related income	164,961	-	164,961	96,618
Community Centres related income	-	-	-	-
Other income	29,056	-	29,056	167,324
Total	209,865	-	209,865	276,407

3 Donations and Legacies

	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
	£	£	£	£
London Luton Airport	1,654,000	-	1,654,000	1,454,000
HMD & HYP	-	66,166	66,166	-
Arts Council England - NPO museums	-	332,638	332,638	306,509
Luton Matters	-	22,500	22,500	-
Historic England - Hat Works Project	-	-	-	200
Other grants	-	26,722	26,722	-
The Steel Trust - Hat Works Project	-	-	-	90,000
Royal Opara House Bridge	-	-	-	7,000
Sch for Social Heritage Income	-	-	-	15,725
Creative people and places	-	-	-	2,775
Other Museums related	-	-	-	30,104
Visitor donations	9,886	-	9,886	6,919
	-	-	-	-
Total	1,663,886	448,026	2,111,912	1,913,232

4 Investment income

	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Bank interest	2,159	-	2,159	821
Total	2,159	-	2,159	821

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

5 Total resources expended

	Education/ Learning activities	Learning and Skills costs	Arts costs	Museum costs	Raising funds	Cross-trust projects	Governance costs	Support costs	2024 Total	2023
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 7)		68,633	233,806	466,677	268,977	171,355	-	606,978	1,816,426	1,533,386
Pension adjustment (Note 7)		-	-	-	-	-	-	263,000	263,000	772,000
Premises costs	-	-	104,645	227,971	-	-	-	13,307	345,923	426,142
Equipment costs	-	-	2,637	68,309	-	-	-	6,871	77,817	32,521
Fundraising costs	-	-	-	-	-	-	-	-	-	2,294
Office Costs	2,446	-	10,752	7,594	-	24,987	-	68,673	114,452	89,671
Events, exhibitions & programmes	1,426	-	123,475	3,238	-	74,312	-	8,702	211,153	321,127
Marketing and Publicity	-	-	-	-	-	22,287	-	43,400	65,687	88,007
Legal & Professional Fees	-	-	-	-	-	-	26,812	16,550	43,362	138,854
Cost of sales	-	-	-	-	325,183	-	-	-	325,183	-
Depreciation charge	-	-	-	-	-	-	-	156,195	156,195	158,986
Bad debts	-	-	-	-	-	-	-	-	-	66,907
Other costs	-	-	-	-	-	4,137	-	27,813	31,950	24,343
Interest payable	-	-	-	-	-	-	-	67,565	67,565	67,251
Bank charges	-	-	-	-	-	-	-	10,291	10,291	-
Unallocated Non reclaimable VAT	-	-	-	-	-	-	-	13,394	13,394	38,727
Total resources expended	3,872	68,633	475,315	773,789	594,160	297,078	26,812	1,302,739	3,542,398	3,760,216
Support Costs	3,180	56,374	390,413	635,572	-	244,013	(26,812)	(1,302,739)	-	-
Total resources expended	7,052	125,007	865,728	1,409,361	594,160	541,091	-	-	3,542,398	3,760,216

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

6 Net incoming resources for the year

This is stated after charging:

	2024	2023
	£	£
Depreciation	156,195	158,987
Trustees' indemnity insurance	255	-
Auditor's remuneration		
- Audit fee for current year	25,100	22,730
- Additional fee for extended audit work		6,563
- Other services		2,272
-Under Accrual for prior year		4,072

One trustee was reimbursed £842 for expenses (2023: £nil).

7 Staff costs and numbers

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	1,464,496	1,263,530
Social security costs	134,745	138,161
Pension contributions	132,499	148,226
Other pension costs	263,000	772,000
Casual staff	84,686	140,467
Redundancy and termination costs	-	60,000
	<u>2,079,426</u>	<u>2,522,384</u>

The Trustees received £nil remuneration in the year (2023: £nil). The trustees received reimbursement for expenses totalling £842 (2023: £53). 1 employee received emoluments in the range £110,001 - £120,000 (2023: 0). No employee received emoluments in the range £100,001 - £110,000 in the period (2023: 1). 1 employee received emoluments in the range of £70,001 - £80,000 (2023:0). The total remuneration for the key management personnel and the Chief Executive totalled £223,469 (2023: £278,363). Total employer pension contributions for key management personnel were £18,286 (2023: £30,082).

