

CULTURE COVENTRY
(A Company Limited by Guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022

Charity number 1152899
Company number 08359113



CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2022

	PAGE
Company Information	1
Trustees Report	2
Independent Auditor's Report	9
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flow	14
Notes to the Financial Statements	15

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2022

DIRECTORS	M. Coulon (Chairman) N. R. Aziz R. Blythe J. W. Elliott R. T. A. Medwell K. Railton R. A. Shaw H. Ward
SENIOR MANAGEMENT TEAM	M. Roberts K. Suteu L. Ford R. Addenbrooke J. Biggins
REGISTERED OFFICE	The Herbert Art Gallery & Museum, Jordan Well Coventry, CV1 5QP.
REGISTERED COMPANY NUMBER	08359113 (England and Wales)
REGISTERED CHARITY NUMBER	1152899
AUDITORS	Dafferns LLP, Chartered Accountants, One Eastwood, Harry Weston Road Binley Business Park Binley Coventry CV3 2UB.
BANKERS	National Westminster Bank Plc 24 Broadgate Coventry West Midlands CV1 1NE.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31ST MARCH 2022

The Trustees who are also the Directors of the charity under company law submit their report and the financial statements of Culture Coventry for the year ended 31 March 2022.

The company was incorporated on 14 January 2013; registered with the Charity Commission in February 2013 and commenced trading on 1 August 2013.

The charity is a company limited by guarantee not having a share capital. It is governed by its Memorandum and Articles of Association.

PRINCIPAL ACTIVITIES AND OBJECTS OF THE CHARITY

The principal activities and objects of the Trust are:

- To support, promote, maintain and operate, for the benefit of the public, a road transport museum that permanently preserves road transport objects manufactured in the United Kingdom, with particular reference to the unique contribution made to these industries by the City of Coventry and the West Midlands Region.
- To provide a high quality arts and heritage service for the people of Coventry and visitors to the city through the management, care and display of the city's collections and the creation of an engaging programme of public exhibitions, events and activities.
- To encourage users to connect and engage with Coventry's rich heritage through interpreted objects and archives, to inspire creativity, enjoyment and learning, and create an understanding of the city and its communities.
- To provide a broad range of opportunities to access Coventry's arts and heritage collections through permanent displays, temporary exhibitions, public events, learning and outreach programmes and online digital resources.
- To work in active partnership with funders and with community, learning, heritage and business organisations to develop the diversity and impact of activities for the benefit of the people of Coventry and visitors to the city.
- To ensure that, in everything it does, the Trust secures equality of opportunity for all communities through the diversity and range of its activities. The Trust particularly seeks to engage with those groups that traditionally are under-represented as users of arts and heritage services on grounds of gender, age, disability, class, race or sexual orientation.
- To ensure that the Trust always fulfils its performance obligations to those bodies who support it financially and to those that provide guidance, help and support through museums and other sectors in general.

CHARITABLE PURPOSE

The company, also a registered charity, exists to manage the collections held within its care on behalf of the collection owners, Coventry City Council. The collections are designated as being of national importance by the Arts Council England.

The mission and objectives of the Trust are as follows:

Mission:

To be recognised as dynamic and innovative museums that give our visitors a fresh perspective on the story of Coventry, and create ambassadors on a local, national and international level.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31ST MARCH 2022

CHARITABLE PURPOSE (continued)

Objectives:

In order to fulfil our mission, we will embrace the following objectives:

- To proudly portray the story of Coventry locally, nationally and internationally, so that visitors to the City gain a full appreciation of how Coventry's innovative spirit echoes throughout history and continues to influence the world in which we live.
- Care for and display the City's collections in engaging ways that inspire visitors to further connect with Coventry's rich history and its ambitions for the future.
- Opportunities for learning are woven into the fabric of everything we do.
- Staff, stakeholders, investors, visitors, volunteers, and the local community are given every opportunity to contribute to the life of the Museums, and their future success.
- Create opportunities for economic growth and maximising funding opportunities, so the Museums are financially sustainable and contribute to the regeneration of the City.
- To be acknowledged by our peers as a dynamic organisation, that seizes opportunities with an entrepreneurial spirit, and actively contributes to the development of the museum sector:

The local authority acquires objects through purchase, donation or loan, the prime means being through donation, which accounts for over 90% of the collection. Decisions on acquisitions are made to ensure balance in the collecting arrangements and to ensure that all objects acquired can be properly cared for.

The vast majority of the exhibits are retained, as far as is reasonably possible, in original condition so that visitors can understand the changing dynamics of materials used in production processes and are displayed in settings that authenticate a sense of time and place. The archive also contains a vast range of original material that provides relevant support for the displays and an invaluable resource for researchers and historians.

PUBLIC BENEFIT

The benefit to the public is significant and increasing. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Culture Coventry Trust, through the collections it manages and shares with the public, facilitates a range of learning experiences and in so doing shares knowledge to audiences, researchers, and sector peers.

