

**CULTURE COVENTRY**  
**(A Company Limited by Guarantee)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2023**

**Charity number 1152899**  
**Company number 08359113**

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

	<b>PAGE</b>
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 2023**

<b>DIRECTORS</b>	E. Coulon (Chairman) N. R. Aziz R. Blythe J. W. Elliott R. T. A. Medwell W. Parry K. Railton R. A. Shaw
<b>SENIOR MANAGEMENT TEAM</b>	M. Roberts – Curatorial manager K. Suteu – Head of creative digital and media L. Ford – Head of learning and engagement R. Addenbrooke – Head of exhibitions and events J. Biggins – Estates manager
<b>REGISTERED OFFICE</b>	The Herbert Art Gallery & Museum, Jordan Well Coventry, CV1 5QP.
<b>REGISTERED COMPANY NUMBER</b>	08359113 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1152899
<b>AUDITORS</b>	Dafferns LLP, Chartered Accountants, One Eastwood, Harry Weston Road Binley Business Park Binley Coventry CV3 2UB.
<b>BANKERS</b>	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 2023**

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 2023.

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**  
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**TRUSTEES REPORT**  
**(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**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 2023**

**TRUSTEES**

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

E. Coulon – Chair  
R. Medwell  
J. W. Elliott  
K. Railton  
R. A. Shaw  
N. R. Aziz  
R. Blythe  
H. Ward – resigned 10 March 2023  
W. Parry – appointed 10 March 2023

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**

The Trust returned to its full operational capacity after the disruption in previous years as a result of the Covid pandemic. Overall usage of the venues continued to recover amidst the new challenges brought about by cost of living pressures for visitors and the increasing costs of running sizable venues such as museums and galleries.

The delayed UK City of Culture year saw it coming to an end in May 2022, with the momentum that was carried into the remainder of the year shaping a prestigious programme of exhibitions to include Ali Cherri and Brought to Light; Divided Selves; Women in Motorsport; Daniel Lismore – Be Yourself; Everyone Else is Already Taken along with Grown Up In Britain.

Towards the end of the year, the Trust successfully bid for the three year loan of 'Dippy on Tour' from the Natural History Museum, so that 'Dippy in Coventry' opened in late February – the first time that Dippy has been loaned for such an extended period of time, with the possibility to renew the agreement at the end of the three years. The first week of the opening of 'Dippy in Coventry' attracted record visitor numbers, with 12,786 people enjoying the experience, which also impacted upon secondary revenues within the retail and catering areas of the business.

The secondary visitor impact of such a popular attraction was also noticeable, as the Divided Selves exhibition immediately recorded the highest level of visitors to a temporary exhibition in the history of the Herbert Art Gallery and Museum.

The Learning and Engagement Team were shortlisted to the final three of 200 nominations for the Kids in Museums award, eventually finishing as the highly credible runners up; whilst also being finalists in the Coventry & Warwickshire Live – Business Awards, within the category of 'Innovation in the Cultural Sector'.

Similarly, the team coordinated and exhibited the hugely successful Coventry Banner Project, which invited participants and groups from across the city to express freely on issues and areas of activism that they believed to be relevant and powerful within their own lives or communities. The exhibition was so successful that the engagement with this project is continuing digitally, with stories behind the banners having been collected and compiled into video content.

Working as part of the wider CV Life network and objective, the Thriving Communities programme saw 1,175 participants engaged across a 12-month period, through wider partnerships at Coventry Sports Foundation, Coventry Libraries, Belgrade Theatre and Together in Action.

The team also worked to deliver the successful Holiday Activity and Food (HAF) programme from both the Herbert Art Gallery and Museum and Coventry Transport Museum, with future commissioning of these activities set to benefit from a wider and more consolidated programme across CV Life.