The average number of employees (full-time equivalent) during the period was as follows:

	2024	2023
	No.	No.
Chief Executive, finance and administration	8	9
Marketing ,business development and trading	7	7
Education/ Learning activities	2	1
Museums	15	15
Arts	3	3
Community Centres	-	-
Operations	4	4
Casual staff	5	6
	<u>44</u>	<u>45</u>
Average total headcount	<u>46</u>	<u>50</u>

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary LCST Trading Ltd donates available profits to the charity.

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

9 Tangible Fixed Assets Group and Company

Group and Charity

	Freehold property	Long leasehold property	Office furniture & equipment	Plant & equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2023	2,374,631	2,698,713	174,394	844,514	6,092,252
Additions	-	6,579	35,292	-	41,871
Disposals	-	-	-	-	-
At 31 March 2024	<u>2,374,631</u>	<u>2,705,292</u>	<u>209,686</u>	<u>844,514</u>	<u>6,134,123</u>
Depreciation					
At 1 April 2023	-	626,721	171,579	656,391	1,454,691
Charge for the year	-	99,732	3,389	53,073	156,195
At 31 March 2024	<u>-</u>	<u>726,453</u>	<u>174,968</u>	<u>709,464</u>	<u>1,610,886</u>
Net Book Value					
At 31 March 2024	<u>2,374,631</u>	<u>1,978,839</u>	<u>34,718</u>	<u>135,050</u>	<u>4,523,237</u>
At 1 April 2023	<u>2,374,631</u>	<u>2,071,992</u>	<u>2,815</u>	<u>188,123</u>	<u>4,637,561</u>

10 Investments

The Group continues to develop its investment properties and will undertake an annual revaluation on completion.

	2024	2023
	£	£
Market value at 1 April	2,967,501	3,105,360
Capital additions at cost	-	-
Disposal in the year	(781,240)	-
Impairment during the year	<u>(386,262)</u>	<u>(137,859)</u>
Market value at 1 April	<u>1,799,999</u>	<u>2,967,501</u>

The Charity has two investments properties, Hat House and Hat Studios both of which have been externally valued by an examiner in March 2024. Land held at Hat Studios was sold during the year and realised a capital loss of £48,121. The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2017. As a result of the outbreak of Covid-19 and uncertainty in the property sector the report included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. See accounting policy note (1nii) for further details.

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

Agrees to

11 Subsidiary Undertaking

The charitable company owns the whole of the issued ordinary share capital of LCST Trading Limited, a company registered in England and Wales (Company Number 06373488). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the subsidiary is shown below:

	2024	2023
	£	£
External Income	692,326	641,375
Cost of sales	(325,183)	(416,198)
Gross profit	<u>367,143</u>	<u>225,177</u>
Administrative expenses	(268,788)	(127,951)
Operating profit	<u>98,355</u>	<u>97,226</u>
Interest receivable and similar income	-	289
Charitable distribution to Luton Cultural Services Trust	(98,355)	(97,515)
Retained profit for the year	<u>-</u>	<u>-</u>
Accumulated profit	<u>-</u>	<u>-</u>
The Balance Sheet comprised:		
Fixed assets	-	-
Current assets	460,807	218,231
Current liabilities	(213,847)	(69,628)
Creditors due after more than one year	-	-
	<u>246,960</u>	<u>148,603</u>

12 Stock

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Merchandise and Bar stock	<u>27,461</u>	<u>14,120</u>	<u>-</u>	<u>-</u>

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

Agrees to

13 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Debtors and prepayments	206,454	173,390	65,382	51,411
VAT costs	-	11,209	-	11,202
Amount due from subsidiary	-	-	151,873	1,523
	<u>206,454</u>	<u>184,599</u>	<u>217,255</u>	<u>64,136</u>

14 Creditors: amounts due within 1 year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank overdraft	-	43,119	-	43,119
Trade creditors	228,377	214,072	215,945	196,028
VAT	181,642	-	181,653	-
Accruals and deferred income	164,758	211,711	116,162	162,700
Social security costs	38,538	38,202	38,640	38,202
Finance leases due within 1 year	23,992	43,151	23,992	43,151
Bank loan within 1 year	79,469	45,361	79,469	45,361
	<u>716,776</u>	<u>595,616</u>	<u>655,861</u>	<u>528,561</u>

Accruals and Deferred income line includes £35,739 of income which has been deferred to the 2024/25 Financial year.

15 Creditors: amounts due after 1 year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Finance leases due within 1 to 5 years	-	23,996	-	23,996
Bank loan	1,379,350	1,450,926	1,379,350	1,450,926
	<u>1,379,350</u>	<u>1,474,922</u>	<u>1,379,350</u>	<u>1,474,922</u>

The bank loan was taken out in September 2019 and is repayable in instalments by March 2043. Interest of £54,009 (2023: £41,420) was charged during the year. There is a first legal charge on the freehold property of 32 Guildford Street over the bank loan.