ORGANISATIONAL STRUCTURE

The Board of Trustees leads and maintains full and effective control of the company and accepts ultimate responsibility for directing the affairs of the company, ensuring that it is continually meeting its stated objectives within a financially sustainable business plan. The Board is responsible for matters of key strategic importance, financial policy, acquisitions, and partnership development.

ARRANGEMENTS FOR SETTING UP PAY AND REMUNERATION OF KEY MANAGEMENT

The Trustees consider the senior management team comprise the key management personnel of the Charity in charge of directing, running and operating the charity on a day-to-day basis. The pay of the senior staff is reviewed annually and is based on performance and average earning across the sector.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31ST MARCH 2022

TRUSTEES

The Trustees during the year under review and up to the date of this report were:

M. Coulon – Chair
R. Medwell
J. W. Elliott
K. Railton
R. A. Shaw
N. R. Aziz – appointed 26 November 2021
R. Blythe – appointed 26 November 2021
H. Ward – appointed 26 November 2021

As the charitable company is limited by guarantee, not having any share capital, none of the Trustees held any interest in the shares in the charitable company or hold any right to subscribe for shares.

STRATEGIC REPORT

ACTIVITIES AND ACHIEVEMENTS DURING THE YEAR

Following on from a year of intermittent and sustained closures during the March 2021 year, the Trust was finally able to more fully re-open its venues to the public as from mid-May 2021, which coincided with the delayed commencement of the UK City of Culture year.

Throughout the period of closure brought about by the pandemic, the Trust was able to make preparations for the UK City of Culture year, including the completion of its £1.1 million programme of re-purposing and refurbishing four of its gallery spaces in the Herbert Art Gallery and Museum. This capital project was funded through the Cultural Capital Investment Fund managed by Coventry City Council.

Similarly, a successful application to the Arts Council England's National Activities Programme, coupled with some matching funding from Coventry City Council, also meant that the Trust was able to build some resource and capacity within the team in order to deliver a full programme during Coventry's year in the spotlight.

Operating as CV Life, the Trust opened its year in May with a full programme of exhibitions and activities, which included a number of prestigious exhibitions including the 2021 Turner Prize – which in itself presented new challenges insofar as it arrived at five finalists of 'collectives' rather than the more traditional four individual finalists.

In addition to the Turner Prize, the exhibition year at the HAGM included a range of popularly Coventry connected and themed exhibitions including *2 Tone*; *Coventry Biennial*; *Daniel Lismore – Be Yourself, Everyone Else is Already Taken*; *Creative Connections*, along with *Unnatural History* by Invisible Dust.

At Coventry Transport Museum, the Trust was fortunate to secure the loan of the *Bloodhound SSC* land speed vehicle, which is now exhibited within the Land Speed Gallery to complement the *Thrust SSC* and *Thrust 2* vehicles.

Within the temporary gallery space, the *Our Future Moves* exhibition brought together a range of partners to showcase some of the new, innovative technologies that are exploring the future of transport and engineering, whilst the Women in Motorsport exhibition also brought together a range of motorsport companies, individuals, organisations and heritage partners to celebrate the aspirational achievements and historical perspectives on motor racing, as well as current developments such as grass-roots and pro-racing.

Although the time and investment in exhibitions was substantial during this landmark year for Coventry, the return of visitor numbers was still very gradual following the effects of the pandemic – a trend that has been reflected within the sector nationally.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31ST MARCH 2022

ACTIVITIES AND ACHIEVEMENTS DURING THE YEAR (continued)

The Learning and Engagement team drew upon the extensive exhibition programme to grow community engagement, whilst also working within the wider CV Life 'impact remit' on the delivery of various programmes such as the Thriving Communities initiative, which supported the relationship with social prescribing agencies and other delivery partners in the city, targeting social isolation in Black and Ethnic Minorities, over 55's and children and young people in some of the most deprived wards of Coventry.

Similarly, the team was also a key delivery partner of the city's Holiday Activity and Food (HAF) programme, which targeted the provision of holiday activity and food for disadvantaged children; whilst also continuing to re-grow its extensive education programme that is delivered across all of the venues – including the unique setting of the Lunt Roman Fort.

Alongside the challenges and intensity presented by the re-opening of the business and venues to be simultaneous with the delayed commencement of the UK City of Culture year, the Trust continued to work with its partners – Coventry City Council; Arts Council England; and the British Council, on the development of a National Collections Centre within the city centre of Coventry. The development will provide extremely modern conditions for the storage of the social history and archaeology collections, whilst also providing ideal conditions and more public access to the stored vehicle collection.

The successes of the year were shared through some high profile visits to Coventry, wherein the Trust was able to welcome visits from the Prince of Wales and Duchess of Cornwall along with a separate visit from the Secretary of State.

The Trust was also able to welcome three new Trustees into the organisation, who all bring with them a set of skills and experience that will be valuable to the future direction and growth of the organisation.