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES REPORT**  
**(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**ACTIVITIES AND ACHIEVEMENTS DURING THE YEAR (continued)**

Work continued throughout the year on the proposed development of the City Centre Cultural Gateway – one of the most substantial cultural asset and partnership developments in the city, whereby Culture Coventry will be partnering with Arts Council England and the British Council within the future setting of a national Collections Centre. This partnership will facilitate a range of collaborations in the future along with opportunities for professional development.

Whilst the year has continued to be extremely productive with the development of key initiatives, the Trustees remain mindful of the economic challenges – at government; sector; and household levels, all of which have an impact upon the business of Culture Coventry Trust.

Accordingly, the Trust was successful in its application to Arts Council England for the three year extension of its NPO funding at the existing level of £407k per annum; whilst Coventry City Council similarly agreed to a one year renewal of the Funding and Management Agreement with the Trust.

However, the overarching commentary is one where grant and core service funding are remaining stagnant within an economy that is currently challenged by inflation and spiralling costs. Therefore, the challenge for the Trust over the coming year will be to explore strategies that secure future sustainability within a business that not only wants to provide its ongoing level of high quality services, but to also expand into new areas of high impact programmes and partnerships.

As always, the Trustees would like to extend their thanks and express sincere appreciation to the teams of staff, volunteers and partner organisations who make the Trust's contribution to the cultural life of the city possible, especially when set within the context of the challenges currently being faced. The Trustees are extremely grateful for the manner in which the teams continue to use this challenge and adversity as a means for exploring innovation and new ways of working.

**FINANCIAL REVIEW**

Income for the year was £3,741,000 compared to £4,841,000 in the previous year, whilst the total expenditure was £5,178,000 compared to £5,483,000 in the previous year. This resulted in a net deficit of (£1,437,000), before accounting for pension fund actuarial adjustments, compared to a deficit of (£642,000) in the previous year. Charitable expenditure includes depreciation of £1,072,000.

The actuarial gain on the pension fund valuation was £4,375,000 (2022: Gain £2,460,000). The net movement of funds on the SOFA was a surplus of £2,938,000. Therefore, as at 31 March 2023 the charity had total funds of £4,752,000 compared to £1,814,000 in the year ending 31 March 2022.

Unrestricted charitable funds were in surplus by £1,210,000, compared to a surplus of £1,213,000 in the previous year. This excluded the pension scheme reserve surplus of £558,000, which compared with a reserve deficit of (£3,427,000) in the previous year.

Restricted funds at 31 March 2023 were £2,984,000 a decrease of £1,044,000 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.

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES REPORT**  
**(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**GOING CONCERN AND FUTURE PLANS**

The charity has total reserves of £4,752,000 at 31st March 2023 of which £1,768,000 is unrestricted. The charity had net current assets of £1,119,000 as at 31 March 2023 (2022: £1,209,000).

The charity has received confirmation from Coventry City Council of its continued commitment to the Funding and Management Agreement for a period of at least 12 months from the approval of these financial statements. 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.

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.

**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.

**RESERVES POLICY**

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 2023, 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 £1,210,000 (2022: £1,213,000).

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES REPORT**  
**(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**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 2023**

**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



E. Coulon

Trustee

Date: 24 November 2023

## **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 2023, 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 2023, 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](http://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: 24 November 2023