A CIBL loan was taken out in February 2021 and is repayable in instalments by March 2024. Interest of £13,555 (2023: Nil) was charged during the year. Interest will be charged at 6.5% in subsequent years. The loan is not secured. There is a capital repayment holiday until July 2024.

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

16 Analysis of group net assets between funds

	Tangible fixed assets	Pension scheme liability	Current asset/(liability)	Long term creditors	Net assets at 31 March 2024
	£	£	£	£	£
Restricted funds	537,085	-	(314,777)	-	222,308
Pension reserve	-	-	-	-	-
General funds	5,779,572	-	495,315	(1,379,350)	4,895,538
Total funds	6,316,657	-	180,538	(1,379,350)	5,117,845

	Tangible fixed assets	Pension scheme liability	Current asset/(liability)	Long term creditors	Net assets at 31 March 2023
	£	£	£	£	£
Restricted funds	426,979	-	(314,777)	-	112,202
Pension reserve	-	-	-	-	-
General funds	7,178,082	-	-	(1,474,922)	5,703,160
Total funds	7,605,061	-	(314,777)	(1,474,922)	5,815,362

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

17 Movements in funds

	At 1st April 2023	Incoming resources	Outgoing resources	Gain/(loss)	Transfers	At 31st March 2024
Restricted funds:						
Arts Council England - NPO museums	102,138	332,638	(285,607)	-	-	149,169
Sch for Social Heritage Income	5,725	-	-	-	-	5,725
Luton Matters	-	22,500	(3,871)	-	-	18,629
HMD & HYP	-	66,166	(31,724)	-	-	34,442
NLHF - Hat Works Redevelopment	-	-	-	-	-	-
Creative people and places - ACE	-	-	-	-	-	-
Adjusting figure	-	-	-	-	-	-
Museum Development Fund	4,342	-	-	-	-	4,342
Other	-	26,722	(17,706)	-	984	10,000
Total restricted funds	112,205	448,026	(338,907)	-	984	222,308
Unrestricted funds:						
General funds	5,703,159	2,568,236	(2,940,491)	(434,383)	(984)	4,895,537
Pension reserve	-	-	(263,000)	263,000	-	-
Total unrestricted funds	5,703,159	2,568,236	(3,203,491)	(171,383)	(984)	4,895,537
Total funds	5,815,364	3,016,262	(3,542,398)	(171,383)	-	5,117,845

Purposes of restricted funds

The charity's funds comprise amounts restricted to specific activities and not yet spent.

Creative People & Places-Arts Council England

Arts Council England allocated funds to support the development and increase participation in creative arts activities in Luton.

Luton Cultural Services Trust
Notes to the Financial Statements
For the year ended 31 March 2024

17 Movements in funds (continued)

NPO Museum-Arts Council England

The Arts Council England awarded Luton Culture National Portfolio Organisation status on 1st April 2019. Luton Cultures museums have now become a leader in their area with a collective responsibility to protect and develop the national arts and culture. The grant income received in the year is year 1 of a 3 year programme of funding and investment to help deliver ACE's strategic objectives.

South East Midland Local Enterprise Partnership (SEMLEP)

SEMLEP have allocated grant from the Local Growth Fund in support of the hat district capital project. A total of £3,961,000 in total has been awarded over 4 year programme.

18 Pension scheme

Luton Cultural Services Trust contributes to the Bedfordshire Pension Fund, a defined benefit pension scheme, to secure present and future pensions for its staff. For staff, employer contributions were 10% of pensionable salary from 1 April 2023 to 31 March 2024 (12.2% - 2023). Employee contributions were between 5.5% and 9.9% of pensionable salary dependent on salary.

The assets of the Scheme are held as part of the Bedfordshire Pension Fund. The valuation of the scheme is based on the most recent triennial funding valuation, updated by the scheme actuaries in May 2022, based on the provisions of FRS102. Investments have been valued, for this purpose, at fair value.

The principal assumptions used by the actuary to calculate the Scheme liabilities under FRS102 were as follows:

	2024	2023
	%pa	%pa
Pension Increase rate	2.85	2.85
Rate of increase in salaries	3.85	3.85
Discount Rate	4.95	4.80

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. Although the post retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI_2022 core projections model. The impact of this will be a further small reduction to life expectancies and improvement in the balance sheet position. The core model places no weight on the exceptional mortality experienced during 2020 and 2021 as a result of the Covid pandemic, but places some reliance on mortality data that has been observed during 2022. Specifically a weighting of 25% is applied to mortality in 2022. The impact of updating the model is expected to be a slight reduction in life expectancies for all employers, largely reflecting the heavier than average mortality that was experienced during 2022.