Whilst the Trust will now look to build upon the legacy of the UK City of Culture year and the programming and experiences that it was involved in throughout the year, the Trustees are also mindful of the economic challenges and uncertainty that extend beyond its own operation and the sector in general. The energy and cost of living crises will be particularly challenging in the year ahead and beyond.

The Trustees would like to extend their thanks and express sincere appreciation to the teams of staff, volunteers and partner organisations who made the Trust's contribution to the UK City of Culture year so successful and with whom the Trust will continue to work in the forthcoming year.

FINANCIAL REVIEW

Income for the year was £4,841,000 compared to £4,566,000 in the previous year, whilst the total expenditure was £5,483,000 compared to £3,992,000 in the previous year. This resulted in net expenditure for the year of (£642,000), before accounting for pension fund actuarial adjustments, compared to a surplus of £574,000 in the previous year. It should be noted that charitable expenditure includes depreciation of £1,062,000, up from the charge of £843,000 in the previous year. This was as a result of the significant capital additions that have been undertaken.

The Trustees have confirmed that the trading activities of CCV have been subsumed within Culture Coventry from 1st April 2021 as these activities are ancillary to the charitable Trust. Once any gift aid distribution for the year ended 31 March 2021 has been made, as well as the transfer of any remaining assets and liabilities, CCV will become a dormant company.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31ST MARCH 2022

FINANCIAL REVIEW (continued)

The actuarial gain on the pension fund valuation was £2,460,000 (2021: Loss £2,246,000). The net movement of funds on the SOFA was a surplus of £1,818,000. Therefore, as at 31 March 2022 the charity had total funds of £1,814,000 compared to a deficit of (£4,000) in the year ending 31 March 2021.

Unrestricted charitable funds were in surplus by £1,213,000, compared to a surplus of £843,000 in the previous year. This excluded the pension scheme reserve in deficit of £3,427,000, which compared with a reserve in deficit of £5,372,000 in the previous year.

Restricted funds at 31 March 2022 were £4,028,000 a decrease of £497,000 on the previous year.

The company's assets continued to be used for the company's objectives of providing facilities for arts and heritage, and the company continued to be grateful for the generous support that it receives from its major sponsors and donors, so that the Trustees consider that the company has sufficient funds to meet its objectives. The accounting policies used to produce the Trust's financial statements are shown on pages 15 to 18.

GOING CONCERN AND FUTURE PLANS

The charity is in a surplus position for the year with net expenditure of £642,000 (2021: income of £574,000) (before accounting for actuarial gains and losses on the defined benefit pension scheme). The charity has unrestricted funds in surplus of £1,213,000 (2021: £843,000) (before accounting for the charity's share of its pension scheme deficit) and had net current assets of £1,209,000 (2021: £460,000) as at 31 March 2022.

The charity has received confirmation from Coventry City Council of its continued funding support to for at least 12 months from the approval of these financial statements to April 2022. In light of this commitment and in conjunction with other sources of grant income that have also been confirmed for the coming year, the Trustees consider that the group has sufficient cash resources available to continue to meet its liabilities as they fall due for the foreseeable future. The Trustees have considered the impact of Covid-19 on the charity and have sensitised their cash flow forecasts to consider unlikely worst-case scenarios. In such situations, the Trust has the ability to utilise Covid-19 government support schemes until September 2021 and continues to project positive cash flow forecasts for at least 12 months from the approval of these financial statements.

Based on the factors set out above, the Trustees therefore continue to adopt the going concern basis of accounting and are satisfied that no material uncertainty exists in relation to going concern.

SUPPORT FROM OTHER ENTITIES

Coventry City Council is aligned with the overarching objectives of the Trust. Coventry City Council grant is detailed in Note 3 of the financial statements.

VOLUNTEERS

The Trust has continued to utilise and benefit from the services of volunteers throughout the year and is very grateful for the keen and active support provided by them.

INVESTMENT POLICY

Currently investments are held in interest bearing deposit accounts for ease of access to allow use for charitable purposes. This is the most effective way of ensuring an investment return whilst allowing maximum liquidity.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31ST MARCH 2022

TRUSTEE INDUCTION AND TRAINING

New Trustees are nominated by members of the Board of Trustees and appointed where they have the necessary skills to contribute to the charity's management and development. When new Trustees are appointed, they are given an introduction to the work of the Trust and provided with the information they need to fulfil their roles, which includes information about the role of Trustees and charity law.

RISK MANAGEMENT

The Board has a Business Risk Register incorporated within its Business Planning protocols and the Trustees seek to consider, review and update this accordingly at their Board meetings along with the impact and likelihood of realisation. The Risk Register also identifies any mitigating measures being taken to avert such risks and the Board seek to track the implementation and mitigating impact of such measures.

We confirm that the major risks to which the charity is exposed, as identified by the Trustees have been reviewed and systems have been established to mitigate those risks.