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

		Unrestricted Fund	Restricted Fund	Total Funds 2023	Unrestricted Fund	Restricted Fund	Total Funds 2022
	Note	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>							
Donations and legacies		12	-	12	21	-	21
Charitable activities	2	3,096	167	3,263	3,107	1,306	4,413
Other trading activities	3	466	-	466	407	-	407
<b>Total Income</b>		<b>3,574</b>	<b>167</b>	<b>3,741</b>	<b>3,535</b>	<b>1,306</b>	<b>4,841</b>
<b>Expenditure on:</b>							
Raising funds		(280)	-	(280)	(203)	-	(203)
Charitable activities		(3,648)	(1,250)	(4,898)	(3,477)	(1,803)	(5,280)
<b>Total expenditure</b>	4	<b>(3,928)</b>	<b>(1,250)</b>	<b>(5,178)</b>	<b>(3,680)</b>	<b>(1,803)</b>	<b>(5,483)</b>
<b>Net income / (expenditure)</b>		<b>(354)</b>	<b>(1,083)</b>	<b>(1,437)</b>	<b>(145)</b>	<b>(497)</b>	<b>(642)</b>
Transfers between Funds		(39)	39	-	-	-	-
		<b>(393)</b>	<b>(1,044)</b>	<b>(1,437)</b>	<b>(145)</b>	<b>(497)</b>	<b>(642)</b>
<b>Other recognised gains and losses:</b>							
Actuarial gain / (loss) on defined benefit pension scheme	14	4,375	-	4,375	2,460	-	2,460
<b>Net movement in funds</b>		<b>3,982</b>	<b>(1,044)</b>	<b>2,938</b>	<b>2,315</b>	<b>(497)</b>	<b>1,818</b>
<b>Reconciliation of funds:</b>							
Funds at 1 April 2022		(2,214)	4,028	1,814	(4,529)	4,525	(4)
<b>Funds at 31 March 2023</b>		<b>1,768</b>	<b>2,984</b>	<b>4,752</b>	<b>(2,214)</b>	<b>4,028</b>	<b>1,814</b>

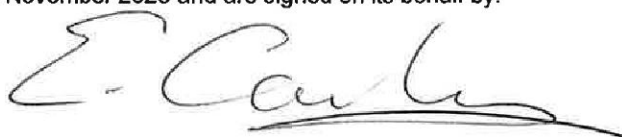
The Statement of Financial Activities includes all gains and losses in the financial period. All income and expenditure derive from continuing operations.

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

		2023		2022	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS:</b>					
Tangible assets	8		3,075		4,032
Investments	9		-		-
			<u>3,075</u>		<u>4,032</u>
<b>CURRENT ASSETS:</b>					
Stocks	10	112		44	
Debtors	11	152		425	
Cash at bank and in hand		1,244		1,195	
		<u>1,508</u>		<u>1,673</u>	
<b>CREDITORS:</b>					
Amounts falling due within one year	12	(389)		(455)	
		<u></u>		<u></u>	
<b>NET CURRENT ASSETS</b>			1,119		1,209
			<u></u>		<u></u>
<b>Net assets excluding pension liability</b>			4,194		5,241
Defined benefit pension scheme	14		558		(3,427)
			<u></u>		<u></u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			4,752		1,814
			<u></u>		<u></u>
<b>RESERVES:</b>					
Restricted funds	13		2,984		4,028
			<u></u>		<u></u>
Unrestricted funds			1,210		1,213
Pension funds	14		558		(3,427)
			<u></u>		<u></u>
			1,768		(2,214)
			<u></u>		<u></u>
<b>Total Funds</b>			4,752		1,814
			<u></u>		<u></u>

The financial statements on pages 12 to 30 were approved by the board of directors and authorised for issue on 24 November 2023 and are signed on its behalf by:

E. Coulon



**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

	Note	2023 £'000	2022 £'000
<b>Cashflows from operating activities:</b>			
Net cash provided by / (used in) operating activities	21	164	510
		<hr/>	<hr/>
<b>Cashflows from investing activities:</b>			
Purchase of tangible fixed assets		(115)	(187)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(115)</b>	<b>(187)</b>
		<hr/>	<hr/>
<b>Cashflows from financing activities:</b>			
Repayments of borrowings		-	(59)
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(59)</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>49</b>	<b>264</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,195</b>	<b>931</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>		<b>1,244</b>	<b>1,195</b>
		<hr/>	<hr/>

**Analysis of cash and cash equivalents**

	2023 £'000	2022 £'000
Cash at bank and in hand	1,244	1,195
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b>1,244</b>	<b>1,195</b>
	<hr/>	<hr/>

**Analysis of changes in net debt**

	1 April 2022 £'000	Cashflows £'000	31 March 2023 £'000
Cash and Cash Equivalents	1,195	49	1,244
	<hr/>	<hr/>	<hr/>

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**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.