A building block approach is adopted in determining the expected rate of return on the scheme's assets. Historic markets are studied and assets with high volatility are assumed to generate higher returns consistent with widely accepted capital market principles. Each different asset class is given a different expected rate of return. The overall rate of return is then derived by aggregating the expected return for each asset class over the actual asset allocation of the scheme at year end.

	Asset category as a	
	percentage of plan assets	
	2024	2023
Equities	61%	64%
Bonds	18%	18%
Property	14%	13%
Cash	6%	4%

Luton Cultural Services Trust
Notes to the Financial Statements
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18 Pension scheme (continued)

Amounts recognised in the SOFA	2024 £	2023 £
Current service cost	(236,000)	(565,000)
Employer Contributions	-	-
Income interest on plan assets	-	-
Interest costs on defined benefit obligation	2,000	(189,000)
Administration expenses	(29,000)	(18,000)
	<u>(263,000)</u>	<u>(772,000)</u>
Remeasurements:		
Changes in financial assumptions	511,000	12,910,000
Change in demographic assumptions	201,000	466,000
Experience gain/(loss) on defined benefit obligation	(70,000)	(1,586,000)
Other actuarial gains/(losses) on assets	-	99,000
Liabilities assumed / (extinguished) on settlements	-	-
Settlement prices received / (paid)	-	-
Return on assets excluding amount included in net interest	2,063,000	(779,000)
Surplus restriction per FRS102	(2,179,000)	(3,136,000)
	<u>526,000</u>	<u>7,974,000</u>
Employer contributions	131,000	149,000
Total amounts recognised in the SOFA	<u>263,000</u>	<u>8,123,000</u>
Amounts recognised in the balance sheet	£	£
Fair value of scheme assets	24,855,000	21,952,000
Present value of funded obligations	(18,995,000)	(18,816,000)
Surplus restriction per FRS102	(5,860,000)	(3,136,000)
Net (liability) recognised in the balance sheet	<u>-</u>	<u>-</u>
Changes in fair value of scheme assets	2024 £	2023 £
Scheme assets at start of period	21,952,000	22,226,000
Interest income on plan assets	1,049,000	576,000
Return on assets excluding amount included in net interest	2,063,000	(779,000)
Other actuarial gains/(losses)	-	99,000
Administration expenses	(29,000)	(18,000)
Contributions by employer	131,000	149,000
Contributions by scheme participants	86,000	83,000
Benefits paid	(397,000)	(384,000)
Settlement prices received / (paid)	-	-
Scheme assets at end of period	<u>24,855,000</u>	<u>21,952,000</u>
Changes in present value of scheme liabilities	2024 £	2023 £
Scheme liabilities at start of period	18,816,000	29,577,000
Current service cost	236,000	565,000
Interest costs on defined benefit obligation	896,000	765,000
Changes in financial assumptions	(511,000)	(12,910,000)
Contributions by scheme participants	86,000	83,000
Actuarial (gain) / losses	70,000	1,586,000
Changes in demographic assumptions	(201,000)	(466,000)
Liabilities assumed / (extinguished) on settlements	-	-
Past service costs	-	-
Benefits paid	(397,000)	(384,000)
Scheme liabilities at end of period	<u>18,995,000</u>	<u>18,816,000</u>

Luton Cultural Services Trust
Notes to the Financial Statements
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18 Pension scheme (continued)

History of defined benefit scheme

	2024	2023	2022	2021
	£	£	£	£
Fair value of scheme assets	24,855,000	21,952,000	22,226,000	19,791,000
Present value of scheme liabilities	(18,995,000)	(18,816,000)	(29,577,000)	(24,824,000)
Net defined benefit liability	5,860,000	3,136,000	(7,351,000)	(5,033,000)
Experience gains/(losses) on scheme assets	2,063,000	(799,000)	3,156,000	(1,764,000)
Experience gains/(losses) on scheme liabilities	(70,000)	(1,586,000)	211,000	1,451,000

The estimated contribution for 2024/25 is £127,000.

19 Related parties

There were no related party transactions undertaken by the charity in the year. (2023: £Nil)

20 Capital commitments

Contractual commitments for professional fees and to refurbish the Hat District properties at the year end were £Nil (2023: £Nil).

21 Operating leases

Non-cancellable operating lease rentals payable in the year were £nil (2023: £nil). There are no contractual commitments for non-cancellable lease rentals at the year end.