A risk facing the business is the maintenance of adequate funding for the charity's pension liabilities. The financial statements report the share of the Local Government Pension Scheme deficit (£3,427 k) on the Charity's balance sheet in line with the requirements of FRS 102. The risk is mitigated by an agreed deficit recovery plan with the West Midlands Pension Fund.

RESERVES POLICY

The restricted reserves for the year are detailed in Note 14 to the accounts. The Trustees, through the development of the Charity's business planning, have considered the level of reserves appropriate to the risks, opportunities and future contingencies faced by the charity. Based on this review, the Trustees believe the charity should look to grow free reserves to £1,500,000.

As at 31 March 2022, the Charity's unrestricted reserves, excluding the accounting entries required under Financial Reporting Standard 102 relating to the Charity's share of the pension scheme liabilities, were £1,213,000 (2021: £843,000).

Total amount of funds held before accounting for the Charity's share of pension scheme liabilities of £3,427,000 is £5,250,000, of which £4,028,000 relates to restricted reserves.

THIRD PARTY INDEMNITY PROVISION FOR TRUSTEES

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the charity.

FUNDRAISING STANDARDS

The charity does not contract with a third party to undertake fundraising on its behalf. Hence, we have received no fundraising complaints during the year.

AUDITORS

Dafferns LLP has indicated its willingness to continue in office.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
TRUSTEES REPORT
(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31ST MARCH 2022

TRUSTEES RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

On behalf of the board

M Coulon

Trustee



Date: 25/11/ 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CULTURE COVENTRY

A COMPANY LIMITED BY GUARANTEE

We have audited the financial statements of Culture Coventry (the 'charitable company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CULTURE COVENTRY

A COMPANY LIMITED BY GUARANTEE

Other information (continued)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 8, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CULTURE COVENTRY

A COMPANY LIMITED BY GUARANTEE

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management, and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

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 we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Geoffrey Cox BA FCA (Senior Statutory Auditor)
For and on behalf of Dafferns LLP,
Chartered Accountants, Registered Auditors
One Eastwood, Harry Weston Road
Binley Business Park, Coventry, CV3 2UB
Date: ~~25 November~~ 2022

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2022

		Unrestricted Fund	Restricted Fund	Total Funds 2022	Unrestricted Fund	Restricted Fund	Total Funds 2021
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations and legacies		21	-	21	23	-	23
Charitable activities	2	3,107	1,306	4,413	3,139	1,404	4,543
Other trading activities	3	407	-	407	-	-	-
Total Income		3,535	1,306	4,841	3,162	1,404	4,566
Expenditure on:							
Raising funds		(203)	-	(203)	-	-	-
Charitable activities		(3,477)	(1,803)	(5,280)	(2,882)	(1,110)	(3,992)
Total expenditure	4	(3,680)	(1,803)	(5,483)	(2,882)	(1,110)	(3,992)
Net income / (expenditure)		(145)	(497)	(642)	280	294	574
Other recognised gains and losses:							
Actuarial gain / (loss) on defined benefit pension scheme	15	2,460	-	2,460	(2,246)	-	(2,246)
Net movement in funds		2,315	(497)	1,818	(1,966)	294	(1,672)
Reconciliation of funds:							
Funds at 1 April 2021		(4,529)	4,525	(4)	(2,563)	4,231	1,668
Funds at 31 March 2022		(2,214)	4,028	1,814	(4,529)	4,525	(4)

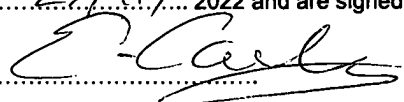
The Statement of Financial Activities includes all gains and losses in the financial period. All income and expenditure derive from continuing operations.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2022

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		4,032		4,908
Investments	9		-		-
			<u>4,032</u>		<u>4,908</u>
CURRENT ASSETS:					
Stocks	10	44		57	
Debtors	11	425		268	
Cash at bank and in hand		1,195		931	
		<u>1,673</u>		<u>1,256</u>	
CREDITORS:					
Amounts falling due within one year	12	(455)		(796)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			1,209		460
			<u>5,241</u>		<u>5,368</u>
Total assets less current liabilities					
Creditors:					
Amounts falling due after more than one year	13	-		-	
Net assets excluding pension liability			<u>5,241</u>		<u>5,368</u>
Defined benefit pension scheme	15	(3,427)		(5,372)	
		<u></u>		<u></u>	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>1,814</u>		<u>(4)</u>
RESERVES:					
Restricted funds	14		4,028		4,525
			<u></u>		<u></u>
Unrestricted funds			1,213		843
Pension funds	15		(3,427)		(5,372)
			<u></u>		<u></u>
			(2,214)		(4,529)
			<u></u>		<u></u>
Total Funds			<u>1,814</u>		<u>(4)</u>

The financial statements on pages 15 to 30 were approved by the board of directors and authorised for issue on 25/11/2022 and are signed on its behalf by:

M Coulon.....



CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

	Note	2022 £'000	2021 £'000
Cashflows from operating activities:			
Net cash provided by / (used in) operating activities	21	510	2,205
		<hr/>	<hr/>
Cashflows from investing activities:			
Purchase of tangible fixed assets		(187)	(1,244)
Proceeds from disposal of tangible fixed assets		-	-
Net cash used in investing activities		<hr/> (187) <hr/>	<hr/> (1,244) <hr/>
		<hr/>	<hr/>
Cashflows from financing activities:			
Repayments of borrowings		(59)	(204)
Repayments of obligations from finance leases		-	-
Net cash used in financing activities		<hr/> (59) <hr/>	<hr/> (204) <hr/>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		264	757
Cash and cash equivalents at the beginning of the year		931	174
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		<u>1,195</u>	<u>931</u>

Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	1,195	931
	<hr/>	<hr/>
Total cash and cash equivalents	<u>1,195</u>	<u>931</u>

Analysis of changes in net debt

	1 April 2021 £'000	Cashflows £'000	31 March 2022 £'000
Cash and Cash Equivalents	931	264	1,195
	<hr/>	<hr/>	<hr/>

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST MARCH 2022

LEGAL STATUS OF THE CHARITY

Culture Coventry (Charity) is an incorporated charity, limited by guarantee and is registered at the Charity Commission in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity. The Charity is governed by its Memorandum and Articles of Association.

The address of the Charity's registered office and principal place of business is The Herbert Art Gallery & Museum, Jordan Well, Coventry, CV1 5QP.

BASIS OF ACCOUNTING

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1,000.

GOING CONCERN

The charity is in a surplus position for the year with net expenditure of £642,000 (2021: income of £574,000) (before accounting for actuarial gains and losses on the defined benefit pension scheme). The charity has unrestricted funds in surplus of £1,213,000 (2021: £843,000) (before accounting for the charity's share of its pension scheme deficit) and had net current assets of £1,209,000 (2021: £460,000) as at 31 March 2022.

The charity has received confirmation from Coventry City Council of its continued funding support for at least 12 months from the approval of these financial statements to April 2022. In light of this commitment and in conjunction with other sources of grant income that have also been confirmed for the coming year the Trustees consider that the group has sufficient cash resources available to continue to meet its liabilities as they fall due for the foreseeable future, and the cash flow forecast continues to project positive cash flow for at least 12 months from the approval of these financial statements.

Based on the factors set out above, the Trustees therefore continue to adopt the going concern basis of accounting and are satisfied that no material uncertainty exists in relation to going concern.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST MARCH 2022

INCOME

All income is included in the Statement of Financial Activities ('SOFA') when the charitable company is entitled to the income, there is probability of receipt, and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacies are included in full in the Statement of Financial Activities when receivable.
- Investment income is included when receivable.
- Income from charitable trading activities is accounted for when earned.
- Income from grants, where related to performance and specific deliverables, are accounted for as the charitable company gains rights to consideration by its performance.
- Income from grants, where not related to performance, are accounted for upon notification.

EXPENDITURE

Expenditure is recognised on an accruals basis as a liability is incurred or when the charitable company is deemed to have a legal or constructive obligation which will result in a probable transfer of economic benefits. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Raising funds comprise the costs associated with attracting donations and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

RETIREMENT BENEFITS

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities.

The amount recognised in the Balance Sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset, and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST MARCH 2022

RETIREMENT BENEFITS (continued)

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments / settlements are recognised when the curtailment / settlement occurs.

TAXATION

The Trust is a Registered Charity and undertakes activities which, under present legislation, are not subject to Corporation Tax. The Trust's subsidiary is not a Registered Charity and undertakes trading activities within the meaning of the Taxes Acts and is liable to Corporation Tax. However, the subsidiary gift aids all its taxable profits to the Trust. Consequently, no provision is made for the payment of Corporation Tax either current or deferred.

FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

TANGIBLE FIXED ASSETS

Fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Museum refurbishment cost	over 10 years
Fixtures and fittings	over 5 years
Computer equipment	over 3 years

INVESTMENTS

Investments are stated at cost and are subsequently measured at cost less any accumulated impairment losses.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to the net realisable value. Provision is made for obsolete and slow-moving items.

DEBTORS

Trade, group, and other debtors are recognised at the settlement amount due after any trade discounts, offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST MARCH 2022

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and monies on short term deposit, at the bank and other short term liquid investments with original maturities of three months or less.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount allowing for any trade discounts due.

LEASED ASSETS AND OBLIGATIONS

An asset and corresponding liability are recognised for leasing agreements that transfer to the charitable company substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the SOFA to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are operating leases, and the annual rentals are charged to the SOFA on a straight-line basis over the lease term.