**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.

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**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.

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.

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**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	between 3 - 6 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 2023**

**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 2023**

**2. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Fund	Restricted Fund	Total Funds 2023	Unrestricted Fund	Restricted Fund	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Coventry City Council Funding	1,976	-	1,976	1,975	373	2,348
Arts Council England Funding	407	-	407	407	671	1,078
Admissions Income	422	-	422	342	-	342
Other Income	291	167	458	383	262	645
	<u>3,096</u>	<u>167</u>	<u>3,263</u>	<u>3,107</u>	<u>1,306</u>	<u>4,413</u>

**3. INCOME FROM TRADING ACTIVITIES**

	Unrestricted Fund	Restricted Fund	Total Funds 2023	Unrestricted Fund	Restricted Fund	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Conferencing and Room Hire	67	-	67	98	-	98
Café	191	-	191	188	-	188
Shop Sales	164	-	164	89	-	89
Other Income	44	-	44	32	-	32
	<u>466</u>	<u>-</u>	<u>466</u>	<u>407</u>	<u>-</u>	<u>407</u>

**4. EXPENDITURE**

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2023 £'000	Total 2022 £'000
Costs of raising funds	105	-	175	280	203
Charitable activities:					
Direct costs	2,185	-	-	2,185	2,474
Allocated support costs	-	1,072	1,641	2,713	2,806
	<u>2,290</u>	<u>1,072</u>	<u>1,816</u>	<u>5,178</u>	<u>5,483</u>

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**4. EXPENDITURE (continued)**

	2023 £'000	2022 £'000
Allocated support costs:		
Heat and light	361	195
Advertising and promotions	343	840
Travel and subsistence	4	20
Printing and stationery	12	29
Computer costs	46	63
Telephone	9	6
Insurance	44	39
Vehicle Storage	130	121
Repairs and maintenance	157	158
Depreciation	1,072	1,062
Other expenditure	495	243
Governance costs	40	30
	<u>2,713</u>	<u>2,806</u>

**5. NET EXPENDITURE FOR THE YEAR**

	2023 £'000	2022 £'000
Net expenditure for the year is stated after charging:		
Depreciation and amounts written off tangible fixed assets:		
Charge for period:		
Owned assets	1,072	1,063
Operating lease rentals:		
Land and buildings	125	125
Auditors' remuneration:		
Statutory audit	20	19
Accountancy services	2	2
	<u>2</u>	<u>2</u>

**6. EMPLOYEES**

	2023 No.	2022 No.
The average monthly number of persons employed during the year was:		
Total staff (actual / full time equivalent)	<u>78 / 67</u>	<u>88 / 67</u>
	2023 £'000	2022 £'000
Staff costs for the above persons:		
Wages and salaries	1,666	1,831
Social security costs	116	94
Pension costs	508	640
	<u>2,290</u>	<u>2,565</u>

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**6. EMPLOYEES (continued)**

In 2023 no employees received emoluments over £60,000. (2022: nil).

The employer pension contribution for these staff members was paid at the rate disclosed in note 16.

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 £213,261 (2022: £359,153).

No Trustees received any remuneration during the year ended 31 March 2023 (2022: £nil). Expenses of £82 were reimbursed to one trustee during the year (2022: £nil).

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 2023.

**8. TANGIBLE FIXED ASSETS**

	Museum refurbishment costs £'000	Fixtures, fittings & computer equipment £'000	Total £'000
Cost:			
1 April 2022	9,771	672	10,443
Additions	20	95	115
Disposals	-	-	-
31 March 2023	<u>9,791</u>	<u>767</u>	<u>10,558</u>
Depreciation:			
1 April 2022	5,947	464	6,411
Charge for year	979	93	1,072
Disposals	-	-	-
31 March 2023	<u>6,926</u>	<u>557</u>	<u>7,483</u>
Net Book Value:			
31 March 2023	<u>2,865</u>	<u>210</u>	<u>3,075</u>
31 March 2022	<u>3,824</u>	<u>208</u>	<u>4,032</u>

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**9. FIXED ASSET INVESTMENTS**

	2023 £'000	2022 £'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.

Culture Coventry Ventures Limited has been dormant from 1 April 2021.

**10. STOCKS**

	2023 £'000	2022 £'000
Shop stock	112	44

**11. DEBTORS**

	2023 £'000	2022 £'000
Trade debtors	57	33
Prepayments and accrued income	79	147
Other debtors	16	245
	<u>152</u>	<u>425</u>

**12. CREDITORS**

	2023 £'000	2022 £'000
Trade creditors	230	244
Other taxation and social security	69	77
Accruals and deferred income	77	115
Other Creditors	13	19
	<u>389</u>	<u>455</u>

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**12. CREDITORS (continued)**

Analysis of movements in deferred income:

	2023 £'000	2022 £'000
1 April 2022	75	85
Income released in year	(75)	(85)
Income deferred in year	-	75
	<u>-</u>	<u>75</u>
31 March 2023	<u>-</u>	<u>75</u>

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

**13. RESTRICTED FUNDS**

	Balance 31 March 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 March 2023 £'000
Donations and grants	163	167	(271)	11	70
Arts Council England	274	-	-	(274)	-
Heritage Lottery Funding/ European Regional Development Fund Refurbishment	2,507	-	(832)	-	1,675
Gallery Refurbishment	1,084	-	(147)	302	1,239
	<u>4,028</u>	<u>167</u>	<u>(1,250)</u>	<u>39</u>	<u>2,984</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. Funding received in respect of the Gallery refurbishment in previous years has been transferred to the Gallery Refurbishment fund.

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 4<sup>th</sup> 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.

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**14. PENSION FUND**

	2023 £'000	2022 £'000
1 April 2022	(3,427)	(5,372)
(Charge) / credit in the year	(485)	(599)
Actuarial gain on defined benefit pension scheme	4,375	2,460
Reversal of items relating to retirement benefits included in the Statement of Financial Activities	95	84
31 March 2023	<u>558</u>	<u>(3,427)</u>

**15. ANALYSIS OF NET ASSETS / (LIABILITIES) BETWEEN FUNDS**

	Unrestricted Fund £'000	Restricted Fund £'000	Total Funds 2023 £'000	Unrestricted Fund £'000	Restricted Fund £'000	Total Funds 2022 £'000
Tangible fixed assets	210	2,865	3,075	208	3,824	4,032
Current assets	1,389	119	1,508	1,460	204	1,664
Current liabilities	(389)	-	(389)	(455)	-	(455)
Long term liabilities	-	-	-	-	-	-
Defined benefit pension scheme liability	558	-	558	(3,427)	-	(3,427)
Net assets / (liabilities)	<u>1,768</u>	<u>2,984</u>	<u>4,752</u>	<u>(2,214)</u>	<u>4,028</u>	<u>1,814</u>

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**16. 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 2023. The total contributions made for the year ended 31 March 2023 was £174,000 (2022: £134,000), of which employer's contributions totalled £95,000 (2022: £84,000). Employee's contributions for the year totalled £79,000 (2022: £50,000).