FINANCIAL INSTRUMENTS

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a complex nature. Such financial instruments, except for investments classified at fair value through the SOFA, are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets held at amortised cost includes all debtors and cash, excluding prepayments and tax.

Financial liabilities held at amortised cost includes all creditors, excluding tax and social security creditors.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Fund	Restricted Fund	Total Funds 2022	Unrestricted Fund	Restricted Fund	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Coventry City Council Funding	1,975	373	2,348	1,965	844	2,809
Arts Council England Funding	407	671	1,078	509	131	640
Covid Related Grants	-	-	-	521	-	521
Admissions Income	342	-	342	-	-	-
Other Income	383	262	645	144	429	573
	<u>3,107</u>	<u>1,306</u>	<u>4,413</u>	<u>3,139</u>	<u>1,404</u>	<u>4,543</u>

3. INCOME FROM TRADING ACTIVITIES

	Unrestricted Fund	Restricted Fund	Total Funds 2022	Unrestricted Fund	Restricted Fund	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Conferencing and Room Hire	98	-	98	-	-	-
Café	188	-	188	-	-	-
Shop Sales	89	-	89	-	-	-
Other Income	32	-	32	-	-	-
	<u>407</u>	<u>-</u>	<u>407</u>	<u>-</u>	<u>-</u>	<u>-</u>

4. EXPENDITURE

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2022 £'000	Total 2021 £'000
Costs of raising funds	92	-	111	203	-
Charitable activities:					
Direct costs	2,473	1	-	2,474	2,048
Allocated support costs	-	1,062	1,744	2,806	1,944
	<u>2,565</u>	<u>1,063</u>	<u>1,855</u>	<u>5,483</u>	<u>3,992</u>

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

4. EXPENDITURE (continued)

	2022 £'000	2021 £'000
Allocated support costs:		
Heat and light	195	177
Advertising and promotions	840	377
Travel and subsistence	20	-
Printing and stationery	29	1
Computer costs	63	66
Telephone	6	
Insurance	39	32
Vehicle Storage	121	125
Repairs and maintenance	158	120
Depreciation	1,062	818
Other expenditure	243	194
Governance costs	30	28
	<u>2,806</u>	<u>1,944</u>

5. NET EXPENDITURE FOR THE YEAR

	2022 £'000	2021 £'000
Net expenditure for the year is stated after charging:		
Depreciation and amounts written off tangible fixed assets:		
Charge for period:		
Owned assets	1,063	892
Operating lease rentals:		
Plant and machinery	-	2
Land and buildings	125	116
Auditors' remuneration:		
Statutory audit	19	16
Accountancy services	2	5
	<u>1,209</u>	<u>1,121</u>

6. EMPLOYEES

	2022 No.	2021 No.
--	-------------	-------------

The average monthly number of persons employed during the year was:

Total staff (actual / full time equivalent)	<u>88 / 67</u>	<u>110 / 64</u>
---	----------------	-----------------

	2022 £'000	2021 £'000
Staff costs for the above persons:		
Wages and salaries	1,831	1,645
Social security costs	94	116
Pension costs	640	464
	<u>2,565</u>	<u>2,225</u>

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

6. EMPLOYEES (continued)

In 2022 no employees received emoluments over £60,000. (2021: nil).

The employer pension contribution for these staff members was paid at the rate disclosed in note 17.

Key management personnel are those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the Charity. Remuneration for key management personnel, including employers' national insurance contributions and contributions to the defined benefit pension scheme, amounted to £359,153 (2021: £359,168).

No Trustees received any remuneration during the year ended 31 March 2022 (2021: £nil) nor were reimbursed any expenses.

No Trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the year or the previous period.

7. TAXATION

As the company has attained charitable status, the Trustees consider that there is no income subject to corporation tax for the year ended 31 March 2022.

8. TANGIBLE FIXED ASSETS

	Museum refurbishment costs £'000	Fixtures, fittings & computer equipment £'000	Total £'000
Cost:			
1 April 2021	9,627	629	10,256
Additions	144	43	187
Disposals	-	-	-
31 March 2022	<u>9,771</u>	<u>673</u>	<u>10,443</u>
Depreciation:			
1 April 2021	4,982	366	5,348
Charge for year	965	98	1,063
Disposals	-	-	-
31 March 2022	<u>5,947</u>	<u>464</u>	<u>6,411</u>
Net Book Value:			
31 March 2022	<u>3,824</u>	<u>208</u>	<u>4,032</u>
31 March 2021	<u>4,645</u>	<u>263</u>	<u>4,908</u>

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

9. FIXED ASSET INVESTMENTS

	2022 £'000	2021 £'000
Investment in subsidiary undertaking	-	-

The Charity holds 100% of the ordinary equity share capital of Culture Coventry Ventures Limited, a company incorporated in England, registration number 05263892. The Charity's registered office is The Herbert Art Gallery & Museum, Jordan Well, Coventry, CV1 5QP.