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 2023 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:

	2023	2022
	%	%
Rate of increase in salaries	3.95	4.20
Rate of increase or pensions in payment	2.95	3.20
Discount rate	4.75	2.70

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

	2023	2022
Post retirement mortality assumptions:		
Retiring today		
Males	20.4	21.2
Females	23.2	23.6
Retiring in 20 years		
Males	21.7	22.9
Females	25.1	25.4

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**16. 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:	
	2023	2022
	£'000	£'000
Equities	11,986	11,692
Bonds	3,878	3,839
Property	1,234	1,222
Cash	529	698
Total fair value of assets	17,627	17,450
Present value of scheme liabilities	(13,787)	(20,877)
Net pension asset / (liability) before unrecognised surplus	3,840	(3,427)
Unrecognised surplus due to asset ceiling	(3,282)	-
Net pension asset / (liability)	558	(3,427)

	2023	2022
	£'000	£'000
<b>Changes in present value of the defined benefit obligations:</b>		
Opening defined benefit obligation	20,877	21,733
Current service cost	389	488
Interest cost	564	436
Contributions by scheme participants	79	50
Change in financial assumptions	(7,312)	(1,370)
Change in demographic assumptions	(351)	(123)
Experience loss / (gain) on defined benefit obligation	(60)	45
Benefits paid	(399)	(382)
Closing defined benefit obligation	13,787	20,877



**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**16. PENSIONS AND POST-RETIREMENT BENEFITS (continued)**

	2023 £'000	2022 £'000
<b>Changes in the fair value of plan assets:</b>		
Opening plan assets	17,450	16,361
Interest on assets	468	325
Return on assets excluding interest	(562)	1,012
Experience loss / (gain) on defined benefit obligation	496	-
Contributions by employer	95	84
Contributions by scheme participants	79	50
Benefits paid	(399)	(382)
Closing plan assets	<u>17,627</u>	<u>17,450</u>

	2023 £'000	2022 £'000
<b>Analysis of actuarial loss on defined benefit pension scheme:</b>		
Return on fund assets excluding interest	(562)	1,012
Other actuarial gains / (losses) on asset	496	-
Change in financial assumptions	7,312	1,370
Change in demographic assumptions	351	123
Experience loss / (gain) on defined benefit obligation	60	(45)
Effects of changes in the amount of surplus not recoverable - gain / (loss)	(3,282)	-
Actuarial loss	<u>4,375</u>	<u>2,460</u>

	2023 £'000	2022 £'000
<b>Analysis of amounts charged to Statement of Financial Activities:</b>		
Current service cost & post service cost	389	488
Net interest on the defined liability	96	111
	<u>485</u>	<u>599</u>

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**16. 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 £44,091 (2022: £40,927).

**17. CAPITAL COMMITMENTS**

The Charity had capital commitments at 31 March 2023 of £nil (2022: £nil).

**18. COMMITMENTS UNDER OPERATING LEASES**

	2023 £'000	2022 £'000
At 31 March 2023 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	125
Amounts due between 2 and 5 years	375	500
Amounts due after more than 5 years	-	-
	<u>500</u>	<u>625</u>
	<u>500</u>	<u>625</u>

**19. OFF BALANCE SHEET ARRANGEMENT**

During the year the charity was loaned assets by The Natural History Museum to display in The Herbert Art Gallery & Museum for a period of 3 years from February 2023.

The valuation of the assets has been estimated at £1,155,400 which has not been included on the balance sheet of the charity as ownership has not been taken of the assets.

**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 2023**

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

	2023 £'000	2022 £'000
Net (expenditure) / income for the year as per the Statement of Financial Activities	(1,437)	(642)
Adjustments for:		
Depreciation	1,072	1,063
FRS102 pension adjustments	390	515
(Increase) / decrease in stocks	(68)	12
(Increase) / decrease in debtors	273	(156)
Increase / (decrease) in creditors	(66)	(282)
Net cash provided by / used in operating activities	<u>164</u>	<u>510</u>

**22. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year (2022: £nil).

**23. FINANCIAL INSTRUMENTS**

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

	2023 £'000	2022 £'000
<b>Financial assets:</b>		
Debt instruments measured at amortised cost	<u>73</u>	<u>278</u>
<b>Financial liabilities:</b>		
Measured at amortised cost	<u>320</u>	<u>359</u>

**CULTURE COVENTRY**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**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 pension liability at 31 March 2023. 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.