The principal activity of Culture Coventry Ventures Limited was the operation of retail facilities and provision of services on behalf of Culture Coventry up to 31 March 2022. From 1 April 2022 it is dormant.

10. STOCKS

	2022 £'000	2021 £'000
Shop stock	44	57

11. DEBTORS

	2022 £'000	2021 £'000
Trade debtors	33	2
Amount due from subsidiary undertaking	-	9
Prepayments and accrued income	147	257
Other debtors	245	-
	<u>425</u>	<u>268</u>

12. CREDITORS

	2022 £'000	2021 £'000
Trade creditors	244	650
Other taxation and social security	96	34
Accruals and deferred income	115	53
Other loans	-	59
	<u>455</u>	<u>796</u>

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

12. CREDITORS (continued)

Analysis of movements in deferred income:

	2022 £'000	2021 £'000
1 April 2021	85	47
Income released in year	(85)	(47)
Income deferred in year	75	85
31 March 2022	<u>75</u>	<u>85</u>

Deferred income represents conference income received in advance and Council Grant income received in advance.

13. CREDITORS: Amounts falling due after one year

	2022 £'000	2021 £'000
Other loans	<u>-</u>	<u>-</u>

14. RESTRICTED FUNDS

	Balance 31 March 2021 £'000	Income	Expenditure	Balance 31 March 2022 £'000
	£'000	£'000	£'000	£'000
Donations and grants	211	262	(310)	163
Arts Council England	131	671	(528)	274
Heritage Lottery Funding/ European Regional Development Fund Refurbishment	3,339	-	(832)	2,507
Gallery Refurbishment	844	373	(133)	1,084
	<u>4,525</u>	<u>1,306</u>	<u>(1,803)</u>	<u>4,028</u>

Donations and grants - Various cash donations and grants to support the activities of the Trust.

Arts Council England - Funds received to support and further develop fundraising and sponsorship programmes, improvements to the conferencing facilities and developing the Lunt Roman Fort.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

14. RESTRICTED FUNDS (continued)

Heritage Lottery Funding/ European Regional Development Fund - Refurbishment of Museum and Old Grammar School - Funds received to finance the refurbishment of the Coventry Transport Museum site. Under the terms of the funding agreement, the Trustees of the National Heritage Memorial Fund have taken security over the leasehold property under development.

Gallery Refurbishment: Improvements made to the existing three galleries and addition of a 4th gallery to the existing space within the Herbert Art Gallery and Museum, to enable Culture Coventry to meet the specification to host exhibitions such as the Turner Prize.

15. PENSION FUND

	2022 £'000	2021 £'000
1 April 2021	(5,372)	(2,998)
(Charge) / credit in the year	(599)	(490)
Actuarial gain on defined benefit pension scheme	2,460	(2,246)
Reversal of items relating to retirement benefits included in the Statement of Financial Activities	84	362
31 March 2022	<u>(3,427)</u>	<u>(5,372)</u>

16. ANALYSIS OF NET ASSETS / (LIABILITIES) BETWEEN FUNDS

	Unrestricted Fund £'000	Restricted Fund £'000	Total Funds 2022 £'000	Unrestricted Fund £'000	Restricted Fund £'000	Total Funds 2021 £'000
Tangible fixed assets	208	3,824	4,032	534	4,374	4,908
Current assets	1,460	204	1,664	1,105	151	1,256
Current liabilities	(455)	-	(455)	(796)	-	(796)
Long term liabilities	-	-	-	-	-	-
Defined benefit pension scheme liability	(3,427)	-	(3,427)	(5,372)	-	(5,372)
Net assets / (liabilities)	<u>(2,214)</u>	<u>4,028</u>	<u>1,814</u>	<u>(4,529)</u>	<u>4,525</u>	<u>(4)</u>

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

17. PENSIONS AND POST-RETIREMENT BENEFITS

a. Defined Benefit Pension Plan

The Charity participates in a pension scheme operated by West Midlands Metropolitan Authorities Pension Fund. The assets of the scheme are held separately from those of the Charity.

Pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The most recent valuation was at 31 March 2021. The total contributions made for the year ended 31 March 2022 was £134,000 (2021: £235,000), of which employer's contributions totalled £84,000 (2021: £165,000). Employee's contributions for the year totalled £50,000 (2021: £70,000).

In addition to the above, the following information is required to be disclosed in accordance with the adoption of FRS 102 in relation to the part of the West Midlands Metropolitan Authorities Pension Fund attributable to the Charity. The last full funding valuation of this scheme was carried out at 31 March 2019. A qualified actuary updated the results of that valuation at 31 March 2022 to obtain the figures stated below. Twenty-one staff transferred to the company from Coventry City Council on 1 April 2003. The Projected Unit Method has been used.

The major financial assumptions used by the actuary were:

	2022	2021
	%	%
Rate of increase in salaries	4.20	3.85
Rate of increase or pensions in payment	3.20	2.85
Discount rate	2.70	2.00

The Mortality assumptions used in the valuation of the pension liabilities were:

	2022	2021
Post retirement mortality assumptions:		
Retiring today		
Males	21.2	21.6
Females	23.6	23.9
Retiring in 20 years		
Males	22.9	23.4
Females	25.4	25.8

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

17. PENSIONS AND POST-RETIREMENT BENEFITS (continued)

The fair value of assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance, sheet date were:

	Fair value:	
	2022	2021
	£'000	£'000
Equities	11,691	9,853
Gilts	-	1,362
Other bonds	3,839	1,038
Property	1,222	1,228
Cash	698	800
Other		2,080
Total fair value of assets	17,450	16,361
Present value of scheme liabilities	(20,877)	(21,733)
Net pension liability	(3,427)	(5,372)

	2022	2021
	£'000	£'000
Changes in present value of the defined benefit obligations:		
Opening defined benefit obligation	21,733	16,838
Current service cost	488	364
Interest cost	436	390
Contributions by scheme participants	50	70
Change in financial assumptions	(1,370)	5,037
Change in demographic assumptions	(123)	(216)
Experience loss / (gain) on defined benefit obligation	45	(228)
Benefits paid	(382)	(574)
Past service costs, including curtailments	-	52
Closing defined benefit obligation	20,877	21,733

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

17. PENSIONS AND POST-RETIREMENT BENEFITS (continued)

	2022 £'000	2021 £'000
Changes in the fair value of plan assets:		
Opening plan assets	16,361	14,037
Interest on assets	325	326
Return on assets excluding interest	1,012	2,347
Other actuarial losses	-	-
Contributions by employer	84	165
Contributions by scheme participants	50	70
Benefits paid	(382)	(574)
Administration expenses	-	(10)
Closing plan assets	<u>17,450</u>	<u>16,361</u>

The total return on the fund assets was £1,337,000 (2021: £2,673,000).

	2022 £'000	2021 £'000
Analysis of actuarial loss on defined benefit pension scheme:		
Return on fund assets excluding interest	1,012	2,347
Other actuarial gains / (losses) on asset	-	-
Change in financial assumptions	1,370	(5,037)
Change in demographic assumptions	123	216
Experience loss / (gain) on defined benefit obligation	(45)	228
Actuarial loss	<u>2,460</u>	<u>(2,246)</u>

	2022 £'000	2021 £'000
Analysis of amounts charged to Statement of Financial Activities:		
Current service cost & post service cost	488	416
Administration expenses	-	10
Net interest on the defined liability	111	64
	<u>599</u>	<u>490</u>

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

17. PENSIONS AND POST-RETIREMENT BENEFITS (continued)

b. Defined Contribution Pension Plan

The charity operates a defined contribution pension plan for its employees, administered by NEST. The amount recognised as an expense in the period was £40,927 (2021: £39,024).

18. CAPITAL COMMITMENTS

The Charity had capital commitments at 31 March 2022 of £ nil (2021: £nil).

19. COMMITMENTS UNDER OPERATING LEASES

	2022 £'000	2021 £'000
At 31 March 2022 the Charity had total future minimum lease payments under non-cancellable operating leases as follows:		
Plant and machinery:		
Amounts due within 12 months	-	-
Amounts due between 2 and 5 years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Land and buildings:		
Amounts due within 12 months	125	116
Amounts due between 2 and 5 years	500	500
Amounts due after more than 5 years	-	125
	<u>625</u>	<u>741</u>
	<u>625</u>	<u>741</u>

20. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantees amounting to £10 for each member organisation.

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

21. RECONCILIATION OF NET EXPENDITURE TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2022 £'000	2021 £'000
Net (expenditure) / income for the year as per the Statement of Financial Activities	(642)	574
Adjustments for:		
Depreciation	1,063	892
FRS102 pension adjustments	515	325
(Increase) / decrease in stocks	12	(57)
(Increase) / decrease in debtors	(156)	168
Increase / (decrease) in creditors	(282)	303
Net cash provided by / used in operating activities	<u>510</u>	<u>2,205</u>

22. RELATED PARTY TRANSACTIONS

During the year the Charity made recharges of £nil (2021: £83,939) to Culture Coventry Ventures Limited. At 31 March 2022, the Charity was owed £137 (2021: £9,313) by the company.

23. FINANCIAL INSTRUMENTS

The carrying amount of the Charity's financial instruments at 31 March were:

	2022 £'000	2021 £'000
Financial assets:		
Debt instruments measured at amortised cost	<u>278</u>	<u>11</u>
Financial liabilities:		
Measured at amortised cost	<u>359</u>	<u>762</u>

CULTURE COVENTRY
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

24. CRITICAL ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll-forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical/ areas of judgement

The judgements (apart from those involving estimation) that have the most significant effect on the amounts recognised in the financial statements are disclosed below.

Leasing

In categorising leases as finance leases or operating, leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the charity as lessee.